

**OJSC Novosibirskenergo**  
**Consolidated Balance Sheet as at 31 December 2005**  
(in millions of Russian Roubles)

	Note	31 December 2005	31 December 2004
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	9 672	7 946
Deferred tax asset	8	244	244
Other non-current assets		85	119
<b>Total non-current assets</b>		<b>10 001</b>	<b>8 309</b>
<b>Current assets</b>			
Cash and cash equivalents	12	240	709
Accounts receivable and prepayments	10	1 771	2 054
Inventories	9	1 203	589
Other current assets	11	754	799
<b>Total current assets</b>		<b>3 968</b>	<b>4 151</b>
<b>TOTAL ASSETS</b>		<b>13 969</b>	<b>12 460</b>
<b>Equity and Liabilities</b>			
Share capital	13		
Ordinary shares (nominal value RR 135 million)		399	399
Preference shares (nominal value RR 26 million)		75	75
Treasury shares		(33)	(33)
		441	441
Retained earnings		7 874	6 083
<b>Equity attributable to the shareholders of OJSC Novosibirskenergo</b>		<b>8 315</b>	<b>6 524</b>
Minority interest		22	15
<b>Total equity</b>		<b>8 337</b>	<b>6 539</b>
<b>Non-current liabilities</b>			
Taxes payable	14	287	85
Non-current debt	15	460	111
Other non-current liabilities		78	76
<b>Total non-current liabilities</b>		<b>825</b>	<b>272</b>
<b>Current liabilities</b>			
Current debt and current portion of non-current debt	16	1 866	2 566
Accounts payable and accrued charges	17	2 205	2 147
Current income tax payable		28	20
Other taxes payable	18	708	916
<b>Total current liabilities</b>		<b>4 807</b>	<b>5 649</b>
<b>TOTAL LIABILITIES</b>		<b>5 632</b>	<b>5 921</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>13 969</b>	<b>12 460</b>

General director

Gibert K.K.

Chief accountant

Rozhenkova O.G.

20 June 2006



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

**OJSC Novosibirskenergo**
**Consolidated Statement of Operations for the Year Ended 31 December 2005**

(in millions of Russian Roubles)

	Note	Year ended 31 December 2005	Year ended 31 December 2004
<b>Revenues</b>			
Electricity		9 400	8 535
Heating		4 700	4 285
Other		984	957
<b>Total revenues</b>		<b>15 084</b>	<b>13 777</b>
<b>Other operating income</b>		<b>441</b>	<b>62</b>
<b>Operating expenses</b>			
Fuel expenses		3 874	3 128
Wages and payroll taxes		2 779	2 276
Repairs and maintenance		1 198	1 642
Other materials		1 044	1 016
Rent		499	244
Energy transmission		451	1 098
Depreciation and impairment of property, plant and equipment	7	403	530
Insurance cost		387	346
Taxes other than income tax		345	318
Doubtful debtor expenses		225	58
Water payments		213	207
Purchased heat		206	227
Purchased electricity		182	294
Social expenditures		99	27
Fees to Energy Saving Fund		97	121
Rent of land		61	118
Penalties		4	182
Other expenses		1 008	363
<b>Total expenses</b>		<b>(13 075)</b>	<b>(12 195)</b>
<b>Operating profit</b>		<b>2 450</b>	<b>1 644</b>
Financial expenses	19	(162)	(113)
<b>Profit before income tax</b>		<b>2 288</b>	<b>1 531</b>
Income tax expense	8	(413)	(268)
<b>Profit for the year</b>		<b>1 875</b>	<b>1 263</b>
<b>Attributable to:</b>			
Shareholders of OJSC Novosibirskenergo		1 868	1 253
Minority interest		7	10
<b>Earnings per ordinary share for profit attributable to the shareholders of OJSC Novosibirskenergo – basic and diluted (in Russian Roubles)</b>			
	20	146.53	98.28

General director

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Chief accountant

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20 June 2006



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**OJSC Novosibirskenergo****Consolidated Statement of Cash Flows for the Year Ended 31 December 2005**

(in millions of Russian Roubles)

	Year ended 31 December 2005	Year ended 31 December 2004
<b>Cash flows from operating activities</b>		
<b>Profit before income tax</b>	2 288	1 531
Adjustments:		
Depreciation and impairment of property, plant and equipment	403	530
Doubtful debtors expense	225	58
Interest expense	355	227
Interest receivable	(33)	(69)
Loss less gain on disposal of property, plant and equipment	(441)	(62)
Loss on restructuring of other non-current liabilities	(160)	(45)
Adjustment for other non-cash investing activities	(36)	(1)
<b>Operating cash flows before working capital changes</b>	<b>2 601</b>	<b>2 169</b>
Decrease / (increase) in accounts receivable and prepayments	218	(979)
Decrease / (increase) in other current assets	131	(132)
Increase in inventories	(614)	(48)
Increase in other non-current assets	(62)	(13)
Increase / (decrease) in accounts payable	54	(465)
Decrease / (increase) in other taxes payable	(208)	345
Increase / (decrease) in non-current liabilities	296	(415)
<b>Cash generated from operations</b>	<b>2 416</b>	<b>462</b>
Income tax paid	(405)	(380)
<b>Net cash from operating activities</b>	<b>2 011</b>	<b>82</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2 218)	(2 341)
Proceeds from sale of property, plant and equipment	530	80
Purchase of available-for-sale assets	(150)	-
Interest income	33	69
<b>Net cash used in investing activities</b>	<b>(1 805)</b>	<b>(2 192)</b>
<b>Cash flows from financing activities</b>		
Proceeds from current borrowings	6 731	5 343
Proceeds from non-current borrowings	1 006	139
Repayment of current borrowings	(8 088)	(3 611)
Interest paid	(287)	(179)
Dividends paid	(37)	(13)
<b>Net cash (used in)/generated from financing activities</b>	<b>(675)</b>	<b>1 679</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(469)</b>	<b>(431)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>709</b>	<b>1 140</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>240</b>	<b>709</b>

General director

Gibert K.K.

Chief accountant

Rozenkova O.G.

20 June 2006



**OJSC Novosibirskenergo**
**Consolidated Statement of Changes in Equity for the Year Ended 31 December 2005**

(in millions of Russian Roubles)

<u>Attributable to the shareholders of OJSC Novosibirskenergo</u>							
	Ordinary share capital	Preference share capital	Treasury shares	Retained earnings	Total	Minority interest	Total equity
<b>As at 1 January 2004</b>	399	75	(33)	4 845	5 286	-	5 286
Profit for the year	-	-	-	1 253	1 253	15	1 268
Dividends to shareholders	-	-	-	(15)	(15)	-	(15)
<b>As at 31 December 2004</b>	<b>399</b>	<b>75</b>	<b>(33)</b>	<b>6 083</b>	<b>6 524</b>	<b>15</b>	<b>6 539</b>
<b>As at 1 January 2005</b>	399	75	(33)	6 083	6 524	15	6 539
Profit for the year				1 868	1 868	7	1 875
Spin-off (Note 5)	-	-	-	(36)	(36)	-	(36)
Dividends to shareholders	-	-	-	(41)	(41)	-	(41)
<b>As at 31 December 2005</b>	<b>399</b>	<b>75</b>	<b>(33)</b>	<b>7 874</b>	<b>8 315</b>	<b>22</b>	<b>8 337</b>

General Director

Gibert K.K.

Chief accountant

Rozhenkova O.G.

20 June 2006

