

Auditor's Report
on accounting (financial) statements
of Joint Stock Company
“Moscow United Electric Grid Company”
for 2014

February 2015

**Auditor's Report on accounting (financial) statements
of Joint Stock Company
"Moscow United Electric Grid Company"**

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Independent Auditor's Report

Attn. the Shareholders and the Board of Directors of Joint-Stock Company "Moscow United Electric Grid Company"

We have audited the attached accounting (financial) statements of Joint-Stock Company "Moscow United Electric Grid Company", which consists of a Balance Sheet as of December 31, 2014, Financial Results Report for 2014 and supplements thereto.

Responsibility of the audited person for the accounting (financial) statements

The management of Joint-Stock Company "Moscow United Electric Grid Company" is fully responsible for the preparation and fair presentation of the said accounting (financial) statements in accordance with the rules on the preparation of accounting (financial) statements set out in the Russian Federation and for such internal control system as required to enable the preparation of the accounting (financial) statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

We are responsible for expression of opinion on the credibility of these statements based on the audited conducted by us.

We have conducted our audit in accordance with the Federal Standards of Auditing adopted in the Russian Federation and the International Standards of Auditing. The said standards require full compliance with the applicable ethics rules, as well as planning and conduct of audit in such a manner as to obtain reasonable assurance that the accounting (financial) statements are free of material misstatement.

An audit involves performing auditing procedures established to obtain audit evidence about the amounts and disclosures in the accounting (financial) statements. The selection of the auditing procedures is made by the auditor itself based on the assessment of the risk of material misstatements in the accounting (financial) statements, whether due to fraud or error. While assessing the said risk the auditor examines the internal control system enabling the preparation and fair presentation of the accounting (financial) statements with the view to select the appropriate auditing procedures, but not for the purpose of expressing any opinion on the efficiency of the internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the evaluation of the overall presentation of the accounting (financial) statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the accounting (financial) statements give a true and fair view of the financial position of Joint-Stock Company "Moscow United Electric Grid Company" as of December 31, 2014 and of the results of its operations and cash flows for 2014 in accordance with the the rules on the preparation of accounting (financial) statements set out in the Russian Federation.

Other information

The audit of the accounting (financial) statements of Joint-Stock Company "Moscow United Electric Grid Company" for 2013 and 2012 was conducted by another auditor which issued an auditor's report expressing unmodified opinions dated February 28, 2014 and March 5, 2013 respectively.

The attached accounting (financial) statements are not aimed at describing the financial position and results of the operations in accordance with any accounting principles or methods generally accepted in other countries and other administrative-territorial entities, except for those applicable within the Russian Federation. Therefore, the attached accounting (financial) statements are not intended for any persons who are not familiar with the accounting principles, procedures and methods adopted in the Russian Federation.

T.L. Okolotina
Partner, Ernst & Young LLC
February 27, 2015

Information about the audited person

Full name: Joint Stock Company "Moscow United Electric Grid Company"
The entry was made in the Uniform Register of Legal Entities and State Registration Number 1057746555811 was assigned on April 1, 2005.
Location: 3, bldg. 2, 2nd Paveletsky proezd, Moscow, 115114, Russian Federation

Data on the auditor

Name: Ernst & Young LLC
The entry was made in the Uniform Register of Legal Entities and State Registration Number 1027739707203 was assigned on December 5, 2002.
Location: 77, bldg. 1, Sadobnicheskaya nab., 115035 Moscow
Ernst & Young LLC is a member of the Self-Regulating Organization of Auditors Non-Profit Partnership "Russian Audit Chamber" (SRO NPP RAC). Ernst & Young LLC is included in the control register of auditors and audit organizations under principle registration number 10201017420.

**Balance Sheet
as of December 31, 2014**

Organization – JSC "Moscow United Electric Grid Company"

Taxpayer's Identification Number

Type of economic

activity Electric power transmission

Business legal structure/form of ownership Open Joint Stock Company/private ownership

Unit of measurement: thous. RUR

Location (address): 3, bldg. 2, 2nd Paveletsky proezd, 115114 Moscow, Russia

		Codes
Form acc. to OKUD (All-Russia Classifier of Management Documentation)		0710001
Date (day, month, year)	31.12.2014	
Acc. to OKPO (All-Russia Classifier of Enterprises and Organizations)		75273098
TIN		5036065113
Acc. to OKVED (All-Russian Classifier of Types of Economic Activity)		40 10 2
Acc. to OKOPF (All-Russian Classifier of Legal Structures of Businesses)/OKFS (All-Russian Classifier of Forms of Ownership)		47/16
Acc. to OKEI (All-Russian Classifier of Measurement Units)		384

Explanations	Indicator name	Code of line	as of December 31, 2014 (1)	As of December 31, 2013 (2)	As of December 31, 2012 (3)
ASSETS					
I. NONCURRENT ASSETS					
5.1.1.-5.2.2.	Intangible assets	1110	977,865	415,369	1.13
5.2.2.	including unfinished operations regarding the intangible assets acquisition	1111	885,441	366,518	
5.2.1.-5.2.2.	Results of researches and developments	1120	227,744	105,245	68.36
5.2.2.	including expenses in respect of unfinished researches and developments	1121	227,744	105,245	68.36
	Intangible exploration assets	1130			
	Tangible exploration assets	1140			
5.3.1.-5.3.6.	Fixed assets	1150	275,494,411	251,175,226	217,106.61
	land plots and nature management facilities	1151	93,579	88,883	88.37
	buildings, machines and equipment, structures	1152	244,757,526	219,510,146	191,348.80
	other kinds of fixed assets	1153	2,830,226	2,155,979	2,078.29
5.3.5.	construction-in-process	1154	27,129,666	28,475,879	22,433.26
5.3.6.	advance payments granted for capital construction and purchase of fixed assets	1155	324,475	587,394	791.67
	raw material and materials meant to be used when creating the fixed assets*	1156	358,939	356,945	366.21
5.3.1.	Income-yielding investments into tangible assets	1160	-	-	
	property to be leased out	1161			
	property assigned under lease agreement	1162			
5.4.1.-5.4.3.	Financial investments	1170	4,824,444	4,879,324	5,441,395
	investments into subsidiary companies	1171	3,901,819	3,956,699	3,954,644
	investments into dependent companies	1172			
	investments into other organizations	1173			
	loans granted to organizations for the period of more than 12 months	1174			
	financial investments	1175	922,625	922,625	1,486,751
5.7.2.	Deferred tax assets	1180	4,360,863	3,759,351	1,965,763
	Other non-current assets	1190	174,654	176,652	469,996
	TOTAL on section I	1100	286,059,981	260,511,167	225,053,268
II. CURRENT ASSETS					
5.5.1.-5.5.2.	Inventories	1210	2,429,390	4,444,679	4,839,955
	raw material, materials and other similar valuables	1211	2,146,900	2,089,367	2,347,107
	expenses in production-in-process	1212	282,489	2,355,311	2,491,248
	finished products and goods for resale	1213	1	1	1,600
	goods shipped	1214			
	other inventories and expenses	1215			
	Value added tax on purchased valuables	1220	132,439	1,588,200	418,582
5.6.1.-5.6.4.	Accounts receivable	1230	26,672,617	25,014,439	42,249,653
	Payments on which are expected in more than 12 months after reporting date	1231	6,312,600	7,874,958	26,748,365
	buyers and customers	123101			
	bills receivable	123102			
	advances paid	123103	6,312,600	7,874,958	26,748,365
	other accounts receivable	123104			
	Payments on which are expected during 12 months after reporting date	1232	20,360,017	17,139,481	15,501,286
	buyers and customers	123201	12,456,551	10,424,547	9,953,144
	bills receivable	123202			
	receivables from subsidiary and dependent companies on dividends	123203			
	receivables from members (founders) in respect to contributions to the authorized capital	123204			
	advances paid	123205	3,625,750	3,201,678	3,993,097
	other accounts receivable	123206	4,277,716	3,513,256	1,555,047
5.4.1.-5.4.3.	Financial investments (except for cash-equivalent items)	1240	550,000	468,747	
	loans granted to organizations for the period of less than 12 months	1241	550,000		
	other short-term financial investments	1242		468,747	
F.4	Monetary assets and cash-equivalent items	1250	4,181,775	1,481,173	7,627,991
	cash	1251	171	161	5,041
	settlement accounts	1252	4,178,820	1,477,202	7,620,140
	currency accounts	1253	62	43	105
	other monetary assets	1254	2,722	3,767	2,705
	Other current assets	1260	6,010,078	6,166,379	6,557,676
	Total on section II	1200	39,976,299	39,163,617	61,693,857
	BALANCE	1600	326,036,280	299,674,784	286,747,125

Explanations	Indicator name	Code of line	as of December 31, 2014 (1)	as of December 31, 2013 (2)	as of December 31, 2012 (3)
LIABILITIES					
III. CAPITAL AND RESERVES					
3.1	Authorized capital (joint-stock capital, authorized fund, contributions of partners)	1310	24,353,546	24,353,546	24,353,546
3.1.	Own shares bought back from shareholders	1320			
5.3.1..5.1.1.	Reassessment of non-current assets	1340	47,083,469	47,147,842	47,546,302
3.1.	Added capital (without reassessment)	1350	21,680,990	21,680,990	21,680,990
3.1.	Reserve capital	1360	1,217,678	1,217,678	1,217,678
3.1.	Unallocated profit (uncovered loss) of past years	1370	89,451,254	84,088,745	76,345,463
	of reporting period	1371	81,242,869	72,447,908	76,345,463
		1372	8,208,385	11,640,837	
	Total on section III	1300	183,786,937	178,488,801	171,143,979
IV. LONG-TERM OBLIGATIONS					
5.6.7.-5.6.8.	Borrowings	1410	52,121,317	51,721,317	49,300,527
	credits of banks which are subject to repayment in more than 12 months after reporting date	1411	42,121,317	36,721,317	39,300,527
	loans subject to repayment in more than 12 months after reporting date	1412	10,000,000	15,000,000	10,000,000
5.7.2.	Deferred tax liabilities	1420	5,710,124	4,787,782	3,757,067
5.7.1.	Estimated liabilities	1430			
56.5-5.6.6.	Other liabilities	1450	8,226,560	6,536,118	2,327,199
	Total on section IV	1400	66,058,001	63,045,217	55,384,793
V. SHORT-TERM OBLIGATIONS					
5.6.7.-5.6.8.	Borrowings	1510	21,286,004	5,805,715	3,228,999
	credits of banks subject to repayment during 12 months after reporting date	1511	10,774,315	5,443,767	3,031,296
	loans which are subject to repayment during 12 months after reporting date	1512	10,511,689	361,948	197,701
5.6.5.-5.6.6.	Accounts payable	1520	51,383,344	48,927,224	50,831,403
	suppliers and contractors	1521	18,378,124	15,456,661	9,102,021
	bills payable	1522			
	indebtedness on labor payment to personnel	1523	46	187	4,373
	indebtedness to the state non-budgetary funds	1524	159,694		91
	indebtedness on taxes and levies	1525	1,235,813	238,192	1,369,575
	advances received	1526	31,488,915	33,220,359	40,283,462
	indebtedness to participants (founders) on revenues payout	1527			
	other accounts payable	1528	120,752	11,825	71,881
	Deferred revenues	1530			
5.7.1.	Estimated liabilities	1540	2,423,840	2,309,660	4,850,551
	Other liabilities	1550	1,098,154	1,098,167	1,307,400
	Total on section V	1500	76,191,342	58,140,766	60,218,353
	BALANCE	1700	326,036,280	299,674,784	286,747,125

Director _____
(signature)

P.A. Sinyutin _____
(printed name)

Chief Accountant _____
(signature)

V.V. Vitinskiy _____
(printed name)

February 27, 2015

**Financial Results Report
for 12 months of 2014**

Organization – JSC "Moscow United Electric Grid Company"	Form acc. to OKUD (All-Russian Classifier of Management Documentation)	Codes
Taxpayer's Identification Number	Date (day, month, year)	0710002
Type of economic Activity <u>Electric power transmission</u>	Acc. to OKPO (All-Russian Classifier of Enterprises and Organizations)	31 12 2014
Business legal structure/form of ownership <u>Open Joint Stock Company/private ownership</u>	TIN	75273098
Unit of measurement: thous. RUR	Acc. to OKVED (All-Russian Classifier of Types of Economic Activity)	5036065113
	Acc. to OKOPF (All-Russian Classifier of Legal Structures of Businesses)/OKFS (All-Russian Classifier of Forms of Ownership)	40.10.2
	Acc. to OKEI (All-Russian Classifier of Measurement Units)	47/16
		384

Explanations	Indicator name	Code	For 12 months of 2014 (1)	For 12 months of 2013 (2)
1	2	3	4	5
	Proceeds	2110	125,260,155	124,730,776
	including			
	Proceeds from electric power transmission	2111	112,508,624	110,980.50
	Proceeds from grid connection	2112	11,829,957	13,230.99
	Proceeds from organization of functioning and development of UES of Russia as to the distribution electric grid complex	2113		
	Proceeds from resale of electric power and capacity	2114		
	revenues from participation in other organizations	2115		
	revenues from lease	2116	79,127	39,233
	Proceeds from sales of other industrial products, goods, works, services	2117	842,447	480,053
	Proceeds from sales of other non-industrial products, goods, works, services	2118		
2.1.	Prime cost of sales	2120	(108,710,870)	(103,022,976)
	including			
	prime cost of electric power transmission	2121	(107,373,517)	(101,890,969)
	prime cost of grid connection	2122	(947,804)	(969,465)
	prime cost of organization of functioning and development of UES of Russia as to the distribution electric grid complex	2123		
	prime cost of resale of electric power and capacity	2124		
	prime cost of participation in other organizations	2125		
	prime cost of lease services	2126	(27,904)	(8,406)
	prime cost of other industrial products, goods, works, services	2127	(361,645)	(154,136)
	prime cost of other non-industrial products, goods, works, services	2128		
	Gross profit (loss)	2100	16,549,285	21,707,800
2.1.	Commercial expenses	2210		
2.1.	Managerial expenses	2220		
	Profit (loss) from sales	2200	16,549,285	21,707,800
	Revenues from participation in other organizations	2310	2,709	14,302
	Interest receivable	2320	550,009	378,036
	Interest payable	2330	(3,456,957)	(2,447,840)
5.11.	Other revenues	2340	9,402,589	10,765,590
5.11.	Other expenses	2350	(11,148,208)	(14,794,346)
	Pretax profit (loss)	2300	11,899,427	15,623,542
23	Current profit tax	2410	(4,643,457)	(5,197,223)
2.3	including permanent tax liabilities (assets)	2421	2,584,402	1,173,141
23	Change of deferred tax liabilities	2430	(922,342)	(1,030,715)
23	Change of deferred tax assets	2450	601,512	1,930,089
23	Other	2460	1,273,245	315,144
	Net profit (loss)	2400	8,208,385	11,640,837

Explanations	Indicator name	Code	For 2014 (1)	For 2013 (2)
5.1.1.	FOR REFERENCE:			
5.3.1.	Result of reassessment of non-current assets, which is not included into period's net profit (loss)	2510		
3.2.	Result from other operations, which is not included into period's net profit (loss)	2520		
	Total financial result of the period	2500	8,208,385	11,640,837
2.2.	Base profit (loss) per share	2900	0.00017	0.00024
2.2.	Diluted profit (loss) per share	2910		

Director _____ P.A. Sinyutin _____ V.V. Vitinsky
(signature) (printed name)

February 27, 2015

Statement of Changes in Equity for 2014

Organization – JSC "Moscow United Electric Grid Company"

Taxpayer's Identification Number

Type of economic activity Electric power transmission

Legal form of organization/pattern of ownership Open Joint Stock Company/private ownership

Unit of measurement: RUR thous.

Form acc. to OKUD (All-Russian Classifier of Management Documentation)	0710003
Date (day, month, year)	31 12 2014
Acc. to OKPO (All-Russian Classifier of Enterprises and Organizations)	75273098
TIN	5036065113
On ARCTEA (ARCTEA - All-Russian Classifier of Types of Economic Activity)	40 10 2
Acc. to OKOPF (All-Russian Classifier of Legal Structures of Businesses)/OKFS (All-Russian Classifier of Forms of Ownership)	47/16
Acc. to OKEI (All-Russian Classifier of Measurement Units)	384

3.1. Capital flow

Indicator name	Code	Authorized capital	Own shares bought back from shareholders	Added capital	Reserve capital	Unallocated profit (uncovered loss)	Total
Amount of capital as of December 31, 2012 (1)	3100	24,353,546	-	69,227,292	1,217,678	76,345,463	171,143,979
For 2013 (2)							
Increase of capital -total:	3210	-	-	-	-	11,640,837	11,640,837
including:							
net profit	3211	X	X	X	X	11,640,837	11,640,837
reassessment of property	3212	X	X		X		-
incomes posted directly to capital increase	3213	X	X		X		
additional issue of shares	3214				X	X	-
increase of nominal cost of shares	3215		X	X	X		X
reorganization of legal entity	3216						-
Decrease of capital -total:	3220	-	-	-	-	(4,296,015)	(4,296,015)
including:							
loss	3221	X	X	X	X		-
reassessment of property	3222	X	X		X		-
Expenses posted directly to capital decrease	3223	X	X		X		
decrease of nominal value of shares	3224			X	X		
decrease of quantity of shares	3225			X	X		-
reorganization of legal entity	3226						-
dividends	3227	X	X	X	X	(4,296,015)	(4,296,015)
Change of added capital	3230	X	X	(398,460)	X	398,460	X
Change of reserve capital	3240	X	X	X			X
Amount of capital as of December 31, 2013 (2)	3200	24,353,546	-	68,828,832	1,217,678	84,088,745	178,488,801
For 2014 (3)							
Increase of capital - total	3310	-	-	-	-	8,208,385	8,208,385
including:							
net profit	3311	X	X	X	X	8,208,385	8,208,385
reassessment of property	3312	X	X		X		-
incomes posted directly to capital increase	3313	X	X		X		
additional issue of shares	3314				X	X	-
increase of nominal cost of shares	3315		X	X	X		X
reorganization of legal entity	3316						-
Decrease of capital - total:	3320	-	-	-	-	(2,910,249)	(2,910,249)
including:							
loss	3321	X	X	X	X		-
reassessment of property	3322	X	X		X		-
Expenses posted directly to capital decrease	3323	X	X		X		
decrease of nominal value of shares	3324		X	X	X		
decrease of quantity of shares	3325			X	X		-
reorganization of legal entity	3326						-
dividends	3327	X	X	X	X	(2,910,249)	(2,910,249)
Change of added capital	3330	X	X	(64,373)	X	64,373	X
Change of reserve capital	3340	X	X	X			X
Amount of capital as of December 31, 2014 (3)	3300	24,353,546	-	68,764,459	1,217,678	89,451,254	183,786,937

3.2. Adjustments due to the accounting policy change and correction of errors

Indicator name	Code	as of December 31, 2012	Capital change for 2013		as of December 31, 2013
			due to net profit	due to other factors	
Capital - total before adjustments	3400	171,143,979	7,344,822		178,488,801
adjustment due to:					
accounting policy change	3410	-	-	-	-
correction of errors	3420	-	-	-	-
after corrections	3500	171,143,979	7,344,822	.	178,488,801
including: unallocated profit (uncovered loss):					
before adjustments	3401	76,345,463	7,344,822	398,460	84,088,745
adjustment due to:					
accounting policy change	3411				-
correction of errors	3421				-
after corrections	3501	76,345,463	7,344,822	398,460	84,088,745
other items of capital, in respect whereof adjustments are made: (on items)					
before adjustments	3402	94,798,516	-	(398,460)	94,400,056
Authorized capital	34021	24,353,546			24,353,546
Own shares bought back from shareholders	34022				
Added capital	34023	69,227,292		(398,460)	68,828,832
Reserve capital	34024	1,217,678		-	1,217,678
adjustment due to:					
accounting policy change	3412				-
correction of errors	3422				-
after corrections	3502	94,798,516	-	(398,460)	94,400,056

JSC "Moscow United Electric Grid Company"
3.3. Net assets

Indicator name	Code	As of December 31, 2014	As of December 31, 2013	As of December 31, 2012
Net assets	3600	183,786,937	178,488,801	171,143,979

Director _____
(signature)

P.A. Sinyutin _____
(printed name)

Chief Accountant _____
(signature)

V.V. Vitinskiy _____
(printed name)

February 27, 2015

**Cash Flow Statement as of
December 31, 2014**

Organization – JSC "Moscow United Electric Grid Company"

Taxpayer's identification number

Type of economic activity: electric power transmission

Business legal structure/form of ownership: Open

Unit of measurement: RUR thous.

Form acc. to OKUD (All-Russia Classifier of Management Documentation)

Date (day, month, year)

Acc. to OKPO (All-Russia Classifier of Enterprises and Organizations)

TIN

On ARCTEA (ARCTEA - All-Russian Classifier of Types of Economic Activity)

Acc. to OKOPF (All-Russian Classifier of Legal Structures of Businesses)/OKFS (All-Russian Classifier of Forms of Ownership)

Acc. to OKEI (All-Russian Classifier of Measurement Units)

Codes
710004
December 31, 2014
75273098
5036065113
40.10.2
47/16
384

Indicator name	Code	For 2014	For 2013
1	2	3	4
Cash flows from current operations		124,908,189	122,621,035
Receipts - total	4110		
including:			
from sale of products, goods, works and services	4111	123,422,857	121,419,566
incl. from sale of products, goods, works and services to parent, subsidiary and dependent companies	411101	9,830	30,430
of rental payments, license payments, royalty, commission and other similar payments	4112	37,506	39,233
incl. from rental payments, license payments, royalty, commission and other similar payments from parent, subsidiary and dependent companies	411201		
from resale of financial investments	4113		
incl. from resale of financial investments to parent, subsidiary and dependent companies	411301		
other receipts	4119	1,447,826	1,162,236
incl. other receipts from parent, subsidiary and dependent companies	411901		
Payments - total	4120	(94,863,221)	(93,207,450)
including:			
to suppliers (contractors) for raw material, materials, works, services	4121	(68,652,333)	(67,237,951)
incl. to suppliers (contractors) for raw material, materials, works, services of parent, subsidiary and dependent companies	412101	(2,117,925)	(1,823,326)
in connection with labor payment of employees	4122	(12,136,236)	(11,242,103)
debenture interest	4123	(3,269,089)	(2,278,192)
incl. interest per debt obligations to parent, subsidiary and dependent companies	412301		
profit tax of organizations	4124	(2,412,388)	(5,249,843)
other payments	4129	(8,393,175)	(7,199,361)
incl. other payments to parent, subsidiary and dependent companies	412901		
Balance of cash flows from current operations	4100	30,044,968	29,413,585
Cash flows from investment operations		753,802	526,650
Receipts - total	4210		
including:			
From sale of non-current assets (except for financial investments)	4211	15,632	416,752
incl. from sale of non-current assets (except for financial investments) to parent, subsidiary and dependent companies	421101		
from sale of shares of other entities (ownership interest)	4212		
incl. from sale of shares of other entities (ownership interest) to parent, subsidiary and dependent companies	421201		
from repayment of granted loans, from sale of debt securities (right of claim of monetary assets to other persons)	4213	454,000	95,597
incl. from repayment of granted loans, from sale of debt securities (right of claim of monetary assets to other persons) of parent, subsidiary and dependent companies	421301		
dividends, interest on debt financial investments and similar receipts from the shared participation in	4214	2,709	14,301
incl. dividends, interest per debt financial investments and similar receipts from the shared participation in other entities from parent, subsidiary and dependent companies	421401	2,709	14,301
other receipts	4219	281,461	
incl. other receipts from parent, subsidiary and dependent companies	421901		
Payments - total	4220	(40,854,769)	(35,235,132)
including:			
due to purchase, creation, renovation, reconstruction and preparation of non-current assets to use	4221	(37,989,051)	(33,571,063)
incl. payments to parent, subsidiary and dependent companies due to purchase, creation, renovation, reconstruction and preparation of non-current assets for use	422101		
due to purchase of shares of other entities (shares of participation)	4222		(218)
incl. payments to parent, subsidiary and dependent companies due to purchase of shares of other entities (shares of participation)	422201		(218)
due to purchase of debt securities (rights to claim monetary assets from other persons), loans granting to other persons	4223	(1,004,000)	
incl. payments to parent, subsidiary and dependent companies due to purchase of debt securities (rights to claim monetary assets from other persons), loans granting to other persons	422301		
interest per debt obligations, included into the cost of an investment asset	4224	(1,861,718)	(1,663,851)
incl. interest per debt obligations, included into the cost of an investment asset to parent, subsidiary and dependent companies	422401		
other payments	4229		
incl. other payments to parent, subsidiary and dependent companies	422901		
Balance of cash flows from investment operations	4200	(40,100,967)	(34,708,482)

Indicator name	Code	For	For
		2014	2013
Cash flows from financial operations		27,101,517	25,572,176
Receipts - total	4310		
including: receipt of credits and loans	4311	22,101,517	20,572,176
incl. receipt of credits and loans from parent, subsidiary and dependent companies	431101		
monetary contributions of owners (participants)	4312		
incl. monetary contributions of owners (participants) of parent, subsidiary and dependent companies	431201		
from issue of shares, increase of share of participation	4313		
incl. from issue of shares, increase of share of participation of parent, subsidiary and dependent companies	431301		
from issue of bonds, bills and other debt securities etc.	4314	5,000,000	5,000,000
incl. from issue of bonds, bills and other debt securities etc. of parent, subsidiary and dependent companies	431401		
other receipts	4319		
incl. other receipts from parent, subsidiary and dependent companies	431901		
Payments - total	4320	(14,344,916)	(26,424,097)
including: to owners (participants) due to the shares buyback from them (shares of participation) of an entity or their withdrawal from membership of the participants	4321		
incl. to owners (participants) due to the shares buyback from them (shares of participation) of an entity or their withdrawal from membership of the participants of parent, subsidiary and dependent companies	432101		
for payment of dividends and other payments on the profit distribution in favor of the owners (participants)	4322	(2,900,934)	(4,124,506)
incl. for payment of dividends and other payments on the profit distribution in favor of the owners (participants) of parent, subsidiary and dependent companies	432201	(2,900,934)	(4,124,506)
due to repayment (buyback) of bills and other debt securities, repayment of credits and loans	4323	(11,408,586)	(20,744,318)
incl. due to repayment (buyback) of bills and other debt securities, repayment of credits and loans to parent, subsidiary and dependent companies	432301		
other payments	4329	(35,396)	(1,555,273)
incl. other payments to parent, subsidiary and dependent companies	432901		
Balance of cash flows from financial operations	4300	12,756,601	(851,921)
Balance of cash flows for the reporting period	4400	(2,700,602)	(6,146,818)
Balance of the monetary assets and cash equivalent items as at reporting period beginning	4450	1,481,173	7,627,991
Balance of the cash and cash equivalents as of reporting period end	4500	4,181,775	1,481,173
Effect of exchange rate changes in relation to ruble	4490		

Director _____ P.A. Sinyutin _____
(signature) (printed name)

Chief Accountant _____
(signature)

V.V. Vitinskiy _____
(printed name)

February 27, 2015

**JSC "Moscow United Electric Grid Company" Explanations to Balance Sheet and Financial Results
Report for 2014**

2.1. Cost of sold goods, works, services by costs elements

Indicator			For 2013
Name	Code		
1	2	3	4
Production costs	6510	108,603,190	102,885,440
including tangible costs	6511	13,345,883	13,609,551
labor payment expenditures	6512	11,997,098	11,455,896
allocations for social needs	6513	2,888,571	2,799,808
depreciation	6514	21,702,412	18,736,568
other expenses	6515	58,669,226	56,283,617
For reference: Changes in inventories and reserves (increase [+], decrease [-]):	6520	(107,680)	(137,536)
including of			
work-in-process	6521	(107,680)	(135,937)
finished products	6522		(1,599)
bought-in goods	6523		
shipped goods	6524		
auxiliary raw materials	6525		
Total cost of sold products (goods, works, services)	6500	108,710,870	103,022,976
including:			
cost of sold goods	6530		
third part management services	6540		
Commercial expenses	6550	-	-
including			
tangible costs	6551		
labor payment expenditures	6552		
allocations for social needs	6553		
depreciation	6554		
other expenses	6555		
Managerial expenses	6560	-	-
including			
tangible costs	6561		
labor payment expenditures	6562		
allocations for social needs	6563		
depreciation	6564		
other expenses	6565		

2.2. Earnings per share, diluted earnings per share

Indicator		For 2014	For 2013
Name	Code		
1	2	3	4
Net profit/loss of the reporting period	6610	8,208,385	11,640,837
Dividends on privileged shares ³	6611		
Basic profit (loss) of the reporting period	6612	8,208,385	11,640,837
Weighted average number of ordinary shares outstanding during the reporting year	6613	48,707,091,574	48,707,091,574
Base profit (loss) per share	6620	0.000169	0.000239
Weighted average market value of one ordinary share	6621		
Potential increase in profits and weighted average number of outstanding shares	6630	X	X
As a result of conversion of preferred shares into ordinary shares	6631	X	X
potential increase in profits	66311		
additional number of shares	66312		
As a result of bond conversion into ordinary shares	6632	X	X
potential increase in profits	66321		
additional number of shares	66322		
As a result of the execution of contracts for purchase and sale of shares at below-market prices	6633	X	X
contractual purchase price	66331		
potential increase in profits	66332		
additional number of shares	66333		
Diluted profit per share	6640	0.0000	0.0000
adjusted basic profit	6641		
adjusted weighted average number of outstanding shares	6642		

2.3. Taxation of profits

Indicator	Code	For 2014	For 2013
1	2	3	4
Pretax profit (loss)	6710	11,899,427	15,623,542
including taxable at the rate of: 20 %	67101	11,899,427	15,623,542
at other rates	67102		
nontaxable	67103		
Permanent differences	6711	12,922,011	5,865,705
For reference:permanent differences corresponding to temporary differences	67111		
Changes of temporary deductible differences	6712	(4,611,711)	(4,496,870)
Changes of temporary taxable differences	6713	3,007,562	9,650,445
Taxation base	6714	23,217,289	26,642,822
Profit tax expense (income)	6720	3,653,130	3,439,852
Nominal profit tax expense (income)	6721	2,379,885	3,124,708
Permanent tax liability (asset)	6722	2,584,402	1,173,141
For reference:change of deferred taxes charged to profits and losses	67221		
Deferred tax expense (income)	6723	(320,830)	899,374
including:			
change of the deferred tax asset	67231	601,512	1,930,089
change of the deferred tax liability	67232	(922,342)	(1,030,715)
Current profit tax	6724	(4,643,457)	(5,197,223)
Adjusted profit tax for previous tax periods	6725	1,273,245	315,144
Other tax payments and penalties from profit	6730		
including on those related to material articles	6731		
Profit (loss) from ordinary activities	6740	8,208,385	11,640,837

5.1. Intangible assets
5.1.1. Existence and flow of intangible assets

Indicator			As of the year beginning				Changes for the period							As of the period end				
Name	Code	Period	Initial/current market value	Accumulated depreciation	Impairment losses	Depreciated cost	Received				Charged depreciation	Impairment loss	Revaluation		Initial/current market value	Accumulated depreciation	Impairment losses	Depreciated cost
								Initial/current market value	Accumulated depreciation	Impairment losses			Initial/current market value	Accumulated depreciation				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Intangible assets -total	5100	for 2014 (1)	55,745	(6,894)	-	48,851	54,619	-	-	-	(11,046)	-	-	-	110,364	(17,940)	-	92,424
	5110	for 2013 (2)	1,258	(126)	-	1,132	54,487	-	-	-	(6,768)	-	-	-	55,745	(6,894)	-	48,851
Intellectual property (exclusive rights to results of intellectual property)	5101	for 2014 (1)	55,745	(6,894)	-	48,851	54,619	-	-	-	(11,046)	-	-	-	110,364	(17,940)	-	92,424
	5111	for 2013 (2)	1,258	(126)	-	1,132	54,487	-	-	-	(6,768)	-	-	-	55,745	(6,894)	-	48,851
including:																		
<i>of the patent holder to inventions, industrial design, useful model</i>	51011	for 2014 (1)	-	-	-	-									•	-	-	•
	51111	for 2013 (2)				-									-	-	-	•
<i>of the right holder to computer software, databases</i>	51012	for 2014 (1)	-	-	-	-									-	-	-	-
	51112	for 2013 (2)				-									-	-	-	-
<i>of the right holder to integrated circuit topographies</i>	51013	for 2014 (1)	-	-	-	-									-	•	-	-
	51113	for 2013 (2)				-									-	-	-	-
<i>of the owner to trademark, service mark, appellation of origin of goods</i>	51014	for 2014 (1)	55,745	(6,894)	-	48,851	54,619				(11,046)				110,364	(17,940)	-	92,424
	51114	for 2013 (2)	1,258	(126)		1,132	54,487				(6,768)				55,745	(6,894)	-	48,851
The Company's business reputation	5102	for 2014 (1)	-	-	-	-									-	-	-	-
	5112	for 2013 (2)				-									-	-	-	-
Others	5103	for 2014 (1)	-	-	-	-									-	-	-	-
	5113	for 2013 (2)				-									-	•	-	-

5.2.2. Unfinished and unexecuted researches and developments and unfinished acquisitions of intangible assets

Indicator name	Code	Period	As of the year beginning	Changes for the period			As of the period end
				costs for the period	costs written down as producing no positive result	recognized as intangible assets or researches and developments	
1	2	3	4	5	6	7	8
Expenses for unfinished researches and developments - total	5160	for 20 14 (1)	105,245	177,118	-	(54,619)	227,744
	5170	for 20 13 (2)	68,363	36,882	-	-	105,245
including:							
Researches	5161	for 20 14 (1)	-				-
	5171	for 20 13 (2)					-
Developments	5162	for 20 14 (1)	-				-
	5172	for 20 13 (2)					-
Technological works	5163	for 20 14 (1)	-				-
	5173	for 20 13 (2)					-
Others	5164	for 20 14 (1)	105,245	177,118		(54,619)	227,744
	5174	for 20 13 (2)	68,363	36,882			105,245
Unfinished operations regarding the intangible assets acquisition - total	5180	for 20 14 (1)	366,518	518,923	-	-	885,441
	5190	for 20 13 (2)	-	366,518	-	-	366,518
including:							
of the patent holder to inventions, industrial design, useful model	5181	for 20 14 (1)	-				-
	5191	for 20 13 (2)					-
of the right holder to computer software, databases	5182	for 20 14 (1)	-				-
	5192	for 20 13 (2)					-
of the right holder to integrated circuit topographies	5183	for 20 14 (1)	-				-
	5193	for 20 13 (2)					-
of the owner to trademark, service mark, appellation of origin of goods	5184	for 20 14 (1)	-				-
	5194	for 20 13 (2)					-
Others	5185	for 20 14 (1)	366,518	518,923			885,441
	5195	for 20 13 (2)		366,518			366,518

5.3. Fixed assets

5.3.1. Availability and flow of fixed assets

Indicator name	Code	Period	As of the year beginning			Changes for the period							As of the period end		
			original cost	accumulated depreciation	depreciated cost	received	accumulated depreciation charged on			incoming items	revaluation		original cost	accumulated depreciation	depreciated cost
								original cost	accumulated depreciation		original cost	accumulated depreciation			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Fixed assets (exclusive of profitable investments in material valuables) - total	5200	for 2014	331,214,550	(109,459,542)	221,755,008	48,224,597	-	(1,076,522)	475,697	(21,697,449)	-	-	378,362,625	(130,681,294)	247,681,331
	5210	for 2013	285,246,603	(91,731,136)	193,515,467	47,621,590	-	(1,653,643)	1,009,034	(18,737,440)	-	-	331,214,550	(109,459,542)	221,755,008
including:															
depreciated	5201	for 2014	331,125,667	(109,459,542)	221,666,125	48,219,901	-	(1,076,522)	475,697	(21,697,449)	-	-	378,269,046	(130,681,294)	247,587,752
total:	5211	for 2013	285,158,231	(91,731,136)	193,427,095	47,621,079	-	(1,653,643)	1,009,034	(18,737,440)	-	-	331,125,667	(109,459,542)	221,666,125
including:															
production buildings	52011	for 2014	20,953,205	(3,096,317)	17,856,888	1,705,538		(9,608)	2,743	(708,215)			22,649,135	(3,801,789)	18,847,346
	52111	for 2013	17,568,720	(2,470,949)	15,097,771	3,391,287		(6,802)	1,759	(627,127)			20,953,205	(3,096,317)	17,856,888
	52012	for 2014	4,825,169	(862,629)	3,962,540	646,340		(22,381)	2,062	(230,846)			5,449,128	(1,091,413)	4,357,715
	52112	for 2013	3,946,753	(677,470)	3,269,283	927,545		(49,129)	4,398	(189,557)			4,825,169	(862,629)	3,962,540
Power transmission lines and their accessories	52013	for 2014	123,079,161	(19,242,680)	103,836,481	25,762,447		(366,347)	82,516	(6,949,580)			148,475,261	(26,109,744)	122,365,517
	52113	for 2013	95,833,597	(14,083,305)	81,750,292	27,354,580		(109,016)	(81,928)	(5,077,447)			123,079,161	(19,242,680)	103,836,481
electricity generating machines and equipment, substations, power conversion equipment	52014	for 2014	178,784,430	(84,930,193)	93,854,237	18,920,008		(551,156)	332,154	(13,368,295)			197,153,282	(97,966,334)	99,186,948
	52114	for 2013	164,805,836	(73,574,378)	91,231,458	15,373,842		(1,395,248)	1,070,491	(12,426,306)			178,784,430	(84,930,193)	93,854,237
industrial and household equipment	52015	for 2014	250,984	(174,456)	76,528	1,125		(31,477)	31,484	(27,964)			220,632	(170,936)	49,696
	52115	for 2013	242,945	(179,534)	63,411	10,930		(2,891)	15,134	(10,056)			250,984	(174,456)	76,528
	52016	for 2014	3,232,718	(1,153,267)	2,079,451	1,184,443		(95,553)	(24,738)	(412,549)			4,321,608	(1,541,078)	2,780,530
	52116	for 2013	2,760,380	(745,500)	2,014,880	562,895		(90,557)	(820)	(406,947)			3,232,718	(1,153,267)	2,079,451

Indicator name	Code	Period	As of the year beginning			Changes for the period							As of the period end		
			original cost	accumulated depreciation	depreciated cost	received	accumulated depreciation charged on			incoming items	revaluation		original cost	accumulated depreciation	depreciated cost
								original cost	accumulated depreciation		original cost	accumulated depreciation			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Items with indefinite useful life, non-depreciable - total	5202	for 2014	88,883	-	88,883	4,696	-	-	-	-	-	-	93,579	-	93,579
	5212	for 2013	88,372	-	88,372	511	-	-	-	-	-	-	88,883	-	88,883
including:															
land plots	52021	for 2014	88,883	-	88,883	4,696							93,579	-	93,579
	52121	for 2013	88,372		88,372	511							88,883	-	88,883
nature management facilities	52022	for 2014	-	-	-								-	-	
	52122	for 2013			-								-	-	-
Capital investments in fundamental improvement of lands	5203	for 2014	-	-	-								-	-	-
	5213	for 2013			-								-	-	-
Recognized as part of profitable investments in material valuables - total	5220	for 2014	-	-	-	-	-	-	-	-	-	-	-	-	-
	5230	for 2013	-	-	-	-	-	-	-	-	-	-	-	-	-
including:					-										
property to be leased out	5221	for 2014	-	-	-								-	-	-
	5231	for 2013			-								-	-	-
property assigned under lease agreement	5222	for 2014	-	-	-								-	-	-
	5232	for 2013			-								-	-	-

5.3.3. Changes in the cost of fixed assets as a result of additional construction, additional equipping, reconstruction and partial liquidation

Indicator name	Code	For 2014	For 2013
1	2	3	4
Increase in the cost of fixed asset items as a result of additional construction, additional equipping, reconstruction - total	5260	17,244,005	14,436,401
including:			
industrial buildings	5261	432,556	679,112
structures, excluding power transmis-	5262	68,495	170,726
Power transmission lines and their accessories	5263	10,344,543	78,132,267
electricity generating machines and equipment, substations, power conversion equipment	5264	6,376,147	6,454,296
industrial and household equipment	5265		
others	5266	22,264	-
Decrease of the cost of fixed asset items as a result of partial liquidation - total:	5270	(413,543)	(155,758)
including:			
industrial buildings	5271	(130)	(83)
structures, excluding power transmis-	5272	(875)	
Power transmission lines and their accessories	5273	(320,433)	(109,017)
electricity generating machines and equipment, substations, power conversion equipment	5274	(92,104)	(46,568)
industrial and household equipment	5275	(1)	
others	5276		(90)

5.3.4. Any other use of fixed assets

Indicator name	Code	as of December 31, 2014 (1)	as of December 31, 2013 (2)	As of December 31, 2012 (3)
1	2	3	4	5
Leased out fixed assets carried as an asset	5280			
Leased out fixed assets carried as a liability	5281			
Rented fixed assets carried as an asset	5282			
Rented fixed assets carried as a liability	5283	17,789,284	12,232,951	39,015,056
Real estate units put into operation and actually used, undergoing the state registration procedure	5284	8,151,661	7,259,200	4,807,238
Fixed assets to be conserved	5285			
Any other use of fixed assets (security, etc.)	5286			

5.3.5. Uncompleted capital investments

Indicator name	Code	Period	As of the year beginning	Changes for the period			As of the period end
				costs for the period	written off	recognized as fixed assets and increased cost	
1	2	3	4	5	6	7	8
Construction in progress and unfinished operations relating to acquisitions, upgrade, etc. of fixed assets - total	5240	for 20 14 (1)	28,475,879	50,960,462	(6,854,507)	(45,452,168)	27,129,666
	5250	for 20 13 (2)	22,433,263	59,443,718	(7,573,705)	(45,827,397)	28,475,879
including:							
Industrial purpose	5241	for 20 14 (1)	28,475,879	50,960,462	(6,854,507)	(45,452,168)	27,129,666
	5251	for 20 13 (2)	22,433,263	59,443,718	(7,573,705)	(45,827,397)	28,475,879
construction-in-process	52411	for 20 14 (1)	25,918,339	45,494,247	(593,912)	(45,452,168)	25,366,506
	52511	for 20 13 (2)	20,533,602	51,212,134		(45,827,397)	25,918,339
acquisition of fixed assets	52412	for 20 14 (1)	-				-
	52512	for 20 13 (2)					-
equipment to be installed	52413	for 20 14 (1)	2,557,540	5,466,215	(6,260,595)		1,763,160
	52513	for 20 13 (2)	1,899,661	8,231,584	(7,573,705)		2,557,540
others	52414	for 20 14 (1)	-				-
	52514	for 2013 (2)					-
Non-industrial purpose	5242	for 20 14 (1)	-	-	-	-	-
	5252	for 20 13 (2)	-	-	-	-	-
construction-in-process	52421	for 20 14 (1)	-				-
	52521	for 20 13 (2)					-
acquisition of fixed assets	52422	for 20 14 (1)	-				-
	52522	for 20 13 (2)					-
equipment to be installed	52423	for 20 14 (1)					
	52523	for 20 13 (2)					
others	52424	for 20 14 (1)	-				-
	52524	for 20 13 (2)					-

Indicator name	Code	Period	As of the year beginning		Changes for the period					As of the period end	
			original value	accumulated adjustment	received	disposed (retired)		accrual of interest (including adjustment of the original value to nominal)	current market value (impairment losses)	original value	accumulated adjustment
						original value	accumulated adjustment				
1	2	3	4	5	6	7	8	9	10	11	12
including:											
subsidiary companies	530311	for 20 14 (1)	-	-						-	-
	531311	for 20 13 (2)								-	-
dependent companies	530312	for 20 14 (1)	-	-						-	-
	531312	for 20 13 (2)								-	-
others	530313	for 20 14 (1)	-	-						-	-
	531313	for 20 13 (2)								-	-
Government and municipal securities	53032	for 20 14 (1)	-	-						-	-
	53132	for 20 13 (2)								-	-
Securities of other institutions - total	53033	for 20 14 (1)	-	-						-	-
	53133	for 20 13 (2)								-	-
including:											-
debt securities (bonds, bills)	530331	for 20 14 (1)	-	-						-	-
	531331	for 20 13 (2)								-	-
Others	53034	for 20 14 (1)	-	-						-	-
	53134	for 20 13 (2)								-	-
Long-term financial investments with non -definable current market value - total	5303	for 20 14 (1)	4,895,774	(16,450)					(54,880)	4,895,774	(71,330)
	5313	for 2013 (2)	5,459,900	(18,505)	218	(564,344)			2,055	4,895,774	(16,450)

Indicator name	Code	Period	As of the year beginning		Changes for the period					As of the period end	
			original value	accumulated adjustment	received	disposed (retired)		accrual of interest (including adjustment of the original value to nominal)	current market value (impairment losses)	original value	accumulated adjustment
						original value	accumulated adjustment				
1	2	3	4	5	6	7	8	9	10	11	12
Contributions to authorized (joint-stock) capital of other companies - total	53071	for 20 14 (1)	-	-						-	-
	53171	for 20 13 (2)								-	-
Government and municipal securities	53072	for 20 14 (1)	-	-						-	-
	53172	for 20 13 (2)								-	-
Securities of other institutions - total	53073	for 20 14 (1)	-	-						-	-
	53173	for 20 13 (2)								-	-
including:											
debt securities (bonds, bills)	530731	for 20 14 (1)	-	-						-	-
	531731	for 20 13 (2)								-	-
Others	53074	for 20 14 (1)	-	-						-	-
	53174	for 20 13 (2)								-	-
Short-term financial investments with non-definable current market value - total	5307	for 20 14 (1)	468,747	-	1,004,000	(454,000)	(468,747)			1,018,747	(468,747)
	5317	for 20 13 (2)			468,747					468,747	-
Financial investments - total	5300	for 20 14 (1)	5,364,521	(16,450)	1,004,000	(454,000)	-	-	(54,880)	5,914,521	(540,077)
	5310	for 20 13 (2)	5,459,900	(18,505)	468,965	(564,344)	-	-	2,055	5,364,521	(16,450)

5.4.2. Adjustments to estimates of financial investments

Indicator		As of the year beginning	Changes for the period			As of the period end
Name	Code		Increase	Decrease	Disposal upon write-off of the financial investments	
1	2	3	4	5	6	7
Long-term financial investments	7100	(16,450)	(54,880)	-	-	(71,330)
Difference between the current market value of financial investments and their previous estimate value	7110	-	-	-	-	-
including:						
Contributions to authorized (joint-stock) capital of other companies - total	7111	-	-	-	-	-
including:						
subsidiary companies	71111					-
dependent companies	71112					-
others	71113					-
Government and municipal securities	7112					-
Securities of other institutions - total	7113					-
including:						
debt securities (bonds, bills)	71131					-
Others	7114					-
Difference between the current value of debt securities and their original value	7120	-	-	-	-	-
including:						
Securities of other institutions - total	7121					-
including:						
debt securities (bonds, bills)	71211					-
Others	7122					-
Provision for impairment of the financial investments with non-definable market value	7130	(16,450)	(54,880)	-	-	(71,330)
including:						
Contributions to authorized (joint-stock) capital of other companies - total	7131	(16,450)	(54,880)	-	-	(71,330)
including:						
subsidiary companies	71311	(16,450)	(54,880)			(71,330)
dependent companies	71312					-
others	71313					-
Government and municipal securities	7132					-
Securities of other institutions - total	7133					-
including:						
debt securities (bonds, bills)	71331					-
Granted loans	7134					-
Deposits	7135					-
Others	7136					-

Indicator		As of the year beginning	Changes for the period			As of the period end
Name	Code		Increase	Decrease	Disposal upon write-off of the financial investments	
1	2	3	4	5	6	7
Short-term financial investments	7200	-	(468,747)	-	-	(468,747)
Difference between the current market value of financial investments and their previous estimate value based at which it was determined.	7210	-	-	-	-	-
<i>including:</i>						
Contributions to authorized (joint-stock) capital of other companies - total	7211	-	-	-	-	-
<i>including:</i>						
subsidiary companies	72111					-
dependent companies	72112					-
others	72113					-
Securities of other institutions - total	7212					-
<i>including:</i>						
debt securities (bonds, bills)	72121					-
Others	7213					-
Difference between the current value of debt securities and their original value	7220	-	-	-	-	-
<i>including:</i>						
Securities of other institutions - total	7221					-
<i>including:</i>						
debt securities (bonds, bills)	72211					-
Others	7222					-
Provision for impairment of financial investments having no market value	7230	-	(468,747)	-	-	(468,747)
<i>including:</i>						
Contributions to authorized (joint-stock) capital of other companies - total	7231	-	-	-	-	-
<i>including:</i>						
subsidiary companies	72311					-
dependent companies	72312					-
others	72313					-
Government and municipal securities	7232					-
Securities of other institutions - total	7233		(468,747)			(468,747)
<i>including:</i>						
debt securities (bonds, bills)	72331		(468,747)			(468,747)
Granted loans	7234					-
Deposits	7235					-
Others	7236					-

5.4.3. Any other use of financial investments

Indicator name	Code	As of December 31, 2014 (1)	As of December 31, 2013 (2)	As of December 31, 2012 (3)
1	2	3	4	5
Pledged financial investments - total	5320			
including:				
bonds	5321			
bills of exchange	5322			
shares	5323			
Financial investments transferred to the third parties (except for sale) - total	5325			
including:				
bonds	5326			
bills of exchange	5327			
shares	5328			
Any other use of financial investments	5329			

5.5.2. Pledged inventories

Indicator name	Code	as of December 31, 2014 (1)	as of December 31, 2013 (2)	As of December 31, 2012 (3)
1	2	3	4	5
Inventories unpaid as of the reporting date - total	5440			
including:				
raw materials and supplies	5441			
work-in-progress	5442			
goods shipped	5443			
finished products and goods	54441			
other inventories and expenses	54442			
Inventories pledged under contract - total	5445			
including:raw materials and supplies	5446			
goods shipped	5447			
finished products and goods	5448			
other inventories and expenses	5449			

Indicator name	Code	Period	As of the year beginning		Changes for the period								As of the period end	
			recognized under contractual terms	Amount of provision for doubtful debts	receipts			repayment	depreciation using the pre-accrued reserve	depreciation on financial result	recovery of reserve	conversion of long-terms debts into short-term ones	recognized under contractual terms	Amount of provision for doubtful debts
					as a result of business transactions (the amount of transaction debt)	due interest, penalties and other charges	accrual of reserve							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
receivables from members (founders) in respect to contributions to the authorized capital	5514	for 20 14 (1)	-	-									-	-
	5534	for 20 13 (2)											-	-
Dividends payable of subsidiary and dependent companies	5515	for 2014 (1)	-	-									-	-
	5535	for 2013 (2)											-	-
Other accounts receivable	5516	for 2014 (1)	3,911,865	(398,609)	6,412,469	-	(1,460,401)	(4,105,459)	-	(75,365)	(6,784)	-	6,143,510	(1,865,794)
	5536	for 2013 (2)	1,555,047	-	5,379,692	-	(398,609)	(2,999,621)	-	(23,253)	-	-	3,911,865	(398,609)
including														
<i>non-interest bearing notes</i>	55161	for 2014 (1)	-	-									-	-
	55361	for 2013 (2)											-	-
<i>overpaid taxes and levies</i>	55162	for 2014 (1)	-	-									-	-
	55362	for 2013 (2)											-	-
<i>disposal of assets</i>	55163	for 2014 (1)	-	-									-	-
	55363	for 2013 (2)											-	-
<i>others</i>	55164	for 2014 (1)	3,911,865	(398,609)	6,412,469		(1,460,401)	(4,105,459)		(75,365)	(6,784)		6,143,510	(1,865,794)
	55364	for 2013 (2)	1,555,047		5,379,692		(398,609)	(2,999,621)		(23,253)			3,911,865	(398,609)
From the total short-term accounts receivable:	5517	for 2014 (1)	784,083	-	11,598	50,449	-	-	-	-	-	-	846,130	-
	5537	for 2013 (2)	205,665	-	30,430	547,988	-	-	-	-	-	-	784,083	-
receivables from the subsidiary companies	55171	for 2014 (1)	784,083	-	11,598	50,449							846,130	-
	55371	for 2013 (2)	205,665		30,430	547,988							784,083	-
receivables from the dependent companies	55172	for 2014 (1)	-	-									-	-
	55372	for 2013 (2)											-	-
Total	5500	for 2014 (1)	39,609,486	(14,595,047)	175,127,269	-	(3,090,885)	(170,592,626)	-	(75,949)	290,369	-	44,068,180	(17,395,563)
	5520	for 2013 (2)	48,849,365	(6,599,712)	175,404,941	-	(9,110,658)	(184,621,188)	-	(23,632)	1,115,323	-	39,609,486	(14,595,047)

5.6.2. Provision for doubtful debts

Indicator		As of the year beginning	Changes for the period		As of the period end
Name	Code		Establishment of provision	Write-off of provision	
1	2	3	4	5	6
Settlements with purchasers and clients	7310	326,132	188,791	(163,976)	350,947
including:					
<i>relating to the electric power transmission</i>	7311	289,858	52,194	(163,976)	178,076
<i>relating to technological connection</i>	7312		128,245		128,245
<i>relating to organization of functioning and development of UES of Russia as to the distribution electric grid complex</i>	7313				-
<i>relating to resale of electric power and capacity</i>	7314				-
<i>relating to rental income</i>	7315				
<i>others</i>	7316	36,274	8,352		44,626
Advances paid	7330	14,390,339	1,440,225	(151,450)	15,679,114
Other accounts receivable	7320	398,609	1,460,401	6,784	1,865,794
Total	7300	15,115,080	3,089,417	(308,642)	17,895,855

5.6.3. Overdue accounts receivable

Indicator name	Code	as of December 31, 2014 (1)		as of December 31, 2013 (2)		As of December 31, 2012 (3)	
		recognized under contractual terms	book value (net of bad debts reserve)	recognized under contractual terms	book value (net of provision for doubtful debts)	recognized under contractual terms	book value (net of provision for doubtful debts)
1	2	3	4	5	6	7	8
Total:	5540	7,084,832	4,787,396	1,313,455	596,940	1,783,530	920,136
including:	5541	2,344,945	1,993,997	923,072	596,940	1,428,306	564,912
Settlements with purchasers and clients, including:							
relating to the electric power transmission	55411	1,109,244	931,167	886,798	596,940	1,394,545	531,151
<i>relating to technological connection</i>	55412	1,191,075	1,062,830			39	39
<i>relating to organization of functioning and development of UES of Russia as to the distribution electric grid complex</i>	55413						
<i>relating to resale of electric power and capacity</i>	55414						
<i>relating to rental income</i>	55415					137	137
<i>others</i>	55416	44,626		36,274		(33,585)	(33,585)
Other accounts receivable	5542	4,739,887	2,793,399	390,383		355,224	355,224

5.6.5. Existence and flow of accounts payable

Indicator name	Code	Period	Balance as of the year beginning	Changes for the period					Balance as of the period end
				receipts				conversion of long-terms debts into short-term ones	
				as a result of business transactions (the amount of transaction debt)	due interest, penalties and other charges	repayment	depreciation on financial result		
1	2	3	4	5	6	7	8	9	10
Long-term accounts receivable - total	5551	for 20 14 (1)	6,536,118	1,690,442	-	-	-	-	8,226,560
	5571	for 2013 (2)	2,327,199	4,208,919	-	-	-	-	6,536,118
including:									
accounts payable by suppliers and contractors	5552	for 2014 (1)	-	-	-	-	-	-	-
	5572	for 2013 (2)	-	-	-	-	-	-	-
including:									
<i>construction</i>	55521	for 2014 (1)	-						-
	55721	for 2013 (2)							-
<i>others</i>	55522	for 2014 (1)	-						-
	55722	for 2013 (2)							-
Other accounts payable	5553	for 2014 (1)	6,536,118	1,690,442					8,226,560
	5573	for 2013 (2)	2,327,199	4,208,919					6,536,118
From the total long-term accounts payable:	5554	for 2014 (1)	-	-	-	-	-	-	-
	5574	for 2013 (2)	-	-	-	-	-	-	-
<i>payables to subsidiary companies</i>	55541	for 2014 (1)	-						-
	55741	for 2013 (2)							-
<i>payables to dependent companies</i>	55542	for 20 14 (1)	-						-
	55742	for 2013 (2)							-

Indicator name	Code	Period	Balance as of the year beginning	Changes for the period					Balance as of the period end
				receipts				conversion of long-terms debts into short-term ones	
				as a result of business transactions (the amount of transaction debt)	due interest, penalties and other charges	repayment	depreciation on financial result		
1	2	3	4	5	6	7	8	9	10
Short-term accounts payable - total	5560	for 2014 (1)	48,927,224	213,828,811	44	(211,368,886)	(3,849)	-	51,383,344
	5,580	for 20 13 (2)	50,831,403	211,772,641	64	(213,665,273)	(11,611)	-	48,927,224
including									
Settlements with suppliers and contractors	5561	for 2014 (1)	15,456,661	129,832,018	-	(126,909,532)	(1,023)	-	18,378,124
	5581	for 2013 (2)	9,102,021	135,059,296	-	(128,696,922)	(7,734)	-	15,456,661
including:									
construction	55611	for 2014 (1)	7,189,208	46,423,957		(43,209,218)	(742)		10,403,205
	55811	for 2013 (2)	4,302,077	57,823,436		(54,930,646)	(5,659)		7,189,208
others	55612	for 2014 (1)	8,267,453	83,408,061		(83,700,314)	(281)		7,974,919
	55812	for 2013 (2)	4,799,944	77,235,860		(73,766,276)	(2,075)		8,267,453
Advances received	5562	for 2014 (1)	33,220,359	49,133,552	-	(50,862,649)	(2,347)	-	31,488,915
	5582	for 2013 (2)	40,283,462	44,168,290	-	(51,227,762)	(3,631)	-	33,220,359
including									
relating to the electric power transmission	55621	for 2014 (1)	2,215	36,349,832		(36,344,390)			7,657
	55821	for 2013 (2)		34,912,776		(34,910,561)			2,215
relating to technological connection	55622	for 2014 (1)	33,035,695	11,939,864		(13,850,824)	(165)		31,124,570
	55822	for 2013 (2)	40,090,876	8,979,252		(16,034,433)			33,035,695
relating to organization of functioning and development of UES of Russia as to the distribution electric grid complex	55623	for 2014 (1)	-						-
	55823	for 2013 (2)							-
relating to resale of electric power and capacity	55624	for 2014 (1)	-						-
	55824	for 2013 (2)							-

Indicator name	Code	Period	Balance as of the year beginning	Changes for the period					Balance as of the period end	
				receipts						
				as a result of business transactions (the amount of transaction debt)	due interest, penalties and other charges	repayment	depreciation on financial result	conversion of long-term debts into short-term ones		
1	2	3	4	5	6	7	8	9	10	
<i>participation in other organizations</i>	55625	for 2014 (1)	-							-
	55825	for 2013 (2)								-
<i>rental services</i>	55626	for 2014 (1)	-							-
	55826	for 2013 (2)								-
<i>relating to others</i>	55627	for 2014 (1)	182,449	843,856		(667,435)	(2,182)			356,688
	55826	for 2013 (2)	192,586	276,262		(282,768)	(3,631)			182,449
Dividends payable to the members (founders)	5563	for 2014 (1)	-							-
	5583	for 2013 (2)	-							-
Bills payable	5564	for 2014 (1)	-							-
	5584	for 2013 (2)	-							-
Payables to the state non-budgetary funds	5565	for 2014 (1)	-	3,253,993	18	(3,094,317)				159,694
	5585	for 2013 (2)	91	3,020,174	64	(3,020,329)				-
Settlements in respect of taxes and levies	5566	for 2014 (1)	238,192	12,252,211	26	(11,254,616)				1,235,813
	5586	for 2013 (2)	1,369,575	11,043,265		(12,174,648)				238,192
Payables to the company's employees	5567	for 2014 (1)	187	14,181,907		(14,182,048)				46
	5587	for 2013 (2)	4,373	13,294,245		(13,298,431)				187
Other accounts payable	5568	for 2014 (1)	11,825	5,175,130		(5,065,724)	(479)			120,752
	5588	for 2013 (2)	71,881	5,187,371		(5,247,181)	(246)			11,825
From the total short-term accounts payable:	5569	for 20 14 (1)	435,827	2,499,152	-	(1,892,187)	-	-		1,042,792
	5589	for 20 13 (2)	308,925	1,823,326	-	(1,696,424)	-	-		435,827
<i>payables to subsidiary companies</i>	55691	for 20 14 (1)	435,827	2,499,152		(1,892,187)				1,042,792
	55891	for 20 13 (2)	308,925	1,823,326		(1,696,424)				435,827
<i>payables to dependent companies</i>	55692	for 20 14 (1)	-							-
	55892	for 20 13 (2)								-
Total	5550	for 20 14 (1)	55,463,342	215,519,253	44	(211,368,886)	(3,849)	-		59,609,904
	5570	for 2013 (2)	53,158,602	215,981,560	64	(213,665,273)	(11,611)	-		55,463,342

5.6.6. Overdue accounts payable

Indicator name	CODE	As of December 31, 2014 (1)	As of December 31, 2013 (2)	As of December 31, 2012 (3)
1	2	3	4	5
Total:	5590	7,994,478	12,116,002	12,715,262
including:				
Settlements with suppliers and contractors	5591	2,054,090	1,600,461	517,421
incl.				
<i>construction</i>	55911	1,087,038	1,146,940	249,646
<i>others</i>	55912	967,052	453,521	267,775
Dividends payables to the members (founders)	5592			
Payables to the state non-budgetary funds	5593			
Settlements in respect of taxes and levies	5594			
Payables to the company's employees	5595			
Other accounts payable	5596	5,940,388	10,515,541	12,197,841

5.6.7. Credits and loans

Indicator name	Code	Period	As of the year beginning	Changes for the period					As of the period end
				Receipts	Accrual of interest	Principal repayment	Repayment of interest	Inversion of long-term debts into short-term ones	
1	2	3	4	5	6	7	8	9	10
Long-term loans - total	7410	for 20 14 (1)	51,721,317	27,100,000	-	(11,356,210)	-	(15,343,790)	52,121,317
	7430	for 2013 (2)	49,300,527	25,521,317	-	(20,744,317)	-	(2,356,210)	51,721,317
Including									
Credits	7411	for 2014 (1)	36,721,317	22,100,000		(11,356,210)		(5,343,790)	42,121,317
	7431	for 2013 (2)	39,300,527	20,521,317		(20,744,317)		6,210	36,721,317
Loans	7412	for 2014 (1)	15,000,000	5,000,000				(10,000,000)	10,000,000
	7432	for 2013 (2)	10,000,000	5,000,000					15,000,000
Short-term loans - total	7420	for 2014 (1)	5,805,715	1,517	5,318,163	(52,376)	(5,130,805)	15,343,790	21,286,004
	7440	for 2013 (2)	3,228,999	3,112,035	4,111,691	(3,061,177)	(3,942,043)	2,356,210	5,805,715
Including:									
Credits	7421	for 2014 (1)	5,438,366	1,517		(52,376)		5,343,790	10,731,297
	7441	for 2013 (2)	3,031,298	3,112,035		(3,061,177)		2,356,210	5,438,366
Interest on credits	74211	for 2014 (1)	5,401		3,867,022		(3,829,405)		43,018
	74411	for 2013 (2)			2,857,944		(2,852,543)		5,401
Loans	7422	for 2014 (1)	361,948		1,451,141		(1,301,400)	10,000,000	10,511,689
	7442	for 2013 (2)	197,701		1,253,747		(1,089,500)		361,948

5.6.8. Credit and loan costs

Indicator		Relating to long-term credits and loans	Relating to short-term credits and loans
Name	Code		
1	2	3	4
Credit costs - total:	7510	3,866,862	160
written off on other costs	7511	2,005,144	160
included in the value of assets	7512	1,861,718	
Loan costs - total:	7520	1,451,141	-
written off on other costs	7521	1,451,141	
included in the value of assets	7522		
Out of total loan and credit costs:	7530	5,318,003	160
accrued interest	7531	3,456,285	160
other costs	7532	1,861,718	

5.7. Contingent assets and liabilities

5.7.1. Estimated liabilities

Indicator		Balance as of the year be- ginning	Recognized	Repaid	Written off as an excess amount	Balance as of the period end
Name	Code					
1	2	3	4	5	6	7
Estimated liabilities - total	5700	2,309,660	3,013,512	(2,499,362)	(399,970)	2,423,840
including:						
Payment for the upcoming vacations	5701	579,027	1,060,011	(973,075)	(73,803)	(592,160)
Payment of remuneration for the year	5702	1,283,419	1,276,135	(1,187,599)	(95,821)	1,276,134
Relating to repair of fixed assets	5703					-
Relating to the works associated with sea- sonal character of production	5704					-
warranty liabilities and complaints	5705					-
liquidation obligations	5706					-
cases on pending as of the reporting date	5707	447,214	677,366	(338,688)	(230,346)	555,546
claims of tax authorities based on the tax inspection findings unsettled as of the re- porting date	5708					
Other estimated liabilities	5709					-
Out of the total contingent liabilities:						
Those created due to expenses for ordinary activities	5710	2,849,024				
Those created due to other expenses	5720					
Those included in the value of assets	5730	164,488				

5.7.2. Deferred taxes

Name	Code	Deductible temporary differences	Deferred tax assets	Taxable temporary differences	Deferred tax liabilities
1	2	3	4	5	6
Balance as of the reporting period beginning	7700		3,759,351		4,787,782
Income	7710		601,512		
Expense	7720				922,342
Result of changes in tax rates	7730	X		X	
Result of correction of errors of past years	7740				
Permanent differences in the cost of assets and liabilities	7750				
Write-off without any tax implications	7760				
Balance as of the reporting period end	7800	-	4,360,863	-	5,710,124

5.8. Securities

Indicator		As of December	As of December	As of December
Name	Code	31, 2014 (1)	31, 2013 (2)	31, 2012 (3)
1	2	3	4	5
Received - total	5800	2,271,306	1,882,958	401,474
including:bills of exchange	5801			
Pledged property	5802	-	-	-
Out of it:				
fixed asset items	58021			
securities and other financial investments	58022			
other	58023			
others received	5803	2,271,306	1,882,958	401,474
Issued under its own commitments - total	5810	-	-	-
including:bills of exchange	5811			
collateral	5812	-	-	-
Out of it:				
fixed asset items	58121			
securities and other financial investments	58122			
other	58123			
others issued	5813			

5.9. Government assistance

Indicator name	Code	For 2014 (1)				For 2013 (2)			
1	2	3				4			
Received budgetary funds - total	5900	281,461				-			
including:									
for current expenses	5901								
compensations for Chernobyl veterans	5902								
for mobilization preparation operations	5903								
for elimination of the interterritorial cross-subsidisation	5904								
for investment in non-current assets	5905	281,461							
for other objectives	5906								
Indicator name	Code	As of the year beginning	Received during the year	Repaid during the year	As of the year end	As of the year beginning	Received during the year	Repaid during the year	As of the year end
Budgetary credits - total	5910	-	-	-	-	-	-	-	-
including:									
financing of preventive measures for the reduction of occupational accidents and occupational diseases	5911				-				-
financing of advanced medical examinations of the employees involved into the work associated with occupational hazards	5912				-				-
others	5913				-				-

5.10. Government assistance the provision terms of which have not been met yet

Indicator		For 2014 (1)		For 2013 (2)	
Name	Code	To be returned	Actually returned	To be returned	Actually returned
1	2	3	4	5	6
Received budgetary funds the provision terms of which have not been met yet	7910				
<i>including:</i>					
<i>for current expenses</i>	7911				
<i>compensations for Chernobyl veterans</i>	7912				
<i>for mobilization preparation operations</i>	7913				
<i>for elimination of the interterritorial cross-subsidisation</i>	7914				
<i>others</i>	7915				
Received budgetary credits the provision terms of which have not been met yet	7920				
<i>including</i>					
<i>financing of preventive measures for the reduction of occupational accidents and occupational diseases</i>	7921				
<i>financing of advanced medical examinations of the employees involved into the work associated with occupational hazards</i>	7922				
<i>others</i>	7925				

5.11. Other income and expenses

Indicator		For__2014__ (1)	For__ 2013__ (2)
Name	Code		
1	2		
Other income - total	8000	9,402,589	10,765,590
including:			
From the sale of fixed assets, except for apartments	8001	15,632	416,752
From the sale of apartments	8002		
From the sale of inventories	8003	83,494	82,479
From the sale of currency	8004		
From the sale of intangible assets	8005		
From the sale of securities	8006		
From the sale of other assets	8007		
From joint activities	8008		
Profit for 2013 identified in the reporting period	8009	36,881	128,745
Profit for 2012 identified in the reporting period	8010	(60,361)	13,082
Profit for 2011 identified in the reporting period	8011	31,618	166
Profit for the period up to January 1, 2011 identified in the reporting period	8012		
Penalties, fines and forfeits recognized or being subject to court (arbitration) decisions about their recovery	8013	404,708	263,288
Accounts payable with expired period of limitation (more than three years)	8014	3,849	11,611
Foreign exchange differences	8015	14	8
Property recognized in surplus based on the inventory results	8016	2,772,429	1,797,118
Assets received free of charge, other than fixed assets and intangible assets	8017	120,570	83,552
Income from donated property recognized in accordance with an established procedure	8018	2,197,132	2,363,592
Cost of material valuables left after the write-off of the assets deemed unfit for restoration and further use	8019	65,093	163,276
Revaluation of financial investments at the current market value	8020		
Income from decrease (write-off) of provision for doubtful debts	8021	193,113	612,775
Income from decrease (write-off) of provision for doubtful debts	8022	399,994	2,960,305
Income from decrease (write-off) of provision for inventory impairment	8023	6,951	
Income from claim assignment agreements	8024		
Income from identified noncontractual power consumption	8025	2,406,743	1,621,868
Insurance benefits receivable	8026	307,405	206,122
Incomes related to participation in the management company of other entities	8027		
Write-back of written-off receivables	8028		
Discount on notes	8029		
Compensation for the difference in fees (budgetary financing)	8030		
Income from decrease (write-off) of the provision for financial investment impairment	8031		2,055
Final appraisal of fixed asset items	8032		
Others	8033	417,324	38,796

Indicator		For ___2014 ___ (1)	For ___2013 ___ (2)
Name	Code		
1	2		
Other expenses - total	8100	(11,148,208)	(14,794,346)
including:			
From the sale of fixed assets, except for apartments	8101	(6,864)	(154,488)
From the sale of apartments	8102		
From the sale of inventories	8103	(83,494)	(83,343)
From the sale of currency	8104		
From the sale of intangible assets	8105		
From the sale of securities	8106		
From the sale of other assets	8107		
Other taxes	8108	(86,450)	(6,883)
Expenses associated with payment for bank services	8109	(2,240)	(61,375)
Expenses associated with servicing of financial investments	8110	(6,372)	(13,605)
Provision for doubtful debts	8111	(3,089,417)	(9,630,691)
Provision for impairment of financial investments	8112	(523,627)	
Provision for inventory impairment	8113	6,817	(405,103)
Provision for discontinued operations	8114		
Provision for estimated liabilities	8115	(677,366)	(418,241)
Disposals of assets without income	8116	(6,106)	(29,681)
VAT on donated property	8117	(55,783)	(47,946)
Loss for 2013 identified in the reporting period	8118	(452,529)	(502,714)
Loss for 2012 identified in the reporting period	8119	(63,704)	(33,602)
Loss for 2011 identified in the reporting period	8120	(21,749)	(23,356)
Loss for the period up to January 1, 2011 identified in the reporting period	8121	(3,271)	(122)
Penalties, fines and forfeits recognized or being subject to court (arbitration) decisions about their recovery	8122	(71,073)	(889,187)
State duties for economic agreements	8123	(37,611)	(26,826)
Revaluation of financial investments at the current market value	8124		
Discount on notes	8125		
Expenses from claim assignment agreements	8126		
Non-refundable VAT	8127	(53,449)	
Expenses from identified noncontractual power consumption	8128		
Contributions to the associations and funds	8129		
Accounts receivable with expired period of limitation (more than three years)	8130	(75,951)	(23,632)
Foreign exchange differences	8131	(9)	(79)
Legal costs	8132	(2,380)	(29,282)
Thefts, deficiencies	8133		
Costs for enforcement proceedings	8134		
Repayment of the cost of employees' apartments	8135	(85,044)	(63,099)
Other material (financial) assistance and other payments to employees	8136	(1,344,198)	(1,087,422)
Material assistance to retired employees (including lump sum payments, compensations for utility payments)	8137		
Expenses for sport events	8138	(7,764)	(9,603)
Expenses for cultural and educational activities	8139	(44,750)	(55,353)
Expenses for charity	8140	(441,797)	(146,953)
Devaluation of fixed asset items	8141		
Others	8142	(3,912,027)	(1,051,760)

5.12. Reference on assets booked on off-balance-sheet accounts

Indicator	Code	As of December 31, 2014 (1)	As of December 31, 2013 (2)	As of December 31, 2012 (3)
1	2	3	4	5
Leased fixed assets	8200	17,789,284	12,232,951	39,015,056
including: on leasing terms	82001	2,322,952	2,766,230	30,809,416
Inventories accepted for custody	8201			
Materials accepted for processing	8202			
Goods accepted for commission	8203			
Equipment accepted for installation	8204			
Indebtedness of insolvent debtors written-off to losses	8205	650,119	584,938	59,127
Wear of land improvement facility and other similar items	8206			511
Registered high-security forms	8207	502	601	282
Federally owned property	8208			
Intangible assets acquired for use	8209			
Property transferred to authorized capital in return for shares purchased	8210			

5.13. Data on reportable segments

As of December 31, 2014	Code	Reportable segment name: Moscow	Reportable segment name: Moscow Region	Reportable segment name	Reportable segment name	Reportable segment name	Other segments	Total
1	2	3	4	5	6	7	8	9
Revenue from external customers	8310	64,899,485	60,360,670					125,260,155
Inter-segment sales	8320	-	-					-
Total segment revenue	8300	64,899,485	60,360,670					125,260,155
Incl.								-
<i>revenue from electric power transmission</i>	8301	56,738,984	55,769,640					112,508,624
<i>revenue from technological connection</i>	8302	7,542,985	4,286,972					11,829,957
<i>other revenue</i>	8303	617,516	304,058					921,574
Interest receivable	8330	330 430	219,579					550,009
Interest payable	8340	2,077,286	1 379 671					3,456,957
Profit tax expense	8350	2,277,968	1,413,075					3,691,043
Profit/(loss) of segment	8360	6,309,157	1,899,227					8,208,384
Segment assets	8370	220,730,407	105,305,873					326,036,280
incl.non-current assets	8371	190,974,641	95,086,043					286,060,684
Segment liabilities	8380	94,065,037	48,184,306					142,249,343
Depreciation of fixed assets and intangible assets	8390	12,078,848	9,629,645					21,708,493

Director

SIGNATURE

P.A. Sinyutin

accountant

SIGNATURE

V.V. Vitinsky

February 27, 2015

JOINT-STOCK COMPANY
“Moscow United Electric Grid Company”

Text explanations to Balance Sheet and Financial
Results Report for 2014

These text explanations are an essential part of the annual accounting (financial) statements of Joint-Stock Company “Moscow United Electric Grid Company” (hereinafter “the Company”) for 2014 prepared in accordance with the applicable laws of the Russian Federation.

Unless otherwise indicated, all amounts are expressed in thousands of roubles. Negative indicators are shown in parentheses.

1. General information

Full name: Joint Stock Company “Moscow United Electric Grid Company”

Shortened business name: JSC “MOESK”, JSC “Moscow United Electric Grid Company”

Legal address: 3, bldg. 2, 2nd Paveletsky proezd, Moscow, 115114, Russian Federation, that is confirmed by an extract from the Unified State Register of Legal Entities No. 3457 dd July 15, 2011.

Date and number of state registration: April 1, 2005 No. 1057746555811.

The Company is made as a result of reorganization of JSC “Mosenergo” carried out in the form of separation based on the Resolution of the annual General Meeting of Shareholders of JSC “Mosenergo” (Minutes No. 1 dd June 29, 2004).

As of December 31, 2014 the Company’s staff size was 15,575 persons.

The Company’s principal activities are provision of services for the electric power transmission and distribution in Moscow and Moscow Region, connection of new consumers to the electrical grid and increase in capacity of existing users, and other activities.

On June 24, 2014 the annual General Meeting of Shareholders passed a resolution (Minutes No. 16 dd June 27, 2014) on the approval of Ernst & Young LLC as an Auditor.

The Company's Board of Directors include:

Item No.	Full name	Position in the Board of Directors	Place of work	Position as of December 31, 2014
1.	Budargin Oleg Mikhailovch	Chairman of the Board of Directors	JSC Rosseti	General Director, Chairman of the Management Board
2.	Gavrilenko Anatoly Anatolyevich	Deputy Chairman of the Board of Directors	CJSC "Leader" (the company managing pension funds' assets)	General Director
3.	Grishchenko Sergey Valentinovich	Member of the Board of Directors	GPB (JSC)	Deputy Head of the Direct Investments Department
4.	Dyomin Andrey Aleksandrovich	Member of the Board of Directors	JSC Rosseti	First Deputy General Director for Economics and Finances
5.	Kokin Andrey Anatolyevich	Member of the Board of Directors	National Pension Fund "GAZFOND pension savings"	General Director
6.	Kravchenko Vyacheslav Mikhailovch	Member of the Board of Directors	Department of Energy of the Russian Federation	Deputy Minister of Energy
7.	Lebedev Sergey Yuryevich	Member of the Board of Directors	JSC Rosseti	Director of the strategic development Department
8.	Livinskiy Pavel Anatolyevich	Member of the Board of Directors	Department for Fuel and Energy Economy of Moscow	Director of the Department
9.	Mangarov Yury Nikolaevich	Member of the Board of Directors	JSC Rosseti	Advisor
10.	Nikitin Sergey Aleksandrovich	Member of the Board of Directors	CJSC "Leader" (the company managing pension funds' assets)	Deputy Director General, head of the administration of the corporate control
11.	Nuzhdov Aleksey Viktorovich	Member of the Board of Directors	CJSC "Leader" (the company managing pension funds' assets)	Deputy Director General for Investments and Interaction with Government Authorities
12.	Sinyutin Pyotr Alekseevich	Member of the Board of Directors	JSC "MOESK"	General Director, Chairman of the Management Board
13.	Shatokhina Oksana Vladimirovna	Member of the Board of Directors	JSC Rosseti	Deputy General Director for Economics and Finances

The Company's Management Board includes:

Item No.	Full name	Place of work	Position as of December 31, 2014
1.	Sinyutin Pyotr Alekseevich	JSC "MOESK"	General Director, Chairman of the Management Board
2.	Budyko Mark Leonidovich	JSC "MOESK"	Deputy General Director for Logistics and Material Support
3.	Kimerin Vladimir Anatolyevich	JSC "MOESK"	Deputy General Director for Transportation and Energy Metering - "Energouchet" Branch Director
4.	Filin Aleksandr Valentinovich	JSC "MOESK"	First Deputy General Director for Corporate Protection and Anti-corruption
5.	Inozemtsev Aleksandr Valeryevich	JSC "MOESK"	First Deputy General Director for Financial and Economic Activity and Corporate Governance
6.	Ivanov Vsevolod Evgenyevich	JSC "MOESK"	Director of "Central Electric Grids" branch
7.	Ivanov Viktor Ivanovich	JSC "MOESK"	Director of "Central Electric Grids" branch
8.	Pyatigor Aleksandr Mikhailovich	JSC "MOESK"	Deputy General Director for Technological Connection and Service Development
9.	Starostin Aleksey Sergeyevich	JSC "MOESK"	Deputy General Director for Corporate Governance and Property
10.	Chegodayev Anatoliy Vasilyevich	JSC "MOESK"	First Deputy General Director, Chief Engineer

The Auditing Commission includes:

Item No.	Full name	Position in the Auditing Commission	Place of work	Position as of December 31, 2014
1.	Kim Svetlana Anatolyevna	Chairman of the Auditing Commission	JSC Rosseti	Head of the Administration of the audit activity and internal audit of the internal audit and control Department
2.	Guseva Elena Yuryevna	Member of the Auditing Commission	JSC Rosseti	Key expert of the investment audit Division of the Administration of the audit activity and internal audit of the internal audit and control Department
3.	Kirillov Artyom Nikolayevich	Member of the Auditing Commission	JSC Rosseti	Head of the investment audit Division
4.	Kuznetsova Elena Polikarpovna	Member of the Auditing Commission	JSC Rosseti	Head of the general audit and inspections division
5.	Ochikov Sergey Ivanovich	Member of the Auditing Commission	JSC Rosseti	Key expert of the general audit and inspections division of the Administration of the audit activity and internal audit of the internal audit and control Department

As of December 31, 2014 the Company has the following branches in its structure:

1. “Southern Electric Grids”
2. “Eastern Electric Grids”
3. “Northern Electric Grids”
4. “Western Electric Grids”
5. “High Voltage Cable Grids”
6. “Central Electric Grids”
7. “Moscow Cable Grids”
8. “Energouchet”
9. “New Moscow”

Information on organizations that are subsidiary and dependent towards the Company is presented in the table below:

Name	Place of registration	Type of activities:	Company’s interest
JSC “Moskabelsetmontazh” (JSC “MKSM”)	17, bldg. 3, Yuzhnoportovaya ul., 115088 Moscow, Russia	Provision of assembly, repairs and maintenance of other electrical equipment	100 %
JSC “Plant on repair of electrical machinery” (JSC “Plant RETO”)	4a, Starokashirskoye Sh, Moscow	Provision of assembly, repairs and maintenance of other electrical equipment	100 %
JSC “Moskabelener-goremont” (JSC “MKER”)	7B, Reutovskaya ul., Moscow 111539	Execution of civil works related to the arrangement of local pipe lines, communication lines and power transmission lines, including related auxiliary works. Provision of assembly, repairs and maintenance of other electrical equipment Execution of electrical installation works	100 %
OJSC “Energocenter”	65, ul. Kirova, 142117 Podolsk, Moscow Region	Construction of the power facilities within the Moscow Region	74.9975 %

These statements were signed on February 27, 2015.

2. Principle provisions of the accounting policy

Within the reporting period the Company used the bookkeeping and tax accounting policies approved by Order of General Director No. 1452 dd December 31, 2013. No changes were introduced into the Company’s accounting policies in 2014.

2.1. Regulatory and legal framework

The Company's Balance Sheet has been prepared based on the standards of bookkeeping and tax accounting

applied in the Russian Federation, in particular:

1. Federal law No. 402-ФЗ dated December 6, 2011 "On Accounting";
2. Regulations on Accounting and Reporting in the Russian Federation approved by Order of the Russian Ministry of Finance No. 34Н dd July 29, 1998;
3. Russian Accounting Standard (PBU) No. 1/2008 "Corporate accounting policies" approved by Order of the Russian Ministry of Finance No. 106Н dd October 6, 2008;
4. Russian Accounting Standard (PBU) No. 2/2008 "Accounting of construction agreements" approved by Order of the Russian Ministry of Finance No. 116Н dd October 24, 2008;
5. Russian Accounting Standard (PBU) No. 3/2006 "Accounting of assets and liabilities in foreign currencies" approved by Order of the Russian Ministry of Finance No. 154Н dd November 27, 2006;
6. Russian Accounting Standard (PBU) No. 4/99 "Financial statements of an organization" approved by Order of the Russian Ministry of Finance No. 43Н dd July 6, 1999;
7. Russian Accounting Standard (PBU) No. 5/01 "Accounting of inventory stocks" approved by Order of the Russian Ministry of Finance No. 44Н dd June 9, 2001;
8. Russian Accounting Standard (PBU) No. 6/01 "Accounting of tangible assets" approved by Order of the Russian Ministry of Finance No. 26Н dd March 30, 2001;
9. Russian Accounting Standard (PBU) No. 7/98 "Post-reporting events" approved by Order of the Russian Ministry of Finance No. 56Н dd November 25, 1998;
10. Russian Accounting Standard (PBU) No. 8/10 "Estimated liabilities, contingent liabilities and contingent assets" approved by Order of the Russian Ministry of Finance No. 167Н dd December 13, 2010;
11. Russian Accounting Standard (PBU) No. 9/99 "Income of an organization" approved by Order of the Russian Ministry of Finance No. 32Н dd May 6, 1999;
12. Russian Accounting Standard (PBU) No. 10/99 "Expenses of an organization" approved by Order of the Russian Ministry of Finance No. 33Н dd May 6, 1999;
13. Russian Accounting Standard (PBU) No. 11/2008 "Information on related parties" approved by Order of the Russian Ministry of Finance No. 48Н dd April 29, 2008;
14. Russian Accounting Standard (PBU) No. 12/2010 "Information on segments" approved by Order of the Russian Ministry of Finance No. 143Н dd November 8, 2010;
15. Russian Accounting Standard (PBU) No. 13/2000 "Accounting of governmental grants" approved by Order of the Russian Ministry of Finance No. 92Н dd October 16, 2000;
16. Russian Accounting Standard (PBU) No. 14/2007 "Accounting of intangible assets" approved by Order of the Russian Ministry of Finance No. 153Н dd December 27, 2007;
17. Russian Accounting Standard (PBU) No. 15/2008 "Accounting of loans and borrowing expenses" approved by Order of the Russian Ministry of Finance No. 107Н dd October 6, 2008;
18. Russian Accounting Standard (PBU) No. 16/02 "Information on discontinued business activities" approved by Order of the Russian Ministry of Finance No. 66Н dd July 2, 2002;
19. Russian Accounting Standard (PBU) No. 17/02 "Accounting of expenses for researches and developments" approved by Order of the Russian Ministry of Finance No. 115Н dd November 19, 2002;
20. Russian Accounting Standard (PBU) No. 18/02 "Accounting of corporate income tax" approved by Order of the Russian Ministry of Finance No. 114Н dd November 19, 2002;
21. Russian Accounting Standard (PBU) No. 19/02 "Accounting of financial investments" approved by Order of the Russian Ministry of Finance No. 126Н dd December 10, 2002;
22. Russian Accounting Standard (PBU) No. 20/03 "Information on participation in joint venture" approved by Order of the Russian Ministry of Finance No. 105Н dd November 24, 2003;
23. Russian Accounting Standard (PBU) No. 21/2008 "Changes in accounting estimates" approved by Order of the Russian Ministry of Finance No. 106Н dd October 6, 2008;
24. Russian Accounting Standard (PBU) No. 22/2010 "Correction of errors in accounting and reporting" approved by Order of the Russian Ministry of Finance No. 63Н dd June 28, 2010;
25. Russian Accounting Standard (PBU) No. 23/11 "Cash flow reporting" approved by Order of

- the Russian Ministry of Finance No. 11Н dd February 2, 2011;
26. Russian Accounting Standard (PBU) No. 24/11 “Accounting of expenses for natural resources development” approved by Order of the Russian Ministry of Finance No. 125Н dd October 6, 2011;
 27. Russian Accounting Standard (PBU) on long-term investments approved by Letter of the Russian Ministry of Finance No. 160 dd December 30, 1993;
 28. Order No. 66Н dd July 2, 2010 "About accounting forms of organizations";
 29. Other applicable Russian accounting rules (standards);
 30. Tax, labor, land and other codes of the Russian Federation.

2.2. Intangible assets

Intangible assets are recognized in the accounting statements at their original value. The original value of intangible assets is the amount expressed in monetary terms, equal to the amount of payment in cash or another form, or the amount of accounts payable, paid or accrued by the Company for the purposes of acquisition, creation of assets and provision of the conditions for the use of assets as planned.

Depreciation of the intangible assets with definite useful life is made by straight-line method, based on useful life of the intangible assets. The useful life is determined by a Committee of the Company, which is approved by an order of the Company’s General Director.

Within the reporting period the Company did not reveal any factors indicating the need to refine the useful life, as well as the methods of depreciation of the intangible assets.

Depreciation deductions on the intangible assets are recognized in the accounting records of the reporting period they are related to, and are accrued regardless of the Company’s performance during the reporting period.

Useful life of intangible assets for depreciation purposes:

Intangible assets	Useful life, month
Trademark	105
Patent on “Charging station for electric transport”	60
Software system for technological management of charging stations	60
Patent on “Device to limit the transient recovery voltage in circuits with current-limiting reactors”	120
Patent on “Simulator for the determination of installation places of equipment for reactive power remuneration (ERPR) in power grids of general purpose”	120
Development of methodological support for participation of JSC "MOESK" in the implementing greenhouse gas reductions in the international carbon market for the needs of JSC "MOESK"	60
Complex research of application of inserts DC (IDC) in JSC "IvIOESK" grid, the definition of algorithms of their management with regard to the peculiarities of the Moscow power system	60
Evaluation of electrodynamic and thermal effects of currents of short circuit on the power transmission line with the growth level of the operating currents and short circuit currents for the needs of JSC "MOESK"	60
Elaboration of the general technical requirements and standard technical solutions to the automated system of monitoring and diagnostics of the equipment of the substation of JSC "MOESK"	60

The original value of an intangible asset at which it was entered into the books can be changed in case of revaluation and impairment of intangible assets.

The original value of intangible assets acquired under agreements providing for the fulfillment of obligations (payment) in non-monetary assets is determined based on the value of assets transferred or to be transferred. When it is impossible to establish the value of the assets transferred or to be transferred under such agreements, the value of the acquired intangible assets is set based on the price at which similar intangible assets are acquired in comparable cir-

cumstances.

2.3. Fixed assets

Fixed asset items are recognized in the accounting statements at their original value. The initial value of fixed assets purchased for a fee is recognized as the amount of actual expenses for the purchase, construction and production, excluding the value added tax and other recoverable taxes (except as provided by the laws of the Russian Federation). The fixed assets are recognized in the accounting statements at their original value.

The Company revaluates fixed assets at intervals not more than once a year (at the reporting year end) at the current (replacement) value for the following groups of assets: "Power machines and equipment".

Revaluation of a group of similar fixed asset items "Power machines and equipment" is made in the manner prescribed by the laws of the Russian Federation, at the reporting year end, based on the appropriate regulatory document, if based on the results of the evaluation held the cumulative deviation from the original cost is more than 10 percent. Revaluation of fixed assets of the Company is held by independent appraisers.

The amount of the fixed asset markdown obtained as a result of revaluation is included into the financial results as other expenses.

The revaluation surplus of fixed asset obtained as a result of revaluation is included into the Company's additional capital. The revaluation surplus of fixed asset equal to the amount of its markdown obtained in the previous reporting periods and included into the financial results as other expenses is included into the financial results as other income.

Upon disposal of a fixed asset, its revaluation surplus is transferred from the company's additional capital to the company's undistributed profit.

The fixed assets with the cost of no more than RUR 40,000 per unit are reflected in the bookkeeping and accounting statements as part of inventory stocks.

Change in the initial value of fixed assets in which they are included for accounting purposes is allowed in cases: additional construction, additional equipping, reconstruction, renovation, modernization, partial liquidation and revaluation of fixed assets.

Depreciation on fixed assets is made by a straight line method. Useful life of fixed assets used for depreciation is given below:

Groups of fixed assets	Useful life, month
Industrial buildings	374
Structures, excluding power transmission lines	286
Power transmission lines and their accessories	220
Electricity generating machines and equipment, substations, power conversion equipment	153
Industrial and household equipment	62
Others	61

Fixed assets, the rights whereof are subject to the state registration according to the laws of the Russian Federation, and the capital investments on which are completed, the respective primary accounting documents on delivery - take-over are drawn up, the documents on which are transferred for the state registration purposes and which are used actually, are recognized in the accounting statements as the fixed assets with an appropriation at a separate sub-account in relation to the financial account of the fixed assets. Depreciation on such facilities is accrued according to a standard procedure, from the first date of a month, following a month of the facility's putting into operation.

The Property, received by the Company under contracts, stipulating the obligations fulfillment (payment) with non-monetary assets (in particular under contracts of exchange), is estimated on the cost of valuables, which have been transferred or subject to a transfer to the Company. The cost of valuables, which have been transferred or subject to a transfer to the Company, is established from a price, at which the Company determined usually the similar

valuables' cost, under comparable circumstances.

If it's impossible to establish a cost of the valuables, transferred or subject to a transfer, the cost of the fixed assets, got by an organization under the contracts, stipulating the obligations fulfillment (payment) with non-monetary assets, is determined premised on the cost, at which the similar facilities of the fixed assets are acquired under comparable circumstances.

The cost of the fixed assets, got instead of the retired property within the framework of the losses indemnification agreements, is determined based on the actual expenditures for the facility construction of the transmitting party, as stated in the property acceptance-transfer report.

Upon the estimation of the property, its actual cost is formed taking into account the expenses incurred by the Company to bring the property to a state deemed suitable for use (for examinations, consultations and estimates, for payment of the services provided by agents and other intermediaries, for delivery, installation and trial runs, registration of transactions, payment of duties etc.).

2.4. Inventory stocks

The inventory stocks are recognized at actual cost which is equal to the amount of actual expenses for acquisition, excluding the value added tax and other recoverable taxes (except as provided by the laws of the Russian Federation). The following assets are included as inventory stocks for accounting purposes:

- assets used as raw materials, supplies, etc. for manufacturing of products intended for sales (execution of works, provision of services);
- available-for-sale assets;
- assets used for administrative needs of the Company,

The inventory stocks are evaluated at an average prime cost in case of their release to production and other disposal.

Contractual prices are accepted as accounting prices.

Nomenclature number is accepted as a unit of the inventory stocks.

Shipping and handling expenses are included in the actual cost of the materials.

As of the reporting period end the inventory stocks are recognized for accounting purposes at the cost determined based on the above methods of inventory evaluation.

The inventory stocks which are obsolescent, lost its original quality completely or partially, or the current market value/selling value of which has reduced are recognized in the balance sheet at the reporting period end less the provision for impairment of material valuables. This provision is formed using the Company's financial results for the difference between the current market value and the actual cost of the inventory stocks, if the latter is higher than the current market value.

2.5. Long-term and short-term financial investments

Depending on the nature, procedure for the acquisition and use, a unit of the bookkeeping of financial investments is a contract, state registration code, series or other homogeneous totality of the financial investments.

Upon disposal of the financial investments, in respect of which no current market value is determined, their value is determined as follows:

- contributions to the authorized capital of other entities (except for shares of joint stock companies), loans given to other entities, deposits with credit institutions, receivables acquired on the basis of claim assignment agreements are valued at the initial value of each retired unit of financial investments;
- securities (stocks and bonds) are estimated at the initial value of each unit of financial investments upon their disposal.

Upon disposal of the assets recognized in the accounting statements as financial investments with definable current market value their cost is determined based on their last evaluation.

Adjustment of the evaluated financial investments is made annually, as of a reporting year end.

The Company forms a provision for impairment of financial investments with non-definable market value, in case if the economic benefits which the Company expects to receive using these financial investments in the regular course of its business, as defined at the reporting year end, decrease considerably.

Interest (coupon yield, discount) on securities is charged for each reporting period, according to the contractual terms and are written-off to other income (expenses).

All the expenses directly attributable to the assets acquisition as the financial investments, regardless of their amount, are included in the initial cost of the financial investments.

2.6. Accounts receivable

Accounts receivable from the buyers and customers are determined based on the prices specified in the contracts made between the Company and buyers and customers.

The Company establishes provisions for doubtful debts, in case if the accounts receivable are recognized as doubtful and the amounts of reserves are referred to the financial results.

The accounts receivable are regarded doubtful, if they are not repaid, or with high degree of probability will not be repaid within the time stipulated in the contract, and are not secured by the appropriate guarantees. The amount of such provision is determined per each doubtful debt depending on the debtor's financial position (solvency) and the assessed probability of partial or full repayment of such debt

2.7. Revenue recognition

Revenue is accepted for accounting purposes in the amount expressed in monetary terms, equal to the amount of receipt of cash and other assets and (or) amount of accounts receivable. If the amount of receipts covers a part of the revenue only, the revenue included for accounting purposes is defined as the sum of receipts and accounts receivable (to the extent which is not covered by receipts).

Revenue is recognized in the accounting statements when the following conditions are met simultaneously:

- The Company has the right to receive this revenue arising from a particular contract or confirmed by other suitable means;
- amount of revenue can be measured;
- there is confidence in the fact that as a result of a specific operation, the economic benefits will increase.
- ownership (possession, use and disposal) in respect of products (goods) was transferred from the Company to the purchaser or the work was accepted by the customer (service was provided);
- expenses which are incurred or will be incurred in connection with the operation can be defined.

Revenue from sales of goods, provision of services is recognized in the Financial Result Report, net of value-added tax.

Revenues from the ordinary types of activities are as follows:

- revenues from electric power transmission;
- revenues from provision of the capacity connection;
- revenues from leasing out of the property;
- revenues from provision of industrial services;

2.8. Recognition of expenses

Expenses are included for accounting purposes in the sum expressed in monetary terms, equal to the amount of payment in monetary form.

Expenses for ordinary activities are the expenses associated with the manufacture and sale of products, acquisition and sale of goods, the expenses associated with the performance of works and provision of services, the implementation of which is associated with ordinary activities of the Company. The expenses for ordinary activities are divided into:

- expenses related to electric power transmission;

- expenses related to the provision of the capacity connection;
- expenses from leasing out of the property;
- expenses related the provision of the production services.

2.9.Accounting of loan and credit costs

Loans and credits are the funds (credit, loan) taken from the lender (creditor) in the amount and upon conditions stipulated in the agreement, which the borrower undertakes to return after a certain period of time in full and pay interest, unless otherwise provided by the laws or loan agreement.

Settlements of loans and credits involve information about the status of payments between the lender and the borrower on the part of the borrower. At the same, settlement of accounts for the payment of interest is recorded separately in accounting records in respect of the main debt amount.

Interest on loan obligations arising from the Company's raising of funds in order to create its own investment asset is included in the price of this asset. The item is recognized as an investment asset, if the preparation of this item for its intended use necessarily takes a long period of time (more than 12 months).

In particular, an investment asset may be created in connection with:

- implementation of capital construction in the form of new construction, as well as reconstruction, expansion and modernization (including completion of construction, completion of equipping, modernization, etc.) of existing non-production facilities. These works (except new construction) lead to a change in the essence of the items, at which they are made, and the costs incurred in this are not costs of the reporting period for their maintenance,
- acquisition of buildings, structures, equipment, vehicles and other individual fixed assets (or parts thereof)
- acquisitions and creation of intangible assets (patents, software products, R&D, etc.).

For the purposes of the criteria of an investment asset, the construction period is determined in accordance with the planned period of creation or reconstruction / modernization of the asset specified in the investment program, taking into account the execution time of the research and development (R&D) for the construction of this asset. If, taking into account the time of actually developed suspensions in the creation of the item, the actual construction period was less than 12 months, the previously capitalized loan costs are not recalculated, but remain in the structure of the item value.

The Company reclassifies (translates) long-term debt into the short-term one at each reporting date. Reclassification of debt on received borrowings (both in respect of principal debt, and in respect of the corresponding amounts of accrued interest) is made in the following order:

- short-term debt is translated into long term if an agreement on the extension of the short-term loan agreement was concluded, so that the maturity of the loan will be more than 12 months from the reporting date;
- the long-term debt is translated into short-term debt, when less than 12 months remains before the repayment of the specified part of debt under the terms of the credit (loan) agreement,
- on long-term credit (loan) agreements, repaid in parts, debt on the next part of the credit (loan) agreement is translated in the current portion of long-term borrowings, when less than 12 months remains before the repayment of the specified part of debt under the terms of the credit (loan) agreement

2.10. Cash and cash equivalents, the reflection of cash flow

Cash and cash equivalents

For the purposes of preparation of Cash Flow Statement the Company includes into its cash assets their equivalents, which are defined as short-term highly liquid financial investments that can be easily converted into any predetermined cash amount and that are subject to insignificant risk of changes in value. In particular, the Company regards the deposits placed in credit institutions and paid out at request and/or having the maturity period of three months or less, as well as highly liquid bank bills with maturity of up to three months as cash equivalents.

Compressed reflection of cash flows

The cash flows are reflected compressed in the Cash Flow Statement, in cases when they do not so much reflect the Company's operations, as the activities of its contractors, and (or) when the receipts from one persons entail the relative payments to other persons. In particular the Company reflects compressed the following cash flows: a) indirect taxes as part of the receipts from the purchasers and customers, payments in favour of the suppliers and contractors and payments into the budget system of the Russian Federation or refund from the same; b) receipts from a contracting party as reimbursement of utility payments and effecting of such payments as part of leasing or any similar relations.

Cash flows are reflected in the Cash Flow Statement compressed also when they are marked by rapid turnover, large sums and short term of repayment.

Accounting of exchange differences related to the assets and liabilities in foreign currency

The exchange difference is reflected in books and accounting (financial) statements for the reporting period in which the due date falls and for which the financial statements have been prepared.

The exchange difference shall be posted to the Company's financial results under "other income" or "other expenses", except for the exchange difference related to the formation of the Company's authorized capital and to be included into the additional capital.

US Dollar to Russian Ruble rate declared by the Central Bank of the Russian Federation on December 31, 2014 was: RUR 56.2584 (December 31, 2013: RUR 32.7292 (December 31, 2012: RUR 30.3727).

2.11. State subsidies

The funds (in the form of cash or (and) resources other than cash) intended for implementation of the targeted purpose actions, which were received from other organizations and persons, as well as the governmental aid are recognized as targeted financing funds., including those granted as subsidies (hereinafter "the budgetary funds"). Budget funds, including resources other than cash, are included for accounting purposes in the event of availability of the following conditions:

- there is confidence that the specified funds will be received. Confirmation may be represented by the approved budget financing targets, notice on budget appropriations, limits of budgetary obligations, certificates of acceptance and transfer of resources and other relevant documents;
- there is confidence that the terms of these funds provision by the Company will be performed. Confirmation may be represented by the contracts concluded by the Company, adopted and publicly announced decisions, feasibility reports, approved project documentation, etc.

2.12. Methods for the classification of assets and liabilities

The assets and liabilities are posted in the accounting (financial) statements to short-term ones, if their circulation/repayment period doesn't exceed 12 months from the reporting date, the rest assets and liabilities are represented in the reports as long-term ones.

The expenses incurred in the reporting period, but relating to the following reporting periods are recognized for accounting purposes in accordance with the assets recognition conditions stipulated by the accounting regulations and are subject to writing-off in accordance with the established procedure for depreciation of such assets. These expenses are reflected under account 97 "Prepaid expenses" in the accounting records and, in this respect, they are of long-term character and are included into the balance sheet as "Other non-current assets", except for the portion to be repaid within 12 months from the reporting date. Such short-term portion and the originally short-term expenses are included into the line "Other short-term assets".

If regulatory legal acts do not stipulate any techniques of accounting in respect of any particular issue, then the entity forms its accounting policy simultaneously with the development of the relative technique based on this or any other accounting standards, and also on the International Financial Reporting Standards.

2.13. Property evaluation techniques

The property and liabilities are evaluated to be reflected in monetary form in the accounting records and the accounting (financial) statements.

The property purchased for a fee is evaluated by summing the actual expenses for its purchase, the donated property is evaluated at its market value as of the date of its posting; the property produced by the entity is evaluated at its production cost.

2.14. Uncertainty of estimates

Below are the basic assumptions made with regard to future events, as well as other sources of uncertainty of estimates as of the reporting date, which might require the introduction of substantial adjustments to the book values of assets and liabilities within the following reporting year:

- provision for doubtful debts;
- provision for impairment of inventory stocks;
- useful life of intangible assets;
- contingency provisions.

The Company recognizes estimated liabilities in its accounting records and statements, which are reflected under “provision for future expenses” (Account 96). Upon recognition of an estimated liability, depending on its nature, the amount of the estimated liability is included into the expenses for ordinary operations or into other expenses, or are included into the cost of an asset.

The following future expenses are referred to the provisions for estimated liabilities:

- provision for future expenses for payment of the employees’ vacations;
- provision for future expenses for payment of the year-end remunerations
- other provisions for future expenses.

The provision for future expenses for payment of the employees’ vacations is formed per each employee. Upon formation of the provision the following indicators are taken into consideration: the actual salary of employees and other payouts for the accounting period stipulated by the labor payment system and taken into account under for the purpose of average wage calculation subject to Article 139 of the Labor Code of the Russian Federation, the total number of calendar days of the unused vacation as of a reporting date, accruals of the premium amounts. The provision is accrued monthly.

The amount of provision, accrued but not used as of a month end, is accounted as a carry-forward provision for future expenses.

The provision for future expenses for payment of the employees’ vacations is specified as of the reporting date, based on the actual number of days of the unused vacation. Upon excess of the accumulated sum of provision a recovery procedure is performed. If the accumulated provision is insufficient, a lump sum supplementing of the provision for a forthcoming payment of vacations is performed. The results are documented in an act of the inventory the provision balance.

The provision for future expenses for payment of the year-end remunerations for the fourth quarter, for December of the reporting period is determined per each employee as a remuneration sum, the right to which is acquired by the company’s employees for a reporting period. The sum of the provision includes all the premium amounts and contributions for the social insurance against accidents, calculated based on the allocations to the provision.

3. Comparative data

The following indicators of the Balance Sheet for the year ending on December 31, 2013 and on December 31, 2012 included as comparative data have been changed solely as a result of reclassification for comparative purposes with the indicators of the accounting (financial) statements for the reporting period:

	Balance sheet line code	Period	Amount before adjustment	Adjustment	Amount based on adjustments
Non-current assets					

	Balance sheet line code	Period	Amount before adjustment	Adjustment	Amount based on adjustments
1	Fixed assets, incl.	as of December 31, 2013	250,818,281	356,945	251,175,226
		as of December 31, 2012	216,740,400	366,219	217,106,619
	- construc- tion-in-process	as of December 31, 2013	28,475,879	-	28,475,879
		as of December 31, 2012	22,433,263	16,226	22,449,489
	- materials for con- struction	as of December 31, 2013	-	356,945	356,945
		as of December 31, 2012	-	349,993	349,993
2	<i>Total on section I</i>	<i>as of December 31, 2013</i>	<i>260,154,222</i>	<i>356,945</i>	<i>260,511,167</i>
		<i>as of December 31, 2012</i>	<i>224,687,049</i>	<i>366,219</i>	<i>225,053,268</i>
Current assets					
3	Inventories, incl.	as of December 31, 2013	4,901,242		4,444, 679
		as of December 31, 2012	5,343,246		4,839,955
	- raw materials, supplies and other similar valua- bles	as of December 31, 2013	2,446,312	(356,945)	2,089,367
		as of December 31, 2012	2,713,326	(366,219)	2,347,107
	- other inventories and ex- penses	as of December 31, 2013	99,618	(99,618)	-
		as of December 31, 2012	137,072	(137,072)	-
4	Other non-current assets	as of December 31, 2013	6,066,761	99,618	6,166,379
		as of December 31, 2012	6,420,604	137,072	6,557,676
5	<i>Total on section II</i>	<i>as of December 31, 2013</i>	<i>39,520,562</i>	<i>(356,945)</i>	<i>39,163,617</i>
		<i>as of December 31, 2012</i>	<i>62,060,076</i>	<i>(366,219)</i>	<i>61,693,857</i>
6	Total assets	as of December 31, 2013	299,674,784	-	299,674,784
		as of December 31, 2012	286,747,125	-	286,747,125

4. Intangible assets

As of December 31, 2014 the Company's intangible assets include the Company's trademark, patents and rights to researches and developments.

The information about the balances and flows of intangible assets for the reporting period is given in Table No. 5.1.1, and that related to the unfinished acquisition operations is provided in Table No. 5.2.2. of the Explanations to the Balance Sheet.

In 2014 the Company incurred expenses for the acquisition (creation) of intangible assets (new technologies, patent rights, licenses for inventions, industrial design, useful model, etc.) for a total amount of RUR 518, 923. (2013: RUR 366,518 thous.).

The Company incurred expenses for the acquisition of nonexclusive rights and licenses. These expenses are reflected under account 97 "Prepaid expenses" in the accounting records, are of long-term character and are included into Section I of the balance sheet "Non-current assets" (under line "Other non-current assets"), except for the portion to be repaid within 12 months from the reporting date.

Acquisition expenses	Balance as of December 31, 2012	Received	Disposed	Balance as of December 31, 2013	Received	Disposed	Balance as of December 31, 2014
Rights of use:							-
Software products	82,860		(29,419)	53,441		(17,797)	35,644
others, consultation services and bank services	488,203	135,221	(467,181)	156,242	5,696	(120,436)	41,502
Licenses, certificates, permits, etc.	34,757	94,194	(62,365)	66,586	137,467	(58,258)	145,795
Total	605,820	229,415	(558,965)	276,270	143,163	(196,492)	222,941
Less: short-term portion	(135,824)			(99,618)			(48,287)
Total long-term portion	469,996			176,652			174,654

5. Results of researches and developments (R&D)

The information about the existence and flow of R&D results in the Company within the reporting period is shown in Table No. 5.2.1, that related to the expenses for unfinished and unexecuted researches and developments is provided in Table No. 5.2.2. of the Explanations to the Balance Sheet.

In 2014 the Company incurred expenses related to unfinished and unexecuted researches and developments in a total amount of RUR 177,118. (2013: RUR 36,882 thous.).

6. Fixed assets

The information about the existence and flow of fixed assets and the relative accumulated depreciation is shown in Table No. 5.3.1 of the Explanations to the Balance Sheet.

The fixed assets belonging to group “Machinery and equipment” are recognized at revaluated cost. No revaluation of the fixed assets was performed in 2014.

As of December 31, 2014 the book value of the fully depreciated fixed assets, non-adjusted for wear, made up RUR 30,585,475. (December 31, 2013: RUR 26,109,847 thous., December 31, 2012: RUR 2,764,675 thous.).

Expenses for credits and loans in the amount of RUR 1,861,718 thous. (2013: RUR 1,663,851 thous.) were capitalized during the reporting period. The capitalization rate was 8.4 % (2013: 8.4 %) 8.4%) and is a weighted average rate for all non-purpose loans used for the creation of investment assets.

The fixed assets include the items with the consumer properties remaining unchanged with time, i.e. they are not subject to depreciation. The information about the book value of such items as of December 31 is given in the table:

Fixed asset items	2014	2013	2012
Land plots	93,579	88,832	88,372
Housing facilities	64	64	1,294
Total	93,643	88,896	89,666

The Company owns ten land plots with total area of 46.47 ha (December 31, 2013: 54.48 ha, December 31, 2012: 52.6 ha). The residential properties owned by the Company includes an apartment 60 sq. m in area.

The information about the changes in the value of the fixed assets at which they have been entered into the books (additional construction, additional equipping, reconstruction, partial liquidation and revaluation of the fixed assets) is given in Table No. 5.3.3 of the Explanations to the Balance Sheet.

The information about the real estate items put into operation and actually used, undergoing the state registration procedure as of the reporting date is shown in Table No. 5.3.4 of the Explanations to the Balance Sheet.

The information about the existence and flow of the construction-in-progress items and unfinished operations for the acquisition, modernization, etc. of the fixed assets is given in Table No. 5.3.5 of the Explanations to the Balance Sheet.

7. Financial investments

The information about the existence and flow of the financial investments within the reporting period is given in Table No. 5.4.1 of the Explanations to the Balance Sheet.

Investments in the authorized capital of other companies

As of December 31, 2014 the Company has interests in the authorized capitals of the following companies:

Name of the Company	Interest in the authorized capital	Balance as of December 31, 2014	Balance as of December 31, 2013	Balance as of December 31, 2012
“MKER”	100 %	398,211	450,289	449,602
“Energocenter”	74,99 %	1,051,000	1,051,000	1,049,633
“RETO”	100 %	659,154	661,955	661,955
“MKSM”	100 %	1,793,454	1,793,454	1,793,454
Total		3,901,819	3,956,699	3,954,644

As of December 31, 2014 the Company revealed the signs of impairment of the financial investments and assessed additional amount of the provision - RUR 54,880 thous. in 2014. (2013: recovery in the amount of RUR 2.055 thous.) The cost of contributions to the authorized capital of subsidiary companies as of the reporting date is reflected in the Balance Sheet at the initial value less accumulated provisions. The information about the flow of the provision for financial investments to the authorized capitals of other companies is given in Table No. 5.4.1 of the Explanations to the Balance Sheet.

Debt financial investments

As of December 31, 2014 the debt liabilities with non-definable current market value included:

The borrower	A sum to be repaid within 12 months after the reporting date	A sum to be repaid within a period exceeding 12 months after the reporting date	Repayment term	Annual interest rate
OJSC “Energocenter”	-	922,625	2024	8,55 %
LLC "Energo-finance"	468,747	-	December 12, 2014	13,00 %
Less provision	(468,747)	-		
Total	-	922,625		

The rights to claim on the bonds of OJSC “Energocenter”, the subsidiary company, were transferred to the Company in 2012 in accordance with the procedure for assignment of the third-party creditors’ rights to claim. No security for the borrowers’ bonds have been received. The Company intends to hold the debt financial investments until maturity dates.

Granted loans

As of December 31, 2014 the granted loans included:

The borrower	A sum to be repaid within 12 months after the reporting date	A sum to be repaid within a period exceeding 12 months after the reporting	Repayment term	Annual interest rate
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		date		
LLC "Payments Settlement Center"	550,000		December 2014	14 %
Total	550,000	-		

Loans are not secured by any collateral. LLC "Payments Settlement Center" did not repay the loan at a set date, however as of the date of signing of these statements the Company reached some principle agreements with the borrower regarding the extension of maturity date to be officially executed in accordance with an established procedure. Since there is high degree of confidence in the agreements reached, the Company has not formed any provision for the loan granted.

8. Inventories

The information about the existence and flow of the inventories and provision for impairment within the reporting period is given in Table No. 5.5.1 of the Explanations to the Balance Sheet. No inventories have been pledged.

9. Accounts receivable

The information about the existence and flow of the accounts receivable and provision for doubtful debts within the reporting period is given in Table No. 5.6.1 of the Explanations to the Balance Sheet. The turnover indicators include the accounts receivable formed and repaid in the same reporting period.

10. Cash and cash equivalents

As of December 31 cash includes:

	2014	2013	2012
Cash in banks and on hand in roubles	4,179,053	1,477,406	7,625,286
Others (financial instruments)	2,722	3,767	2,705
Total monetary assets and their cash equivalents	4,181,775	1,481,173	7,627,991

As of December 31, 2014 the Company is able to raise the following additional cash:

- the credit facilities opened for the Company, but not used, which amount in total to RUR 21,000,000 thous. as of the reporting date (December 31, 2013: zero, December 31, 2012: zero);
- cash in the amount of RUR 1,500,000 thous. (December 31, 2013: RUR 1,000,000 thous., December 31, 2012: RUR 1,000,000 thous.) that may be received by the Company subject to overdraft terms;
- cash in the amount of RUR 7,378,683 thous. (December 31, 2013: RUR 19,478,683 thous., December 31, 2012: zero) relating to the loans (credits) which were not received as of the reporting date under the concluded loan agreements (credit agreements).

As of December 31, 2014 the Company did not have any unavailable-for-use cash.

11. Other assets

As of December 31, other assets included: As of December 31, other assets included:

	2014		2013		2012	
	Non-current	Current	Non-current	Current	Non-current	Current
Expenses for the acquisition of the non-exclusive rights and licenses (see	102,590	43,205	44,997	21,590	11,133	23,940

Text Note No. 4)						
Others (SAP software, consultation services and bank services)	72,064	5,082	131,656	78,027	458,863	111,884
Total	174,654	48,287	176,652	99,618	469,996	135,824

12. Authorized, added, reserve capitals

The information about the authorized, additional and reserve capitals and flow within the reporting period is given in Table No. 3.1 of the Explanations to the Balance Sheet.

The authorized capital consists of 48,707,091,574 (forty-eight billion seven hundred and seven million ninety-one thousand five hundred seventy-four) ordinary shares, with nominal value of 0.50 roubles. The amount of the authorized capital is 24,353,545,787 (twenty-four billion three hundred and fifty-three million five hundred forty-five thousand seven hundred and eighty-seven) roubles.

As of December 31, 2014, all issued shares were fully paid and were in circulation. No redemption of own shares or any other changes in the capital structure occurred in 2014.

In 2014 the dividends on ordinary shares were declared for 2013 in the amount of RUR 2,910,249 thous. or RUR 0.05975 per each ordinary share.

The Company formed a reserve capital to cover losses, which, although not specifically identified, may occur in economic turnover. The reserve capital is formed using the Company's net profit.

13. Loans and credits

In 2014, the Company raised RUR 27,101,517 thous., including:

- RUR 22,101,517 thous. under credit facilities, including:
 - RUR 14,408,586 thous. for refinancing of debt;
 - RUR 7,692,931 thous. for funding investment activities;
- RUR 5,000,000 thous. under on bonded loan for funding investment activities.

Within 2014 the credit liabilities were repaid in the amount of RUR 11,408,586 thous. RUR

As of December 31 borrowings included:

	2014		2013		2012	
	Long-term borrowed assets	Short-term borrowed assets	Long-term borrowed assets	Short-term borrowed assets	Long-term borrowed assets	Short-term borrowed assets
Bank credits	42,121,317	10,710,728	36,721,317	5,419,400	39,300,527	3,002,567
Other loans	10,000,000	10,202,523	15,000,000	361,948	10,000,000	197,702
Current portion of long-term liabilities		372,753		24,367		28,730
Total borrowed assets	52,121,317	21,286,004	51,721,317	5,805,715	49,300,527	3,228,999

The expenses for loans and credits included under "other expenses" and in the cost of investment assets amounted to RUR 3,456,957 thous. and to RUR 1,861,718 thous. in 2014 respectively, as compared to RUR 2,447,840 thous. and RUR 1,633,851 thous. in 2013 respectively.

The book value of all the credits and loans granted is expressed in Russian roubles. The Company did not secure the received credits and loans.

Long-term borrowings

As of December 31, the long-term borrowings had the following structure:

Item	Name	Contract number	As of December 31, 2014	As of December 31, 2013	As of December 31, 2012	Repayment date:
	Bank credits:					

Item	Name	Contract number	As of December 31, 2014	As of December 31, 2013	As of December 31, 2012	Repayment date:
1	Lender 1	5681	12,621,317	8,521,317	-	December 26, 2018
2	Lender 1	5680	10,000,000	10,000,000	-	September 26, 2018
3	Lender 2	KC-725350/2013/00043	10,000,000	2,000,000	-	November 28, 2018
4	Lender 4	01BN8L	5,000,000	-	-	July 31, 2017
5	Lender 4	01BN9L	2,000,000	-	-	July 31, 2017
6	Lender 1	5449	2,500,000	2,500,000	2,500,000	August 18, 2016
7	Lender 1	5460	-	3,000,000	3,000,000	September 16, 2015
8	Lender 1	5461	-	3,200,000	3,200,000	September 16, 2015
9	Lender 1	5462	-	1,500,000	1,500,000	September 16, 2015
10	Lender 2	2995	-	3,000,000	3,000,000	June 21, 2016
11	Lender 2	3006	-	3,000,000	3,000,000	June 21, 2016
12	Lender 5	00CS2L-00CS7L	-	-	14,123,000	March - September 2013
13	Lender 5	151/11-P	-	-	1,500,000	January 28, 2013
14	Lender 5	110/100/1223	-	-	2,121,317	December 27, 2013
15	Lender 6	5349	-	-	2,000,000	September 27, 2014
16	Lender 6	5350	-	-	2,000,000	September 27, 2014
17	Lender 6	5448	-	-	1,356,210	August 18, 2014
	Total bank credits:		42,121,317	36,721,317	39,300,527	
	Bonded loans					
18	Loan	No. 3	5,000,000	5,000,000		February 10, 2016
19	Loan	No. 4	5,000,000	-		September 21, 2017
20	Loan	No. 1	-	5,000,000	5,000,000	September 18, 2015
21	Loan	No. 2	-	5,000,000	5,000,000	October 26, 2015
	Total bond loans:		10,000,000	15,000,000	10,000,000	
	Total		52,121,317	51,721,317	49,300,527	

In 2014 the annual rate of interest on long-term credits and loans ranged from 7.5 % to 11.5 % (2013: from 7.5 % to 11 %).

Below is the schedule of payments for the long-term borrowings as of December 31, 2014:

	Amount in RUR
2015	-
2016	7,500,000
2017	24,100,000
2018	20,521,317
After 2018	-

Short-term borrowings

As of December 31, 2014 the short-term borrowings had the following structure:

Item	Name	Contract number	As of December 31, 2014	As of December 31, 2013	As of December 31, 2012	Repayment date:
	Bank credits:					
1	Lender 1	5461	3,200,000	-	-	September 16, 2015
2	Lender 1	5460	3,000,000	-	-	September 16, 2015
3	Lender 1	5681	2,000,000	-	-	25.03.2015
4	Lender 1	5462	1,500,000	-	-	September 16, 2015
5	Lender 1	5681	1,000,000	-	-	March 28, 2015
6	Lender 1	5349	-	2,000,000	-	September 27, 2014
7	Lender 1	5350	-	2,000,000	-	September 27, 2014
8	Lender 1	5448	-	1,356,210	-	August 18, 2014
9	Lender 3	57-13/0	-	50,859	-	January 28, 2014
10	Lender 1	5277	-	-	3,000,000	July 15, 2013
11	Interest on credits		74315	36,698	31,298	
	Total bank credits:		10,774,315	5,443,767	3,031,298	
	Bonded loans:					
12	Loan	No. 1	5,000,000	-	-	September 18, 2015
13	Loan	No. 2	5,000,000	-	-	October 26, 2015
14	Coupon		511,689	361,948	197,701	
	Total bond loans:		10,511,689	361,948	197,701	
	Total		21,286,004	5,805,715	3,228,999	

In 2014 the annual rate of interest on short-term credits and loans ranged from 7.7 % to 8.5 % (2013: from 6.9 % to 7,8 %).

14. Estimated liabilities

The information about the existence and flow of the estimated liabilities within the reporting period is given in Table No. 5.7.1 of the Explanations to the Balance Sheet. All the provisions are of short-term nature.

Legal actions

As of December 31, 2014 the Company formed a provision for losses that the Company may incur due to legal actions in the amount of RUR 555,545 thous., including:

- a provision is formed for a joint legal action relating to the outstanding debt for the services rendered under contract No. 1/07 dd January 9, 2007 in the amount of expected losses in case of an unsuccessful outcome of the case in the amount of RUR 157,606 thous..A court decision is expected to be adopted in this action no later than the second half of 2015;
- A provision is formed for a legal action against the Company by CJSC “OblstroyInvestEnerg” concerning the connection of the residential development under contract No. 10011-409 dd September 5, 2008. The total cost of the action filed against the Company is RUR 54, 716 thous.. LLC “Energocenter” acts as a non-party intervener in this case. A court decision is expected to be adopted in this action no later than the second half of 2015;
- a provision is formed for a legal action filed against the Company by JSC “Mosenergostroyenergo” concerning the connection of the residential development under contract No. 10011-409 dd September 5, 2008. The total cost of the action filed against the Company is RUR 54, 716 thous.. LLC “Energocenter” acts as a non-party intervener in this case. A court decision is expected to be adopted in this action no later than the second half of 2015;

by” concerning recovery of losses for January - October 2013. The total cost of the action filed against the Company is RUR 60,965 thous..A court decision is expected to be adopted in this action no later than the first half of 2015.

Since the probability of unsuccessful outcome of the actions is high for the Company, it recognized the relative provisions for possible losses.

Provisions for future expenses for payment of the employees’ vacations

The provision is formed for the Company’s future expenses for payment of the employees’ vacations unused as of December 31, 2014. The provision balance as of December 31, 2014 is expected to be used in the first half of 2015. In the opinion of management, the actual expenses for payment of vacations will not exceed the amount of the provision, as reflected in the accounting statements as of December 31, 2014.

15. Accounts payable

Existence and flow of the accounts payable in the reporting period is given in Table No. 5.6.5 to the Explanations to the Balance Sheet. The turnover indicators include the accounts payable formed and repaid in the same reporting period.

Payables to the state non-budgetary funds

As of December 31 the accounts payable to the state non-budgetary funds had the following structure:

	2014	2013	2012
Insurance payments - total	159,694		86
including:			
- Social Insurance Fund			
- Pension Fund	144,674		76
- Obligatory Health Insurance Fund	15,020		10
Compulsory social insurance fund (compulsory insurance against industrial accidents and occupational diseases)			
Other			5
Total payables to the state budgetary funds	159,694	-	91

Taxes and levies payable

Taxes payable as of December 31 include:

	2014	2013	2012
Profit tax	870,049		417,053
Value-added tax			878,492
Property tax	353,288	228,153	60,945
Transport tax	8,897	8,252	6,740
Land tax	3,514	1,787	6,345
Others	65		
Total taxes and levies payable	1,235,813	238,192	1,369,575

As of December 31, 2014, 2013 and 2012 the Company did not have any overdue tax and levy liabilities.

16. Other liabilities

As of December 31 other liabilities were made up by the following items:

Types of liabilities	2014		2013		2012	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Accounts payable relating to technological connection	8,226,560		6,536,118		2,327,199	
VAT from advance payments received	-	1,098,154	-	1,098,167	-	1,307,400
Total	8,226,560	1,098,154	6,536,118	1,098,167	2,327,199	1,307,400

17. Disclosure of the information about income and expenses

The information about the revenue from the sale of goods, works, services (less VAT and similar mandatory payments) and about expenses for ordinary operation is given Financial Results Report for 2014 and in Table No. 2.1. Explanations to the Balance Sheet.

The amount of administrative costs makes up RUR 2,559,039 thous.in the cost. (2013: RUR 3,160,120 thous.).

18. Other income and expenses

The information about other income and expenses is provided in Table No. 5.11 of the Explanations to the Balance Sheet.

Sales volume of the services for which the contract required the contractors' fulfillment of payment obligations in non-monetary form was RUR 2,130,146 thous. (2013 RUR 2,248,391 thous.).

19. Change in estimated values

The information about the change of estimated values is provided in Table No. 5.7.1. of the Explanations to the Balance Sheet.

20. Government assistance

In December 2014, the Company received a federal subsidy in the amount of RUR 281,461 thous. (2013: RUR zero thous.). As of the reporting date the received funds were fully spent on the reimbursement of expenses for the transfer of the emergency reserve to the Crimean Federal District.

21. Settlements in respect of profit tax

		2014	2013
1	Pre-tax profit (loss) according to accounting records	11,899,427	15,623,542
2	Provisional profit tax expense	2,379,885	3,124,708
3	Permanent tax liability/asset (PTL/PTA)		
3.1	Depreciation of fixed assets	1,115,612	1,073,018
3.2.	Payouts to employees and cultural and sports events	293,341	241,175
3.3.	Expenses for writing-off of assets under construction	118,739	
3.4.	Provision for impairment of securities	104,725	
4.5.	Loss of past years	93,973	78,125
3.6.	Expenses for insurance in a non-governmental pension fund	23,738	25,113
3.7.	Expenses for activation of "Single Window"	21,503	26,574
3.8.	Recovery provision for impairment of inventories	(2,754)	81,021
3.9.	Recovery of the estimated provision for legal cases	(46,069)	(488,641)
3.10	Other expenses	861,594	136,756

		2014	2013
	Total PTL/PTA	2,584,402	1,173,141
4	Increase/(decrease) of deferred tax asset (DTA):		
4.1	Provision for doubtful debts	579,261	1,803,808
4.2	Reserves for labor payment	(3,213)	36,489
4.3.	Expenses for the conclusion of land lease contracts	25,464	93,522
4.4.	Other expenses		(3,730)
	Totally DTA	601,512	1,930,089
5	(Increase)/decrease of deferred tax liability (DTL)		
5.1	Fixed assets depreciation, depreciation bonus, capitalization	(893,847)	(1,027,409)
5.2.	Researches and developments	(35,424)	(18,272)
5.3	Other expenses	6,929	14,966
	Total DTL	(922,342)	(1,030,715)
6.	Profit tax expense	4,643,457	5,197,223

Within the reporting period the Company submitted the revised tax returns for previous periods, which resulted in the decrease of profit tax by RUR 1,273,245 thous.. (2013 RUR 315,144 thous.).

The deferred tax assets and liabilities are shown in details in the Balance Sheet. The information about the flow is given in Table No. 5.7.2 of the Explanations to the Balance Sheet.

In 2014 and 2013 the amounts of deferred tax asset and deferred tax liability written-off in connection with the disposal of the asset (sale, gratuitous transfer or liquidation) were RUR 7,180 thous. and RUR 15 018 thous. respectively.

22. Profit per share

Base profit (loss) per 1 share:

Item No.	Name	2014	2013
1.	Profit for the reporting period	8,208,385	11,640,837
2.	Average weighted number of ordinary shares circulating during a reporting period, (thous. shares)	48,707,092	48,707,092
3.	Base profit (loss) per share, RUR	0.1685	0.2389

The Company has no dilutive potential shares, accordingly the diluted profit per share is equal to base profit per share. The information about the profit per share is given in Table No. 2.2 of the Explanations to the Balance Sheet.

23. Related PARTIES

In the ordinary course of its business the Company deals with the companies which are related parties.

The transactions made with the related parties mainly include the following ones:

- purchase and sale of goods, works and services;
- purchase and sale of fixed assets and other assets;
- property taking on lease and leasing out;
- transfer as a contribution to the authorized (joint-stock) capital,
- granting and obtaining of performance guarantees.

For the purposes of these accounting (financial) statements the following related parties have been defined in accordance with Russian Accounting Standard (PBU) No. 11/2008 "Information on related parties":

- the members of the Company's Board of Directors (Text Note No. 1);
- the members of the Company's Management Board (Text Note No. 1);

- the Company's sole executive body;
- JSC Rosseti (owns 50.90 % of the Company's ordinary shares);
- OJSC "Energocenter" (74,9975 % of shares is owned by the Company);
- JSC "Moskabelsetmontazh" (100 % of shares is owned by the Company);
- JSC "Plant on repair of electrical machinery" (100 % of shares is owned by the Company);
- JSC "Moskabelenergoremont" (100 % of shares is owned by the Company);
- the persons belonging to JSC Rosseti Group (other related parties).

The full list of the Company's affiliated persons is placed on the web-page in Internet: http://www.moesk.ru/invest_news/raskritie/aff_lica/.

In the reporting period the Company carried out business transactions:

- with subsidiary companies associated with the production activities (acquisition of goods, works, services);
- with controlling company JSC Rosseti associated with the provision of services relating to the organization of functioning and development of UES to the Company.

The cost parameters, CONDITIONS, terms and forms of settlements relating to the operations recognized as unfinished as of December 31:

	2014	2013	2012	Form of settlements
Accounts receivable and advances paid out				
JSC Rosseti	29,882	-	-	non-cash
JSC "Plant on repair of electrical machinery"	97,314	89,703	76,514	non-cash
JSC "Moskabelsetmontazh"	21	33	40,332	non-cash
OJSC "Energocenter"	673,846	623,217	22,627	non-cash
JSC "Moskabelenergoremont"	74,949	71,130	66,192	non-cash
Open Joint Stock Company "Federal Grid Company of Unified Energy System" (JSC "UES FGC")	41,174	-	-	non-cash
Accounts payable				
JSC Rosseti	21,269	-	-	non-cash
JSC "Plant on repair of electrical machinery"	120,656	77,716	91,890	non-cash
JSC "Moskabelsetmontazh"	182,402	305,527	157,484	non-cash
OJSC "Energocenter"	448,346	52,411	59,551	non-cash
JSC "Moskabelenergoremont"	291,387	173	-	non-cash
Open Joint Stock Company "Federal Grid Company of Unified Energy System"	1,423,662	951,051	-	non-cash
Advances received				
- OJSC "Energocenter"	698	174	-	non-cash
-				

The types and volume of transactions with related parties, including significant cash flows between the Company and its related parties:

	2014	2013
Purchase and sale of goods, works and services		
- subsidiary companies	5,191	23,514
-other related parties		

	2014	2013
Purchase of goods, works and services		
- subsidiary companies	2,256,995	1,758,708
-other related parties (including JSC “UES FGC”)	14,610,691	13,529,355
Lease of property from the related parties		
- subsidiary companies	242,157	22,002
Provision of property to the related parties on lease		
- subsidiary companies	6,407	6,917

Remuneration of members of the Company’s Board of Directors and members of the Company’s Committees

In 2014 the total amount of the remuneration, accrued to members of the Board of Directors and to members of the Company’s Committees was:

- for participation in meetings of the Company’s Board of Directors – RUR 17,573,702 thous. (2013 RUR 10,081 thous.);
- for participation in meetings of the Company’s Board of Directors – RUR 3,148 thous. (2013 RUR 231 thous.);
- for indicator of the Company’s net profit according to the data of the annual accounting statements for 2012, approved by the Company’s General Meeting of Shareholders, in the amount of RUR 27,780 thous. (2013 RUR 22,187 thous.);
- for market capitalization - RUR 0 thous. (2013 RUR 0 thous.).

Since September 1, 2008 the amount and procedure of payment of remunerations and compensations to the members of the Board of Directors is established by the “Regulation on payment of remunerations and compensations to the members of the Board of Directors”, approved by the Company’s annual General Meeting of Shareholders on May 28, 2008 (Minutes No. 7 dd June 5, 2008).

Remuneration of the members of the Company’s Auditing Commission

In 2014 the total amount of the remuneration accrued to the members of the Company’s Auditing Commission for auditing of the Company’s financial and economic activities, was RUR 2,768 thous. (2013 RUR 1,212 thous.);

Remuneration of key management personnel

The payments to the Company’s key management personnel were RUR 613,525 thous. in 2014 (2013 RUR 406,028 thous.).

24. Contingent liabilities and contingent assets Factors affecting the Company’s financial status

Business environment of the Company

Russia continues its economic reforms and development of the legal, fiscal and administrative infrastructure that meets the requirements of a market economy. The stability of the Russian economy will largely depend on the progress of these reforms and the effectiveness of the governmental measures in the field of economic, financial and monetary policies.

In 2014, a significant reduction in the price for crude oil and a significant devaluation of the Russian rouble, as well as the sanctions imposed on Russia by some countries had negative impact on the Russian economy. In December 2014, the Russian interest rates rose significantly as a result of raising the key interest rate by the Bank of Russia to 17 %. All these factors resulted in reduced availability of capital, increased cost of capital, inflation and uncertainty about the economic growth, which could adversely affect in future the financial position, results of operations and the economic prospects of the Company. The Company's management believes it is taking appropriate measures to maintain economic stability in the current environment.

The potentially significant risks of economic activities threatening the Company:

In the normal course of business the Company is influenced by a number of industry-specific, legal and other internal and external factors (material conditions, events, circumstances, actions). In this context there arise various risks that might have significant impact on

the Company's financial position and performance.

The Company is subject to industry-specific, financial, country and regional, legal and reputational risk, inherent only to the Company.

Risk management mechanisms The Company's management monitors the process of management of the above listed risks to minimize possible adverse effects on the Company's financial position and performance.

The Company's Board of Directors approved a risk management policy (minutes of the meeting of the Board of Directors No. 242 dd October 9, 2014). The risk management policy defines:

- the risk management objectives;
- the principles of risk management system operation;
- general approaches to identifying, assessing and managing risks;
- the main functions and responsibilities of the risk management system participants;
- procedure for performance evaluation of the risk management system.

1. Sector risks

1.1. Risks of tariff regulation

The main services rendered by the Company – electric power transmission through distribution grids and technological connection of consumers to power grids - are the kinds of activities regulated by the government. Thus, the Company can bear regulatory risks related to control of target growth rates of electricity tariffs by the authorities, to the adjustment of the required gross revenue in view of the deviation of the actual controlled indicators from approved ones, to potential changes in the tariff regulation laws. Use of RAB-regulation methods lowers the level of regulatory risks, reducing the effects of subjective factors on making tariff-related decisions; however, it does not exclude these risks completely.

In order to minimize the risks of tariff regulation, the Company implements the following actions:

- work with tariff regulation authorities of Moscow and the Moscow Area in the field of preservation of RAB economic substantiation of the expenses included in tariffs;
- elaboration of territorial development programs and coordination of volumes and sources of financing of investment programs together with local authorities;
- work with regulating authorities and Ministry of Energy of the Russian Federation related to the approval of the Company's long-term investment program;
- implementation of cost reduction programs and investment program optimization.

1.2. Risk of reduction in demand for services

Decrease in volumes of electricity consumption by end users of services arises owing to existence of business cycles. This risk can have negative affect on the Company's revenues. In view of the measures taken to stabilize the economic situation and the projected growth of demand, this risk is assessed as moderate.

In the event of decrease in volumes of electricity consumption by end users and negative influence of this factor on financial results, the Company plans to intensify the actions of cost reduction, and to compensate shortfall in incomes in the tariff of the next period of regulation by way of addressing the state regulation authorities.

1.3. - Operational risks

This category of risks is related with aging of equipment and deterioration of fixed capital of the Company, violation of conditions of operation and critical changes of parameters of operation of electric grid equipment that may lead to occurrence of emergencies, and finally, besides direct damage as a result of failure of electric grid facilities, to decrease in reliability of electricity supply. The consequence of default on parameters of reliability established by a regulator may be a decrease in volumes of necessary gross revenues in the following period of regulation.

To reduce these risks the Company takes the following measures: insurance of property, modernization and new construction of electric grid facilities, improvement of the equipment servicing and maintenance policy, introduction of modern methods of diagnostics of the

equipment condition, constant monitoring of actual parameters of reliability of the electricity supply, as established by the regulators. Besides, certain organizational measures are taken to reduce the mean term of restoration of supply.

2. Financial risks

The Company is subject to market risk, credit risk and liquidity risk.

2.1. Market risk

Market risk is the risk that the Company may have adverse consequences in the event of changes in certain market parameters. The market parameters include the following types of risks: interest rate risk, currency risk and price risks.

Interest rate risk For the purposes of financial and economic activities the Company raises borrowed funds. Besides there is a high probability of increase of certain interest rates on credits in the light of the increase of the basic rate of the Central Bank of the Russian Federation and instability of financial markets, since the bank is entitled to unilaterally increase the rate under the existing contracts.

In order to decrease interest risks, the Company resorts to the following measures:

- Business planning taking into account the increasing interest rates;
- Conclusion of long-term agreements on revolving credit lines stipulating a considerable limit of borrowing and established restrictions of the maximum interest rate on the credit depending on the rate of refinancing of the Central Bank of the Russian Federation;
- Selection of the financial organizations for rendering services by way of holding open competitive procedures, which enables borrowed funds raising on the terms which are the most favorable for the Company.

Currency risk The Company provides services, sells its products, acquires goods and attracts substantial borrowings mostly in Russian rubles. Therefore, the management believes that the Company is unaffected by the currency risk.

Inflation risks The negative influence of inflation on the Company's financial and economic activities may be related to the losses in the real value of accounts receivable, increase in interest payable, increase in cost, decrease in the real value of funds under the investment program. The Company conducts business planning taking into account the expected increase in prices for the products, works, services.

If the inflation rate grows, the Company plans to take additional measures for cost reduction. Besides, the actual inflation rate is taken into account by the regulatory authorities as part of the adjustment of the required gross revenues while passing resolutions relating to tariffs and balances, which partially sets off the effect of the said risk on the Company's financial and economic activities.

2.2. Credit risk

Credit risk is the risk that the Company will incur financial losses, since the counterparties fail to meet their obligations on the borrowings granted to them (including in the form of bill purchase, granting deferral or installment for goods sold, works performed or services rendered). The Company is subject to credit risk associated with its operating activities (particularly in relation to trade receivables) and financial activities, including bank deposits and financial operations.

Trade receivables The credit risk associated with clients is managed in accordance with the policies, procedures and controls established by the Company in respect of the management of credit risk related to the clients. The client's credit quality is assessed based on a detailed form of evaluation of its creditworthiness. The outstanding accounts receivable are regularly monitored in order to take timely measures for their recovery or formation of the relative provisions.

Losses from impairment of financial investments The need to take into account the asset impairment is estimated at each reporting date, on an individual basis with regard to large customers or assets. The information about doubtful (including outstanding) accounts receivable is given in Table No. 5.6.1 and 5.6.3 of the Explanations to the Balance Sheet. The Company does not have any property transferred to it to secure the borrowings owed to it.

Granted loans and monetary assets The credit risk related to the balances on accounts opened with banks and financial institutions is managed in accordance with the Company's

policy.

23. Liquidity risk

Liquidity risk is associated with the Company's ability to fulfill, in due time and in full the financial liabilities existing as of the reporting date: accounts payable to suppliers and contractors, payables related to credits and loans to lenders.

In its financial-economic activity, the Company relies both on its own sources and on short-term and long-term sources of debt financing. The Company manages its liquidity risk by selecting the optimal ratio between debt and equity capital.

The process of the liquidity risk management is regulated by the "Regulation on credit policy" approved by the Company's Board of Directors, which sets the procedure for evaluation of the Company's financial stability and solvency. This Regulation allows to calculate the limit of the Company's debt position and assess the possibility of gaining credits and loans as part of business planning.

In order to monitor the changes in the accounts receivable and payable the Company has developed "Regulation on accounts receivable and payable"; the Company applies the regulatory operating documents defining the competence of the Company's subdivisions, executive officers and specialists in debt issues and regulating their work.

This approach allows the Company to maintain the required level of liquidity and funding resources in such a way as to minimize the cost of borrowings, as well as to optimize the structure of debt and terms of its repayment. At present time the Company believes that it has sufficient access to funding sources, and has both used and unused credit resources, free credit limits that will allow it to meet the expected borrowing requirements.

3. Country and regional risks

The Company carries out its primary activities in the Central Federal District of Russia, characterized by risks relating to the political and economic situation in the country as a whole.

At present, the political situation in the country is relatively stable, but at the same time, the Russian economy is quite susceptible to the fluctuations in the global economy.

Despite the stabilization measures taken by the Government of the Russian Federation with a view to ensure liquidity and refinancing of foreign loans of the Russian banks and companies, there is still some uncertainty regarding the possibility of access to capital sources and the cost of capital for the Company and its contractors, which may affect its financial condition, results of operations and the economic prospects of the Company. Instability in capital markets could lead to a significant deterioration of the liquidity in the banking sector and tighter credit conditions in Russia.

In general, the Company cannot materially affect the economic situation in the country. However, in the case of the negative impact of changes in the situation in the country or region of the Russian Federation, in which the Company carries out its activities, the Company will take all measures to reduce the adverse effects on the Company's financial position and performance.

The possibility of military conflicts, a state of emergency and the strikes in the country and the region in which the Company carries out its activities, is considered as insufficient to consider these risks as circumstances that could significantly affect the Company's activities. To prevent strikes the Company creates favourable labour conditions and fulfills all its obligations to employees. To minimize the risk of terrorist acts the Company has adopted additional safety measures in the enterprise.

The risks associated with the geographical features of the region in which the Company carries out its activities, including the increased risk of natural disasters, possible termination of transport due to the remoteness and inaccessibility, are assessed as insignificant.

4. Legal risks

4.1. Risks of corporate governance

Regarding corporate governance, the Company is subject to the risks of appealing by shareholders of large transactions and interested party transactions (if such transactions are concluded violating the established corporate procedures). To minimize such risks, the Com-

pany holds obligatory preliminary legal analysis of concluded transactions for the grounds for holding preliminary corporate procedures stipulated by the current laws and/or the Company's Articles of Association.

In order to minimize the risks in the field of mutual relations with shareholders, the register of shareholders is kept by a professional registrar. The Company regularly implements the actions aimed at information exchange with the shareholders, and takes measures for the observance of legitimate rights and interests of the latter.

4.3. Risks of antimonopoly regulation

The Company's activity is of natural monopoly nature and is controlled by antimonopoly regulation. If the Company is recognized as having broken the antimonopoly law, this can entail penalties, including, turnover-based fine, which is estimated proceeding from the volume of the company's revenues. To the greatest degree, the activity in the field of grid connections of electric power units of consumers to electric grids of the company is subject to antimonopoly regulation risks. Addresses of consumers to the territorial administrations of FAS and subsequent institution of actions by antimonopoly authorities on violation by the issuer of the laws in the field of grid connections may be caused by violation of the rights of consumers, in particular, non-observance of legislatively established dates of connection to electric grids and a number of other factors.

In order to decrease the influence of the factors leading to implementation of risks of antimonopoly regulation, the Company continuously improves business processes of grid connection, simplifying the internal procedures and reducing their time, introduces new forms of consumer service, in particular, those related with interactive ways of service that reduces influence of factors of mistakes and abusing by the personnel. The Company also assesses satisfaction of consumers on a regular basis, and develops correcting actions following the results of assessments.

In the event of rendering by FAS of rulings on imposing penalties in respect of cases about violation of the current laws, the Company will appeal their legality in the judicial order. Besides, the Company will aspire to organize the stable and constructive level of cooperation with the FAS of the Russian Federation, its territorial authorities across Moscow and the Moscow Area, for the purpose of quick consideration and response to the antimonopoly service's applications.

26. Information on segments

When generating information on segments in the Company's accounting records, the primary information is that about the operational segments (on activity types), and the secondary one – on the geographical segments. Russian Accounting Standard (PBU) No. 12/2010 "Information on segments" establishes rules of forming and submission of information on segments in accounting records.

The Company's activities cover two major segments: Moscow and the Moscow Region. The Company gets revenue in both segments from the following services:

- Revenue from the electric power transmission and distribution services;
- Revenue from the technological connection,
- Other revenues.

The indicators of the reporting segments to be disclosed are reflected at the cost at which they are presented to the Company's management for decision-making purposes (based on the management accounting data).

The transfer prices for transactions between segments are set under market conditions similar to the transactions with third parties. The segment income, segment expenses and financial results of the segments include transfer operations between the segments. The unallocated costs are the costs related to the Company as a whole. Segment assets mainly include fixed assets, intangible assets, inventories, receivables and cash. The segment assets do not generally include investments. The obligations of the segments include operating liabilities and do not include such items as tax liabilities and certain types of loans related to the Company as a whole. The capital costs include income from fixed assets. The impairment loss and provisions are referred to the segment, only if they relate to its assets.

No changes in the methods of assessment of the indicators used to determine the financial result (profit, loss) of the reporting segment occurred in the reporting period, as compared to the previous periods, and, consequently, of the effect of such changes on the financial result (profit, loss) of the reporting segment in the reporting period.

Separate accounting is made using the data of the Company's bookkeeping, operational and technical and statistic accounting, according to the methods of the separate accounting of income, expenses, financial results by activity type and by territorial characteristic of the segments.

(1) By activity types

Accounting of expenses is arranged in their cost centers. A cost center is defined in the managerial accounting system as a structural subdivision of the Company's executive apparatus (branch).

The production overhead costs and general running costs are allocated by activity types with breakdown by expense items.

Allocation of other income and expenses by activity types

The following procedure is used to allocate the income and expenses under Account 91 by activity types:

- The income and expenses under Account 91 are related to the activity type "Transmission and distribution of electric power", except for reversal and accrual of the provisions for doubtful debts related to the technical connection.
- Reversal and accrual of the provisions under the contracts for technical connections are reflected as part of other income and expenses under Account 91 by activity type "Technical connection".

In accordance with Regulation of the Government of the Russian Federation No. 1178 dd December 29, 2011 (rev. on October 24, 2013) "On Prices (Tariffs) For Electric Power (Capacity) in the Russian Federation" (clause 30 of the Regulation), the required gross revenues include extraordinary expenses, including expenses for formation of reserves for doubtful debts. At this the accounts receivable arising while carrying out the relative regulated activity can be recognized as part of the provision for doubtful debts. Return of doubtful debts, for which the provision was created, included in the regulated price of (tariff) in the previous regulated period, is recognized as income and is excluded from the gross revenues in the next regulated period, based on payment of the corporate profit tax.

Profit tax allocation

Allocation of the current profit tax by the activity types is made at the Company's level based on accounting figures.

The profit tax on the activity type "Technological connections to the electric grid" is calculated based on the pretax profit of the given activity type and the profit tax rate.

The profit tax on the activity type "Industrial and non-industrial services" is calculated based on the pretax profit of the given activity type and the profit tax rate.

The profit tax by activity type "Transmission and distribution of electric power" is calculated as a difference between the profit tax on all the activity types and profit tax on activity types "Technological connections to the electric grid" and "Industrial and non-industrial services".

(2) On a territorial basis

The territorial allocation is performed at the second stage, after the allocation of the income and expenses, as well as of the financial results by activity type.

Income from all types of activities are allocated on a territorial basis is distributed within the constituent entities of the Russian Federation by direct allocation of the income, depending on the fact, in the territory of what constituent entity the services were rendered;

The Company's expenses by the type of activity "Transmission and distribution of electric power" are distributed on a territorial basis between the constituent entities of the Russian Federation;

- The expenses of the Company's branches, located in the territory of the same constituent en-

tity of the Russian Federation, are allocated based on the territorial belonging of the branch to a constituent entity of the Russian Federation;

- The expenses of the Company's branches, located in the territory of several constituent entities of the Russian Federation, are allocated in proportion to natural index "Volume of the primary equipment, being on the branches' balance sheet in conditional units" for a reporting period, except for cost items, which are allocated on a territorial basis between the constituent entities of the Russian Federation in accordance with the primary documents;

The expenses by the type of activity "Technological connections to the electric grid" are allocated by a territorial basis between the constituent entities "Technological connections to the electric grid";

- The expenses of the Company's branches, located in the territory of the same constituent entity of the Russian Federation, are allocated based on the territorial belonging of the branch to a constituent entity of the Russian Federation;
- The expenses of the Company's branches, located in the territory of several constituent entities of the Russian Federation, are allocated in proportion to the revenues from the technological connections, to the constituent entities of the Russian Federation for a reporting period, except for cost items, which are allocated on a territorial basis between constituent entities of the Russian Federation, in accordance with the primary documents;
- The expenses of the executive apparatus are distributed in proportion to the revenue from the technological connections in the constituent entities of the Russian Federation for a reporting period, except for the items, referred to in item 4.4. of the methodology.

Revenues and expenses of the executive apparatus posted to Account 91 on a territorial basis are allocated between the constituent entities of the Russian Federation in proportion to physical indicator "Volume of the primary equipment, being on the branches' balance sheet in conditional units".

The amount of the profit tax, payable to the budget of the constituent entity of the Russian Federation, is based on a profit share calculated using a set of indicators of the standalone subdivisions, located in the territory of the given constituent entity of the Russian Federation.

The profit share, falling on the responsible subdivisions, is determined as an arithmetic mean of the ratio of the average staffing number of the employees and ratio of the average residual value of the depreciable assets, accordingly on the RF constituent entities in the average staffing number of the employees and average residual value of the depreciable assets.

Information on segments is given in Table No. 5.13 of the Explanations to the Balance Sheet.

The following table shows the information about the buyers (customers), the sales revenue from which are not less than 10 percent of the total revenue from sales to the Company's buyers (customers):

Name of purchaser	Total revenue from sales to the purchaser	Share in total sales revenue, %	Name of the reporting segment this revenue is related to.
2014:			
JSC "Mosenergosbyt"	99,597,646	80 %	Moscow
Total	99,597,646	80 %	
2013:			
JSC "Mosenergosbyt"	97,487,695	78 %	Moscow
Total	97,487,695	78 %	

These indicators are shown at the cost at which similar indicators are reflected in the Company's accounting (financial) statements as a whole.

27. Valuables booked on off-balance-sheet accounts

Off-balance accounts are meant to consolidate the information on availability and flow of valuables, which are in a temporary use or disposal of the Company (leased fixed assets, material valuables under custody, in processing etc.), contingent right and liabilities, as well as to exercise control of separate economic operations.

The Company's off-balance accounts mainly include the property received upon finance lease terms. According to the terms of the financial lease contract, the leasing property is in the books of the lessor, and is deemed off-balance by the lessee.

The information about the valuables recognized on the off-balance accounts, is given in Table Np. 5.12 of the Notes to balance sheet.

28. Cash Flow Statement

The information about the cash flow is represented in the "Cash Flow Statement" attached to the annual balance sheet for 2014. A clarification of receipts and payments, specified in the report as "Others", is given below:

	2014	2013
Other payments:	8,393,175	7,199,361
including		
- insurance payments	2,887,832	2,745,329
- Personal income tax	1,815,064	1,603,156
- property tax	1,397,550	860,900
- -paid under insurance contracts	605,075	690,691
- paid in respect of claims, fines, penalties	330,039	701,113
- deductions from wages	272,540	196,412
- land lease	246,635	243,385
- other payments	838,440	158,375
Total other receipts	1,447,826	1,162,236
Receipts from noncontractual consumption	198,105	360,760
receipt from compensation of losses	157,350	267,101
Receipts from interest on cash balances in the bank	402,949	367,825
Other receipts	382,017	166,550
Receipts from the insurance company	307,405	0

29. Post-reporting events

No significant events that would require special explanations or adjustments in the accounting (financial) statements or notes thereto in accordance with Russian Accounting Standard (PBU) No. 7/98 "Post-reporting events" have occurred.

General

P. A. Sinyutin

Chief Accountant

V.V. Vitinskiy

The total of _____ sheets
have been laced, numbered and
stamped.