

**OAO OGK-4 AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

Report on review of interim financial information

To the Shareholders and Board of directors of Open Joint-Stock Company 'Fourth Power Generating Company on the Wholesale Energy Market' (OAO 'OGK-4'):

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of OAO 'OGK-4' and its subsidiaries (the 'Group') as of 30 June 2010 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, 'Interim financial reporting'. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim financial reporting'.

ZAO PricewaterhouseCoopers Audit

3 September 2010

Moscow, Russian Federation

OA OGG-4 and subsidiaries
Interim Consolidated Statement of Financial Position as at 30 June 2010
(RUB thousand)

	Note	At 30 June 2010	At 31 December 2009
ASSETS			
Non-current assets			
Property, plant and equipment	4	73,481,459	64,709,683
Intangible assets		434,394	447,679
Financial assets		69,379	51,333
Other non-current assets		2,495	34,117
Total non-current assets		73,987,727	65,242,812
Current assets			
Cash		52,314	483,368
Accounts receivable and prepayments	5	8,542,167	7,528,075
Inventories		1,777,453	1,699,351
Current income tax prepayments		889,827	392,758
Short-term financial assets	6,13	12,070,178	17,131,566
Total current assets		23,331,939	27,235,118
TOTAL ASSETS		97,319,666	92,477,930
EQUITY AND LIABILITIES			
Capital			
Ordinary shares		25,219,482	25,219,482
Share premium		40,052,405	40,052,405
Other reserves	9	539,416	1,166,792
Retained earnings		22,341,993	17,840,874
Total equity attributable to shareholders of OAO OGG-4		88,153,296	84,279,553
Minority interest		11,178	13,868
Total equity		88,164,474	84,293,421
Non-current liabilities			
Deferred income tax liabilities		2,690,692	2,347,122
Pension liabilities	10	425,598	279,249
Total non-current liabilities		3,116,290	2,626,371
Current liabilities			
Accounts payable and accruals	11	4,607,832	4,518,972
Other taxes payable		1,354,745	1,039,166
Short-term financial liabilities	13	76,325	
Total current liabilities		6,038,902	5,558,138
Total liabilities		9,155,192	8,184,509
TOTAL EQUITY AND LIABILITIES		97,319,666	92,477,930

General director


Y. Sablukov

Financial director

F. Siebert


3 September 2010

OA O GK-4 and subsidiaries
Interim Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2010
(RUB thousand)

	Note	Six months ended 30 June 2010	Six months ended 30 June 2009
Revenues	7	25,037,706	19,847,987
Operating expenses	8	(19,855,576)	(17,458,577)
Other operating income		298,919	332,656
Operating profit		5,481,049	2,722,066
Finance income		360,004	1,015,044
Finance expense		(210,530)	(490,412)
Profit before income tax		5,630,523	3,246,698
Total income tax charge	12	(1,131,838)	(758,845)
Profit for the period		4,498,685	2,487,853
Other comprehensive income			
Fair value gains on available-for-sale financial assets		18,046	26,232
Actuarial (losses)/gains, net of tax		(57,441)	27,660
Cash flow hedges, net of tax		(587,981)	1,231,547
Other comprehensive (loss)/income for the period		(627,376)	1,285,439
Total comprehensive income for the period		3,871,309	3,773,292
Profit/(loss) attributable to:			
Shareholders of OA O GK-4		4,501,119	2,487,941
Minority interest		(2,434)	(88)
Total comprehensive income/(loss) attributable to:			
Shareholders of OA O GK-4		3,873,743	3,773,380
Minority interest		(2,434)	(88)
Earnings per ordinary share for profit attributable to the shareholders of OA O GK-4 – basic and diluted (in Russian roubles)		0,071	0,039

General director

Financial director



Y. Sablukov

F. Siebert

3 September 2010

OAO OGK-4 and subsidiaries
Interim Consolidated Statement of Changes in Equity
for the six months ended 30 June 2010
(RUB thousand)

	Ordinary share capital	Share premium	Other reserves	Retained earnings	Total	Minority interest	Total equity
At 1 January 2009	25,219,482	40,052,405	722,083	10,003,790	75,997,760	14,093	76,011,853
Change in accounting policy and adjustments	-	-	(34,101)	1,519,179	1,485,078	-	1,485,078
Restated balance at 1 January 2009	25,219,482	40,052,405	687,982	11,522,969	77,482,838	14,093	77,496,931
Profit for the period	-	-	-	2,487,941	2,487,941	(88)	2,487,853
Other comprehensive income:							
Available-for-sale financial assets revaluation	-	-	26,232	-	26,232	-	26,232
Actuarial gain, net of tax	-	-	27,660	-	27,660	-	27,660
Cash flow hedges, net of tax	-	-	1,231,547	-	1,231,547	-	1,231,547
Total comprehensive income for the period	-	-	1,285,439	2,487,941	3,773,380	(88)	3,773,292
Employees stock option plan	-	-	10,510	-	10,510	-	10,510
At 30 June 2009	25,219,482	40,052,405	1,983,931	14,010,910	81,266,728	14,005	81,280,733
At 1 January 2010	25,219,482	40,052,405	1,166,792	17,840,874	84,279,553	13,868	84,293,421
Profit for the period	-	-	-	4,501,119	4,501,119	(2,434)	4,498,685
Other comprehensive income:							
Available-for-sale financial assets revaluation	-	-	18,046	-	18,046	-	18,046
Actuarial gain, net of tax	-	-	(57,441)	-	(57,441)	-	(57,441)
Cash flow hedges, net of tax	-	-	(587,981)	-	(587,981)	-	(587,981)
Total comprehensive income for the period	-	-	(627,376)	4,501,119	3,873,743	(2,434)	3,871,309
Dividends	-	-	-	-	-	(256)	(256)
At 30 June 2010	25,219,482	40,052,405	539,416	22,341,993	88,153,296	11,178	88,164,474

General director

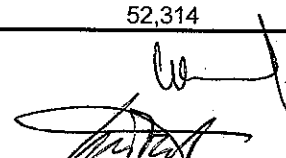

Y. Sablukov

Financial director

F. Siebert

3 September 2010

OAO OGK-4 and subsidiaries
Interim Consolidated Statement of Cash Flows
for the six months ended 30 June 2010
(RUB thousand)

	Note	Six months ended 30 June 2010	Six months ended 30 June 2009
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before income tax		5,630,523	3,246,698
Adjustments for non-cash items:			
Depreciation and amortisation		1,073,799	1,354,652
Reversal of provision for the impairment of inventories		(6,726)	(7,560)
Provision for impairment of accounts receivable		193,422	187,830
Foreign exchange loss (net)		55,401	40,487
Interest income		(243,795)	(618,249)
Interest expense and effect of discounting		38,920	53,130
(Gain)/Loss on disposal of property, plant and equipment	4	(86,574)	1,332
Employee share option plan		-	10,510
Change in pension liabilities		59,456	(42,404)
Change in other reserves		46,584	52,854
Other non-cash items		4,862	5,264
Operating cash flows before working capital changes and income tax paid		6,765,872	4,284,544
Working capital changes:			
Increase in accounts receivable and prepayments		(1,181,854)	(658,705)
Increase in inventories		(71,376)	(69,837)
(Decrease)/Increase in accounts payable and accruals		(674,948)	705,674
Contributions paid to pension fund		(17,195)	(83,970)
Increase/(Decrease) in taxes payable other than income tax		315,579	(82,235)
Income tax paid		(1,126,779)	(3,939,491)
Net cash generated from operating activities		4,009,299	155,980
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment and other non-current assets	4	(9,923,989)	(7,619,865)
Proceeds from sale of property, plant and equipment and other non-current assets	4	107,253	4,000
Proceeds from deposits (net)		5,147,842	6,688,282
Loans issued		-	(1,478,408)
Loans returned		5,045	1,470,000
Interest received		229,555	789,598
Net cash used in investing activities		(4,434,294)	(146,393)
CASH FLOW FROM FINANCING ACTIVITIES:			
Dividends paid to minority shareholders		(256)	-
Interest paid		(645)	-
Net cash used in financing activities		(901)	-
Effect of exchange rate changes on cash and cash equivalents		(5,158)	36,688
Net (decrease)/increase in cash		(431,054)	46,275
Cash at the beginning of the year		483,368	130,615
Cash at the end of the year		52,314	176,890
General director			Y. Sablukov
Financial director			F. Siebert

3 September 2010

Note 1. The Group and its operations

Open Joint-Stock Company Fourth Power Generating Company of the Wholesale Energy Market ("OAO OGK-4" or the "Company") was established on 4 March 2005.

The Company's primary activities are generation and sale of electricity and thermal power.

Equities OGK-4 are quoted at "Russian Trading System" stock exchanges and at The Moscow Interbank Currency Exchange.

The Company is operating five power plants as branches. Currently the Company has two subsidiaries. All the references to the "Group" refer to the Company and its branches and subsidiaries, which structure has not changed as of June, 30th, 2010 in comparison with December, 31st, 2009.

The Company is registered by the Surgut District Inspectorate of the Russian Federation Ministry of Taxation, Khanty-Mansiysk Autonomous District (Yugra), Tyumen Region. The Company's office is located at Bolshaya Ordynka St. 40/4, Moscow, Russia, 119017.

Russia continues to display some characteristics of an emerging market. These characteristics include, but are not limited to, the existence of a currency that is not freely convertible in most countries outside of Russia and relatively high inflation. Furthermore, Russian tax, currency and customs legislation is subject to varying interpretations and changes, which can occur frequently. The global financial crisis has resulted in, among other things, a lower level of capital market funding, lower liquidity levels across the banking sector and wider economy and, at times, higher interbank lending rates and very high volatility in stock and currency markets. The uncertainties in the global financial markets have also led to failures of banks and other corporates, and to bank rescues in the US, Western Europe, Russia and elsewhere. The full extent of the impact of the ongoing financial crisis is proving to be difficult to anticipate or completely guard against.

Management believes that it undertakes all necessary actions in order to maintain financial soundness of the Group under the circumstances. Management is unable to predict all developments in the economic environment which could have an impact on the Group's operations and consequently what effect, if any, they could have on the future financial position of the Group.

Industry reform

Tariffs for electricity and capacity in the regulated market are fixed by the Federal Tariff Service, while in the competitive sector prices are determined by supply and demand.

From 1 January 2010 the market's liberalisation level was 60% to 65%, and from 1 July 2010 - up to 85%. Liberalisation levels were fixed by the government in Decision No. 205 of 7 April 2007.

In 2008 Federal Law No. 35-FZ "On Electric Utilities" was amended, tightening the state's control over power suppliers' dominance and manipulation of prices on the free market.

Russian Government Resolution No. 476, effective from 1 June 2008, was issued on 28 June 2008. The resolution provides for the launch of a capacity market, where "free" capacity is traded at transitional auctions for supplies from 2009 to 2011 and at long-term auctions for 10-year supplies. Free capacity is sold in its respective free flow zone. Wholesale market agents have the option of concluding non-regulated contracts for capacity supplies.

On 24 February 2010 (effective 20 April 2010) and 13 April 2010 the Government has approved Resolution No. 89 and No. 238 which regulates the final capacity market effective from 2011. The approved long-term capacity market rules stipulate rules for committed new build investments as well as for payments in regard of existing generation capacities. Subject to certain benchmark investment costs, the application of coefficients to adjust for regional and climate-related circumstances, a discount to account for expected profits to be generated in the parallel energy market, certain other coefficients and a capital remuneration these rules provide the remuneration framework for guaranteed new build capacity for the initial 10 years of commercial operation based on a total payback period of 15 years.

Seasonality

Demand for electricity and heat is influenced by both the seasons of the year and the relative severity of the weather. Revenues from heating are concentrated within the months of October to March. A similar, although less intense, concentration of electricity sales occurs within the same period. The seasonality

OA0 OGK-4 and subsidiaries
Notes to Interim Condensed Consolidated Financial Information
for the six months ended 30 June 2010
(RUB thousand)

of electricity and heat production has a corresponding impact on the usage of fuel and the purchase of power.

Furthermore, during the periods of lower production from April to September, there is an increase in the expenditures on repairs and maintenance. This seasonality does not impact the revenue or cost recognition policies of the Group.

Note 2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2010 has been prepared in accordance with IAS 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with IFRS.

Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

In addition to placing funds devoted to finance investment program onto currency deposits as hedge instrument since 1 January 2009 starting from April 2010, in order to further reduce the Group's foreign exchange risk exposure related to cash outflows in foreign currencies on investment program the Group has started to apply such hedge instruments as forwards and options. For this type of hedging the Group has applied accounting policy to reclassify associated gains and losses that were recognized in other comprehensive income to profit or loss in the same periods during which the asset acquired affects profit or loss (that is in the periods when depreciation expense is recognized). In Consolidated Statement of Cash Flows the cash inflows related to the hedging instrument are classified in the same manner as the cash outflows of the position being hedged, i.e. as purchase of property plant and equipment and other non-current assets.

The following new standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the Group:

IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. The Group did not have business combinations, new investments in associates and interests in joint ventures during the reporting period.

IFRIC 17, 'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it has not made any non-cash distributions.

IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This is not relevant to the Group, as it has not received any assets (property plant and equipment) from customers.

'Additional exemptions for first-time adopters' (Amendment to IFRS 1) were issued in July 2009. The amendments are required to be applied for annual periods beginning on or after 1 January 2010. This is not relevant to the Group, as it is an existing IFRS preparer.

Improvements to International Financial Reporting Standards 2009 were issued in April 2009. The effective dates vary standard by standard but most are effective 1 January 2010. These improvements did not have an impact on Group's financial information.

The following new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted:

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for the six months ended 30 June 2010
(RUB thousand)

IFRS 9, 'Financial instruments', issued in December 2009. This addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption.

Revised IAS 24, 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised IAS 24 is required to be applied from 1 January 2011. Earlier application, in whole or in part, is permitted.

'Classification of rights issues' (Amendment to IAS 32), issued in October 2009. For rights issues offered for a fixed amount of foreign currency, current practice appears to require such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to all the entity's existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment should be applied for annual periods beginning on or after 1 February 2010. Earlier application is permitted.

'Prepayments of a minimum funding requirement' (Amendments to IFRIC 14), issued in November 2009. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented.

IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. This clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after 1 July 2010. Earlier application is permitted.

Improvements to International Financial Reporting Standards 2010 were issued in May 2010. The effective dates vary standard by standard but most are effective 1 January 2011.

The group is considering the implications of these new interpretations, revised standards and amendments; however they are not expected to significantly affect the Group's financial statements.

Note 3. Transactions with related parties

E.on AG is ultimate parent and ultimate controlling party of the Group. E.on AG is widely held. The Group's immediate parent is E.ON Russia Holding GmbH. There were no significant balances and operations with related parties during the reporting period.

Directors' compensation

Total remuneration in the form of salary and bonuses paid to the members of the Board of Directors and Management Board for the 6 months ended 30 June 2010 was 59,004 RUB thousand (30 June 2009: RUB 56,689 thousand):

Name	Six months ended 30 June 2010	Six months ended 30 June 2009
Short-term employee benefits	58,937	51,477
Post-employment benefits	67	369
Termination benefits	-	4,843
Total	59,004	56,689

10 April 2009, after approval of the Board of Directors, 13 % annual rate loan in amount of 8,408 thousand roubles has been given to the General Director of the Company. In accordance with corresponding agreement the loan had to be returned on 9 January 2011, however on 30 April 2010 the loan was returned in full.

OA0 OGG-4 and subsidiaries
Notes to Interim Condensed Consolidated Financial Information
for the six months ended 30 June 2010
(RUB thousand)

Note 4. Property, plant and equipment

Cost	Land	Electricity and heat generation	Electricity distribution	Heating network	Construction in progress	Other	Total
Opening balance as at 1 January 2010	50,226	33,895,128	659,479	710,487	41,818,336	11,216,687	88,350,343
Additions	-	172,186	-	4,544	9,590,261	34,417	9,801,408
Transfers	-	87,906	-	-	(102,646)	14,740	-
Disposals	-	(807)	-	-	(6,467)	(408,655)	(415,929)
Closing balance as at 30 June 2010	50,226	34,154,413	659,479	715,031	51,299,484	10,857,189	97,735,822
Accumulated depreciation (including impairment)							
Opening balance as at 01 January 2010	-	14,644,922	621,631	377,736	-	7,996,371	23,640,660
Charge for the period	-	705,509	4,289	23,702	-	275,459	1,008,959
Disposals	-	(709)	-	-	-	(394,547)	(395,256)
Closing balance as at 30 June 2010	-	15,349,722	625,920	401,438	-	7,877,283	24,254,363
Net book value as at 01 January 2010	50,226	19,250,206	37,848	332,751	41,818,336	3,220,316	64,709,683
Net book value as at 30 June 2010	50,226	18,804,691	33,559	313,593	51,299,484	2,979,906	73,481,459

OA O GK-4 and subsidiaries
Notes to Interim Condensed Consolidated Financial Information
for the six months ended 30 June 2010
(RUB thousand)

Note 4. Property, plant and equipment (continued)

Cost	Land	Electricity and heat generation	Electricity distribution	Heating network	Construction in progress	Other	Total
Opening balance as at 01 January 2009	6,341	32,441,418	647,034	691,651	24,102,503	10,831,263	68,720,212
Additions	-	237,329	-	-	8,848,362	70,242	9,155,933
Transfers	34,084	199,955	-	-	(280,129)	46,091	-
Disposals	-	(3,091)	-	-	-	(6,053)	(9,145)
Closing balance as at 30 June 2009	40,425	32,875,611	647,034	691,651	32,670,736	10,941,542	77,867,000
Accumulated depreciation (including impairment)							
Opening balance as at 01 January 2009	-	13,088,633	617,742	333,183	-	7,356,599	21,396,157
Charge for the period	-	759,074	1,717	21,962	-	364,878	1,147,630
Disposals	-	(736)	-	-	-	(3,077)	(3,813)
Closing balance as at 30 June 2009	-	13,846,971	619,458	355,145	-	7,718,399	22,539,974
Net book value as at 01 January 2009	6,341	19,352,785	29,293	358,468	24,102,503	3,474,665	47,324,055
Net book value as at 30 June 2009	40,425	19,028,639	27,576	336,506	32,670,736	3,223,144	55,327,026

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Notes to Interim Condensed Consolidated Financial Information
for the six months ended 30 June 2010
(RUB thousand)

Note 4. Property, plant and equipment (continued)

The increase in the fixed assets for the 6 months in 2010 is connected with fulfilment of the investment program (primarily building four new blocks on Shaturskaya GRES, Surgutskaya GRES-2 and Yayvinskaya GRES).

The impairment provision included in the accumulated depreciation balance as at 30 June 2010 was RUB 243,522 thousand (as at 31 December 2009: RUB 259,859 thousand).

No test on impairment of property, plant and equipment was performed as at 30 June 2010 by management as no indicators of impairment were noted.

Note 5. Accounts receivable and prepayments

	At 30 June 2010	At 31 December 2009
Trade and other receivables		
Trade receivables	2,357,967	2,543,571
Other financial receivables	127,645	96,908
Less impairment loss provision	(847,993)	(654,572)
Total financial assets within trade and other receivables	1,637,619	1,985,907
VAT recoverable	6,789,950	5,177,472
Due from budget (excluding VAT)	2,809	8,295
Prepayments	111,789	356,401
Total account receivable and prepayments	8,542,167	7,528,075

Management has determined the bad debt provision based on specific customers' credit history, customer payment trends, the outlook for payments and settlements, and analyses of expected future cash flows. Management believes that Group will be able to realise the net receivable amount through direct collections and other non-cash settlements and that therefore the recorded value approximates the fair value.

The VAT recoverable increased due to prepayments to the customs for imports associated with the ongoing investment program.

Note 6. Short-term financial assets

During the reporting period the Group has continued to place on deposits cash received as the result of an additional share issue which took place in 2007. Deposits were placed in OAO Sberbank (Moody's credit rating Baa1), OAO Vneshtorgbank (Moody's credit rating Baa1) and AB Gazprombank (ZAO) (Moody's credit rating Baa3), UniCredit Bank (Moody's credit rating Aa2). The interest on these short-term deposits is fixed and, therefore, exposed to the risk of changes in market interest rates.

During half-year 2010 the Group received as a settlement eight non-interest banking promissory notes of OAO Alfa-bank with nominal value of RUB 39,366 thousand, due in 2011, and six non-interest banking promissory notes of OAO Evrofinans Mosnarbank with total nominal value of RUB 151,665 thousand. These promissory notes were received as a settlement of customer debt for electricity and capacity sold in 2008–2009 (OAO Nizhnovatomenergobyt, OAO Kalmenergobyt, OAO Karachayevo-Cherkesskenergo, OAO Kabbalkenergo, OAO Sevkavkazenergo, OAO Dagestan ESK).

An impairment provision in amount of RUB 64,265 thousand was created in respect of promissory notes of Evrofinance Mosnarbank as of 30 June 2010 which represent 50% of their nominal value.

OA0 OGK-4 and subsidiaries
Notes to Interim Condensed Consolidated Financial Information
for the six months ended 30 June 2010
(RUB thousand)

Note 6. Short-term financial assets (continued)

Name	Effective interest rate, %	Closing balance as at 30 June 2010 (hard currency, thousand)	Closing balance as at 30 June 2010 (RUB, thousand)	Closing balance as at 31 December 2009 (hard currency, thousand)	Closing balance as at 31 December 2009 (RUB, thousand)
Total short-term deposits			11,823,203		16,997,102
Short-term deposits in US					
Dollar	0,01-1,80%%	49,308	1,538,171	68,725	2,078,520
Short-term deposits in Euro	0,10-1,00%%	45,805	1,749,105	201,798	8,755,683
Short-term deposits in Rouble	0,50-8,05%%		8,535,927	-	6,162,899
Total promissory notes			174,670	-	134,464
Total foreign exchange forwards and option		-	72,305	-	-
Total short-term financial assets		-	12,070,178	-	17,131,566

Note 7. Revenues

	Six months ended 30 June 2010	Six months ended 30 June 2009
Electricity and capacity	24,019,868	18,934,140
Heating	644,097	485,329
Other	373,741	428,518
Total	25,037,706	19,847,987

The increase in electricity and capacity sales is mainly associated with the increase in price for regulated electricity and electricity traded on the day ahead market. Further the ongoing liberalization of the capacity market also had a favorable impact.

Note 8. Operating expenses

	Six months ended 30 June 2010	Six months ended 30 June 2009
Fuel	12,835,687	10,692,145
Employee benefits	1,911,222	1,829,507
Purchased power and electricity	1,593,344	1,314,840
Depreciation	1,073,799	1,354,652
Repairs and maintenance	527,053	365,198
Provision for impairment of accounts receivable	193,422	194,516
Operational dispatch management	359,556	369,896
Taxes other than income tax	218,798	203,902
Security	141,996	125,112
Water usage expenses	101,993	104,035
Raw materials and supplies	64,879	68,239
Lease payments, including rent expenses	44,263	117,596
Insurance cost	41,675	62,232
Transportation expenses	37,513	41,679
Other expenses	710,376	615,028
Total	19,855,576	17,458,577

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Employee benefits expenses comprise the following:

	Six months ended 30 June 2010	Six months ended 30 June 2009
Salaries and wages, payroll taxes	1,615,223	1,444,581
Pension costs - Defined contributions plans (including state plan)	232,619	256,713
Pension costs - defined benefit plans	59,456	29,831
Termination benefits	3,924	87,873
Share options granted to directors and employees	-	10,509
Employee benefits	1,911,222	1,829,507

Note 9. Other reserves

The structure of other reserves is provided below:

	At 30 June 2010	At 31 December 2009
Available-for-sale financial assets revaluation	(19,784)	(37,830)
Actuarial gain	59,527	116,968
Cash flow hedges	499,673	1,087,654
Total	539,416	1,166,792

Since 1 January 2009 the Group began to apply hedge accounting in relation to cash flow hedge of the currency risks related to cash outflows in foreign currencies on investment program. Funds received as a result of additional share issue which took place in 2007 and to be spent on investment program under the contracts concluded in foreign currencies were placed on deposits in the same currencies (hedging instrument). The Group has applied accounting policy to reclassify associated gains and losses that were recognised in other comprehensive income to profit or loss as a reclassification adjustment in the same periods during which the asset acquired affects profit or loss (that is in the periods when depreciation expense is recognised). The amount of foreign exchange loss on hedging instrument recognised in other comprehensive income during the period ended 30 June 2010 equals to RUB 565,482 thousand (net of income tax benefit) (during the period ended 30 June 2009 gain in amount of RUB 1,231,547 thousand). No amounts were reclassified from equity to profit or loss during the reporting period and it is expected that profit or loss will be affected starting from October 2010. The cash outflows under the corresponding contracts in foreign currencies are expected to occur till October 2010. The cash flow hedge was effective and correspondingly no ineffectiveness was recognised in profit or loss during the reporting period.

Also new cash flow hedge was applied by the Group starting from April 2010 (See Note 13), the amount of fair value loss (net) on hedge instruments recognised in other comprehensive income during the 6 month 2010 equals to RUB 22,499 thousand (net of income tax).

Note 10. Pension liabilities

Pension liabilities increased during the reporting period by 146,349 thousands roubles due to discount rate decrease from 9.5% as of 31 December 2009 to 7.5% as of 30 June 2010, interest expense, current and past service costs.

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Note 11. Accounts payable and accruals

	At 30 June 2010	At 31 December 2009
Financial liabilities	3,977,064	3,871,537
Trade payables	1,363,850	1,881,449
Accounts payable to capital construction contractors	2,472,208	1,810,207
Other creditors	132,795	171,575
Dividends payable	8,211	8,306
Non- financial liabilities	630,768	647,435
Advances from customers	51,769	55,503
Staff payables	578,999	591,932
Total	4,607,832	4,518,972

Note 12. Income tax

Income tax expense is recognized based on management's best estimate of weighted average annual income tax rate expected for the full financial year. The estimated average annual income tax rate used for the six month 2010 is 20 % (the estimated income tax rate for the six months 2009 was 23%).

	Six months ended 30 June 2010	Six months ended 30 June 2009
Current income tax charge	768,281	919,109
Deferred income tax charge/(benefit)	363,557	(160,264)
Total	1,131,838	758,845

The deferred tax charge increase for the first six months of 2010 in comparison to the corresponding period in 2009 is caused by accelerated tax depreciation of property plant & equipment.

Note 13. Derivative financial instruments

To reduce the Groups foreign exchange risk exposure (cash flow hedge in period from September 2010 to June 2011), in 2010 the Group entered into derivative financial instrument transactions with OOO Deutsche Bank LTD. Derivatives have potentially favourable (assets) or unfavourable (liabilities) conditions as a result of fluctuations in foreign exchange rates. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The amount of fair value loss (net) on derivative instruments recognised in other comprehensive income during the 6 month 2010 equals to RUB 22,499 thousand (net of income tax).

The table below sets out fair values, at the end of period, of foreign exchange forward contracts and option:

	At 30 June 2010	
	Assets	Liabilities
Foreign exchange forwards:		
USD	48,201	76,325
EURO	41,303	23
	6,898	76,302
Option:	24,104	-
EURO	24,104	-
Total financial instruments	72,305	76,325

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The full fair value of foreign exchange forwards and option is classified as short-term financial assets (Note 6) and short-term financial liabilities.

Note 14. Basic earnings per share payable to shareholders of OAOGK-4

Basic earning per share is calculated by dividing the net profit for the Group's shareholders by the weighted average amount of ordinary shares in circulation, excluding treasury stock.

	Six months ended 30 June 2010	Six months ended 30 June 2009
Weighted average number of ordinary shares issued during the year	63,048,706,145	63,048,706,145
Profit attributable to the shareholders of OAOGK-4 (RUB thousand)	4,501,119	2,487,941
Earnings per ordinary share for profit attributable to the shareholders of OAOGK-4 – basic (in RUB)	0,071	0,039

Diluted earnings per share is equal to basic as there were no contracts with a potential dilutive effect during the reporting period.

Note 15. Capital commitments

As of 30 June 2010 the Group had commitments to spend on property, plant and equipment items under concluded contracts in amount of 8,366,721 thousand roubles (as of 31 December 2009 – 17,781,000 thousand roubles).

Note 16. Contingencies

Russian tax, currency and customs law is subject to varying interpretation and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the regional and federal authorities. In particular, the method for accounting of water tax and also operations with a number of counterparties of the Group in years 2008-2009 may be challenged. In addition, tax and other legislation do not specifically address all of the aspects of the Group's reorganisation resulting from power industry reform. As such, there may be tax and legal challenges to the various interpretations, transactions and resolutions that were a part of the reorganisation and reform process.

Tax authorities may be taking a more assertive position in their interpretation of the law and their assessments and as a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods for three calendar years proceeding the year of review remain open to review by the tax authorities. Under certain circumstances a review may cover longer periods.

No detailed disclosure has been made regarding the above contingencies and possible financial effect of potential claims or disputes on these matters, so as not to prejudice seriously the position of the Group.

As of 30 June 2010 management believes that its interpretation of the relevant law is appropriate and that the Group's position is sustainable as it relates to application of tax, currency and customs legislation.

Note 17. Segment information

The chief operating decision-maker has been identified to be the General Director. The General Director reviews the Group's internal reporting prepared in accordance with Russian accounting regulation in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

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The General Director considers the business from the power plants perspective, ie the performance of each of the 5 power plants (Surgutskaya GRES-2, Berezovskaya GRES, Shaturuskaya GRES, Yayvinskaya GRES and Smolenskaya GRES) is assessed. Surgutskaya GRES-2, Berezovskaya GRES, Shaturuskaya GRES, Yayvinskaya GRES are aggregated into a single operating segment, that comprised more than 90% of Group's external revenue, as they have similar economic and other characteristics. The operating segment Smolenskaya GRES comprised not more than 6% of the total external revenue and 2% of total assets. Other services are provided by the group including communal services in Shatura district Moscow region. These sales have not been included within the reportable operating segments, as they are not included within the reports provided to the General Director.

The General Director assesses the performance of the operating segments based on a measure of adjusted earnings before interest and tax (EBIT). This measurement basis excludes foreign exchange differences.

A reconciliation of total adjusted EBIT in accordance with Russian accounting regulation to total profit before income tax is provided as follows:

	Six months ended 30 June 2010	Six months ended 30 June 2009
Adjusted EBIT in accordance with Russian accounting regulation for 5 power plants	6,581,204	3,788,820
Other services and other operating income and expenses	(381,281)	(294,799)
Operating profit	6,199,923	3,494,021
Finance income	541,854	4,620,537
Finance costs	(1,116,159)	(2,518,924)
IFRS translation adjustments*	4,905	(2,348,936)
Profit before income tax	5,630,523	3,246,698

A reconciliation of total assets in accordance with Russian accounting regulation to total assets in this financial information is provided as follows:

	At 30 June 2010	At 31 December 2009
Total assets in accordance with Russian accounting regulation	91,056,382	86,055,259
IFRS translation adjustments*	6,263,284	6,422,671
Total assets in this financial information	97,319,666	92,477,930

*IFRS translation adjustments relate mainly to higher PPE value (as a consequence of applying IAS 29) and correspondingly higher depreciation in this financial information and also hedge accounting.

Revenue from external customers for all 5 power plants equals to 24,675,348 thousand roubles in the 6 months 2010 and 19,491,559 thousands roubles in the 6 months 2009.