

**OGK-2 GROUP
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (UNAUDITED)**

OGK-2 Group
Interim Condensed Consolidated Statement of Financial Position as at 30 September 2014
(unaudited)
(in thousands of Russian Roubles)

	Notes	30 September 2014	31 December 2013
ASSETS			
Non-current assets			
Property, plant and equipment	5	141,284,829	128,490,301
Intangible assets		1,489,696	1,544,061
Other non-current assets	6	2,560,406	2,917,982
Total non-current assets		145,334,931	132,952,344
Current assets			
Cash and cash equivalents	7	15,309,523	5,756,231
Trade and other receivables	8	17,163,005	18,734,815
Inventories	9	7,348,812	6,344,290
Income tax prepayments		146,715	398,488
Other current assets	10	-	3,100,000
Total current assets		39,968,055	34,333,824
TOTAL ASSETS		185,302,986	167,286,168
EQUITY AND LIABILITIES			
Equity			
Share capital	11		
Ordinary shares		40,057,009	40,057,009
Treasury shares		(3,867,838)	(4,058,856)
Share premium		28,378,693	28,378,693
Retained earnings and other reserves		54,193,657	48,616,825
Total equity		118,761,521	112,993,671
Non-current liabilities			
Deferred income tax liabilities		7,284,650	6,702,917
Non-current debt	12	41,806,716	34,641,540
Retirement benefit obligations		2,069,580	2,020,359
Restoration provision	13	944,297	419,636
Other long-term liabilities	14	565,469	996,514
Total non-current liabilities		52,670,712	44,780,966
Current liabilities			
Current debt and current portion of non-current debt	15	4,355,969	79,751
Trade and other payables	16	8,735,352	8,664,936
Other taxes payable	17	606,476	727,698
Income tax payable		-	592
Restoration provision	13	172,956	38,554
Total current liabilities		13,870,753	9,511,531
Total liabilities		66,541,465	54,292,497
TOTAL EQUITY AND LIABILITIES		185,302,986	167,286,168

General Director

D.N. Bashuk

Chief Accountant

L.V. Klisch



20 November 2014

OGK-2 Group**Interim Condensed Consolidated Statement of Profit or Loss
for the 9 months ended 30 September 2014 (unaudited)**

(in thousands of Russian Roubles, except for earning per ordinary share information)

	Notes	9 months ended 30 September 2014	9 months ended 30 September 2013 (Restated)
Revenues	18	83,341,110	81,570,487
Operating expenses	19	(76,266,557)	(74,160,026)
Other operating items		117,201	115,446
Operating profit		7,191,754	7,525,907
Finance income	20	872,845	329,536
Finance costs	21	(704,538)	(1,538,172)
Loss on disposal of available-for-sale investments	6	(112,295)	-
Profit before income tax		7,247,766	6,317,271
Income tax charge		(1,613,453)	(1,396,819)
Profit for the period		5,634,313	4,920,452
Attributable to:			
Shareholders of OJSC OGK-2		5,634,313	4,920,452
Earning per ordinary share attributable to the shareholders of OJSC OGK-2 – basic and diluted (in Russian Roubles)	22	0.05	0.05

The interim condensed consolidated statement of profit or loss is to be read in conjunction with the notes to, and forming part of, the interim condensed consolidated financial statements set out on pages 7 to 23

OGK-2 Group**Interim Condensed Consolidated Statement of Comprehensive Income for the 9 months ended 30 September 2014 (unaudited)**

(in thousands of Russian Roubles)

	Notes	9 months ended 30 September 2014	9 months ended 30 September 2013 (Restated)
Profit for the period		5,634,313	4,920,452
<i>Items that may be reclassified to profit or loss:</i>			
Available-for-sale investments, net of tax	6	11,752	(13,966)
Accumulated loss on available-for-sale investments reclassified to Statement of Profit or Loss on their disposal, net of tax	6	95,850	-
Total comprehensive income for the period		5,741,915	4,906,486
Attributable to:			
Shareholders of OJSC OGK-2		5,741,915	4,906,486

The interim condensed consolidated statement of comprehensive income is to be read in conjunction with the notes to, and forming part of, the interim condensed consolidated financial statements set out on pages 7 to 23

OGK-2 Group
Interim Condensed Consolidated Statement of Cash Flows for the 9 months ended 30 September 2014 (unaudited)

(in thousands of Russian Roubles)

	Notes	9 months ended 30 September 2014	9 months ended 30 September 2013 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before income tax		7,247,766	6,317,271
Adjustments to reconcile profit before income tax to net cash provided by operations:			
Depreciation of property, plant and equipment	19	3,538,038	3,279,242
Amortisation of intangible assets	19	130,494	104,308
Charge of provision for impairment of trade and other receivables	19	251,927	189,703
(Reversal) / charge of provision for inventory obsolescence	19	(1,091)	3,958
Finance income	20	(872,845)	(329,536)
Finance costs	21	704,538	1,538,172
Loss on disposal of available-for-sale investments	6	112,295	-
Increase in retirement benefit obligations	19	67,487	98,718
Gain on disposal of assets, net	19	(20,706)	(10,177)
Other non-cash items		25,671	(283,960)
Operating cash flows before working capital changes and income tax paid		11,183,574	10,907,699
Working capital changes:			
Decrease / (increase) in trade and other receivables		1,921,227	(1,177,116)
Increase in inventories		(1,122,923)	(438,200)
(Decrease) / increase in trade and other payables		(362,029)	572,014
Payments in respect of retirement benefit obligations		(111,113)	(57,720)
(Decrease) / increase in taxes payable, other than income tax		(115,914)	5,344
Income tax paid in cash		(805,230)	(1,644,329)
Net cash generated from operating activities		10,587,592	8,167,692
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(13,966,862)	(12,057,850)
Proceeds from sale of property, plant and equipment		38,253	21,460
Purchase of intangible assets		(65,286)	(40,786)
Proceeds from deposits		3,100,000	2,127,380
Interest received		652,462	276,351
Net cash used in investing activities		(10,241,433)	(9,673,445)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from short-term borrowings		-	874,786
Proceeds from long-term borrowings		21,600,000	2,870,664
Repayment of short-term borrowings		-	(3,475,146)
Repayment of long-term borrowings		(10,100,000)	-
Interest paid		(2,204,881)	(1,293,924)
Payments under finance lease		(87,953)	(125,332)
Finance lease advance		(33)	(1,895)
Prepayments for issued shares		-	403
Net cash generated from financing activities / (used in financing activities)		9,207,133	(1,150,444)
Net increase / (decrease) in cash and cash equivalents		9,553,292	(2,656,197)
Cash and cash equivalents at the beginning of the period		5,756,231	3,760,344
Cash and cash equivalents at the end of the period		15,309,523	1,104,147

The interim condensed consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the interim condensed consolidated financial statements set out on pages 7 to 23

OGK-2 Group
**Interim Condensed Consolidated Statement of Changes in Equity for the 9 months ended
30 September 2014 (unaudited)**

(in thousands of Russian Roubles)

	Share capital	Treasury shares	Share premium	Retained earnings and other reserves	Total
At 1 January 2013	21,518,239	(4,058,856)	23,916,508	66,829,632	108,205,523
Profit for the period (Restated)	-	-	-	4,920,452	4,920,452
Available-for-sale investments, net of tax	-	-	-	(13,966)	(13,966)
<i>Total comprehensive income for the period (Restated)</i>	-	-	-	<i>4,906,486</i>	<i>4,906,486</i>
Prepayments for issued shares	18,538,770	-	4,462,185	(23,000,552)	403
<i>Total transactions with owners</i>	<i>18,538,770</i>	-	<i>4,462,185</i>	<i>(23,000,552)</i>	<i>403</i>
At 30 September 2013 (Restated)	40,057,009	(4,058,856)	28,378,693	48,735,566	113,112,412
At 1 January 2014	40,057,009	(4,058,856)	28,378,693	48,616,825	112,993,671
Profit for the period	-	-	-	5,634,313	5,634,313
Available-for-sale investments, net of tax	-	-	-	11,752	11,752
Accumulated loss on available-for-sale investments on their disposal, net of tax	-	-	-	95,850	95,850
<i>Total comprehensive income for the period</i>	-	-	-	<i>5,741,915</i>	<i>5,741,915</i>
Treasury shares (Note 11)	-	191,018	-	(165,083)	25,935
<i>Total transactions with owners</i>	-	<i>191,018</i>	-	<i>(165,083)</i>	<i>25,935</i>
At 30 September 2014	40,057,009	(3,867,838)	28,378,693	54,193,657	118,761,521

The interim condensed consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the interim condensed consolidated financial statements set out on pages 7 to 23

OGK-2 Group
Notes to Interim Condensed Consolidated Financial Statements
for the 9 months ended 30 September 2014 (unaudited)
(in thousands of Russian Roubles)

Note 1. The Group and its operations

Open Joint Stock Company "The Second Generating Company of the Wholesale Electric Power Market" (OJSC "OGK-2", or the "Company") was established on 9 March 2005 within the framework of Russian electricity sector restructuring in accordance with the Resolution No. 1254-r adopted by the Russian Federation Government on 1 September 2003.

The primary activities of the Company are generation and sale of electric and heat power. The Company consists of the following power stations (plants): Troitskaya GRES, Stavropolskaya GRES, Pskovskaya GRES, Serovskaya GRES, Surgutskaya GRES-1, Adlerskaya TES, Kirishskaya GRES, Ryazanskaya GRES, Novochebasskaya GRES, Krasnoyarskaya GRES-2, Cherepovetskaya GRES.

The Company is registered by the Izobilnensk District Inspectorate of the RF Ministry of Taxation of Stavropol Region.

The Company's office is located at 101-3, Vernadskogo Avenue, 119526, Moscow, Russian Federation.

OJSC "OGK-2" and its following subsidiaries form the OGK-2 Group (the "Group"):

	% owned	
	30 September 2014	31 December 2013
LLC "OGK-2 Finance"	100%	100%
LLC "Centr 112"	100%	100%

Operating environment of the Group. The Group's operations are primarily located in the Russian Federation. The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to varying interpretations (Note 24). The political and economic turmoil witnessed in the region, including the developments in Ukraine have had and may continue to have a negative impact on the Russian economy, including weakening of the Rouble and making it harder to raise international funding. At present, there is an ongoing threat of sanctions against Russia and Russian officials the extent and impact of which are at this stage difficult to determine. The financial markets are uncertain and volatile. These and other events may have a significant impact on the Group's operations and financial position, the effect of which is difficult to predict. The future economic and regulatory situation may differ from management's current expectations.

Relations with the state and current regulation. OJSC "OGK-2" is part of the Gazprom Group, which includes OJSC "Gazprom" and its subsidiaries. OJSC "Centerenergyholding" owns 73.42% of the shares of OJSC "OGK-2" as at 30 September 2014 (as at 31 December 2013: 73.42%).

Gazprom Group, in its turn, is controlled by the Russian Federation, therefore, the Russian Government is the ultimate controlling party of the Group as at 30 September 2014 and 31 December 2013.

The Group's customer base includes a large number of entities controlled by or related to the State. The list of the Group's major fuel suppliers includes subsidiaries of OJSC "Gazprom".

The government of the Russian Federation directly affects the Group's operations through regulations of wholesale sales of electricity (capacity) and retail sales of heat exercised by the Federal Tariff Service ("FTS") and the tariffs regulation executive authorities. JSC "System Operator of the United Power System" ("SO UPS"), which is controlled by the Russian Federation represented by the Federal executive body for state property management, regulates operations of generating assets of the Group.

As described in Note 24, the government's economic, social and other policies could have material effects on the operations of the Group.

Note 2. Basis of preparation

The interim condensed consolidated financial statements for the 9 months ended 30 September 2014 ("Financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRS.

OGK-2 Group
Notes to Interim Condensed Consolidated Financial Statements
for the 9 months ended 30 September 2014 (unaudited)
(in thousands of Russian Roubles)

Seasonality. Demand for electricity and heat is influenced by both the season of the year and the relative severity of the weather. Revenues from heating are concentrated within the months of October to March. A similar, though less severe, concentration of electricity sales occurs within the same period. The seasonality of electricity and heat production has a corresponding impact on the usage of fuel.

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 on the revenue or cost recognition policies of the Company.

Note 3. New accounting developments

The accounting policies followed in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the annual consolidated financial statements as at and for the year ended 31 December 2013.

The Group has adopted all new standards, amendments to standards and interpretations that were effective from 1 January 2014. The impact of the adoption of these new standards, amendments to standards and interpretations has not been significant with respect to these interim condensed consolidated financial statements.

Certain new standards and amendments to standards as disclosed in the consolidated financial statements as at and for the year ended 31 December 2013, have been issued but are not effective for the financial year beginning 1 January 2014 and which the Group has not early adopted.

Note 4. Related Parties

Information on transactions and balances with related parties is presented below. All transactions were made in Russian Federation and in Russian Roubles. Transactions with related parties have been made mostly on the same terms and conditions as similar operations with the parties external to the Group. Prices for natural gas and heat are based on tariffs set by FTS, prices for electricity and capacity are based on tariffs set by FTS and also based on competitive take-off on the wholesale electricity (capacity) market. Loans are granted at market rates. Bank deposits are invested at market rates.

Transactions with Gazprom Group and its associates

Transactions with Gazprom Group and its associates were as follows:

	9 months ended 30 September 2014	9 months ended 30 September 2013
<i>Sales:</i>		
Sales of electricity and capacity	4,693,450	4,542,987
Sales of heat	3,645	264
Other sales	229,585	349,945
Interest expense under finance lease agreements	16,597	26,502
<i>Other income</i>	173,135	3,739
<i>Purchases:</i>		
Purchases of gas	24,758,065	31,438,006
Other purchases	6,318,942	1,423,571
<i>Other expenses</i>	1,837	3,330

OGK-2 Group
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Balances with Gazprom Group and its associates were as follows:

	30 September 2014	31 December 2013
Long-term loan issued	1,048,344	1,048,344
Bank accounts (Note 7)	13,378,780	43,594
Trade and other receivables	830,567	771,883
Promissory notes OJSC "Gazprombank" (nominal value of promissory notes is RR 923,390 thousand as at 30 September 2014 and RR 777,794 thousand as at 31 December 2013)	903,848	750,611
Non-current debt	38,900,000	21,600,000
Non-current portion of finance lease liabilities	32,562	70,876
Current portion of non-current debt	4,300,000	-
Current portion of finance lease liabilities	53,702	62,786
Trade and other payables	1,574,510	1,229,272

Interest expense accrued in respect of debt for the 9 months ended 30 September 2014 was RR 1,800,431 thousand (for the 9 months ended 30 September 2013: nil).

Interest income accrued in respect of loans issued for the 9 months ended 30 September 2014 was RR 56,848 thousand (for the 9 months ended 30 September 2013: RR 35,216 thousand).

The guarantees from OJSC "Gazprombank" equal RR 2,797 thousand as at 30 September 2014 (as at 31 December 2013: nil).

Transactions with state-controlled entities and its associates other than Gazprom Group

In the normal course of business the Group enters into transactions with other entities under Government control (in addition to transactions with Gazprom Group), including sales of electricity and capacity, heat, purchases of electricity and capacity resources, services and other transactions. These transactions (except for sales and purchases of electricity and capacity) are not significant either individually or collectively.

Information concerning sales and purchases of electricity and capacity with the state-controlled entities is presented below:

	9 months ended 30 September 2014	9 months ended 30 September 2013 (Restated)
Sales of electricity and capacity	21,739,257	20,546,887
Charge of provision for impairment of trade receivables (sales of electricity and capacity)	205,039	84,658
Reversal of provision for impairment of trade receivables (sales of electricity and capacity)	(293,111)	(87,563)
Building and construction works	12,294,551	3,388,545
Purchases of electricity and capacity	7,903,058	4,172,761

Significant balances with state-controlled entities were as follows:

	30 September 2014	31 December 2013
Trade and other receivables, gross	11,312,521	18,411,101
Provision for impairment of trade and other receivables	(3,031,944)	(3,176,550)
Trade and other payables	2,358,910	2,185,843
Non-current debt and current portion of non-current debt to OJSB "Sberbank"	2,872,646	2,873,307

Interest expense accrued in respect of debt for 9 months ended 30 September 2014 was RR 180,356 thousand (for 9 months ended 30 September 2013: RR 9,853 thousand).

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Interest income accrued in respect of bank deposit for the 9 months ended 30 September 2014 was RR 223,454 thousand (for the 9 months ended 30 September 2013: nil).

The guarantees from OJSC "Sberbank" equal RR 2,805,164 thousand as at 30 September 2014 (as at 31 December 2013: RR 3,150,096 thousand). Significant amount of this guarantees ensures return of the advance payments made to CJSC "QUARTZ-Nowie Technologii" to secure the contractor's obligations under the general construction contract.

Transactions with key management

Compensation is paid to members of the Management Board of the Company for their services in full time management positions. The compensation is made up of a contractual salary and a performance bonus depending on results for the period according to Russian statutory financial results of the Company. The compensation is approved by the Board of Directors. Discretionary bonuses are also payable to members of the Management Board, which are approved by the Chairman of the Management Board according to his perception of the value of their contribution.

Fees, compensation or allowances to the members of the Board of Directors for their services in that capacity and for attending Board meetings are paid depending on results for the year.

Total remuneration in the form of salary and bonuses accrued to the members of the Board of Directors and Management Board for the 9 months ended 30 September 2014 was RR 118,088 thousand (for the 9 months ended 30 September 2013: RR 72,707 thousand).

Transactions with other related parties

Transactions with other related parties represent transactions with the pension funds. For the 9 months ended 30 September 2014 the Group made contributions of RR 41,112 thousand to NPF Electroenergetiki and NPF GAZFOND (for the 9 months ended 30 September 2013: RR 36,730 thousand).

Note 5. Property, plant and equipment

	Production buildings	Constructions	Energy machinery and equipment	Other machinery and equipment	Other	Construction in progress	Total
Cost							
Opening balance as at 1 January 2014	37,874,510	20,759,477	44,853,971	15,033,605	1,653,028	64,060,710	184,235,301
Additions	-	710,411	1,050	43,752	12,260	15,681,354	16,448,827
Transfer	21,440	148,804	237,519	181,188	29,955	(618,906)	-
Disposals	(37,908)	(30,953)	(9,335)	(4,643)	(6,974)	(105)	(89,918)
Closing balance as at 30 September 2014	37,858,042	21,587,739	45,083,205	15,253,902	1,688,269	79,123,053	200,594,210
Accumulated depreciation (including impairment)							
Opening balance as at 1 January 2014	(16,704,396)	(10,902,911)	(19,309,536)	(7,454,595)	(1,089,415)	(284,147)	(55,745,000)
Charge for the period	(528,447)	(601,903)	(1,494,152)	(912,294)	(88,397)	-	(3,625,193)
Disposals	17,049	26,198	6,371	4,348	6,846	-	60,812
Closing balance as at 30 September 2014	(17,215,794)	(11,478,616)	(20,797,317)	(8,362,541)	(1,170,966)	(284,147)	(59,309,381)
Net book value as at 30 September 2014	20,642,248	10,109,123	24,285,888	6,891,361	517,303	78,838,906	141,284,829
Net book value as at 31 December 2013	21,170,114	9,856,566	25,544,435	7,579,010	563,613	63,776,563	128,490,301

OGK-2 Group
Notes to Interim Condensed Consolidated Financial Statements
for the 9 months ended 30 September 2014 (unaudited)
(in thousands of Russian Roubles)

	Production buildings	Constructions	Energy machinery and equipment	Other machinery and equipment	Other	Construction in progress	Total
Cost							
Opening balance as at 1 January 2013	37,665,957	19,614,523	44,164,395	14,080,513	1,626,223	48,509,459	165,661,070
Additions (Restated)	-	-	-	13,058	11,749	13,217,738	13,242,545
Transfer	194,674	1,243,960	285,955	615,640	44,140	(2,384,369)	-
Disposals	(1,999)	(43,586)	(82,053)	(21,509)	(10,636)	(42,300)	(202,083)
Closing balance as at 30 September 2013 (Restated)	37,858,632	20,814,897	44,368,297	14,687,702	1,671,476	59,300,528	178,701,532
Accumulated depreciation (including impairment)							
Opening balance as at 1 January 2013	(16,003,525)	(10,117,988)	(17,451,848)	(6,325,226)	(981,129)	(326,451)	(51,206,167)
Charge for the period (Restated)	(527,136)	(653,243)	(1,446,288)	(854,092)	(105,077)	-	(3,585,836)
Disposals	1,060	35,364	67,450	19,111	10,636	42,300	175,921
Closing balance as at 30 September 2013 (Restated)	(16,529,601)	(10,735,867)	(18,830,686)	(7,160,207)	(1,075,570)	(284,151)	(54,616,082)
Net book value as at 30 September 2013 (Restated)	21,329,031	10,079,030	25,537,611	7,527,495	595,906	59,016,377	124,085,450
Net book value as at 31 December 2012	21,662,432	9,496,535	26,712,547	7,755,287	645,094	48,183,008	114,454,903

Construction in progress as at 30 September 2014 and 31 December 2013 includes advances for property, plant and equipment in the amount of RR 10,995,543 thousand and RR 16,710,043 thousand respectively.

Finance lease

The Group leased certain equipment under a number of finance lease agreements. At the end of the leases the Group has the option to purchase the equipment at a beneficial price. The net book value of leased property, plant and equipment is presented below:

	30 September 2014	31 December 2013
Energy machinery and equipment	37,238	39,934
Other machinery and equipment	166,286	175,452
Other	189,666	212,933
Total	393,190	428,319

The leased equipment is pledged as a security for the lease obligation.

Operating lease

The Group leases a number of land plots owned by local governments and real estate entities under operating leases. Lease payments are determined by lease agreements. Lease agreements are concluded for the different periods. Part of the lease contracts is concluded for a year with right of future prolongation, maximum lease period is 48 years.

Operating lease rentals are payable as follows:

	30 September 2014	31 December 2013
Not later than one year	1,483,005	3,205,755
Later than one year and not later than five years	962,053	1,636,478
Later than five years and not later than ten years	947,523	1,087,932
Later than ten years	4,077,874	5,124,937
Total	7,470,455	11,055,102

OGK-2 Group
Notes to Interim Condensed Consolidated Financial Statements
for the 9 months ended 30 September 2014 (unaudited)
(in thousands of Russian Roubles)

The land areas leased by the Group are the territories on which the Group's electric power stations and other assets are located. Lease payments are linked to market value of land are reviewed regularly to reflect market rentals.

Note 6. Other non-current assets

	30 September 2014	31 December 2013
Long-term loan issued	1,048,344	1,048,344
Long-term promissory notes (nominal value of promissory notes is RR 588,606 thousand as at 30 September 2014 and RR 819,598 thousand as at 31 December 2013)	291,822	484,047
Long-term restructured trade and other receivables (net of provision for impairment of RR 0 thousand as at 30 September 2014 and RR 10,766 thousand as at 31 December 2013, and the effect of discounting of RR 10,997 thousand as at September 2014 and RR 46,883 thousand as at 31 December 2013)	27,593	87,335
Available-for-sale investments	530,984	582,326
Financial assets	1,898,743	2,202,052
Deposits for pensions	649,434	683,208
Long-term input VAT from advances paid	5,576	26,070
Other	6,653	6,652
Total	2,560,406	2,917,982

Available-for-sale investments. In September 2014 the Group sold all the ordinary shares of JSC "RusHydro" in the amount of 90,454,910 shares with a nominal value of RR 0.001 thousand, the fair value at the date of disposal was RR 66,032 thousand (as at 31 December 2013: 51 342 thousand). Gain from changes in fair value of the shares of JSC "RusHydro" from 1 January 2014 until the date of disposal was RR 14,690 thousand (in other comprehensive income at 9 months ended 30 September 2014 included a net value in the amount of RR 11,752 thousand (net of income tax in the amount of RR 2,938 thousand). Loss on disposal of shares of JSC "RusHydro" was RR 112 295 thousand (in other comprehensive income at 9 months ended 30 September 2014 included a net value in the amount of RR 95,850 thousand (net of income tax in the amount of RR 16,445 thousand):

	Date of disposal
Available-for-sale investments	(66,032)
Remuneration received	66,032
Accumulated loss on available-for-sale investments reclassified to Statement of Profit or Loss on their disposal (related deferred tax liability RR 16,445 thousand)	(112,295)
Loss on disposal of available-for-sale investments	(112,295)

As at 30 September 2014 and as at 31 December 2013 available-for-sale investments also include 9.49% share in LLC "OGK-Investproekt" in the amount of RR 530,984 thousand.

Note 7. Cash and cash equivalents

	Currency	30 September 2014	31 December 2013
Current bank accounts	RR	13,669,457	2,288,331
Bank deposits with maturity of three months or less	RR	1,640,000	3,467,861
Other cash equivalents	RR	66	39
Total		15,309,523	5,756,231

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The Group has current bank accounts in the following banks:

Cash in bank	Credit rating on 30 September 2014*	30 September 2014	Credit rating on 31 December 2013*	31 December 2013
OJSC "Gazprombank"	D-/Negative	13,378,780	D-/Stable	43,594
OJSC "BANK "ROSSIYA"	WR/Ratings Withdrawn	288,016	WR/Ratings Withdrawn	21,099
OJSC "Sberbank"	D+/Negative	2,390	D+/Stable	620
OJSC "VTB"	D-/Negative	161	-	-
OJSC "Alfa-bank"	D/Stable	110	D/Stable	2,223,018
Total cash in bank		13,669,457		2,288,331

* The bank financial strength rating / the outlook on all of the bank's ratings, determined by Moody's Investor Service.

Credit quality of bank deposits is presented below:

Bank deposits with maturity of three months or less	Interest rate	Credit rating on 30 September 2014*	30 September 2014	Interest rate	Credit rating on 31 December 2013*	31 December 2013
OJSC "BANK "ROSSIYA"	9.20%	WR/Ratings Withdrawn	1,300,000	6.00%	WR/Ratings Withdrawn	8,500
OJSC "Sberbank"	8.34%- 9.33%	Prime-2	340,000	-	-	-
OJSC "Alfa-bank"	-	-	-	6.58%- 7.00%	Not-Prime	3,459,361
Total bank deposits with maturity of three months or less			1,640,000			3,467,861

* Short-term rating of domestic currency deposits, determined by Moody's Investors Service.

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Note 8. Trade and other receivables

	30 September 2014	31 December 2013
Trade receivables	7,932,406	9,304,844
(net of provision for impairment of RR 5,732,276 thousand as at 30 September 2014 and RR 5,500,512 thousand as at 31 December 2013, and the effect of discounting of RR 11,092 thousand as at 30 September 2014 and RR 35,795 thousand as at 31 December 2013)		
Other receivables	4,894,719	4,365,666
(net of provision for impairment of RR 1,218,396 thousand as at 30 September 2014 and RR 1,237,480 thousand as at 31 December 2013, and the effect of discounting of RR 6,965 thousand as at 30 September 2014 and RR 11,088 thousand as at 31 December 2013)		
Promissory notes	1,454,062	1,479,532
(nominal value of promissory notes is RR 1,785,107 thousand as at 30 September 2014 and RR 1,858,415 thousand as at 31 December 2013)		
Interest receivable	86,885	45,826
Financial assets	14,368,072	15,195,868
Input VAT	1,680,679	3,046,246
Prepaid other taxes and social funds contribution	886,796	270,203
Advances to suppliers	552,449	819,950
(net of provision for impairment of RR 14,130 thousand as at 30 September 2014 and RR 14,130 thousand as at 31 December 2013)		
Total	17,487,996	19,332,267
Less: Long-term promissory notes	(291,822)	(484,047)
Long-term restructured trade and other receivables	(27,593)	(87,335)
Long-term input VAT	(5,576)	(26,070)
Total	17,163,005	18,734,815

Note 9. Inventories

	30 September 2014	31 December 2013
Fuel supplies	4,613,867	4,383,289
Spare parts	1,590,458	925,895
Materials and supplies	1,069,863	960,482
Other inventories	74,624	74,624
Total	7,348,812	6,344,290

The above inventory balances are recorded net of writes-down of RR 46,252 thousand and RR 47,343 thousand as at 30 September 2014 and 31 December 2013, respectively.

There is no inventory pledged as collateral at 30 September 2014 and at 31 December 2013.

Note 10. Other current assets

	30 September 2014	31 December 2013
Short-term deposits	-	3,100,000
Total	-	3,100,000

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Credit quality of bank deposits is presented below:

Bank deposits with maturity more than three months but within one year	Interest rate	Credit rating on 30 September 2014*	30 September 2014	Credit rating on 31 December 2013*	31 December 2013
OJSC "Alfa-bank"	6.83%- 7.00%	-	-	Not-Prime	3,100,000
Total bank deposits with maturity more than three months but within one year			-		3,100,000

* Short-term rating of domestic currency deposits, determined by Moody's Investors Service.

Note 11. Equity

Share capital	Number of ordinary shares 30 September 2014	Number of ordinary shares 31 December 2013
Issued shares	110,441,160,870	110,441,160,870
Treasury shares	(2,249,799,145)	(2,361,540,300)
Total outstanding shares	108,191,361,725	108,079,620,570

Each ordinary share carries one vote.

As at 30 September 2014 and 31 December 2013 the number of authorised for issue but not issued ordinary shares is 58,886,766,090 shares.

Treasury shares

In June 2014 LLC "OGK-2 Finance", the Group's subsidiary, sold 1,300,000 shares of OJSC "OGK-2" in the total amount of RR 302 thousand (for the 9 months ended 30 September 2013: nil).

In September 2014, the Group paid additional compensation to members of the Board of Directors own shares in the amount of 110,441,155 shares, the fair value of the shares was RR 25,633 thousand (for the 9 months ended 30 September 2013: nil).

Dividends

There were no dividends proposed or declared before the financial statements were authorized.

Fair value revaluation reserve

Change in fair value of available-for-sale investments (see Note 6), recognized in comprehensive income, were as follows:

As at 31 December 2011	(91,047)
Change in fair value of available-for-sale investments including tax for the period	(20,922)
As at 31 December 2012	(111,969)
Change in fair value of available-for-sale investments including tax for the period	(15,016)
As at 31 December 2013	(126,985)
Change in fair value of available-for-sale investments including tax for the period	14,690
Accumulated loss on available-for-sale investments reclassified to Statement of Profit or Loss on their disposal including tax	112,295
As at 30 September 2014	-

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Note 12. Non-current debt

	Currency	Effective interest rate	Due	30 September 2014	31 December 2013
Loans	RR	7.91%-8.40%	2015-2017	41,770,664	34,570,664
Finance lease liability	RR	19.62%-27.90%	2015-2016	36,052	70,876
Total				41,806,716	34,641,540

All of the above loans are obtained at fixed interest rates.

Maturity table

	30 September 2014	31 December 2013
Due for repayment		
Between one and two years	5,105,952	3,651,059
Between two and three years	36,700,764	30,990,481
Total	41,806,716	34,641,540

The lease liabilities are effectively secured as the rights for the leased asset revert to the lessor in the event of default.

Finance lease liabilities – minimum lease payments

	30 September 2014	31 December 2013
Due for repayment		
Less than one year	68,431	101,666
Between one year and five years	38,618	80,297
Future finance charges on finance lease	(15,028)	(31,336)
Present value of lease liabilities	92,021	150,627

Management believes that the total current value of non-current debt approximates its fair value since actual interest rates approximate current market interest rates available to the Group for similar financial instruments.

Note 13. Restoration provision

The Group owns an ash dump on the territory of the Republic of Kazakhstan, and an obligation to restore the surface of this ash dump when it is full. The main assumptions used in the calculation of the provision are as following:

	9 months ended 30 September 2014	9 months ended 30 September 2013
Average inflation per annum	4.22%	4.33%
Pre-tax discount rate	10.22%	13.88%
Projected restoration period	9 years	11 years

	Notes	9 months ended 30 September 2014	9 months ended 30 September 2013
Total carrying amount at the beginning of year		458,190	556,252
Less current portion		38,554	45,119
Non-current portion at the beginning of year		419,636	511,133
Unwinding of the present value discount	21	103,963	56,539
Changes in estimates adjusted against property, plant and equipment		710,412	-
Utilisation		(155,312)	-
Total carrying amount at the end of period		1,117,253	612,791
Less current portion		172,956	72,988
Non-current portion at the end of period		944,297	539,803

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Note 14. Other long-term liabilities

	30 September 2014	31 December 2013
Trade payables (net of effect of discounting of RR 54,023 thousand as at 30 September 2014 and RR 0 thousand as at 31 December 2013)	557,266	987,751
Accrued liabilities and other payables	8,203	8,763
Total finance liabilities	565,469	996,514

Note 15. Current debt and current portion of non-current debt

	Currency	Effective interest rate	30 September 2014	31 December 2013
Current portion of long-term loans	RR	7.91%	4,300,000	-
Current portion of finance lease liability	RR	19.62%-27.90%	55,969	79,751
Total			4,355,969	79,751

All of the above bank debt is obtained at fixed interest rates.

The effective interest rate is the market interest rate applicable to the loan at the date of origination for fixed rate loans.

Note 16. Trade and other payables

	30 September 2014	31 December 2013
Trade payables	7,975,465	7,532,200
Accrued liabilities and other payables	405,259	397,620
Dividends payable	3,566	3,624
Interest payable	1,982	2,643
Financial liabilities	8,386,272	7,936,087
Salaries and wages payable	253,854	682,177
Advances from customers	95,226	46,672
Total	8,735,352	8,664,936

Note 17. Other taxes payable

	30 September 2014	31 December 2013
Property tax	254,243	250,786
Social tax	124,620	215,945
Water usage tax	109,264	112,598
Environment pollution payment	48,995	51,925
Personal income tax	44,380	78,462
Value added tax	13,980	9,765
Other taxes	10,994	8,217
Total	606,476	727,698

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Note 18. Revenues

	9 months ended 30 September 2014	9 months ended 30 September 2013
Electricity and capacity	79,473,908	77,850,784
Heating	3,036,472	2,792,055
Other	830,730	927,648
Total	83,341,110	81,570,487

Note 19. Operating expenses

	9 months ended 30 September 2014	9 months ended 30 September 2013 (Restated)
Fuel	46,566,991	46,580,494
Purchased electricity, capacity and heat	8,170,001	6,826,825
Employee benefits	5,387,340	5,337,943
Depreciation and amortisation of property, plant, equipment and intangible assets	3,668,532	3,383,550
Repairs	2,013,553	2,349,578
Rent	1,891,145	1,398,128
Taxes other than income tax	1,682,057	1,770,956
Dispatcher's fees	1,461,361	1,390,987
Raw materials and supplies	1,117,796	1,433,837
Electricity transit	1,093,350	872,193
Transport	560,163	435,979
Ecological payments	298,010	243,427
Charge of provision for impairment of trade and other receivables	251,927	189,703
Insurance	131,921	153,576
Consulting, legal and audit services	65,992	54,181
(Gain) / loss on disposal of property, plant, equipment	(13,526)	10,571
Gain on disposal of other assets	(7,180)	(20,748)
(Reversal) / charge for inventory obsolescence	(1,091)	3,958
Other expenses	1,928,215	1,744,888
Total operating expenses	76,266,557	74 160 026

Employee benefits expenses comprise the following:

	9 months ended 30 September 2014	9 months ended 30 September 2013
Salaries and wages	3,809,459	3,728,569
Social funds contribution	1,154,179	1,108,890
Financial aid to employees and pensioners	356,215	401,766
Non-state pensions and other long-term benefits	67,487	98,718
Employee benefits	5,387,340	5,337,943
Number of personnel at the end of the period	9,461	9,530

Included in social funds contribution are statutory pension contributions of RR 940,124 thousand for the 9 months ended 30 September 2014 (for the 9 months ended 30 September 2013: RR 891,466 thousand).

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Note 20. Finance income

	9 months ended 30 September 2014	9 months ended 30 September 2013
Interest income on bank deposits and current bank account balances	623,571	203,790
Interest income on loans	73,149	35,316
Effect of discounting of long-term promissory notes received	57,751	46,737
Effect of discounting of long-term trade payables (Note 14)	54,023	-
Effect of discounting of long-term trade receivables	38,174	43,693
Foreign currency exchange gain	24,948	-
Other finance income	1,229	-
Total finance income	872,845	329,536

Note 21. Finance costs

	9 months ended 30 September 2014	9 months ended 30 September 2013 (Restated)
Interest expense on debt	(385,167)	(1,245,319)
Interest on employee benefit obligations	(126,621)	(149,401)
Unwinding of the present value discount - provision for ash dump (Note 13)	(103,963)	(56,539)
Foreign currency exchange loss	(59,833)	(18,477)
Interest expense under finance lease agreements	(19,041)	(40,160)
Effect of discounting of long-term promissory notes received	(9,913)	(17,706)
Effect of discounting of long-term trade receivables	-	(10,570)
Total finance costs	(704,538)	(1,538,172)

Note 22. Earnings per share

	9 months ended 30 September 2014	9 months ended 30 September 2013 (Restated)
Weighted average number of ordinary shares issued	108,089,734,956	108,079,588,452
Profit attributable to the shareholders of OJSC "OGK-2" (thousand of RR)	5,634,313	4,920,452
Earning per ordinary share attributable to the shareholders of OJSC "OGK-2" – basic and diluted (in RR)	0.05	0.05

Note 23. Capital commitments

As at 30 September 2014 in the framework of the investment program implementation the Group has capital commitments (including VAT) of RR 27,332,233 thousand (as at 31 December 2013: RR 25,140,241 thousand).

As at 30 September 2014 the Group has commitments (including VAT) of RR 6,796 thousand in respect of software implementation costs (as at 31 December 2013: RR 169,283 thousand).

Note 24. Contingencies

Political environment. The operations and earnings of the Group continue, from time to time and in varying degrees, to be affected by political, legislative, fiscal and regulatory developments, including those related to environmental protection, in Russian Federation.

Insurance. The Group holds limited insurance policies in relation to its assets, operations, public liability or other insurable risks. Accordingly, the Group is exposed to those risks for which it does not have insurance.

Legal proceedings. The Group is a party to certain legal proceedings arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which, upon final disposition, will have a material adverse effect on the position of the Group.

Tax contingency. Russian tax and currency legislation is subject to varying interpretations, 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 relevant regional and federal authorities, in particular, the way of accounting of water tax, deductibility of certain expenses.

As at 30 September 2014 management believes that its interpretation of the relevant legislation is appropriate and the Group's tax and currency positions will be sustained. Where management believes it is probable that a position cannot be sustained, an appropriate amount has been accrued for in these financial statements.

The transfer pricing rules that became effective from 1 January 2012 appear to be more technically elaborate and, to a certain extent, better aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development. This new legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not on an arm's length basis. Management has implemented internal controls to be in compliance with the new transfer pricing legislation.

Environmental matters. The Group and its predecessor entities have operated in the electric power industry in the Russian Federation for many years. The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement position of government authorities is continually being reconsidered.

The Group owns an ash dump on the territory of the Republic of Kazakhstan, and is subject to the environmental regulations in this country in respect of the usage of the ash dump. As such, the Group periodically evaluates its obligations under Kazakhstan environmental regulations and accrues the respective provision.

Potential liabilities might arise as a result of changes in legislation and regulation or civil litigation. The impact of these potential changes cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental remediation in excess of those amounts for which the provision has been recognised by the Group in these consolidated financial statements.

Note 25. Fair values of financial instruments

Fair values. Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

(i) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period.

Financial instruments carried at fair value. Available-for-sale investments are carried on the consolidated statement of financial position at their fair value.

Fair values of available-for-sale investments (shares of OJSC "RusHydro") were determined based on quoted market prices and were included in level 1. Fair values of available-for-sale investments (LLC "OGK-Investproekt") as at 30 September 2014 were determined based on comparative market prices from recent transactions and were included in level 2.

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(ii) Assets and liabilities not measured at fair value but for which fair value is disclosed

Fair values analysed by level in the fair value hierarchy and carrying value of assets and liabilities not measured at fair value are as follows:

	30 September 2014				31 December 2013			
	Level 1	Level 2	Level 3	Carrying value	Level 1	Level 2	Level 3	Carrying value
Financial assets								
Promissory notes (Note 8)	-	-	1,454,062	1,454,062	-	-	1,479,532	1,479,532
Trade and other receivables (Note 8)	-	-	12,827,125	12,827,125	-	-	13,670,510	13,670,510
Interest receivable (Note 8)	-	-	86,885	86,885	-	-	45,826	45,826
Loan issued (Note 6)	-	-	1,048,344	1,048,344	-	-	1,048,344	1,048,344
Cash and cash equivalents (Note 7)	13,669,457	1,640,000	66	15,309,523	2,288,331	3,467,861	39	5,756,231
Bank deposits (Note 10)	-	-	-	-	-	3,100,000	-	3,100,000
Total financial assets	13,669,457	1,640,000	15,416,482	30,725,939	2,288,331	6,567,861	16,244,251	25,100,443
Financial liabilities								
Debt (including finance lease liabilities) (Note 12, 15)	-	(46,162,685)	-	(46,162,685)	-	(34,721,291)	-	(34,721,291)
Trade and other payables (Note 14, 16)	-	-	(8,951,741)	(8,951,741)	-	-	(8,932,601)	(8,932,601)
Total financial liabilities	-	(46,162,685)	(8,951,741)	(55,114,426)	-	(34,721,291)	(8,932,601)	(43,653,892)

Financial assets carried at amortised cost. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity. Discount rates used depend on credit risk of the counterparty. The carrying amounts of trade and other receivables approximates their fair values. Cash and cash equivalents are carried at amortised cost which approximates their current fair value.

Liabilities carried at amortised cost. Fair values of financial liabilities were determined using valuation techniques. The estimated fair value of fixed interest rate instruments with stated maturity was estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

Note 26. Segment information

The Management Board of the Company controls and allocates economic resources of the Group between segments and evaluates segments' operating efficiency. Primary activity of the Group is production of electric and heat power and capacity which covers 99% of the Group revenue. The Group operates in Russian Federation.

The technology of electricity and heat production does not allow segregation of electricity and heat segments. The Company's branches are managed separately due to significant decentralization and distances between them, as a result the Group discloses seven reporting segments: Surgutskaya GRES-1, Troitskaya GRES, Stavropolskaya GRES, Serovskaya GRES, Kirishskaya GRES, Novochoerkasskaya GRES, Ryazanskaya GRES. All reporting segments are located on the territory of Russian Federation. In the process of evaluation of segments, results and allocation of economic resources of the Group the Management Board uses financial information provided below prepared in accordance with RAR. The differences between the above-mentioned financial indicators analyzed by the Management Board and IFRS financial information are caused by different approaches applied in IFRS and RAR. The main differences relate to the respective carrying values of the value of property, plant and equipment. The Group does not have inter-segment revenue. The main contractor of the Group is OJSC "FSC" which

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generates 56% of the Group revenue for the 9 months ended 30 September 2014 (for the 9 months ended 30 September 2013: 57%).

9 months ended 30 September 2014	Surgutskaya GRES-1	Stavropolskaya GRES	Troitskaya GRES	Serovskaya GRES	Kirishskaya GRES
Revenue	19,029,232	10,419,923	3,827,801	2,227,003	14,247,421
Segment operating profit / (loss)	5,053,781	892,023	(1,285,689)	(144,532)	3,161,952
9 months ended 30 September 2014	Novocherkasskaya GRES	Ryazanskaya GRES	Other operating segments	Total operating segments	
Revenue	11,722,916	9,381,026	12,485,788	83,341,110	
Segment operating profit / (loss)	471,361	782,654	561,559	9,493,109	
9 months ended 30 September 2013	Surgutskaya GRES-1	Stavropolskaya GRES	Troitskaya GRES	Serovskaya GRES	Kirishskaya GRES
Revenue	17,738,312	9,339,795	4,083,880	2,120,262	14,866,269
Segment operating profit / (loss)	3,875,097	698,269	(700,457)	(201,311)	3,157,517
9 months ended 30 September 2013	Novocherkasskaya GRES	Ryazanskaya GRES	Other operating segments	Total operating segments	
Revenue	10,531,285	10,437,668	12,453,016	81,570,487	
Segment operating profit / (loss)	889,758	1,085,601	805,044	9,609,518	

A reconciliation of management financial information prepared in accordance with RAR to IFRS financial information is provided below:

	9 months ended 30 September 2014	9 months ended 30 September 2013 (Restated)
Segment operating profit	9,493,109	9,609,518
Adjustments, arising from different accounting policy:		
Provision for impairment of trade and other receivables	-	1,686
Depreciation adjustment	(886,668)	(662,798)
Loss on disposal of assets	(17,905)	(12,386)
Finance lease	92,190	132,909
Other adjustments	231,013	454
Unallocated expenses:	(1,719,985)	(1,543,476)
Provision for impairment of trade and other receivables	(251,926)	(221,731)
Employee benefit	(460,363)	(401,654)
Rent	(185,601)	(188,240)
Consulting, legal and audit services	(38,292)	(27,484)
Other corporate expenses	(783,803)	(704,367)
Operating profit (IFRS)	7,191,754	7,525,907

Segment's assets are disclosed below:

	Surgutskaya GRES-1	Stavropolskaya GRES	Troitskaya GRES	Serovskaya GRES	Kirishskaya GRES
30 September 2014	4,265,864	3,126,621	40,170,196	19,665,695	20,846,437
31 December 2013	4,163,632	5,866,484	35,580,191	14,692,145	21,626,144
	Novocherkasskaya GRES	Ryazanskaya GRES	Other operating segments	Total assets	
30 September 2014	27,220,242	13,248,593	9,505,707	138,049,355	
31 December 2013	22,779,257	13,140,852	9,252,974	127,101,679	

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A reconciliation of management financial information to IFRS financial information is provided below:

	30 September 2014	31 December 2013
Total assets for reportable segment	138,049,355	127,101,679
Adjustments, arising from different accounting policy:		
Property, plant and equipment adjustment	14,019,490	13,188,849
Deposits for pensions	649,434	683,208
Discounting of promissory notes	(331,045)	(378,883)
Discounting of long-term trade and other receivables	(18,057)	(46,883)
Impairment of trade and other receivables	-	(9,348)
Writes-down of inventories (Note 9)	(46,252)	(47,343)
Deferred tax	(46,164)	(440,337)
Other adjustments	(305,182)	(343,627)
Unallocated assets	33,331,407	27,578,853
Total assets (IFRS)	185,302,986	167,286,168

The unallocated assets are the assets which cannot be directly related to the certain operating segment and are also out of the operating segment control for decision making purposes. These assets include intangible assets, short – term and long - term trade receivables, cash in bank, deposits, inventories and items of property, plant and equipment which are subject to the headquarters control.

Management of the Group does not review the information in respect of operating segment's liabilities in order to make a decision about allocation of resources, because of centralisation of significant part of payment transactions.