

Audit Report
on the Accounting (Financial) Statements
of JSC Inter RAO
for 2014

February 2015

Audit Report on the Accounting (Financial) Statements of JSC Inter RAO

Content _____ Page

Independent Auditor's Report.....	3
Appendices	6
Accounting (financial) statements of JSC Inter RAO for 2014.....	6
Balance Sheet	6
Profit and Loss Statement.....	9
Appendices to Balance Sheet and Profit and Loss Statement	11

/logo: Ernst & Young/

Ernst & Young LLC
Sadovnicheskaya Nab., 77,
bid. 1 Moscow, 115035,
Russia Tel: +7(495)705
9700
+7 (495) 755 9700
Fax: +7 (495) 755 9701
www.ey.com/ru
OKPO code: 59002827

Independent Auditor's Report

To the Shareholders of JSC Inter RAO and to the Board of the Directors of JSC Inter RAO

We have audited the enclosed financial statements of JSC Inter RAO, including the Balance Sheet as of December 31, 2014, the Profit and Loss Statement for 2014, and Appendices thereto.

Responsibility of the Auditee for the Accounting (Financial) Statements

The management of JSC Inter RAO is responsible for the preparation and reliability of these accounting (financial) statements in compliance with Russian rules for preparation of accounting (financial) statements, and for the internal control system necessary for the preparation of accounting (financial) statements free from material misstatements due to unfair practice or errors.

Auditor's Responsibility

Our responsibility is to express an opinion on the reliability of these statements based on the conducted audit.

We conducted our audit in accordance with the Federal Auditing Standards of the Russian Federation and with International Auditing Standards. These standards require compliance with the applicable professional ethical norms as well as planning and conducting the audit so as to be confident that the accounting (financial) statements do not contain any material misstatements.

The audit included the audit procedures aimed at obtaining audit evidence confirming the figures contained in the accounting (financial) statements and disclosure therein of the relevant information. The audit procedures were chosen as the auditor deemed appropriate taking into consideration the assessment of risk of material misstatements in the accounting (financial) statements committed as a result of unfair practice or errors. During the assessment of the said risk, the auditor examined the internal control system, which ensured the preparation and the reliability of the accounting (financial) statements, for the purpose of choosing the relevant audit procedures and not for the purpose of expressing our opinion on the efficiency of the internal control system. The audit also included assessment of the appropriate nature of the accounting policy applied and relevancy of estimated figures obtained by the management of the auditee as well as assessment of submission of the accounting (financial) statements in general.

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

/logo: Ernst & Young/

Opinion

In our opinion the accounting (financial) statements of JSC Inter RAO reflect accurately in all material aspects its financial situation as of December 31, 2014, the results of its economic activity and cash flows for 2014 in accordance with the Russian rules on preparation of accounting (financial) statements.

Other Information

The attached accounting (financial) statements are not intended to represent the financial position and performance in accordance with accounting principles or methods generally accepted in countries and other territories other than the Russian Federation. The attached accounting (financial) statements are therefore not intended for persons who are not acquainted with the accounting principles, procedures and methods accepted in the Russian Federation.

/signature/

D.E. Lobachev,
General Director
of Ernst & Young LLC

February 13, 2015

Information on the Auditee

Name: JSC Inter RAO

The entry to the Unified State Register of Legal Entities was made on November 1, 2002 and state registration number 1022302933630 was assigned.

Location: 119435, Russia, Moscow, ul. Bolshaya Pirogovskaya, 27, str. 2.

Information on the Auditor

Name: Ernst & Young LLC

The entry to the Unified State Register of Legal Entities was made on December 5, 2002 and state registration number 1027739707203 was assigned.

Location: 115035, Russia, Moscow, Sadovnicheskaya nab, 77, str.1.

Ernst & Young LLC is a member of Self-Regulating Audit Organization Non-Commercial Partnership Audit Chamber of Russia (SRO NP APR). Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations under Primary Registration Number 10201017420.

Appendix 1
to Order of the Ministry of Finance of the Russian Federation
No. 66n of July 2, 2010

BALANCE SHEET
as of December 31, 2014

Form as per the Russian Classification of Management Documentation (OKUD)		CODES		
		0710001		
Date (day, month, year)		31	12	2014
Company	Open Joint Stock Company INTER RAO UES	Russian National Classifier of Businesses and Organizations (OKPO)		
		33741102		
Taxpayer Identification Number		INN		
Business type power transmission		Russian National Classifier of Economic Activities (OKVED)		
		2320109650		
Legal Form / Ownership Form		Russian National Classifier of Forms of Incorporation (OKOPF)/Russian Classification of Forms of Ownership (OKFS)		
Open joint-stock company/Other mixed Russian ownership		12247	49	
Monetary unit thousand rubles		Russian Classification of Measurement Units (OKEI)		
		384		
Location (address): 119435, Russia, Moscow, ul. Bolshaya Pirogovskaya, 27, str. 2.				

Notes	Indicator	Code	As of December 31, 2014	As of December 31, 2013	As of December 31, 2012
N-1	ASSETS	1110	9,269	146,718	75,857
	I. NON-CURRENT ASSETS				
	Intangible assets				
	Research and developments results	1120	-	-	-
	Intangible search assets	1130	-	-	-
	Tangible development assets	1140	-	-	-
N-2	Property, plant and equipment	1150	847,925	1,348,177	3,472,904
N-3	including: Construction in progress	1151	725,857	432,817	242,570
N-2	Income-bearing investments in tangible assets	1160	9,344	19,770	84,727
N-5.1	Financial investments	1170	281,325,598	276,347,189	334,946,242
	Deferred tax assets	1180	2,877,063	2,763,677	3,814,926
N-4	Other non-current assets	1190	10,713,407	32,108,329	26,920,727
N-7.1	Including long-term accounts receivable	1191	10,672,402	31,992,270	26,736,621
	Section I Total	1100	295,782,606	312,733,860	369,315,383

N-6	II. CURRENT ASSETS	1210	4,990	7,364	13,823
	Inventory				
	Value added tax on assets purchased	1220	575,432	667,914	765,487
N-7	Accounts receivable	1230	23,354,543	11,889,288	59,345,981
N-7.2	including buyers and customers	1231	4,352,875	2,366,257	2,806,082
N-7.4	Advances made	1232	4,949,393	4,911,798	3,503,957
N-7.3	Other debtors	1233	14,052,275	4,611,233	53,035,942
N-5.2	Financial investments (excluding cash equivalents)	1240	10,483,830	4,227,903	937,985
N-5.2, 8	Cash and cash equivalents	1250	23,163,802	16,708,109	14,069,790
N-9	Other current assets	1260	51,376	74,576	210,461
	Section II Total	1200	57,633,973	33,575,154	75,343,527
	BALANCE	1600	353,416,579	346,309,014	444,658,910

Notes	Indicator	Code	As of December 31, 2014	As of December 31, 2013	As of December 31, 2012
N-10	LIABILITIES III. EQUITY AND RESERVES Authorized capital	1310	293,339,675	293,339,703	293,339,703
N-10	Treasury stock	1320	-	-	(409)
N-10	Revaluation of non-current assets	1340	11,221	103,303	308,415
N-10	Incremental capital (without revaluation)	1350	195,416,130	195,416,130	195,416,130
N-10	Reserve capital	1360	296,339	296,339	296,339
	Undistributed profit (uncovered loss), including:	1370	(158,297,629)	(158,824,234)	(105,340,945)
	undistributed profit of previous years	1371	(158,731,799)	(105,135,833)	(90,980,304)
	undistributed profit of current year	1372	434,170	(53,688,401)	(14,360,641)
	Section III Total	1300	330,765,736	330,331,241	384,019,233
N-12	IV. LONG-TERM LIABILITIES Borrowed funds	1410	-	5,334,860	10,951,941
	Deferred tax liabilities	1420	47,164	46,014	52,721
	Estimated liabilities	1430	-	-	-
N-13.1	Other long-term liabilities	1450	38,571	402,070	1,726,174
	Section IV Total	1400	85,735	5,782,944	12,730,836
N-12	V. SHORT-TERM LIABILITIES Borrowed funds	1510	9,178,268	5,905	3,235,056
N-13.2	Accounts payable	1520	12,470,928	8,601,206	43,778,492
N-13.2.1	including: suppliers and contractors	1521	4,805,800	2,316,980	3,489,736
	payable to personnel	1522	-	1	1,762
	debts to extra-budgetary public funds	1523	475	245	
	taxes and fees payable	1524	1,130	8,644	594
	advances received	1525	5,900,844	4,632,958	2,097,550
N-13.2.2	other creditors	1526	1,762,679	1,642,378	38,188,850
	Deferred income	1530	-	-	-
N-11	Estimated liabilities	1540	915,912	1,587,718	895,293
	Other short-term liabilities	1550	-	-	-
	Section V Total	1500	22,565,108	10,194,829	47,908,841
	BALANCE	1700	353,416,579	346,309,014	444,658,910

Director /signature/ B.Yu. Kovalchuk
(signature)
(print name)

Chief Accountant /signature/ A.P. Vaynilavichute
(signature)
(print name)

/seal: Open Joint Stock Company Inter RAO UES/

February 13, 2015

PROFIT AND LOSS STATEMENT
for the period from January 1 until December 31, 2014

		Form as per OKUD	CODES		
		Date (day, month, year)	31	12	2014
Company: Open Joint Stock Company Inter RAO UES		OKPO code	33741102		
Taxpayer Identification Number		INN	2320109650		
Business type: Resale of electrical power		OKVED code	51.56.4		
Legal Form / Ownership Form			12247	49	
Open joint-stock company/Other mixed Russian ownership		OKOPF/OKFS code			
Monetary unit: thousand rubles		OKEI code	384		

Notes	Indicator	Code	For January - December 2014	For January - December 2013
N-14, 20	Net sales of goods, products, work, services (exclusive of VAT, excise taxes and other similar dues), including:	2110	32,646,668	41,220,577
	export of electrical power	2111	20,385,301	23,316,601
	sale of electrical power (capacity) in the domestic market	2112	9,673,128	14,655,199
	sale of power equipment	2113	2,507,151	3,043,390
	other	2114	81,088	205,387
N-15	Cost of goods, products, work, services sold	2120	(25,338,269)	(34,698,207)
	purchase of electrical power (capacity) in the domestic market	2121	(19,864,303)	(26,119,038)
	production of electrical power (capacity)	2122	-	(1,676,258)
	import of electrical power	2123	(3,244,109)	(4,059,741)
	sale of power equipment	2124	(2,229,857)	(2,711,289)
	other	2125	-	(131,881)
	Gross profit	2100	7,308,399	6,522,370
N-15	Selling expenses	2210	(3,110,235)	(3,774,894)
N-15	Administrative expenses	2220	(4,664,514)	(4,684,878)
	Profit (loss) from sales	2200	(466,350)	(1,937,402)
	Income from participation in other companies	2310	1,625,558	3,501,273
	Interest receivable	2320	4,433,191	3,249,747
	Interest payable	2330	(594,785)	(862,316)
N-16	Other income	2340	47,215,117	27,967,495
N-16	Other expenses	2350	(50,821,854)	(84,515,900)
	Profit (loss) before taxes	2300	1,390,877	(52,597,103)
N-17	Current income tax	2410	(1,126,441)	(482,197)
	including permanent tax liabilities (assets)	2421	999,263	12,737,040
	Change in deferred tax liabilities	2430	(1,112)	11,775
	Change in deferred tax assets	2450	175,226	(1,046,943)
N-17	Other	2460	(4,380)	426,067
	Net profit (loss) of the accounting period	2400	434,170	(53,688,401)
	FOR REFERENCE	2510	-	-
	Result from reevaluation of non-current assets not included in the net profit (loss) for the period			
	Result of other operations not included in net profit (loss) for the period	2520	-	-

**STATEMENT OF CHANGES IN EQUITY
for 2014**

Appendix
to Order of the
Ministry of
Finance of the
Russian Federation
No. 66n of July 2,
2010

		Form as per OKUD	CODES	
		Date (day, month, year)	0710003	
			31	12 2014
Company: Open Joint Stock Company Inter RAO UES		OKPO code	33741102	
Taxpayer Identification Number		INN	2320109650	
Business type: Resale of electrical power		OKVED code	51.56.4	
Legal Form / Ownership Form		OKOPF/OKFS code	12247	49
Open joint-stock company/Other mixed Russian ownership				
Monetary unit: thousand rubles		OKEI code	384	

1. Changes in equity

Indicator	Code	Authorized capital	Treasury stock	Incremental capital	Reserve capital	Undistributed profit (uncovered loss)	Total
Equity value as of December 31, 2012	3100	293,339,703	(409)	195,724,545	296,339	(105,340,945)	384,019,233
for 2013							
Increase in equity - total	3210	-	409	-	-	205,112	205,521
including: net profit	3211	X	X	X	X	-	-
property revaluation	3212	X	X	-	X	205,112	205,112
profit directly related to increase in equity	3213	X	X	-	X	-	-
additional issue of shares	3214	-	-	-	X	X	-
increase in par value of shares	3215	-	-	-	X	-	-
legal entity reorganization	3216	-	-	-	-	-	-
sale of own shares	3217	-	409	-	-	-	409
Decrease in equity - total:	3220	-	-	(205,112)	-	(53,688,401)	(53,893,513)
including: loss	3221	X	X	X	X	(53,688,401)	(53,688,401)
property revaluation	3222	X	X	(205,112)	X	-	(205,112)
expenses directly related to decrease in equity	3223	X	X	-	X	-	-
decrease in par value of shares	3224	-	-	-	X	-	-
decrease in number of shares	3225	-	-	-	X	-	-
legal entity reorganization	3226	-	-	-	-	-	-
dividends	3227	X	X	X	-	-	-
Change in incremental capital	3230	X	X	-	-	-	X
Change in reserve capital	3240	X	X	X	-	-	X
Equity value as of December 31, 2013	3200	293,339,703	-	195,519,433	296,339	(158,824,234)	330,331,241
for 2014							
Increase in equity - total	3310	-	-	-	-	526,605	526,605
including: net profit	3311	X	X	X	X	434,170	434,170

property revaluation	3312	X	X	-	X	92,082	92,082
profit directly related to increase in equity	3313	X	X	-	X	353	353
additional issue of shares	3314	-	-	-	X	X	-
increase in par value of shares	3315	-	-	-	X	-	X
legal entity reorganization	3316	-	-	-	-	-	-
sale of own shares	3317	-	-	-	-	-	-

Indicator	Code	Authorized capital	Treasury stock	Incremental capital	Reserve capital	Undistributed profit (uncovered loss)	Total
Decrease in equity - total:	3320	(28)	-	(92,082)	-	-	(92,110)
including: loss	3321	X	X	X	X	-	-
property revaluation	3322	X	X	(92,082)	X	-	(92,082)
expenses directly related to decrease in equity	3323	X	X	-	X	-	-
decrease in par value of shares	3324	-	-	-	X	-	-
decrease in number of shares	3325	(28)	-	-	X	-	(28)
legal entity reorganization	3326	-	-	-	-	-	-
dividends	3327	X	X	X	-	-	-
Change in incremental capital	3330	X	X	-	-	-	X
Change in reserve capital	3340	X	X	X	-	-	X
Equity value as of December 31, 2014	3300	293,339,675	-	195,427,351	296,339	(158,297,629)	330,765,736

2. Adjustments related to changes in accounting policy and correction of errors

Indicator	Code	As of December 31, 2012	Changes in equity for 2013		As of December 31, 2013
			on account of net profit (loss)	on account of other factors	
Equity - total before adjustments:	3400	384,019,233	(53,483,289)	(204,703)	330,331,241
adjustments related to:	3410				
changes in the accounting policy	3420	-	-	.	-
correction of errors	3500	384,019,233	(53,483,289)	(204,703)	330,331,241
after adjustments	3401				
including: undistributed profit (uncovered loss): before adjustments	3411				
adjustments related to:	3421	-	-	.	-
changes in the accounting policy	3501	-	-	-	.
correction of errors	3402				
after adjustments	3412				
other capital-related items adjusted:	3422	-	-	-	.
before adjustments	3502	-	-	-	-
adjustments related to:					
changes in the accounting policy					
correction of errors					
after adjustments					

3. Net assets

Indicator	Code	As of December 31, 2014	As of December 31, 2013	As of December 31, 2012
Net assets	3600	330,765,736	330,331,241	384,019,233

Director /signature/ B.Yu. Kovalchuk Chief Accountant /signature/ A.P. Vaynilavichute

(print name)

(signature)

/seal: Open Joint Stock Company Inter RAO UES/

February 13, 2015

(print name)

(signature)

**CASH FLOW STATEMENT
for 2014**

Appendix
to Order of the Ministry of
Finance of the Russian
Federation
No. 66n of July 2, 2010

	Form No. 1 as per OKUD	CODES
	Date (day, month, year)	0710004
Company: Open Joint Stock Company Inter RAO UES	OKPO code	31 1 12 2014
Taxpayer Identification Number	INN	33741102
Business type: Resale of electrical power	Russian National Classifier of Economic Activities (OKVED)	2320109650
		51.56.4
Legal Form / Ownership Form	OKOPF/OKFS code	12247 49
Open joint-stock company/Other mixed Russian ownership		
Monetary unit: thousand rubles	OKEI code	384

Indicator	Code	for 2014	for 2013
Cash flow from current operations	4110	40,733,261	45,580,284
Proceeds - total			
including:	4111	34,127,080	42,917,816
sale of products, goods and services			
lease payments, license payments, royalty, commission and other similar payments	4112	129,990	260,463
resale of financial investments	4113	-	-
other proceeds	4119	6,476,191	2,402,005
Payments - total	4120	(38,744,911)	(45,251,620)
including:	4121	(28,860,889)	(40,892,796)
to suppliers (contractors) for raw and other materials, works, services			
salary of the employees	4122	(2,131,448)	(2,303,410)
interest on debt obligations	4123	(652,341)	(874,307)
corporate income tax	4124	(1,362,207)	(460,979)
other payments	4129	(5,738,026)	(720,128)
Cash flow balance from current operations	4100	1,988,350	328,664
Cash flow from investment operations	4210	20,368,369	25,670,788
Proceeds - total			
including:	4211	6,508,742	4,699,584
sale of non-current assets (other than financial investments)			
sale of third parties' shares (equity shares)	4212	620,798	13,100,137
repayment of issued loans, sale of debt securities (receivables from third parties)	4213	7,640,774	1,712,748
dividends, interest on debt financial investments and similar proceeds from equity participation in other organizations	4214	5,087,783	6,137,470
return of deposits with a term of more than 3 months	4215	500,000	-
other proceeds	4219	10,272	20,849
Payments - total	4220	(18,439,042)	(18,267,860)
including:	4221	(334,967)	(218,023)
for purchase, creation, modernization, reconstruction and			

preparation for use of non-current assets			
for purchase of shares in other organizations (participatory interest)	4222	(4,013,189)	(12,796,646)
for purchase of debt securities (receivables from third parties), granting loans to third parties	4223	(8,842,403)	(4,753,191)
interest on debt liabilities included in the cost of the investment asset	4224	-	-
placement of deposits for a term of more than 3 months	4225	(5,248,483)	(500,000)
other payments	4229	-	-
Cash flow balance from investment operations	4200	1,929,327	7,402,928

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

These notes shall be an integral part of the annual accounting (financial) statements of LLC Inter RAO for 2014 prepared in accordance with the current legislation of the Russian Federation.

All amounts are in thousand rubles, unless otherwise indicated.

I. GENERAL INFORMATION

Joint-Stock Company Inter RAO UES¹ (hereinafter referred to as the Company) was incorporated on October 23, 2002. The basic activity of the Company is the sale of electric energy in the domestic market and outside the Russian Federation. The Company and its subsidiaries are hereinafter referred to as the Inter RAO Group.

In 2008, due to reorganization, the Company took over CJSC INTER RAO UES, JSC Severo-Zapadnaya TPP, JSC Ivanovo CCPP, JSC Kaliningradskaya TPP-2, JSC INTER RAO HOLDING. On the basis of assets of JSC Severo-Zapadnaya TPP, JSC Ivanovo CCPP, JSC Kaliningradskaya TPP-2, JSC Sochinskaya TPP, same-name branches were formed. On the basis of CJSC INTER RAO UES, the Executive Apparatus was formed, exercising Company management functions. The basic activity of the Company in the period from 2008 to 2011 was thermal electric power generation on the basis of branches, as well as sale of electric energy in the domestic market and outside the Russian Federation.

In 2012, due to reorganization, the Company took over JSC WGC-1, JSC WGC-3, JSC INTER RAO - Energy, JSC INTER RAO - EnergyAsset and JSC Bashenergoaktiv. Production branches, generating thermal electric power, which were included in JSC WGC-1, JSC WGC-3 joined 100% subsidiary Company JSC Inter RAO - Electric Power Plants. The Company's balance was provided with assets in the form of financial investments in subsidiary and associated companies, various types of receivables and payables.

In 2011-2013, due to structural reorganization of business model focused on incorporation of the Holding Company on the basis of JSC Inter RAO, production branches Severo-Zapadnaya TPP, Kaliningradskaya TPP-2, Sochinskaya TPP and Ivanovo CCPP, included in the Company, were signed off to 100% subsidiary company JSC Inter RAO - Electric Power Plants.

¹ Before renaming - JSC Sochinskaya TPP (renamed on the basis of the decision of the sole shareholder of the Company - JSC RAO UES of Russia dated 28.03.2008).

NOTES

to the balance sheet (accounts)

of LLC Inter RAO for 2014

Company's activity on thermal electric power generation was terminated on October 01, 2013.

In 2014, the Company has been carried out activity on electric energy sale in the domestic market and outside of the Russian Federation, supply of electric power equipment abroad, as well as controlled the activity of generating, distributing, engineering and other companies included in the Inter RAO Group.

Company's shares are listed and included in the first-level quotation list A of the Closed Joint Stock Company MICEX Stock Exchange (CJSC MICEX SE).

The Company is registered at: 27, Bolshaya Pirogovskaya Str., bldg.2, Moscow, Russia 119435

Taxpayer Identification Number (INN): 2320109650.

Average headcount of the Company for 2014 was 446 persons (494 persons in 2013).

These statements were signed on February 13, 2015.

Branches and representations of the Company as of December 31, 2014:

Name	Type of activity	Location
Severo-Zapadnaya TPP Branch	Under liquidation ¹ . The activity is signed off to 100% subsidiary company	34, 3rd Konnaya Lakhta, Olgino Settlement, Saint Petersburg, Russia
Kaliningradskaya TPP-2 Branch	Under liquidation ¹ . The activity is signed off to 100% subsidiary company	2, Energetikov per., Kaliningrad, Russia
Sochinskaya TPP Branch	Under liquidation ¹ . The activity is signed off to 100% subsidiary company	133, Transportnaya Str., Sochi, Russia
Representation office in the Republic of Cuba	Under liquidation.	3rd Avenida between 70-80 streets, Santa Clara Building, Miramar, Playa, Havana, Republic of Cuba
Representation office in the Republic of Ecuador	Representation office's functions	October 12 Av. No.24-528 and Luis Cordero, World Trade Center, Tower B, office 403, Quito, Republic of Ecuador
Representation office in the Kingdom of Belgium	Representation office's functions	6, Rond Point Schuman, Brussels 1040 Kingdom of Belgium

- see cl.23 Events after the Reporting Period of these Notes.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

On September 15, 2014, changes in the Company's Articles of Association on liquidation of Ivanovo CCPP branch (located at: 1, Komsomolskaya Str., Komsomolsk, Ivanovo Region, Russia) were registered.

The Board of Directors of the Company since January 01, 2014:

1	Sechin Igor Ivanovich	President, Chairman of the Board of JSC NK Rosneft, Chairman of the Board of Directors of JSC Inter RAO
2	Budargin Oleg Mikhaylovich	Director General of JSC ROSSETI
3	Dmitriyev Vladimir Aleksandrovich	Chairman of the State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank)
4	Kovalchuk Boris Yuryevich	Chairman of the Management Board of JSC Inter RAO
5	Kravchenko Vyacheslav Mikhaylovich	Deputy Minister of Energy of the Russian Federation
6	Lokshin Aleksandr Markovich	First Deputy Director General for Operational Administration of the State Atomic Energy Corporation ROSATOM
7	Potinin Vladimir Olegovich	Director General - Chairman of the Board of OJSC MMC NORILSK NICKEL
8	Ronald J. Pollett	President & CEO, GE in Russia & CIS
9	Seleznev Kirill Gennadyevich	Member of the Board, Head of the Department of Marketing, Gas and Liquid Hydrocarbons Processing of OJSC Gazprom, Director General of LLC Gazprom Mezhhregiongaz
10	Fedorov Denis Vladimirovich	Head of the Directorate of Electric Energy Sector Development and Marketing in Electric Energy Industry of OJSC Gazprom, Director General of JSC Tsentrenergokholding, Director General of LLC Gazprom Energoholding
11	Shugaev Dmitriy Evgenyevich	Deputy Director General of the State Corporation for Promotion of Development, Manufacturing and Export of High-Tech Industrial Products Rostec (Deputy Chairman of the Board of Directors of JSC Inter RAO)

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

The Board of Directors of the Company since May 26, 2014:

1	Sechin Igor Ivanovich	President, Chairman of the Board of JSC NK Rosneft, Chairman of the Board of Directors of JSC Inter RAO
2	Bugrov Andrei Evgenyevich	Deputy General Director for Government and Investor Relations of OJSC MMC NORILSK NICKEL
3	Budargin Oleg Mikhaylovich	Chairman of the Board, Director General of JSC ROSSETI
4	Dmitriyev Vladimir Aleksandrovich	Chairman of the State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank)
5	Kovalchuk Boris Yuryevich	Chairman of the Management Board of JSC Inter RAO
6	Kravchenko Vyacheslav Mikhaylovich	Deputy Minister of Energy of the Russian Federation
7	Lokshin Aleksandr Markovich	Member of the Board, First Deputy Director General for Operational Administration of the State Atomic Energy Corporation ROSATOM
8	Murov Andrei Evgenyevich	Chairman of the Board of JSC FGC UES
9	Ronald J. Pollett	President & CEO, GE in Russia & CIS
10	Fedorov Denis Vladimirovich	Head of the Directorate of Electric Energy Sector Development and Marketing in Electric Energy Industry of OJSC Gazprom, Director General of LLC Gazprom Energoholding
11	Shugaev Dmitriy Evgenyevich	Deputy Director General of the State Corporation for Promotion of Development, Manufacturing and Export of High-Tech Industrial Products Rostec (Deputy Chairman of the Board of Directors of JSC Inter RAO)

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

The Audit Commission of the Company since January 01, 2014:

1	Varlamov Nikolay Nikolayevich	Deputy Chairman of the Board of JSC FGC UES
2	Drokovaya Anna Valeryevna	Head of the Department of Fuel and Energy Industry Organizations of the Administration of Property Relations and Privatization of the Largest Organizations of the Federal Agency for the Administration of State Property
3	Kabizskina Elena Aleksandrovna	Deputy Head of Control and Audit Department of JSC FGC UES
4	Heymits Ekaterina Viktorovna	Head of the Department of Soundness of Assets Control of the Control and Audit Administration of the Internal Control Department of OJSC MMC NORILSK NICKEL
5	Shcherbakov Yuriy Aleksandrovich	Head of the Treasury Department of the Financial and Economic Center of JSC Inter RAO

The Audit Commission of the Company since May 26, 2014:

1	Alimuradova Izumrud Aligadzhievna	Head of the Internal Control and Risk Management Department of JSC FGC UES
2	Ray Svetlana Petrovna	Head of the Internal Audit and Control Service of JSC NK Rosneft
3	Heymits Ekaterina Viktorovna	Head of the Department of Soundness of Assets Control of the Control and Audit Administration of the Internal Control Department of OJSC MMC NORILSK NICKEL
4	Shishkin Dmitry Lvovich	Internal Control Director of JSC FGC UES
5	Shcherbakov Yuriy Aleksandrovich	Head of the Treasury Department of the Financial and Economic Center of JSC Inter RAO

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

The Management Board of the Company as of January 01, 2014:

1	Kovalchuk Boris Yuryevich	Chairman of the Management Board of JSC Inter RAO
2	Boris Aleksander Gennadyevich	Member of the Management Board of JSC Inter RAO
3	Mirsiyapov Ilnar Ilbatyrovich	Member of the Management Board, Head of the Strategy and Investments Unit of JSC Inter RAO
4	Mugrulets Valery Valeryevich	Member of the Management Board, Head of Innovations, Investments and Costs Unit of JSC Inter RAO
5	Okley Pavel Ivanovich	Member of the Management Board, Head of the Operations Unit
6	Palunin Dmitry Nikolayevich	Member of the management Board, Head of Corporate Finance Department of JSC Inter RAO
7	Pakhomov Aleksander Aleksandrovich	Member of the Management Board, Head of the Legal Affairs Unit of JSC Inter RAO
8	Tsurcan Karina Valeryevna	Member of the Management Board, Head of the Trading Unit of JSC Inter RAO
9	Sharov Yury Vladimirovich	Member of the Management Board, Head of the Engineering Unit of JSC Inter RAO

II. BASIC PROVISIONS OF THE ACCOUNTING POLICY

These accounting (financial) statements of the Company are made based on the following accounting policy.

Basic approaches to preparation of the annual accounting (financial) statements

The accounting (financial) statements of the Company are made based on the Russian accounting standards, particularly, Federal Law Concerning Accounting No. 402-FZ dated December 06, 2011, Accounting Regulations Accounting Policies of the Organization PBU 1/2008, approved by the Order of the Ministry of Finance of the Russian Federation No. 60n dated December 09, 1998, Accounting Provision of the Russian Federation approved by the Order of the Ministry of Finance No.34n dated July 29, 1998, Accounting Regulations Accounting Policies of the Organization PBU 4/99 approved by the Order of the Ministry of Finance of the Russian Federation No. 43n dated July 06, 1999.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Uncertainty of imputations

Below are basic allowances related to future events, as well as other sources of uncertainty of imputations as of reporting date, which bear fundamental risk of necessity to make essential corrections in the book value of assets and liabilities during the next reporting year:

bad debt provision;

financial investment cost reduction provision;

estimated liabilities;

useful life of intangible and fixed assets.

Fixed Assets

Fixed assets include the property with useful life of more than 12 months and at the cost of more than 40 thousand rubles.

The unit of fixed asset accounting is an inventory item. In the event that one item is divided into several parts, the useful lives of which differ essentially, each part shall be taken into account as an independent inventory item.

Purchased item with primary cost of up to 40 thousand rubles per unit shall be recognized as costs upon fixed asset transition.

Fixed asset items shall be entered in the books on actual costs for purchasing (construction).

In case of acquisition of fixed asset items under contracts providing for fulfillment of obligations by non-monetary resources, the primary cost of such items is the cost of valuables, which are transferred or subject to transfer. The cost of valuables, which are transferred or subject to transfer by the Company shall be established based on the price, at which the Company usually defines the cost of similar valuables under similar circumstances. During the reporting period, the Company did not purchase fixed asset items for non-monetary resources.

The Company shall carry out fixed assets revaluation, if current (reinstatement) cost of fixed assets differs essentially from the cost, at which they are displayed in the Company's accounting books. Significant deviation is the deviation of the aggregate reinstatement cost of the group of homogenous items from the current (reinstatement) cost of this group of homogenous items by 20%.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Revaluation is performed with regard to power distributing and control equipment.

During the reporting year, the Company did not perform fixed assets revaluation.

In the accounting (financial) statements, fixed assets are shown at primary cost net of accumulated depreciation.

Depreciation of fixed assets is charged by linear method.

Depreciation of fixed assets is calculated based on useful lives defined in accordance with Classification of Fixed Assets Which Are Included in Amortization Groups No.1 dated January 01, 2002, approved by the Governmental Decree of the Russian Federation. Useful lives of fixed asset groups accepted by the Company are given below:

Group of fixed assets	Useful life (number of years) of items put on the books
Structures and transmission devices	20
Machines and equipment	2-16
Vehicles	5-8
Production and organizational stock	3-7
Other types of fixed assets	3-10
Land parcels and natural resources sites	-

Depreciation is not charged for: land parcels;

fully depreciated items, not written off the balance sheet, participating in production; laid-up fixed assets.

Receipts and expenditures from fixed asset retirement are displayed in the Profit and Loss Statement as part of other receipts and expenditures.

Expenditures of credits and loans, received for purchase, construction, manufacturing of items of fixed assets, charged before entering of respective fixed asset items into the books, shall be included in their initial cost, and those charged after entering of fixed asset items into the books shall be displayed in the Profit and Loss Statement as part of other expenditures.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Leased items of fixed assets shall be displayed out of balance sheet at book value according to accounting data of the lessor as of lend-lease of property.

Intangible Assets

Intangible assets shall be entered into the books at initial cost. Initial cost of intangible assets purchased at a charge shall be determined in the amount of actual expenditures for purchase.

Initial cost of intangible assets received under contracts providing for fulfillment of obligations by non-monetary resources, shall be determined based on the cost of the goods (valuables), which are transferred or subject to transfer. Where it is impossible to establish the cost of the goods (valuables), which are transferred or subject to transfer under such contracts, the cost of intangible assets received by the Company shall be established based on the price, at which similar intangible assets are purchased under similar circumstances. During the reporting period, the Company did not purchase items of intangible assets for non-monetary resources.

Depreciation of intangible assets is charged _____ by linear method based on
the following useful lives:

- software rights from 2 to 10 years
- trademark right from 7 to 10 years

In the accounting (financial) statements, intangible assets are displayed at initial cost net of accumulated depreciation.

Research and Development (R&D) Expenditures

Research and development expenditures shall be subject to write-off as expenses on normal activities during established useful life. In case of cessation of use of certain R&D results during manufacturing of products (performance of works, rendering of services) or for administrative needs of the Company, the amount of expenditures shall be subject to write-off as other expenses of the reporting period. Decision of non-use of R&D results shall be made based on the analysis of medium- and/or long-term plans of Company's development.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

The information on R&D expenditures shall be displayed in the intangible assets section of the balance sheet. Write-off as expenses shall be made by linear method.

Inventories

The assets accepted by the Company for accounting as inventories are as follows:

- used as feedstock, materials etc. when manufacturing products,
- intended for sale (performance of works, provision of services);
- intended for sale;
- used for the Company's administrative needs.

The unit of the inventories accounting is a batch.

Inventories shall be estimated in the amount of actual expenditures for purchasing (manufacturing).

Estimation of inventories on retirement shall be made: on actual self-cost of each unit in situ; electric energy and power purchased in the wholesale market for electricity and power in order to resell and kept on account 41 Goods - in accordance with Methods of distribution of volumes and cost of electric energy (power) purchased/sold in the wholesale market for electricity and power by market sectors.

Receivables

Receivables of buyers and customers are determined based on the prices established by contracts between the Company and buyers/customers inclusive of all Company's discounts (markups), VAT and prices established by the contract.

Receivables repayable/payable within 12 months after the reporting date shall be reflected in the balance sheet among short-term receivables. Receivables repayable/payable in more than 12 months following the reporting date, shall be reflected in the balance sheet in the intangible assets section under Other Intangible Assets item.

Advance payments paid in connection with construction and acquisition of fixed assets, as well as in connection with retooling and reconstruction shall be reflected in the balance sheet as part of construction-in-progress (exclusive of VAT).

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

The Company shall create provision for bad debts in case of acknowledgement of receivables as bad debt, with charging of provision amounts to organization's financial results. All receivables shall be subject to analysis for provision accrual necessity. The calculation of provision shall be made in accordance with the Bad Debt Provision Calculation Methods approved by local regulation of the Company.

The Company has various approaches to creation of bad debt provision on trade receivables, other receivables and advances paid.

In order to calculate the bad dent provision, the actual receivables as of reporting date shall be distributed by three groups of legal entities:

legal entities - consumers in the wholesale market for electricity and power;

debtors with specific payment discipline;

other debtors.

The reserve ratio shall be determined on each debtor in accordance with Bad Debt Provision Calculation Methods.

The Company shall be entitled to change or apply separate reservation rate in relation to separate debtors in case of receipt of information allowing concluding the significant change of their financial status.

As for receivables of suppliers (advances paid), the Company shall accrue 100% provision in case of supplier's failure to fulfill its obligations within the time limit provided for by the contract, the period of delinquency of which exceeds 12 months.

As for receivables for the goods, sold to buyers through the agent's commission, the amount of bad debt provision shall be determined according to the analysis of each buyer based on debt information provided by the agent.

Reversal/accrual of bad dent provision shall be reflected among other expenditures/receipts. Upon receivables retirement (collection), the write-off of respective provision amount shall be made. Written off provision amounts shall be reflected among other expenditures.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Receipts

The revenue shall be entered into the books in amount calculated in monetary terms, which is equal to the amount of cash and other property inflow and receivables (subject to provisions of cl.3 of the Accounting Provision Receipts of Organization PBU 9/99 No.32n (as amended on 27.04.2012)).

The revenue shall be recognized by the Company upon simultaneous fulfillment of the following conditions:

The Company shall be entitled to receive this revenue arising from certain contract or confirmed otherwise;

- the amount of revenue may be determined;
- there is a certainty that in result of certain operation,
- increase of economic benefits will occur;
- right of ownership (possession, use and disposal) and product (goods) risks
- are transferred from the organization to the buyer, or the work is accepted by the customer (service
- is rendered);
- expenditures which were made or will be made due to this operation,
- may be determined.

Among other receipts, the rental income, amounts of interests on provided borrowings (including deposits), participation capital, financial investment revaluation income, return on sales of currency, fixed assets, retirement of financial investments and other assets, punitive sanctions receivable under agreements in the capacity trade areas, profits of previous years, gains of exchange, changes in imputations and others shall be taken into account.

Costs

The Company's costs are recognized in the reporting period in which they have occurred irrespective of the cash outflow time.

The cost of trading transactions (purchase of electric power (capacity) in the domestic market, import of electric power, sale of electric power without the delivery to the customs territory of the Russian Federation) consists of the cost value for the purchase of electric power and capacity.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

The Company's selling costs are not distributed among costs of certain types of sales. The selling costs include costs of electric power transmission, electric power losses, customs payments, costs of wages of the personnel involved in trade and sales, etc.

The administrative costs of the executive apparatus of the Company are not distributed among costs of certain types of sales and are subject to write-off according to the method of direct-costing to the debit of the Administrative costs account.

Other costs include costs related to property lease, interest amounts calculated for the use of borrowed assets, costs of the sale of currency, property, plant and equipment, retirement of financial investments and other assets, penalties due and payable under agreements in the capacity trade area, losses of previous years, foreign exchange losses, charitable contributions, changes in accounting estimates, etc.

Accounting of loans and credits

Loan and/or credit indebtedness is recorded by the Company in the amount of cash actually received or in the appraisal cost of other assets received which are stipulated in the agreement at the time of actual transfer of cash or other assets.

Indebtedness as of the end of the reporting period is recorded in the balance sheet in consideration of interest due and payable as part of borrowed assets. On a monthly basis the Company adds interest due and payable which is calculated under the terms of credit (loan) agreements.

Loan and/or credit indebtedness in accounting records is divided into short-term and long-term, and into due and past-due indebtedness. The Company converts long-term liabilities into short-term when under the terms of agreement 365 (or 366) days are remaining before payment of the principal main part.

Additional costs related to loan and/or credit raising are included in the part of other costs simultaneously at the time of the accrual thereof. Bank payments for the opening of credit line are recorded in the part of interest due and payable in the profit and loss statement.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Financial investments

Financial investments are recognized for accounting purposes at actual purchase costs.

The original cost of financial investments acquired under agreements stipulating the discharge (payment) with non-monetary assets is deemed to be the value of assets transferred or subject to be transferred by organization. The cost of assets transferred or subject to be transferred by organization is calculated based on the price according to which the Company generally determines the cost of similar assets in similar circumstances. If it is impossible to determine the cost of assets transferred or subject to be transferred by organization, the cost of financial investments shall be determined based on the cost of property estimated by an independent adjuster.

The financial investments which do not allow to determine properly the current market value are recorded in the accounting (financial) statements as of the end of the reporting year at the current market value. The difference between the appraisal of financial investments at the current market value as of the reporting date and the previous appraisal of financial investments is attributed to financial results in the part of other revenues and expenses. This revaluation is carried out once a year in preparing annual accounting (financial) statements.

Financial investments according to which the current market value is not determined are recorded in the balance sheet as of the end of the reporting year according to their book (balance sheet) value less the investment depreciation reserve created in relation to assets for which there are sustained material cost reduction conditions as of the reporting date.

In case for the asset of financial investments evaluated earlier at the current market value as of the reporting date the current market value is not determined this asset of financial investments is recorded in accounting statements at its last appraisal cost. Starting from the reporting period in which for the assets of financial investments the current market value became not determined these assets of financial investments are recorded in the balance sheet as of the end of the reporting year according to their book (balance sheet) value less the investment depreciation reserve created in relation to assets for which there are sustained material cost reduction conditions as of the reporting date.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

The investment depreciation reserve is created once a year according to the results of inventory as of December 31 of the reporting year. In determining the reserve amount based on the information available the Company determines the estimated cost of financial investments which bear the marks of sustained cost reduction, and for the excess amount of the book (balance sheet) value of these investments over their estimated cost the investment depreciation reserve is created.

In relation to loans granted to third parties the Company forms the depreciation reserve based on the following principles:

Late payment period, months	Reserve, %
More than 36 months	100
From 30 to 36 months	75
From 24 to 30 months	50
From 18 to 24 months	25
From 12 to 18 months	10
From 6 to 12 months	5
Up to 6 months	Reserve is not created

The total amount of the reserve created is attributed to other costs.

In case of retirement of the asset taken for accounting as a financial investment for which the market value is not determined its value is determined at the initial cost of each unit of financial investments.

In case of retirement of the asset taken for accounting as a financial investment for which the market value is determined its value is determined based on the last appraisal.

Revenues and expenses on financial investments are recorded in the part of other revenues and expenses. Revenues and expenses from transactions with financial bills of exchange are recorded in the profit and loss statement extensively.

Accounting of Repo transactions

Accounting of Repo transactions is implemented according to the procedure which is similar to the accounting of loans granted or received depending on the nature of agreement concluded. Revenues (expenses) on Repo transactions are determined in the form of a difference between the purchase price and repurchase price of the transaction object and are recorded in the part of interest revenues (expenses).

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Property appraisal methods

In accordance with p.1 of Article 12 of Federal Law No. 402-FZ the appraisal of property and liabilities is implemented for recording thereof in accounting and accounting (financial) statements in monetary terms.

The appraisal of property purchased for value is implemented by summing the expenses actually incurred for the purchase thereof; the appraisal of property received not for value - at the market value as of the date of recognition; the appraisal of property manufactured in the organization itself - at its manufacturing cost.

The accrual of depreciation of property, plant and equipment and intangible assets is implemented irrespective of the results of the Company's business activities in the reporting period.

Cash and cash equivalents, cash flow recording

Cash and cash equivalents

For the purposes of preparing a balance sheet and cash flow statement the Company includes in the part of cash equivalents which mean short-term immediately available financial investments which can be easily converted into an amount of cash known in advance and which are subject to the low risk of cost change. In particular, the Company assigns to cash equivalents deposits in credit organizations granted upon demand and/or with a pay back period of three months or earlier.

Surrogated recording of cash flows

Cash flows are recorded in the cash flow statement in a surrogated manner in cases when they characterize not so much the Company's activities as activities of its counter parties. In particular, the Company records cash flows of the customer in a surrogated manner in case when the Company is a commission agent or agent.

Cash flows are also recorded in the cash flow statement in a surrogated manner in cases when they are characterized by a large turnover, large amounts and short pay back periods (including: short-term bank deposits with maturity of up to three months, overdrafts). In the same way, revenues and expenses from foreign exchange transactions (currency purchase/sale) are recorded in a surrogated manner.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Accounting of cash flows in foreign currency

For the purposes of preparing a cash flow statement the value of cash flows in foreign currency is translated into rubles at the official rate of this currency against ruble fixed by the Central Bank of the Russian Federation as of the date of payment effecting and receipt.

Other

Assets and liabilities in foreign currency

In accounting of business transactions made in foreign currencies the official rate of foreign currency against ruble valid on the date of transaction is applied. The value of currency notes in the Company's till, resources in bank accounts (bank deposits), cash and payment documents, securities (except shares), resources in settlements including those of loan liabilities (except resources of received and granted advances and advance payment) expressed in foreign currency is recorded in the accounting (financial) statements in amounts calculated based on official rates of foreign currencies valid as of December 31, 2014.

As of this date exchange rates were 56.2584 RUB per 1 USD (December 31, 2013 - 32.7292 RUB, December 31, 2012 - 30.3727 RUB), 68.3427 RUB per 1 EUR (December 31, 2013 - 44.9699 RUB, December 31, 2012 - 40.2286 RUB).

The exchange rate difference is subject to assignment to the Company's financial results as other revenues (expenses).

Accounting of Financial futures instruments

The Company makes transactions with financial futures instruments (FFIs) for the purposes of hedging of exchange, interest and other types of risk.

In making transactions with FFIs the calculations related to the performance of relevant contracts are recorded in accounting books. At the time of transaction entries are not made in accounting books. Revenues and expenses on transactions with FFIs are determined as of the date of the end of the reporting period, as of the date of intermediate calculations (if they are stipulated by the agreement) and as of the date of transaction closing.

The financial result of transactions with FFIs for hedging the credit interest risk is recorded in the part of interest receivable (payable), of other transactions - in the part of other revenues (expenses).

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Prepayments and accrued income

Expenses incurred by the Company during the reported year, but leading to receiving income during several future reported periods, are accounted as Prepayments and accrued income. These expenses shall be proportionally written off during the period they relate to. Duration of such period shall be determined upon accounting prepayments and accrued income.

Such expenses as software the Company has no exclusive rights to; obtained licenses and certificates; other expenses shall be accounted as prepayments and accrued income.

Prepayments and accrued income relating to periods, which begin after the end of the year following the reported one, shall be accounted in a balance sheet as non-current assets in Other Non-Current Assets line. Prepayments and accrued income to be written-off within 12 months following the reporting date shall be reflected in the balance sheet as current assets in Other Current Assets line.

Authorized, additional and reserve capital.

Authorized capital is reflected in the sum of ordinary shares' nominal cost. The size of the authorized capital corresponds to that stipulated in the Company's Charter.

The Company's additional capital includes the sum of fixed assets' cost surplus determined during reassessment, paid-in capital in excess received as a result of placement of Company's shares at the price exceeding their nominal cost.

In accordance with the Charter, the Company forms a reserve fund in the amount of 15% from the authorized capital. The size of mandatory annual payments to the Company's reserve fund amounts to 5% from the Company's net profit until the reserve fund achieves the stated size.

Segment Reporting

Company's risks and profit shall mainly depend on differences in geographical regions; the Company sells electric energy to. Thus, geographical segment shall serve as the reporting segment – by sale regions.

Income within the reporting segment shall be distributed by segments based on geographical direction of export (irrespective of buyer's incorporation's country).

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Changes to the accounting policy

Changes to the legislation had no effect on the accounting policy of the Company in 2014. No significant changes were made to the Company's accounting policy in 2014. Compared to 2014, the Company made no significant changes to the accounting policy for 2015.

III. DISCLOSURE OF SIGNIFICANT INDICATORS

1. INTANGIBLE ASSETS

As of 31.12.2014, the Company has no intangible assets exposed to impairment, as well as with an indefinite useful life.

The remaining useful life of intangible assets is:

- for exclusive rights to software and informational systems – from 1 to 9 years;
- for trademarks – from 1 to 5 years;
- for useful model – 8 years.

The initial cost of intangible assets during the reported year was not changed, useful lives were not reviewed.

The Company has no intangible assets with fully repaid cost, however not written off the balance sheet as of 31.12.2014 (390 thou. rubles. – as of 31.12.2013; 390 thou. rubles. – as of 31.12.2012).

Intangible assets include mostly exclusive rights to informational systems, developed by third-party organizations on the basis of various software platforms and used by the Company in management activity.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Availability and flow of intangible assets during the reported year is given in the table below:

Indicator	Code	Period	as of the beginning of the year		Changes during period				As of the end of the year	
			initial cost	accumulated depreciation	received	initial cost	accumulated depreciation and impairment losses	depreciation accrued	initial cost	accumulated depreciation and impairment losses
Intangible assets total	5100	2014	182,390	(35,672)	-	(163,165)	50,914	(25,198)	19,225	(9,956)
	5110	2013	80,399	(4,542)	101,991	-	-	(31,130)	182,390	(35,672)
including:										
Exclusive rights to software and informational systems	5101	2014	182,085	(35,534)	-	(163,140)	50,889	(25,164)	18,945	(9,809)
	5111	2013	80,168	(4,438)	101,917	-	-	(31,096)	182,085	(35,534)
Other IA	5102	2014	305	(138)	-	(25)	25	(34)	280	(147)
	5112	2013	231	(104)	74	-	-	(34)	305	(138)

2. FIXED ASSETS AND INCOME-BEARING INVESTMENTS TO MATERIAL VALUES

Book value of fixed assets as of 31.12.2014 amounted to 122,068 thou. RUB (915,360 thou. RUB – as of 31.12.2013; 3,230,334 – as of 31.12.2012).

Book value of fully depreciated fixed assets without accumulated depreciation as of 31.12.2014 amounted to 41,373 thou. RUB (70,006 thou. RUB – as of 31.12.2013; 66,838 thou. RUB – as of 31.12.2012).

The Company has no fixed assets pledged

Fixed assets receipt

During the reported period the Company commissioned new fixed assets objects for the total amount of 10,908 thou. RUB (53,228 thou. RUB – in 2013).

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Withdrawal of fixed assets and income-bearing investments to material values

Summary on withdrawal of fixed assets is given in the table below:

Character of withdrawal of fixed assets	Withdrawn at the book cost:		
	2014	2013	2012
Disposal under purchase agreements under the ceased activity ¹	381,989	721,286	25,076,781
Transfer to the authorized capital under the ceased activity ¹	316,125	1,238,518	—
Liquidation, writing off	10,476	2,754	68,311
Other disposal	2,360	161,157	1,767
TOTAL	710,950	2,123,715	25,146,859

Under carrying out events aimed at optimization of the system controlling generating assets and transfer of activity on electric and heat energy production to a 100% affiliate OJSC Inter RAO Electric Power Plants, the Company performed operations on transfer and sale of fixed assets at OJSC Inter RAO Electric Power Plants. During the reported period these operations were residual. The Company's activity related to electric and heat energy production was stopped from October 1, 2013.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Information on availability and flow of fixed assets and income-bearing investments to material values is given below:

Perio d	Cod e	as of the beginning of the year		Changes during period								As of the end of the year	
				Increase of cost in the result			Depreciatio n	Decrease of cost in the result					
		Initial cost	Accumulate d depreciation	Receip t	Modernization , reconstruction of fixed assets objects	Fragmentatio n of fixed assets objects		Withdrewa l of initial cost	Withdrewa l accumulate d depreciation	Impairmen t	Partial liquidatio n	Initial cost	Accumulate d depreciation
Withdrawal of fixed assets (without income-bearing investments to material values) – total													
2014	5200	1,414,099	(498,739)	10,807	101	-	(93,250)	(1,121,972)	411,022	-	-	303,035	(180,967)
2013	5210	4,115,144	(884,810)	49,162	4,066	-	(244,487)	(2,754,273)	630,558	-	-	1,414,099	(498,739)
including:													
Buildings and structures													
2014	5201	1,115,231	(361,584)	-	-	-	(34,528)	(1,103,675)	394,956	-	-	11,556	(1,156)
2013	5211	3,637,873	(752,777)	-	-	-	(116,940)	(2,522,642)	508,133	-	-	1,115,231	(361,584)
Plant and equipment													
2014	5202	230,475	(118,961)	9,814	-	-	(44,312)	(15,140)	15,141	-	-	225,149	(148,132)
2013	5212	409,021	(124,648)	43,057	4,066	-	(113,162)	(225,669)	118,849	-	-	230,475	(118,961)
Tools and household items													
2014	5203	51379	(12,864)	910	101	-	(10,856)	(1,131)	925	-	-	51,259	(22,795)
2013	5213	51720	(5,319)	3,693	-	-	(10,920)	(4,034)	3,375	-	-	51,379	(12,864)
Transport vehicles													
2014	5204	7,704	(2,875)	-	-	-	(1,267)	-	-	-	-	7704	(4,142)
2013	5214	7150	(1,881)	2,254	-	-	(1,192)	(1,700)	198	-	-	7,704	(2,875)
Land plots and land use facilities													
2014	5205	2,026	-	-	-	-	-	(2,026)	-	-	-	-	-
2013	5215	2,040	-	158	-	-	-	(172)	-	-	-	2,026	-
Other types of fixed assets													

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

2014	5206	7,284	(2,455)	83	-	-	(2,287)	-	-	-	-	7,367	(4,742)
2013	5216	7,340	(185)	-	-	-	(2,273)	(56)	3	-	-	7,284	(2,455)
Accounted as income-bearing investments to material values – total													
2014	5200	25,556	(5,786)	-	-	-	(5,339)	-	-	(5,087)	-	20,469	(11,125)
2013	5210	85,279	(552)	-	■	■	(6,094)	(59,723)	860	-	-	25,556	(5,786)
including:													
Buildings and structures													
2014	5220	9,662	(348)	-	-	-	(320)	-	-	(5087)	-	4,575	(668)
2013	5230	69,385	(134)	-	-	-	(1,074)	(59,723)	860	-	-	9,662	(348)
Plant and equipment													
2014	5220	15894	(5,438)	-	-	-	(5,019)	-	-	-	-	15,894	(10,457)
2013	5230	15,894	(418)	-	-	-	(5,020)	-	-	-	-	15,894	(5,438)

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014
Other use of fixed assets

Indicator	Code	As of 31 December 2014	As of 31 December 2013	As of 31 December 2012
Fixed assets reflected at balance accounts (initial cost), including:				
Fixed assets transferred to operational rent	5280	11,556	1,103,591	2,571,976
Property facilities transferred into operation and actually used, being in the process of state registration	5284	-	-	3,368
Laid-up fixed assets	5285	-	-	16,654
TOTAL		11556	1,103,591	2,591,998
Fixed assets reflected at off-balance accounts, including:				
Fixed assets received into operational rent	5283	1,010,379	2,194,329	18,702,263
Fixed assets received into financial rent (leasing)	5286	1,778,188	1,778,188	678,417
TOTAL		2,788,567	3,972,517	19,380,680

Rented fixed assets

Fixed assets received under leasing

Fixed assets received under leasing agreements shall be accounted at the balance sheet of the lessor. The Company shall account the property received off balance pursuant to the terms and conditions of the leasing agreement.

Information on fixed assets obtained under leasing agreements:

Name of the Leasing object	Term of the agreement	Value as of 31.12.2013	Received in 2014	Withdrawn in 2014	Value as of 31.12.2014
Bombardier CL-60002B16 Aircraft	2015	678,417	-	-	678,417
Bombardier Global Express BD-700-1A10 Aircraft	2018	1,099,771	-	-	1,099,771
TOTAL		1,778,188	-	-	1,778,188

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

In 2014 leasing payments were accrued at the amount of 199,911 thou. RUB (108,402 thou. RUB – in 2013; 67,148 thou. RUB – in 2012). Advances for redemption payments for aircrafts as of 31.12.2014 amounted to 721,367 thou. RUB (412,596 thou. RUB – as of 31.12.2013; 231,189 thou. RUB – as of 31.12.2012) and reflected as construction-in-progress (see Clause 3 of these Explanatory Notes).

The total obligations payable under agreements specified for the period from 2015 to 2018 amount to 31,427 USD (equiv. to 1,768,021 thou. RUB). Of which leasing payments amount to 12,597 thou. USD (equiv. to 708,675 thou. RUB), redemption payments 18,830 thou. USD (equiv. to 1,059,346 thou. RUB). **Fixed assets received under rent**

The cost of property is reflected based on the accounting data of the lessor and represents the book value as of the date of property transfer into rent.

Information on fixed assets received under rent (sublease) agreements accounted off balance:

Name of the Rent object	Term of the agreement	Value as of 31.12.2013	Received in 2014	Withdrawn in 2014	Value as of 31.12.2014
Land plots at branch Severo-Zapadnaya TPP	2014-20321	1,083,844	-	(1,083,844)	-
Land plots at branch Sochinskaya TPP	2014-20511	77,378	-	(77,378)	-
Land plots at branch Kaliningrad TPP-2	2014-20211	577	-	(577)	-
Land plot (Krasnodar Krai)	2018	76,175	53,622	(76,175)	53,622
Office premise of the Executive Apparatus at Luch Business Center	May 2015	953,650	953,608	(953,650)	953,608
Other general economic property	2015	2,705	444	-	3,149
TOTAL		2,194,329	1,007,674	(2,191,624)	1,010,379

Under carrying out events aimed at optimization of the system controlling generating assets and transfer of activity on electric and heat energy production to a 100% affiliate OJSC Inter RAO Electric Power Plants, the Company assigned to 100% OJSC Inter RAO Electric Power Plants the right of land rent. The Company's activity related to electric and heat energy production was stopped from October 1, 2013.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

3. CONSTRUCTION-IN-PROGRESS

The Company reflects unfinished purchase operations, fixed assets modernization, as well as advance amounts (VAT not included) paid to suppliers for purposes above mentioned, in construction-in-progress. As of 31.12.2014 redemption payments under aircrafts leasing agreements are accounted as advance payments in the amount of 721,367 thou. RUB (412,596 thou. RUB – as of 31.12.2013; 231,189 thou. RUB – as of 31.12.2012).

During the reported period, the Company sold to an affiliate construction in progress facilities with a book value of 14,770 thou. RUB (0 thou. RUB – in 2013).

Information on flow and availability of construction-in-progress facilities and unfinished operations on acquisition, modernization of fixed assets is given in the table below:

Indicator	Code	Period	Changes during period				At the end of the period
			as of the beginning of the year	expenses for the period	Withdrawn (incl. sold)	accounted as fixed assets/material and intangible assets	
construction-in-progress and unfinished purchase, fixed assets modernization operations – total:	5240	2014	432,817	318,718	(14,770)	(10,908)	725,857
	5250	2013	242,570	645,723	(402,248)	(53,228)	432,817
including:							
expenses for construction and purchase of fixed assets facilities	5241	2014	20,221	9,846	(14,770)	(10,807)	4,490
	5251	2013	11,381	460,250	(402,248)	(49,162)	20,221
expenses for reconstruction, of fixed assets facilities	5242	2014	-	101	-	(101)	-
	5252	2013	-	4,066	-	(4,066)	-
advances issued for acquisition (construction) of fixed assets	5243	2014	412,596	308,771	-	-	721,367
	5253	2013	231,189	181,407	-	-	412,596

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

4. OTHER NON-CURRENT ASSETS

Information on the composition of other non-current assets of the Company is given below:

Name	As of 31.12.2014	As of 31.12.2013	As of 31.12.2012
Accounts receivable	10,672,402	31,992,270	26,736,621
Deferred expenses total, including:	34,569	98,679	124,620
- expenses for voluntary medical insurance	27,242	-	-
- software products (licenses)	4,228	87,514	105,545
- agency fee	-	2,378	4,756
- rights of use of land plots	-	2,477	2,632
- other	3,099	6310	11,687
Unfinished operations on purchase of intangible assets	6,436	17,380	56,415
Apartments	-	-	3,071
TOTAL	10,713,407	32,108,329	26,920,727

Flow and composition of accounts receivable are represented in section 7.1 Long-Term Accounts Receivable of these Explanatory Notes.

Flow and availability of unfinished operations on acquisition of intangible assets during the reported year is given in the table below:

Indicator	Code	Period	as of the beginning of the year	Changes during period				
				expenses for the period	withdrawn as expenses without a positive effect	sale	accounted as intangible assets or R&D	At the end of the period
Expenses for unfinished IA- total	5160	2014	17,380	-	-	(10,944)	-	6,436
	5170	2013	56,415	62,956	-	-	(101,991)	17,380
including:								
Exclusive rights to software products and informational systems	5168	2014	17,380	-	-	(10,944)	-	6,436
	5178	2013	55,188	61,706	-	-	(99,514)	17,380
Other unfinished expenses for facilities	5169	2014	-	-	-	-	-	-
Intangible assets	5179	2013	1,227	1,250	-	-	(2,477)	-

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

5. FINANCIAL INVESTMENTS

5.1. Long-term financial investments

Shares listed at stock exchange are accounted at the fair value calculated by an organizer of stock trading (CJSC MICEX Stock Exchange) as of the last business day 30.12.2014.

Financial investments are reflected in accounting less financial investments impairment reserve at the amount of 281,325,598 thou. RUB as of 31.12.2014 (276,347,189 thou. RUB – as of 31.12.2013; 334,946,242 thou. RUB – as of 31.12.2012).

As of 31.12.2014 the amount of provision for impairment of long-term financial investments to authorized (charter) capitals of other companies was 86,646,598 thou. RUB (85,816,751 thou. RUB – as of 31.12.2013; 49,387,799 thou. RUB – as of 31.12.2012).

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Information on availability and flow of financial investments during the reported period is given in the table below:

Indicator	Code	Period	At the beginning of the year		Changes during period					At the end of the period	
			Book value	Provision for impairment	Received	Withdrawn (repaid)	Effect of market quotations, translation differences, discount on drafts	Provision for impairment	Re-class	Book value	Provision for impairment
Long-term-total	5301	2014	362,163,940	(85,816,751)	11,819,095	(2,148,187)	(861,405)	(847,283)	(2,983,811)	367,989,632	(86,664,034)
	5311	2013	384,334,041	(49,387,799)	20,139,867	(22,157,552)	(19,653,685)	(36,428,952)	(498,731)	362,163,940	(85,816,751)
including:											
<i>accounted at fair value</i>											
shares listed at	5302	2014	19,186,831	-	-	-	(2,989,006)	-	-	16,197,825	-
stock exchange	5322	2013	76,874,478	-	-	(17,228,537)	(19,906,805)	-	(20,552,305)	19,186,831	-
<i>accounted at actual expenses</i>											
shares and units	5303	2014	336,371,867	(85,816,751)	6,391,310	(245,362)	-	(829,847)	,	342,517,815	(86,646,598)
	5323	2013	301,342,089	(49,387,799)	19,114,580	(4,637,107)	-	(36,428,952)	20,552,305	336,371,867	(85,816,751)
loans	5304	2014	6,587,806	-	5,427,785	(1,902,825)	2,127,601	>	(2,983,811)	9,256,556	-
	5324	2013	6,100,038	-	1,025,287	(291,908)	253,120	-	(498,731)	6,587,806	-
investments in joint activity	5307	2014	17,436	-	-	-	-	(17,436)	-	17,436	(17,436)
	5327	2013	17,436	-	-	-	-	-	-	17,436	-
Short-term-total	5308	2014	4,227,903	■	8,663,101	(6,237,948)	846,963	■	2,983,811	10,483,830	•
	5328	2013	949,961	(11,976)	4,267,989	(1,490,893)	2,115	11,976	498,731	4,227,903	-
including:											
<i>accounted at actual expenses</i>											
debentures	5309	2014	-	-	-	-	-	-	-	-	-
	5329	2013	28,869	-	-	(30,005)	1,136	-	-	-	-
loans	5310	2014	3,727,903	-	3,414,618	(5,737,948)	1,234	-	2,983,811	4,389,618	-
	5330	2013	921,092	(11,976)	3,727,989	(1,420,888)	979	11,976	498,731	3,727,903	-
deposits in banks	5311	2014	500,000	-	5,248,483	(500,000)	845,729	,	,	6,094,212	-
	5331	2013	-	-	540,000	(40,000)	-	-	-	500,000	-

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Financial investments		2014	366,391,843	(85,816,751)	20,482,196	(8,386,135)	(14,442)	(847,283)	-	378,473,462	(86,664,034)
Total		2013	385,284,002	(49,399,775)	24,407,856	(23,648,445)	(19,651,570)	(36,416,976)	-	366,391,843	(85,816,751)

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Participation in authorized capital of other organizations Listed financial investments

shares listed at

In 2013-2014 the Company invested no funds in acquisition of shares listed at a stock exchange

Information on any changes to the cost of listed shares due to the reassessment is given below:

Name of legal person – issuer	As of 31.12.2013		Reevaluation	As of 31.12.2014	
	Capital participation interest	Amount of financial assets		Capital participation interest	Amount of financial assets
OJSC Irkutskenergo	40.0	14,651,904	(3,362,138)	40,0	11,289,766
OJSC Mosenergosbyt	50.9	4,309,521	437,282	50,9	4,746,803
OJSC Tambov Energy Sales Company	59.4	55,800	(1,046)	59,4	54,754
OJSC SaratovEnergy	56.2	169,606	(63,104)	56,2	106,502
TOTAL		19,186,831	(2,989,006)		16,197,825

Non-quotable financial investments

Shares and other financial investments, non-quoted

During the reported period, the Company increase its investments in affiliates through the purchase of an additional number of their shares as well as through making an additional contribution to their capital. Information on additional investments is given below:

Name of legal person	As of 31.12.2013			Size of an additional contribution in 2014	As of 31.12.2014		
	Capital participation interest	Size of contribution	Reserve		Capital participation interest	Size of contribution	Reserve
OJSC Inter RAO Electric Power Plants	100.0	183,775,712	-	1,872,569	100.0	185,648,281	-
CJSC Moldova GRES	80.9	4,964,103	(4,506,352)	188,000	100.0	5,152,103	(4,506,352)
RAO Intertech B. V. (Netherlands)	100.0	876,700	-	14,741	100.0	891,441	-
Total		189,616,515	(4,506,352)	2,075,310		191,691,825	(4,506,352)

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

During the reported period the Company purchased ordinary registered shares of OJSC Inter RAO Electric Power Plants in the amount of 1,603,842 thou. RUB As a payment the property, the book value of which as of the transfer date was 1,554,643 thou. RUB, including: in 2013 – 1,238,518 thou. RUB, in 2014 – 316,125 thou. RUB was transferred. Besides, the Company recaptured VAT in the amount of 268,727 thou. RUB, including: in 2013- 217,360 thou. RUB, in 2014 – 51,367 thou. RUB Income in the form of difference between the cost of shares purchased and the book value of the property acquired in the amount of 49,199 thou. RUB is reflected as other income.

In accordance with the terms and conditions of the agreement on an additional contribution, during the reported period the Company increased its contribution into the capital of 100% branch RAO Intertech B.V. at the amount of 14,741 thou. RUB 222 thou. euros.

Information on changes to the composition of non-listed shares due to their withdrawal:

Information on changes to the composition of non-listed shares due to their withdrawal:

Name of legal person	As of 31.12.2013			Withdrawn in 2014	Change to the reserve	As of 31.12.2014		
	Capital participation interest	Size of contribution	Reserve			Capital participation interest	Size of contribution	Reserve
INTER RAO Middle East B.V. (Netherlands)	100.0	245,362	(223,616)	(245,362)	223,616	-	-	-
Total		245,362	(223,616)	(245,362)	223,616		-	-

During the reported period the Company made a decision on voluntary liquidation of 100% affiliate INTER RAO Middle East B.V. The initial cost of an investment in shares of INTER RAO Middle East B.V. based on accounting data as of liquidation amounted to a 245,362 thou. RUB The amount of provision for impairment of this financial investment was 223,616 thou. RUB As a result of liquidation the Company received funds in the amount of 10,272 thou. RUB The loss from liquidation amounted to 11,474 thou. RUB and is reflected as other expenses.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Shares in the authorized capital of limited liability companies

During the reported period the Company increased investments in affiliates through contribution of additional deposits into authorized capitals of the following companies:

Name of legal person	As of 31.12.2013			Size of additional contributions in 2014	Change to the reserve in 2014	As of 31.12.2014		
	Capital participation interest	Size of contribution	Reserve			Capital participation interest	Size of contribution	Reserve
JSC Bashkir Generating Company	100.0	21,038,482	-	3,000,000	-	100.0	24,038,482	-
JSC IC Gas Turbine Technology, Russia	– 1.	340,000	-	610,000	(475,517)	53.94	950,000	(475,517)
LLC Ugolny Razrez	100.0	79,515	(79,515)	706,000	(462,926)	100.0	785,515	(542,441)
TOTAL		21,457,997	(79,515)	4,316,000	(938,443)		25,773,997	(1,017,958)

¹Share as of 31.12.2013 was not disclosed as the registration procedure was not completed.

During the reported period the Company as a contribution to the authorized capital of LLC Engineering Center Gas and Turbine Technologies transferred the R&D result with the estimated cost of 610,000 thou. RUB

Information on financial investments as of 31.12.2014 pledged and trusted is given in the table below:

Indicator	Code	As of 31.12.2014	As of 31.12.2013	As of 31.12.2012
Financial investments pledged total	5320	1,631,086	1,127,516	1,069,412
including:				
shares of JSC Ekibastuz GRES-2 Regional Power Plant	5321	1,631,086	1,127,516	1,069,412
Financial investments transferred to third parties (except for sale) – total	5325	21,385	21,385	7,254,610
including:				
shares of OJSC Volzhskaya TGC transferred to the trust of CJSC Gasprombank – Asset Management	5326	-	-	6,824,034
shares of OJSC Volzhskaya TGC transferred to the trust of CJSC Gasprombank – Asset Management	5327	-	-	409,191
shares of OJSC Tomskaya TGC transferred to the trust of CJSC Gasprombank – Asset Management	5328	21,385	21,385	21,385
Other use of financial investments	5335	-	-	-

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Subsidiaries and affiliated companies

The Company controls other legal entity, when based on its participation or authorities delegated by other persons it has more than 50% of the total number of voices being voting shares in the authorized (charter) capital of such legal entity and has a possibility to determine decisions made by such legal entity. The Company classifies such participation to the participation in affiliates.

The Company has an influence on other legal entity, when it is entitled to dispose of directly or through its affiliates more than 20% of the total number of votes being voting shares in the authorized (charter) capital of such legal entity and has a possibility to determine decisions made by such legal entity. The Company classifies such participation to the participation in subsidiaries.

Information of the Company's participation in authorized capitals of other organizations with the ownership share specified as of 31.12.2014 is given below:

Name of legal person	Ownership interest as of 31.12.2014	Amount of financial assets as of 31.12.2014	Provision for impairment as of 31.12.2014	Amount of investments by deducting the reserve as of 31.12.2014	Amount of investments by deducting the reserve as of 31.12.2013	Amount of investments by deducting the reserve as of 31.12.2012
Investments to subsidiary companies		342,963,882	(85,521,022)	257,442,860	251,887,005	274,253,953
OJSC Inter RAO Electric Power Plants, Russia	100.0000	185,648,281	-	185,648,281	183,775,712	183,775,712
CJSC Inter RAO Capital, Russia	100.0000	85,432,198	(71,662,358)	13,769,840	13,769,840	23,255,815
JSC Bashkir Generating Company, Russia	100.0000	24,038,482	-	24,038,482	21,038,482	17,157,773
OJSC St.Petersburg Energy Retail Company (equity shares), Russia	85.3651	11493,589	(8,628,348)	2,865,241	2,865,241	11,493,589
OJSC St.Petersburg Energy Retail Company (preferred shares), Russia	14.6349	1,129,473	-	1,129,473	1,129,473	1,129,473

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Name of legal person	Ownership interest as of 31.12.2014	Amount of financial assets as of 31.12.2014	Provision for impairment as of 31.12.2014	Amount of investments by deducting the reserve as of 31.12.2014	Amount of investments by deducting the reserve as of 31.12.2013	Amount of investments by deducting the reserve as of 31.12.2012
OJSC Territorial Generating Company N 11, Russia	98.5373	7,907,858	-	7,907,858	7,907,858	7,907,858
CJSC Moldova GRES, Pridnestrovian Moldavian Republic	100.0000	5,152,103	(4,506,352)	645,751	457,751	4,964,103
JSC RN-Energo, Russia	100.0000	4,995,804	-	4,995,804	4,995,804	4,995,804
OJSC Mosenergosbyt, Russia	50.9189	4,746,803	-	4,746,803	4,309,521	6,363,592
INTER RAO HOLDING B.V. Netherlands	100.0000	4,413,668	-	4,413,668	4,413,668	4,413,668
OJSC Eastern Energy Company, Russia	100.0000	2,190,290	-	2,190,290	2,190,290	2,190,290
OJSC ELECTROLUCH, Russia	100.0000	2,065,573	-	2,065,573	2,065,573	2,065,573
RAO Intertech B.V. Netherlands	100.0000	891,441	-	891,441	876,700	371,370
LLC Ugolny Razrez, Russia	100.0000	785,515	(542,441)	243,074	-	-
OJSC Hrazdan Energy Company, Republic of Armenia	100.0000	624,579	-	624,579	624,579	624,579
OJSC Altayenergosbyt, Russia	100.0000	330,000	-	330,000	330,000	330,000
LLC INTER-RAO Export, Russia	100.0000	300,000	-	300,000	300,000	300,000
OJSC The Test Stand Ivanovo GRES, Russia	82.8359	290,055	(134,080)	155,975	222,447	103,707
LLC Inter RAO – Purchasing Management Center, Russia	100.0000	122,038	-	122,038	122,038	122,038
OJSC Saratovenergo, Russia	56.2254	106,502	-	106,502	169,606	220,357

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Name of legal person	Ownership interest as of 31.12.2014	Amount of financial assets as of 31.12.2014	Provision for impairment as of 31.12.2014	Amount of investments by deducting the reserve as of 31.12.2014	Amount of investments by deducting the reserve as of 31.12.2013	Amount of investments by deducting the reserve as of 31.12.2012
INTER RAO Finance B.V. Netherlands	100.0000	82,748	-	82,748	82,748	82,748
LLC INTER RAO – Oryol Energy Distribution, Russia	100.0000	60,000	-	60,000	60,000	60,000
OJSC Tambov Energy Sales Company, Russia	59.3845	54,754	-	54,754	55,800	246,129
Partnership limited by shares INTER RAO Central Asia, Kazakhstan	100.0000	47,443	(47,443)	-	47,443	47,443
RAO Nordic Oy, Republic of Finland	100.0000	43,410	-	43,410	43,410	43,410
LLC INTER RAO Finance, Russia	100.0000	10,000	-	10,000	10,000	10,000
LLC INTER RAO Engineering, Russia	100.0000	775	-	775	775	775
LLC Inter RAO – Power Generation Management, Russia	100.0000	500	-	500	500	500
INTER RAO Middle East B.V. Netherlands	-	-	-	-	21,746	245,362
OJSC United Energy Sales Company, Russia	-	-	-	-	-	44,800
LLC Bashkir Heat Distribution Networks	-	-	-	-	-	1,687,485
TGR Enerji Elektrik Toptan Ticaret A.S. Republic of Turkey	-	-	-	-	-	-
Investments to affiliates		13,882,573	(491,119)	13,391,454	16,620,214	53,101,984
OJSC Irkutskenergo, Russia	40.0070	11,289,766	-	11,289,766	14,651,904	32,263,558
LLC IC Gas Turbine Technology, Russia	53.9400	950,000	(475,517)	474,483	340,000	-

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Name of legal person	Ownership interest as of 31.12.2014	Amount of financial assets as of 31.12.2014	Provision for impairment as of 31.12.2014	Amount of investments by deducting the reserve as of 31.12.2014	Amount of investments by deducting the reserve as of 31.12.2013	Amount of investments by deducting the reserve as of 31.12.2012
JSC Ekibastuz GRES-2 Power Station, Kazakhstan	50.0000	603,311	-	603,311	603,311	603,311
OJSC INTER RAO LED-Systems, Russia	35.1700	600,000	-	600,000	600,000	600,000
LLC INTER RAO UES Energy Efficiency Center, Russia	50.0000	258,250	-	258,250	258,250	45,000
OJSC Tomsk Energy Retail Company (equity shares), Russia	24.5644	83,602	-	83,602	83,602	83,602
OJSC Tomsk Energy Retail Company (preferred shares), Russia	6.7089	21,358	-	21,358	21,358	21,358
CJSC Kambartinsk Hydroelectric Power Station N 1, Republic of Kirghizia	50.0000	28,864	-	28,864	28,864	28,864
LLC Inter RAO – Worley Parsons, Russia	51.0000	19,384	-	19,384	19,384	19,384
CJSC Industrial Energy Company, Russia	50.0000	10,000	(10,000)	-	-	-
LLC RT-Energy Trading, Russia	50.0000	9,805	-	9,805	9,805	9,805
SOOO Energoconnect, Republic of Belarus	50.0000	4,229	(1,598)	2,631	2,631	4,229
LLC INTERENERGOEFFECT, Russia	50.0000	4,004	(4,004)	-	1,105	1,105
OJSC Volzhskaya TGK	-	-	-	-	-	15,370,715
LLC Combined-Cycle Cogeneration Plant N 5, Russia	-	-	-	-	-	2,193,231

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Name of legal person	Ownership interest as of 31.12.2014	Amount of financial assets as of 31.12.2014	Provision for impairment as of 31.12.2014	Amount of investments by deducting the reserve as of 31.12.2014	Amount of investments by deducting the reserve as of 31.12.2013	Amount of investments by deducting the reserve as of 31.12.2012
OJSC Territorial Generating Company N 6, Russia	-	-	-	-	-	1,857,822
Investments to other companies		1,869,185	(634,457)	1,234,728	1,234,728	1,472,831
AKKUYU NPP POWER GENERATION JOINT-STOCK COMPANY (AKKUYU NÜKLEER ANONİM ÇİRKETİ), Republic of Turkey	1.146	1,025,707	-	1,025,707	1,025,707	1,025,707
OJSC Sangtudinskaya GES-1, Tajikistan	14.8724	795,869	(634,457)	161,412	161,412	399,515
OJSC Siberian Energy Company, Russia	0.1613	18,738	-	18,738	18,738	18,738
OJSC Elektromagistral (preferred shares), Russia	0.1085	16,022	-	16,022	16,022	16,022
OJSC Elektromagistral (equity shares), Russia	0.0870	12,849	-	12,849	12,849	12,849
TOTAL (interests and shares)		358,715,640	(86,646,598)	272,069,042	269,741,947	328,828,768

Investment in Joint Activities

In 2007, the Company signed a simple partnership agreement in order to take part in joint activities to obtain a written substantiation of investment in the joint construction of Kambar-Ata HPP-1 and HPP-2 in the Kyrgyz Republic. The other agreement party is JSC Electric Power Plants (Kyrgyzstan). The parties put up monetary funds as their contributions in the joint activities. The Company's investment as of December 31, 2014 amounted to RUB 17,436 thou (RUB 17,436 thou as of December 31, 2013; RUB 17,436 thou as of December 31, 2012).

EXPLANATORY NOTES
to JSC Inter RAO financial reporting
for 2014

In connection with the fact that the Company has not had any profit from the participation in the joint activities under the simple partnership agreement and no economic gains are expected in the near future, the Company has set up a provision for joint activity investment impairment in the amount of RUB 17,436 thou as of December 31, 2014.

Financial investment in debt assets

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Long-term loans extended in foreign currency

Information on long-term loans extended in foreign currency is summarized in the table below:

Item	Loan remainder as of December 31, 2013	Extended in 2014	Retired in 2014		Exchange difference	Loan remainder as of December 31, 2014
			Repaid in 2014	Reclassified to short-term		
Loans in USD	63,807	12,889	(19,573)	(71)	-	57,052
Loans in EUR	30,000	-	-	-	-	30,000
Loans in RUB equivalent	3,437,452	630,061	(932,383)	(2,811)	2,127,601	5,259,920

The Company extends long-term loans in foreign currency to the companies of Inter RAO Group. Repayment dates of loans in USD and EUR are 2020-2023. Interest rates in 2014 were from 10% to 15% per annum for loans in USD and 10% per annum for loans in EUR (from 10% to 15% per annum for loans in USD and 10% per annum for loans in EUR in 2013).

Long-term loans extended in RUB

Information on long-term loans extended in RUB is summarized in the table below:

Item	Loan remainder as of December 31, 2013	Extended in 2014	Retired in 2014		Loan remainder as of December 31, 2014
			Repaid in 2014	Reclassified to short-term	
Loans in RUB	3,150,354	4,797,724	(970,442)	(2,981,000)	3,996,636

The Company extends long-term loans in RUB to the companies of Inter RAO Group. Repayment dates of loans are 2016-2023. Interest rates in 2014 were from 10% to 12.68% per annum (from 10% to 10.25% per annum in 2013).

Long-term debt securities

As of December 31, 2014, December 31, 2013 and December 31, 2012, the Company had no long-term debt securities in possession.

5.2. Short-term financial investments (excluding cash equivalents)

Financial investment (excluding cash equivalents) in the financial balance sheet are shown (less provision for impairment) in the amount of RUB 10,483,830 thou as of December 31, 2014 (RUB 4,227,903 thou as of December 31, 2013; RUB 937,985 thou as of December 31, 2012).

NOTES to the balance sheet (accounts) of LLC Inter RAO for 2014

No provision for impairment of financial investments with regard to short-term financial investments in the form of loans extended as of December 31, 2014 and as of December 31, 2013 has been set up (RUB 11,976 thou as of December 31, 2012).

Short-term loans extended in foreign currency

Information on short-term loans extended in foreign currency is summarized in the table below:

Item	Loan remainder as of December 31, 2013	Received in 2014		Repaid in 2014	Exchange difference	Loan remainder as of December 31, 2014
		Extended in 2014	Reclassified from long-term			
Loans in USD	-	-	71	(71)	-	-
Loans in RUB equivalent	-	-	2,811	(4,045)	1,234	-

As of December 31, 2014 and December 31, 2013, the Company had no arrears on extended short-term loans in foreign currency (USD 248 thou as of December 31, 2012).

Short-term loans extended in RUB

Information on short-term loans extended in RUB is summarized in the table below:

Item	Loan remainder as of December 31, 2013	Received in 2014		Repaid in 2014	Loan remainder as of December 31, 2014
		Extended in 2014	Reclassified from long-term		
Loans in RUB	3,727,903	3,414,618	2,981,000	(5,733,903)	4,389,618

The Company extends short-term loans in RUB to the companies of Inter RAO Group and Company employees with a repayment period shorter than 365 days. Interest rates in 2014 were from 7.25% to 12% per annum (from 7.0% to 7.5% per annum in 2013).

Bank deposits

The Company deposited available free cash into bank deposits in the reporting period. Deposits were made in RUB and USD. Interest rates on RUB deposits were in the range of 5.75%-24.00% per annum (4.25%-8% per annum in 2013), on USD deposits – in the range of 0.60%-5.05% per annum. Deposit terms were from 1 to 365 days. The Company mostly deposited funds for the terms of from 1 to 5 days.

Deposits with maturities of under 3 months are shown by the Company in the balance sheet as cash and cash equivalents. As of December 31, 2014, cash equivalents amounted to RUB 1,500,000 thou (RUB 1,460,000 thou as of December 31, 2013; RUB 2,100,000 thou as of December 31, 2012). Deposits with maturities of over 3 months as of December 31, 2014 amounted to RUB 6,094,212 thou (RUB 500,000 thou as of December 31, 2013; none as of December 31, 2012), including those in foreign currency equivalent to RUB 2,094,212 thou (or USD 55,000 thou).

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Information on deposits with commercial banks as of December 31, 2014 is provided in the table below:

Name of deposit institution	Deposit period (year, month)		Amount, thou RUB
	Start	End	
ACB PERESVET (ZAO)	December 2014	January 2015	1,500,000
TOTAL of deposits shown as cash and equivalents			1,500,000
VTB Bank (JSC)	October 2014	October 2015	3,094,212
JSC CREDIT BANK OF MOSCOW	September 2014	January 2015	3,000,000
TOTAL of deposits shown as short-term financial investment			6,094,212
TOTAL	-	-	7,594,212

Information on deposits with commercial banks as of December 31, 2013 is provided in the table below:

Name of deposit institution	Deposit period (year, month)		Amount, thou RUB
	Start	End	
ACB PERESVET (ZAO)	December 2013	January 2014	1,460,000
TOTAL of deposits shown as cash and cash equivalents			1,460,000
JSC SOBINBANK	October 2013	July 2014	500,000
TOTAL of deposits shown as short-term financial investments			500,000
TOTAL	-	-	1,960,000

Information on deposits with commercial banks as of December 31, 2012 is provided in the table below:

Name of deposit institution	Deposit period (year, month)		Amount, thou RUB
	Start	End	
JSC Gazprombank	December 2012	January 2013	1,000,000
ACB PERESVET (ZAO)	December 2012	January 2013	1,100,000
TOTAL of deposits shown as cash and cash equivalents			2,100,000
TOTAL	-	-	2,100,000

6. BUSINESS INVENTORIES

Information on inventory availability and flow is provided in the table below:

Item	Code	Period	As of year start	Change over the period			As of year end
			Balance sheet value	Received	Retired Balance sheet value	Inventory turnaround among groups	Balance sheet value

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

						(types)	
Inventories, total	5400	2014	7,364	76094	(78468)	-	4,990
	5420	2013	13,823	508859	(515318)	-	7,364
including:							
Raw materials and supplies	5401	2014	-	-	-	-	-
	5421	2013	24	4,158	(4,182)	-	-
Fuel and lubricants	5402	2014	-	154	(154)	-	-
	5422	2013	183	417,900	(418,083)	-	-
Equipment and accessories	5403	2014	-	25,495	(25,495)	-	-
	5423	2013	2,785	30,591	(33,376)	-	-
Low-value non-current assets	5404	2014	3,814	10,926	(12,106)	-	2,634
	5424	2013	3,100	15,839	(15,125)	-	3,814
	5405	2014	3,550	39,519	(40,713)	-	2,356
	5425	2013	7,731	40,371	(44,552)	-	3,550
Provision for impairment	5406	2014	-	-	-	-	-
	5426	2013	-	-	-	-	-

As of December 31, 2014, the Company had no outmoded business inventories that had lost their useful properties in full or in part, or had been pledged as collateral. No provision for inventory impairment was set up in 2013-2014.

7. ACCOUNTS RECEIVABLE

7.1. Long-term receivables

Long-term receivables are shown as part of other non-current assets of the balance sheet as of December 31, 2014 in the amount of RUB 10,672,402 thou (RUB 31,992,270 thou as of December 31, 2013; RUB 26,736,621 thou as of December 31, 2012).

No provision for doubtful debts with regard to long-term receivables was set up as of December 31, 2014 and December 31, 2013.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Item	Code	Period	As of year start		Change over the period					As of year end	
			Accounted for under agreement terms	Provision for overdue debt	Received as result of business operations	Retirement Repayment	Written off as financial result	Provision for overdue debt	Reclassification	Accounted for under agreement terms	Provision for overdue debt
1	2	3	4	5	6	7	8	9	10	11	12
Long-term receivables	5501	2014	31,992,270	■	1,156,815	(13,180,239)	-	-	(9,296,444)	10,672,402	-
- total	5521	2013	26,824,938	(88,317)	2,429,524	(5,183,621)	-	88,317	7,921,429	31,992,270	-
including:											
Transactions with securities	5502	2014	1,537,289		451,349	(1,872,569)	-		(79,034)	37,035	-
	5522	2013	108,610		1,510,255	-	-		(81,576)	1,537,289	-
Interest-free loans (installment payments)	5503	2014	77,539		-	(2,657)	-		(70,051)	4,831	-
	5523	2013	82,805		-	(4,558)	-		(708)	77,539	-
Interest income	5504	2014	1,266,027		705,466	-	-		(296,051)	1,675,442	-
	5524	2013	1,206,366		227,709	(7,259)	-		(160,789)	1,266,027	-
Advances paid	5505	2014	453,537		-	-	-		(451,308)	2,229	-
	5525	2013	1,919,052		-	-	-		(1,465,515)	453,537	-
Asset disposal transactions	5506	2014	22,273,472		-	(6,963,982)	-		(8,400,000)	6,909,490	-
	5526	2013	17,192,416		668,447	(4,447,678)	-		8,860,287	22,273,472	-
Other debt	5507	2014	6,384,406		-	(4,341,031)	-	-	-	2,043,375	-
	5527	2013	6,315,689	(88,317)	23,113	(724,126)	-	88,317	769,730	6,384,406	-

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

The make-up of the long-term receivables is shown in the table below:

Type of receivables	As of December 31, 2014	As of December 31, 2013	As of December 31, 2012	Repayment date
Long-term receivables, total	10,672,402	31,992,270	26,736,621	
including:				
Asset disposal transactions				
Debt for disposed assets related to discontinued activities ¹	6,909,490	22,273,472	17,192,416	2017
Interest income				
Interest on loans	1,675,442	1,266,027	1,206,366	2016-2023
Transactions with securities				
Stock purchases	-	1,455,878	-	-
Bank promissory notes received in payment for electric power	37,035	81,411	108,610	2016-2017
Interest-free loans				
Company employee debt under special-purpose interest-free loans	-	71,976	76,475	2015
Company employee debt for apartments purchased under installment payment plans	4,831	5,563	6,330	2016-2027
Advances paid				
For power engineering equipment deliveries	2,229	453,537	1,919,052	2016
Other debt				
Debt inherited by Company under 2012 reorganization	2,043,375	6,354,759	6,220,836	2016-2017
Other commercial receivables	-	29,647	6,536	-

The activities of the Company in power and heat energy generation were discontinued from October 1, 2013.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Debt for disposed assets related to discontinued activities

The long-term debt for the property sold to a fully owned subsidiary JSC Inter RAO – Power Generation decreased as of December 31, 2014 by RUB 15,363,982 thou down to RUB 6,909,490 thou (RUB 22,273,472 thou as of December 31, 2013; RUB 17,192,416 thou as of December 31, 2012). The decrease was due to the early repayment of RUB 6,963,982 thou and the transfer of RUB 8,400,000 thou to short-term debt. The repayment date of the debt is 2017. Interest of 10.5% ann. accruing on the remainder of the amount outstanding is accounted for as part of short-term receivables.

Long-term receivables for assets inherited by Company under reorganization in 2012

The long-term debt receivable for assets that was taken on by the Company in 2012 under the framework of a merger with JSC Bashenergoaktiv² decreased as of December 31, 2014 by RUB 4,311,384 thou and amounted to RUB 2,043,375 thou (RUB 6,354,759 thou as of December 31, 2013; RUB 6,220,836 thou as of December 31, 2012). The change was related to the repayment of debt in the amount of RUB 4,311,384 thou. No repayment is planned for the next reporting period. The remainder of the debt becomes due in 2016-2017.

Long-term advances paid

Long-term advances paid by the Company for power equipment deliveries decreased as of December 31, 2014 by RUB 451,308 thou due to their reclassification to short-term advances. A more detailed information is provided in clause 7.4. Advances paid hereof.

7.2. Short-term trade receivables

Short-term trade receivables are shown (less provision for doubtful debt) as part of current assets of the balance sheet in the amount of RUB 4,352,875 thou as of December 31, 2014 (RUB 2,366,257 thou as of December 31, 2013; RUB 2,806,082 thou as of December 31, 2012).

JSC Bashenergoaktiv was formed in November 2012 by means of a spin-off under the process of restructuring JSC Bashkirenergo.

The provision for doubtful debt set up with regard to short-term trade receivables amounted to RUB 1,113,178 thou as of December 31, 2014 (RUB 846,230 thou as of December 31, 2013; RUB 770,356 thou as of December 31, 2012).

As of December 31, 2014, the amount of trade receivables equivalent to RUB 3,554,936 thou (RUB 1,654,608 thou as of December 31, 2013; RUB 1,241,491 thou as of December 31, 2012) was denominated in foreign currency (EUR and USD).

Company's biggest accounts receivable regarding payment for electric power (capacity) as of December 31, 2014:

The debt owed by power (capacity) buyers to the Company under the commission agreement with JSC CFR amounts to RUB 737,731 thou (RUB 494,686 thou as of December 31, 2013; RUB 771,252 thou as of December 31, 2012). The Company has set up a provision for doubtful debts regarding the above debt in the amount of RUB 82,622 thou (RUB 30,356 thou as of December 31, 2013; RUB 35,567 thou as of December 31, 2012);

INTER RAO Lietuva (Lithuanian Republic): The debt owed to the Company amounts to RUB 965,773 thou (RUB 542,283 thou as of December 31, 2013; RUB 508,077 thou as of December 31, 2012).

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

As of December 31 2014, there were also receivables for the delivery of power engineering equipment to the Bolivarian Republic of Venezuela by BARIVEN S.A. in the amount of RUB 1,204,229 thou (RUB 622,737 thou as of December 31, 2013; none as of December 31, 2012).

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Item	Code	Year	As of year start		Change over the period					As of year end	
			Accounted for under agreement terms	Provision for overdue debt	Received as result of business operations	Retirement Repayment	Written off as financial result	Provision for overdue debt	Reclassification	Accounted for under agreement terms	Provision for overdue debt
Short-term receivables - total	5510	2014	13,179,474	(1,290,186)	62,367,827	(59,951,810)	(2,208)	(244,998)	9,296,444	24,889,727	(1,535,184)
	5530	2013	60,411,633	(1,065,652)	104,782,041	(144,087,564)	(5,207)	(224,534)	(7,921,429)	13,179,474	(1,290,186)
including:											
Trade receivables											
For power (capacity) sold within Russian Federation	5511	2014	923,883	(397,934)	11,414,290	(11,226,063)	(1,729)	(55,816)	-	1,110,381	(453,750)
	5531	2013	1,495,445	(540,201)	17,302,016	(17,865,664)	(2,163)	142,267	(5,751)	923,883	(397,934)
For power (capacity) sold outside Russian Federation	5512	2014	1,402,811	(248,011)	21,074,630	(19,607,275)	-	(178,297)	-	2,870,166	(426,308)
	5532	2013	1,838,950	(230,155)	23,387,985	(23,824,124)	-	(17,856)	-	1,402,811	(248,011)
For heat energy	5513	2014	104,519	(104,519)	-	(7,870)	-	7,870	-	96,649	(96,649)
	5533	2013	37,290	-	76,459	(78,962)	-	(104,519)	69,732	104,519	(104,519)
Other debt	5514	2014	781,274	(95,766)	3,580,768	(2,973,176)	0)	(40,705)	-	1,388,857	(136,471)
	5534	2013	204,753	-	3,877,714	(3,306,937)	(7)	(95,766)	5,751	781,274	(95,766)
Total, trade receivables	5515	2014	3,212,487	(846,230)	36,069,688	(33,814,384)	(1,738)	(266,948)	-	5,466,053	(1,113,178)
	5535	2013	3,576,438	(770,356)	44,644,174	(45,075,687)	(2,170)	(75,874)	69,732	3,212,487	(846,230)
Other receivables											
Transactions with securities (incl. contributions to charter capital and other financial transactions)	5516	2014	146,908	(43,887)	356,070	(460,338)	-	3,624	79,034	121,674	(40,263)
	5536	2013	38,139,997	(40,322)	20,803,069	(58,877,734)	-	(3,565)	81,576	146,908	(43,887)
Interest income	5517	2014	495,666	-	3,725,418	(3,841,756)	-	-	296,051	675,379	-
	5537	2013	309,402	-	2,742,116	(2,716,641)	-	-	160,789	495,666	-

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Dividends due	5518	2014	8,340	-	1,803,989	(1,328,486)	-	-	-	483,843	-
	5538	2013	5,280	-	3,501,273	(3,498,213)	-	-	-	8,340	-
Other debt	5519	2014	4,357,264	(353,058)	6,439,973	(6,119,494)	(406)	17,312	8,470,051	13,147,388	(335,746)
	5539	2013	14,818,610	(197,025)	7,616,444	(9,233,766)	(3,030)	(156,033)	(8,840,994)	4,357,264	(353,058)
Total, other receivables	5520	2014	5,008,178	(396,945)	12,325,450	(11,750,074)	(406)	20,936	8,845,136	14,428,284	(376,009)
	5540	2013	53,273,289	(237,347)	34,662,902	(74,326,354)	(3,030)	(159,598)	(8,598,629)	5,008,178	(396,945)
Advances paid											
Advances paid	5521	2014	4,958,809	(47,011)	13,972,689	(14,387,352)	(64)	1,014	451,308	4,995,390	(45,997)
	5541	2013	3,561,906	(57,949)	25,474,965	(24,685,523)	(7)	10,938	607,468	4,958,809	(47,011)

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

7.3. Other short-term receivables

Other short-term receivables are shown in the balance sheet (less provision for doubtful debt) as part of current assets in the amount of RUB 14,052,275 thou as of December 31, 2014 (RUB 4,611,233 thou as of December 31, 2013; RUB 53,035,942 thou as of December 31, 2012).

The provision for doubtful debt set up with regard to other receivables amounted to RUB 376,009 thou as of December 31, 2014 (RUB 396,945 thou as of December 31, 2013; RUB 237,347 thou as of December 31, 2012).

Other short-term receivables (less provision for doubtful debt) are shown below:

Other short-term receivables	As of December 31, 2014	As of December 31, 2013	As of December 31, 2012
Other receivables, total	14,052,275	4,611,233	53,035,942
including:			
Asset disposal transactions			
Debt for assets disposed under discontinued activities ¹	8,400,000	-	10,821,777
Debt for real property	423,915	423,915	-
Taxes and levies			
VAT to be reimbursed by State Budget, including export-related VAT	1,612,327	2,173,880	783,159
Excess taxes paid to the federal budget and budgets of Russian Federation federal subjects	296,095	642,496	351,102
Interest income			
Interest due on loans, deposits, payment installments	675,379	495,666	309,402
Dividend income			
Dividends due	483,843	8,340	5,280
Transactions with securities			
Bank promissory notes received in payment for electric power	81,411	103,021	68,585
Stock purchases	-	-	37,817,839
Other			
Debt for electric power under commission and agency agreements	1,960,941	647,600	792,604
Debt under lease, assignment and other agreements	118,364	116,315	2,086,194

The activities of the Company in power and heat energy generation were discontinued from October 1, 2013.

NOTES to the balance sheet (accounts) of LLC Inter RAO for 2014

7.4 Advances paid

Advances paid are shown (less provision for doubtful debt) as part of current assets of the balance sheet in the amount of RUB 4,949,393 thou as of December 31, 2014 (RUB 4,911,798 thou as of December 31, 2013; RUB 3,503,957 thou as of December 31, 2012).

The provision for doubtful debt set up with regard to advances paid amounted to RUB 45,997 thou as of December 31, 2014 (RUB 47,011 thou as of December 31, 2013; RUB 57,949 thou as of December 31, 2012).

As of December 31, 2014, the bulk of the advances paid was made up of the advances paid for the delivery of power engineering equipment to the Bolivarian Republic of Venezuela in the amount of RUB 3,063,897 thou (RUB 3,279,983 thou as of December 31, 2013; RUB 2,204,000 thou as of December 31, 2012), and to the Republic of Ecuador in the amount of RUB 1,751,803 thou (RUB 1,506,211 thou as of December 31, 2013; none as of December 31, 2012). The increase of the advances paid amount as of December 31, 2014 as compared with the amount of advances paid as of December 31, 2013 is related to reclassification of advances of RUB 451,308 thou paid for the delivery of power engineering equipment to the Republic of Ecuador from long-term to short-term. Besides, due advance payments in the amount of RUB 1,448,471 thou and RUB 8,443 thou were made in the reporting period in accordance with the contractual terms for the delivery of power engineering equipment to Venezuela and to the Republic of Ecuador, respectively. In 2014, equipment was acquired for delivery to Venezuela for RUB 2,414,551 thou and to the Republic of Ecuador for RUB 214,159 thou.

8. CASH AND CASH EQUIVALENTS

Cash	As on December 31, 2014	As on December 31, 2013	As on December 31, 2012
Cash in RUB on hand and on bank accounts	14,144,562	9,518,649	10,882,874
Cash in foreign currency and on bank accounts	7,519,214	5,729,434	1,086,890
Cash and monetary instruments in RUB on hand	26	26	26
TOTAL	21,663,802	15,248,109	11,969,790

Cash in foreign currency

thou units of currency

Cash	As on December 31, 2014	As on December 31, 2013	As on December 31, 2012
Cash on bank accounts in USD	129,458	142,638	24,335
Equivalent in RUB at the exchange rate of the Central Bank	7,283,111	4,668,438	739,109
Cash on bank accounts in EURO	3,455	23,593	8,645
Equivalent in RUB at the exchange rate of the Central Bank	236,103	1,060,996	347,781
TOTAL in RUB	7,519,214	5,729,434	1,086,890

Cash equivalents

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Type of cash equivalents	As on December 31, 2014	As on December 31, 2013	As on December 31, 2012
Short-term bank deposits (with the deposit period of up to three months)	1,500,000	1,460,000	2,100,000

The Company has no cash unavailable for use.

As on December 31, 2014, the Company has a possibility to attract additional cash within credit facilities granted to the Company but not used as on the reporting date, in the total amount of 3,800,000 thou RUB (7,800,000 thou RUB – as on December 31, 2013; 7,000,000 thou RUB – as on December 31, 2012).

9. OTHER CURRENT ASSETS

Other current assets include deferred expenses with the period, over which expenses are written off, of 12 months after the reporting date; expenses for incomplete research, development and technological works; expenses planned to be written off within 12 months after the reporting date; and others.

The information of other current assets of the Company may be found below:

Name	As on December 31, 2014	As on December 31, 2013	As on December 31, 2012
Total expenses for incomplete research and development works, including:	-	-	73,937
- incomplete development for creation and testing of GTE-110 low-emission combustion chamber	-	-	73,937
Total deferred expenses, including:	51,376	74,576	136,524
- software products (licenses)	15,824	60,280	72,492
- expenses for voluntary medical insurance	25,971	-	44,373
- voluntary insurance of property and liability	5,319	5,527	6,163
- rights for use of land plots	-	152	-
- agent's commission	2,378	2,378	-
- others	1,884	6,239	13,496
TOTAL	51,376	74,576	210,461

10. CAPITAL AND RESERVES

Authorized capital

As on December 31, 2013, the Company's authorized capital was 293,339,703 thou RUB and it was divided into 10,440,000,997,683 ordinary shares with the nominal value of 0.02809767 RUB

In July 2014, the amendments in the Company's Articles of Association regarding reduction of the authorized capital by 28 thou RUB (by 997,683 shares) were registered.

In May 2014, the Company's General Meeting of Shareholders passed a resolution to increase 100 times the nominal value of the Company's shares from 0.02809767 to 2.809767 RUB per registered ordinary share. In December 2014, the shares were consolidated by converting 100 registered ordinary uncertified shares of the Company with the nominal value of 0.02809767 RUB per share into 1 registered ordinary uncertified share of the Company with the nominal value of 2.809767 RUB. The date of state registration of the report on results of the additional issue of securities is December 31, 2014.

NOTES

to the balance sheet (accounts)

of LLC Inter RAO for 2014

The relevant amendments in the Company's Articles of Association regarding the nominal value and quantity of placed shares as on December 31, 2014 are not registered (see Clause 23 Events after the reporting date hereof).

As on December 31, 2014, the Company's authorized capital is 293,339,675 thou RUB It is divided into 104,400,000,000 ordinary shares with the nominal value of 2.809767 RUB The Company has no preferred shares.

As on December 31, 2014, the main shareholders of the Company are:

ROSNEFTEGAZ OJSC – 26.37% of shares (12.60% of shares as on December 31, 2013; 0% of shares as on December 31, 2012);

INTER RAO Capital CJSC – 18.99% of shares (13.93% of shares as on December 31, 2013; 13.93% of shares as on December 31, 2012);

- Companies being members of FGC UES Group –18.57% of shares (18.57% of shares as on December 31, 2013; 18.57% of shares as on December 31, 2012);
- Companies being member of Norilsk Nickel Group – 13.21% of shares (13.21% of shares as on December 31, 2013; 13.21% of shares as on December 31, 2012);
- Companies being members of RusHydro Group – 4.92% of shares (4.92% of shares as on December 31, 2013; 4.92% of shares as on December 31, 2012);
- State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank) – 0.04% of shares (5.11% of shares as on December 31; 2013; 5.07% of shares as on December 31, 2012);
- The Russian Federation represented by the Federal Agency for the Administration of State Property – 0.00% (13/76% of shares as on December 31, 2013; 13.76% of shares as on December 31, 2012);
- Companies being member of Rosatom Group – 0.00% of shares (0.00% of shares as on December 31, 2013; 12.49% of shares as on December 31, 2012).

As on December 31, 2014, the subsidiaries INTER RAO Capital CJSC, INTER RAO Invest LLC, Bashkir Generation Company LLC have the Company's shares with the nominal value of 55,722,266 thou RUB, 330,066 thou RUB and 176,548 thou RUB respectively (as on December 31, 2013 – 40,851,494 thou RUB, 330,066 thou RUB and 176,576 thou RUB respectively; as on December 31, 2012 – 40,851,089 thou RUB, 329,926 thou RUB and 176,576 thou RUB respectively).

As on December 31, 2014, the Company's authorized capital is paid in full.

Shares redeemed from shareholders

As on December 31, 2013 and December 31, 2013, the Company has no own shares redeemed from shareholders.

Within the reporting period, the 100% subsidiary Bashkir Generation Company LLC paid dividends in favor of the Company in the amount of 8 thou RUB by the Company's own shares (997,683 pcs).

In July 2014, the amendments in the Company's Articles of Association regarding reduction of the authorized capital by 28 thou RUB (by 997,683 shares) were registered. The difference between the nominal and market values of shares is represented in other revenues.

Reserve capital

In accordance with the laws and the Company's Articles of Association, the reserve fund amounting to 15% of the Company's authorized capital is created. In 2014, there were no allocations into the reserve fund due to the net loss in 2013. As on December 31, 2014. the reserve capital amounts to 296,339 thou RUB which equals to 0.1010% of the authorized capital.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Additional capital

The Company's additional capital includes:

Items of additional capital	Amount		
	As on December 31, 2014	As on December 31, 2013	As on December 31, 2012
Capital in excess of par	195,090,772	195,090,772	195,090,772
Increase in the value of fixed assets	11,221	103,303	308,415
Income from reorganization	325,345	325,345	325,345
Others	13	13	13
TOTAL	195,427,351	195,519,433	195,724,545

As on December 31, 2014, the additional capital decreased, as compared with the previous year, by 92,082 thou RUB (decreased by 205,112 thou RUB – in 2013). The decrease is caused by retirement of fixed assets for which the additional capital due to increase in the value of the fixed assets was formed earlier. The decrease in the additional capital in the amount of 92,082 thou RUB is allocated to the increase in the Company's undistributed profits.

Dividends

In 2013 and 2014, the Company did not pay any dividends due to the net loss in 2012 and 2013.

11. ESTIMATED LIABILITIES

The availability and movement of estimated liabilities are shown in the table:

Name	Legal actions	Unused leaves	Remuneration by results of the year to the Company's employees, Members of the Board of Director	Liabilities for potential losses	Total
As on December 31, 2012	69,839	197,123	424,892	203,439	895,293
Recognized in the reporting period	631,161	-	558,411	-	1,189,572
Written-off for representation of expenses or recognition of accounts payable	(1,895)	(8,264)	(420,641)	-	(430,800)
Written-off due to excess in or termination of fulfilment of the recognition conditions	(62,096)	-	(4,251)	-	(66,347)
As on December 31, 2013	637,009	188,859	558,411	203,439	1,587,718
Recognized in the reporting period	-	13,663	509,951	-	523,614
Written-off for representation of expenses	(505,102)	-	(465,486)	-	(970,588)

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

or recognition of accounts payable					
Written-off due to excess in or termination of fulfilment of the recognition conditions	(131,907)	-	(92,925)	-	(224,832)
As on December 31, 2014	-	202,522	509,951	203,439	915,912

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Estimated liabilities for payment of remuneration

The estimated liability for payment of remuneration for 2014 to the Company's employees in the amount of 509,951 thou RUB was recognized in accordance with the Company's Accounting policy and includes the amount of insurance contributions. The remuneration is specified in the Regulations on Salaries and Benefits of Employees of JSC Inter RAO. This estimated liability is planned to be repaid within the first six months of 2015. In the opinion of the management, the actual expenditures for the said purposes will not exceed the amount of the recognized estimated liability.

Estimated liabilities for payment of unused leaves

The value of the estimated liability for payment of unused leaves in the amount of 202,522 thou RUB was determined by the Company based on statistical data of accounting of working and leave days for the 2008-2014 period. The Company recognized the estimated liability for payment of leaves, not used as on December 31, 2014, taking into consideration insurance contributions.

The estimated liability for payment of unused leaves is recalculated as on each reporting date and corrected down wards or upwards depending on decrease or increase in the unused days of leave. The estimated liability may be repaid in full in the event of simultaneous dismissal of employees in case of reorganization (winding-up) of the Company.

Estimated liability for pending lawsuits

The Company creates estimated liabilities for pending lawsuits based on estimation of probability of the Company's success in the lawsuit.

In the reporting period, the repayment of the estimated liability, recognized in 2013 by the results of field tax audits of the Company and organizations integrated as a result of the reorganization in 2012, in the amount of 505,102 thou RUB, is shown. The amount of writing-off of the estimated liability in the amount of 126,058 is assigned to other revenues. Besides, due to completion of the lawsuits, in the reporting period the estimated liability in the amount of 5,849 thou RUB was written off.

Estimated liability for potential losses

The estimated liability for potential losses in the amount of 203,439 thou RUB was recognized in 2011 based on data on potential loss of economic benefits from fulfilment of the requirement to repay the liability of the subsidiary INTER RAO Capital CJSC was recognized. The termination of recognition of this liability is expected in 2015.

NOTES to the balance sheet (accounts) of LLC Inter RAO for 2014

12. CREDITS AND LOANS

In 2014, the Company raised borrowed funds in the form of loan from its subsidiary. The Company has not any overdue debt for borrowed funds.

The information of loans raised by the Company in the reporting period is shown in the below table

Creditor	Value of the loan	Balance as on December 31, 2013	Received in 2014	Repaid in 2014	Net currency difference	Balance as on December 31, 2014
Loans						
INTER RAO Credit B.V. ¹	USD	5,334,860	-	-	3,835,259	9,170,119
INTER RAO Credit B.V.	RUB	-	9,600,000	(9,600,000)	-	-
TOTAL without interest		5,334,860	9,600,000	(9,600,000)	3,835,259	9,170,119
Interest debt (short-term)		5,905	513,985	(604,341)	92,600	8,149
TOTAL with interest		5,340,765	10,113,985	(10,204,341)	3,927,859	9,178,268

The maturity of the loan is November, 2015.

The total amount of long-term credits and loans to be repaid within one year after the reporting period and converted into the short-term debt, without interest, as on December 31, 2014, was 9,170,119 thou RUB (no – as on December 31, 2013; 3,216,041 thou RUB – as on December 31, 2012).

For the reporting period, the size of the loan portfolio increased due to growth of the currency rate.

During 2014, the interest rates for long-term credits and loans were up to 11.845% per annum (from 7.6% to 8.95% per annum in 2013) as for loans in RUB and from 4.0% to 5.1% per annum (from 5.1% to 5.2% per annum - in 2013) as for loans in foreign currency.

The information of credits and loans attracted by the Company in 2013 is shown in the below table:

Creditor	Value of the loan	Balance as on December 31, 2012	Received in 2013.	Repaid in 2013	Net currency difference	Balance as on December 31, 2013
Bank credits						
Sberbank of Russia	RUB	2,000,000	-	(2,000,000)	-	-
AO ALFA-BANK	RUB	900,000	-	(900,000)	-	-
AO ALFA-BANK	RUB	2,500,000	-	(2,500,000)	-	-
BANK ROSSIYA	RUB	2,000,000	-	(2,000,000)	-	-
Loans						
INTER RAO Credit B.V.	RUB	1,817,232	2,000,000	(3,817,232)	-	-
INTER RAO Credit B.V.	USD	4,950,750	-	-	384,110	5,334,860
TOTAL without interest		14,167,982	2,000,000	(11,217,232)	384,110	5,334,860
Interest debt (short-		19,015	744,925	(760,904)	2,869	5,905

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

term)						
TOTAL with interest		14,186,997	2,744,925	(11,978,136)	386,979	5,340,765

Interest on borrowed funds included in the cost of investment assets

There is no interest on credits and loans included in the cost of investment assets in 2014 and 2013.

Credit facilities

The information on cash balance available to the Company through credit facilities as on December 31, 2014 is shown in the below table:

Creditor	Limit amount	Unused balance as on December 31, 2014	Availability termination date
AO ALFA-BANK	3,800,000	3,800,000	December 2015
TOTAL	3,800,000	3,800,000	

The information of credit facilities as on December 31, 2013:

Creditor	Limit amount	Unused balance as on December 31, 2013	Availability termination date
BANK ROSSIYA	2,000,000	2,000,000	May 2014
INTER RAO Credit B.V.	2,000,000	2,000,000	August 2014
AO ALFA-BANK	3,800,000	3,800,000	December 2015
TOTAL	7,800,000	7,800,000	

The information of credit facilities as on December 31, 2012:

Creditor	Limit amount	Unused balance as on December 31, 2012	Availability termination date
AO ALFA	3,800,000	1,300,000	December 2015
AO ALFA	2,200,000	1,300,000	June 2013
GPB (OJSC)	2,200,000	2,200,000	June 2013
JSC TransCreditBank	2,200,000	2,200,000	May 2013
TOTAL	10,400,000	7,000,000	

13. ACCOUNTS PAYABLE

13.1. Other long-term liabilities

The Company's other long-term liabilities as on December 31, 2014 include debt for advance payments received from buyers of power engineering equipment and settlements with the insurance company for voluntary medical insurance. During the reporting period, the part of the long-term debt for advance payments, received in the amount of 390,634 thou RUB, was converted into the short-term debt (1,324,104 thou RUB - in 2013).

The availability and movement of the short-term accounts payable are shown in the below table:

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Indicator	Code	Period	Balance at the beginning of year	Changes for the period				Balance at the end of the year
				Entry	Withdrawal		Reclassification	
				as a result of business transactions	repayment	writing- off to the financial result		
Long-term debt, total	5551	2014	402,070	27,348	(213)	-	(390,634)	38,571
	5571	2013	1,726,174	-	-	-	(1,324,104)	402,070
including:								
received advance payment	5553	2014	402,070	-	-	-	(390,634)	11,436
	5573	2013	1,726,174		-	-	(1,324,104)	402,070
other debts	5554	2014	-	27,348	(213)	-	-	27,135
	5574	2013	-	-	-	-	-	

The long-term liabilities of the Company broken down by creditors are shown below:

Other long-term liabilities	As on December 31, 2014	As on December 31, 2013	As on December 31, 2012
Advance payments received from buyers of power engineering equipment, total	11,436	402,070	1,726,174
including:			
CELEC EP (the Republic of Ecuador	11,436	402,070	862,009
BARIVEN S.A. (the Bolivarian Republic of Venezuela)	-	-	864,165
Other debts, total	27,135	-	-
including:			
debt to insurance companies	27,135	-	-
TOTAL	38,571	402,070	1,726,174

13.2 Short-term accounts payable

As on December 31, 2014 and 2012-2013, the Company's accounts payable include current (undue) debt to suppliers and contractors, employees of the organization, tax authorities, non-budgetary funds and other creditors.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Indicator	Code	Year	Balance at the beginning of year	Changes for the period				Balance at the end of the year
				Entry	Withdrawal		Reclassification	
				as a result of business transactions	repayment	writing-off to the financial result		
Short-term debt, total	5560	2014	8,601,206	52,783,381	(49,297,383)	(6,910)	390,634	12,470,928
	5580	2013	43,778,492	77,393,187	(113,893,323)	(1,254)	1,324,104	8,601,206
including:								
Debt to suppliers and contractors								
For purchased electric energy (power)	5561	2014	1,259,455	27,017,665	(26,523,424)	-	-	1,753,696
	5581	2013	1,736,294	35,466,609	(35,943,448)	-	-	1,259,455
For transportation of electric energy	5562	2014	275,938	3,203,784	(1,893,070)	-	-	1,586,652
	5582	2013	406,096	3,730,203	(3,860,361)	-	-	275,938
For gas (including transportation of gas)	5563	2014	-	-	-	-	-	-
	5583	2013	-	492,992	(492,992)	-	-	-
Other debts	5564	2014	781,587	5,224,775	(4,540,900)	(10)	-	1,465,452
	5584	2013	1,347,346	8,732,191	(9,297,759)	(191)	-	781,587
Total debt to suppliers and contractors	5565	2014	2,316,980	35,446,224	(32,957,394)	(10)	-	4,805,800
	5585	2013	3,489,736	48,421,995	(49,594,560)	(191)	-	2,316,980
Other accounts payable								
For transactions with securities	5566	2014	370,992	290 314	(307,189)	-	-	354,117
	5586	2013	36,857,836	523,354	(37,010,198)	-	-	370,992
For transactions with financial instruments	5567	2014	545	36,790	(36,600)	-	-	-
	5587	2013	9,005	79,089	(87,549)	-	-	-
Other debts (including taxes and duties, settlements with employees)	5568	2014	1,279,731	1,857,900	(1,723,388)	(4,811)	-	1,409,432

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

	558 8	201 3	1,324,36 5	1,487,449	(1,532,072)	(11)	-	1,279,731
Total short-term debt	556 9	201 4	1,651,26 8	2,185,004	(2,067,177)	(4,811)	-	1,764,284
	558 9	201 3	38,191,2 06	2,089,892	(38,629,81 9)	(11)	-	1,651,268
Received advance payments								
Received advance payments	557 0	201 4	4,632,95 8	15,152,153	(14,272,81 2)	(2,089)	390,634	5,900,844
	559 0	201 3	2,097,55 0	26,881,300	(25,668,94 4)	(1,052)	1,324,104	4,632,958

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

13.2.1 Accounts payable to suppliers, contractors

The accounts payable as to settlements with suppliers in the amount of 1,315,107 thou RUB as on December 31, 2014 (710,315 thou RUB – as on December 31, 2013; 164,952 thou RUB – as on December 31, 2012) was represented in foreign currency (in EURO and USD).

Largest creditors of the Company as on December 31, 2014:

JSC FGC UES. The amount of the Company's debt to JSC FGC UES for transportation of electric energy is 1,522,727 thou RUB (260,068 thou RUB – as on December 31, 2013; 366,620 thou RUB – as on December 31, 2012);

NPO Privod LLC. The amount of the Company's debt to NPO Privod LLC for power engineering equipment is 1,254,615 thou RUB (648,793 thou RUB – as on December 31, 2013; there is no debt as on December 31, 2012);

The amount of the Company's debt to suppliers of electric energy (power) within the commission agency contract with TsFR OJSC is 1,082,014 thou RUB (604,013 thou RUB – as on December 31, 2013; 1,039,753 thou RUB – as on December 31, 2012);

INTER RAO - Electric Power Plants, OJSC. The amount of the Company's debt to INTER RAO - Electric Power Plants, OJSC for supplied electric energy (power) and rent of production equipment is 207,180 thou RUB – as on December 31, 2013; 1,072,486 thou RUB – as on December 31, 2012).

13.2.2. Other accounts payable

Other accounts payable shows mainly amounts of debt as to settlements for electric energy (power) under commission agency contracts, payment for purchased securities (shares) and contribution to the authorized capital of the subsidiary, settlements with other creditors of the Company.

Other accounts payable of the Company are shown below:

Other accounts payable	As on December 31, 2014	As on December 31, 2013	As on December 31, 2012
Other creditors, total	1,762,679	1 642 378	38,188,850
including:			
Debt as to settlements for electric energy (power) under commission agency contracts, orders	877,996	542,294	588,940
Value added tax for issued advance payments	473,686	666,656	499,378
Debt to subsidiaries for payment of securities	200,039	200,039	26,296,486
Debt as to contribution to the authorized capital of the subsidiary (affiliate)	154,078	170,953	152,929
Debt to the subsidiary as to assignment of the claim right	-	24,316	150,870
Debt to insurance companies	25,875	-	46,981
Debt of the Company under own bills	-	-	10,402,247
Other creditors	31,005	38,120	51,019

Includes VAT for advance payment issued for delivery of power engineering equipment to the Bolivarian Republic of Venezuela in the amount of 467,374 thou RUB (666,654 thou RUB – as on December 31, 2013; 478,450 thou RUB – as on December 31, 2012) (see Clause 7.4. Issued advance payments hereof).

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

14. SALES PROCEEDS

The Company discloses information on sales proceeds for 2013-2014 in section 20 Information by segments.

15. EXPENSES FOR NORMAL ACTIVITIES

The expenses for normal activities are shown in the below table.

Indicator	Code	For 2014	For 2013
Material expenses, total	5610	25,338,269	33,390,577
including:			
electric energy (power) for resale	5611	23,108,412	30,178,779
process fuel (gas)	5612	-	416,245
other materials	5613	-	84,264
power engineering equipment for export deliveries	5614	2,229,857	2,711,289
Expenses for remuneration of labor	5620	2,090,669	2,235,688
Allocations for social requirements	5630	295,629	387,292
Depreciation, total	5640	78,042	164,879
including:			
depreciation of fixed assets	5641	54,574	133,755
depreciation of intangible assets	5642	23,468	31,124
Other expenses, total	5650	5,310,409	6,979,543
including:			
expenses for transportation of electric energy	5651	2,155,514	2,668,526
operational lease of property	5652	347,160	1,375,938
expenses for infrastructural services	5653	444,858	754,982
taxes and duties, including customs duties	5654	5,668	27,045
expenses for repair and maintenance of fixed assets	5655	41,333	341,191
advisory and informational, legal, audit services	5657	547,499	323,785
travel, transportation expenses	5658	500,626	346,575
financial lease	5659	199,911	108,402
expenses for voluntary insurance of property, civil liability, medical insurance	5660	35,991	36,902
expenses for purchase and maintenance of software	5661	424,724	545,865
expenses for security services	5662	7,404	5,061
entertainment and advertising expenses	5663	88,941	55,677
services of agents for sale of power engineering equipment	5664	251,094	111,062
other expenses	5665	259,686	278,532
TOTAL expenses for normal activities	5600	33,113,018	43,157,979

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

16. OTHER REVENUES AND EXPENSES

Other revenues and expenses in the Company's profit and loss statement for 2014 and 2013 show revenues (expenses) from currency transactions, currency differences from revaluation of assets and liabilities expressed in foreign currency, revenues (expenses) from lease of property, revenues (expenses) from revaluation of listed securities, reserves for devaluation of financial investments and others.

Other revenues and expenses from made transactions are shown in the below table:

Other revenues	For 2014	For 2013
Other revenues, total	47,215,117	27,967,495
including:		
Revenues from transactions for sales of currency	25,415,239	17,287,870
Currency differences from recalculation of assets and liabilities in foreign currency	16,766,578	1,930,627
Currency differences in purchase of currency at the exchange rate different from the one of the Central Bank of the Russian Federation	1,133,938	24,692
Recalculation of tax liabilities for previous periods	889,514	278,917
Revenues from retirement of fixed assets, tangible assets and other property	764,610	1,292,316
Revenues from transfer of property to the authorized capital	659,199	-
Revenues as a result of revaluation of listed securities	437,282	-
Revenues from withdrawal of financial investments circulating in the Central Market for Securities	345,798	5,980,172
Writing-off of estimated liabilities	224,832	75,482
Compensation for expenses under credit agreement	218,338	-
Recovery of reserves for doubtful debts	106,181	405,986
Penalties, fines under business contracts	65,415	107,232
Revenues from lease of property	63,545	185,218
Revenues of previous years	58,849	36,911
Revenues from withdrawal of financial investments not circulating in the Central Market for Securities	10,272	52,557
Revenues from writing-off of accounts payable with expired statute of limitations	6,910	1,254
Recovery of reserve for devaluation of financial investments in their retirement	-	170,150
Insurance compensation	-	114,441
Other revenues	48,617	23,670

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Other expenses	For 2014	For 2013
Other expenses, total	50,821,854	84,515,900
including:		
Expenses from transactions for sales of currency	31,069,180	17,004,869
Currency differences from recalculation of assets and liabilities in foreign currency	13,758,514	1,811,383
Expenses from revaluation of listed securities	3,426,288	19,906,805
Reserves for devaluation of financial investments not circulating in the Central Market for Securities	1,070,899	37,259,563
Expenses from retirement of fixed assets, tangible assets and other property	625,571	955,427
Reserves for doubtful debts	365,451	568,868
Losses of previous years	135,113	60,648
Services of banks	70,277	123,810
Social expenses	55,479	35,226
Expenses from lease of property	40,241	91,676
Other taxes (including VAT)	30,818	21,486
Currency differences in purchase of currency at the exchange rate different from the one of the Central Bank of the Russian Federation	26,596	-
Expenses for meetings of shareholders	25,322	23,646
Expenses from withdrawal of financial investments not circulating in the Central Market for Securities	21,746	113,965
Contributions into non-profit organizations	18,106	101,459
Expenses for arrangement of issue and servicing of securities	13,676	11,419
Charitable contributions	2,500	1,250
Writing-off of accounts receivable with expired statute of limitations	1,888	3,208
Penalties, fines under business contracts	1,803	725
Expenses from withdrawal of financial investments circulating in the Central Market for Securities	-	5,639,168
Estimated liabilities	-	630,987
Expenses related to reorganization	-	8,538
Other expenses	62,386	141,774

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

17. TAXES

Income tax

Indicator	For 2014	For 2013
Loss before tax (except for income from participation in other companies) based on the accounting data	(234,681)	(56,098,376)
Amount of provisional profits tax income	46,936	11219,675
Permanent differences in accounting period, including:	4,996,316	63,685,202
- revaluation of financial assets (listed shares)	2,989,006	19,906,805
- administrative, marketing and sales expenses	1,121,104	748,390
- provision for impairment of financial assets	847,283	37,089,413
- sports events	55,356	31776
- provision for doubtful debts	30,059	88,150
- contributions to non-profit institutions	16,740	16,162
- depreciation of fixed assets	10,080	23,103
- sale of fixed assets	9,467	70,495
- write off of accounts receivable	9,389	8,344
- income associated with bonus depreciation add-back	5,397	30117
- disposal of fixed assets	288	1,129
- estimated liability	(131,907)	569,065
- dissolution of subsidiaries (affiliates)	(74,109)	42,880
- sale of financial assets (capital issues circulating at the established securities market)	-	5,238,163
- property tax for previous periods	-	(100,137)
- other expenses (revenues)	108,163	(78,653)
Deductible temporary differences in accounting period, including:	876,128	(5,234,718)
- expenses for electric energy transportation	1,001,434	-
- provision for doubtful debts	219,364	224,366
- estimated liability	(39,753)	110,540
- sale of capital issues not circulating at the established securities market	-	18,527
- sale of capital issues circulating at the established securities market	(345,798)	(5,579,167)
- other expenses (revenues)	40,881	(8,984)
Taxable temporary differences in accounting period, including:	(5,560)	58,875
- voluntary medical insurance	46,960	-
- depreciation of fixed assets	(321)	5,354
- sale of fixed assets	(65,479)	51,493
- other expenses	13,280	2,028
Taxable profit on the tax accounting data	5,632,203	2,410,983
Income tax rate	20%	20%
Income tax	1,126,441	482,197

NOTES to the balance sheet (accounts) of LLC Inter RAO for 2014

Income from participation in other companies (dividends) received by the Company in 2014 amounted to 1,625,558 thou. RUB (3,501,273 thou. RUB in 2013). Income tax from participation in other companies is considered by the Company separately in the line 2460 Other of Income Statement. Income from participation in other companies in the amount of 843 251 thou. RUB (2 486 247 thou. RUB in 2013) is exposed to income tax at the rate 0%.

Explanation of the line 2460 Other of Income Statement is given in the table below:

Indicator	2014	2013
Income tax from participation in other companies (dividends)	(69,469)	(91,077)
Income tax additionally payable according to the field tax audit report	-	(24,044)
Income tax deductible according to the revised tax declarations	127,149	558,839
Income tax additionally payable according to the revised tax declarations	-	(5,448)
Tax penalties	(182)	(2,829)
Adjustment (accrual) of deferred tax asset	-	334
Adjustment (write off) of deferred tax asset	(61,840)	(4,640)
Adjustment (write off) of deferred tax liability	-	17
Adjustment (accrual) of deferred tax liability	(38)	(5,085)
TOTAL	(4,380)	426,067

Value added tax

Cumulative arrears for refund of VAT from the federal budget, including export electric supply, as of 31.12.2014 makes up 1,612,327 thou. RUB (2,173,880 thou. RUB – as of 31.12.2013; 783,159 thou. RUB – as of 31.12.2012). This amount is reflected within other accounts receivable of the balance sheet.

18. EARNING PER SHARE

The base earnings per share reflect a part of profit in the accounting period, which can be potentially allocated among the shareholders — owners of equity shares. It is calculated as the relation of base profit for the accounting year to the average quantity of equity shares in circulation within the accounting year adjusted for the effect of the Company's shares consolidation occurred in the period after the reporting date but before the date when the statements are signed (see art.

10 Authorized Capital, art. 23 Events After Reporting Date of these Explanatory Notes). The comparable indicators for 2013 were adjusted accordingly as well.

NOTES to the balance sheet (accounts) of LLC Inter RAO for 2014

The calculation of average quantity of equity shares in circulation during the accounting period is carried out in compliance with the Methodological Recommendations on Disclosure of Information Concerning the Earning per Share approved by the Order

No.29H as of 21.03.2000 approved by the order of the Ministry of Finance of Russia.

Indicator	2014	2013
Basic earnings (loss) for the accounting period, thou. RUB	434,170	(53,688,401)
Quantity of shares, pcs.	104,400,003,326	104,399,937,944
Basic earnings (loss) per share, RUB	0.0042	(0.5143)
Diluted earnings (loss) per share, RUB	0.0042	(0.5143)

In 2014 and 2013 the Company did not own any bonds which can be converted to shares (no dilutive effect).

19. RELATED ENTITIES

19.1. *Predominant companies*

As of 31.12.2014 the Company's shareholder OJSC ROSNEFTEGAZ owns 26.37% shares of the Company. During the accounting period the Company did not perform any payment transactions with this organization.

There are no other shareholders (legal or natural persons) with the participatory interest exceeding 20% of the Company's Authorized Capital among the Company's shareholders.

The Russian Federation, acting through government agencies and other institutions, directly and indirectly controls and significantly influences a large number of entities (collectively referred to as state-related entities).

The Company performs with these entities transactions associated with sales and purchase of electricity (power), goods, works and services, equipment delivery, placing deposits, cash and settlement operations, currency exchange transactions, providing and receipt of guarantees, and operations with securities and derivatives. The transactions associated with sales and purchases of electricity (power) with state-related entities constitute a considerable part of the Company's operations.

19.2. *Subsidiaries and affiliated companies*

For a complete list of subsidiaries and affiliated companies please visit the Company's website <http://www.interrao.ru/investors/disclosure/affiliated/2014.php>.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

19.2.1. Proceeds from sales to subsidiaries and affiliated companies

The Company's proceeds from sales of goods (works, services) to subsidiaries and affiliated companies in 2014 amounted to 13,228,210 thou. RUB (14,945,419 thou. RUB in 2013), VAT not included.

Sales of electricity were effectuated on an arm's length basis at the market prices for the corresponding regions of supply. Other sales generally include agency commission and transactions associated with sales of information and technology services. The cost of services rendered corresponds to the market prices.

Sales proceeds	Amount	
	2014	2013
Proceeds – total	13,228,210	14,945,419
including:		
Electricity (power) sales under bilateral contracts	11,360,859	12,537,308
Electricity (power) sales under the commission agreement made with CFR OJSC	1,803,874	2,315,831
Other disposal	63,477	92,280

19.2.2. Dividend income gained from subsidiaries and affiliated companies

Name	Amount	
	2014	2013
Dividends – total	1,625,558	3,500,046
including:		
- for equity shares	1,625,558	3,500,046

19.2.3. Income in the form of interest for all types of the borrowed assets provided to subsidiaries and affiliated companies

Income in the form of interest for all types of the borrowed assets provided to subsidiaries and affiliated companies in 2014 amounted to 3,194,406 thou. RUB (2,523,099 thou. rub in 2013). The interest rates applicable in 2014 corresponded to the market level of interest rates for similar borrowings.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

19.2.4. Other income in the form of property sales, leasing of property income, penalties under the contracts and other revenues gained from subsidiaries and affiliated companies

Other income in the form of property sales, leasing of property income, penalties under the contracts and other revenues gained from subsidiaries and affiliated companies in 2014 amounted to 1,576,788 thou. RUB (1,478,271 thou. RUB in 2013), VAT not included. The Company leases its own property with initial cost 11,556 thou. RUB as of 31.12.2014. (1,103,591 thou. RUB as of 31.12.2013; 2,571,976 thou. RUB as of 31.12.2012).

19.2.5. Purchases of goods (works, services) from subsidiaries and affiliated companies

The cost of goods purchased, works performed and services rendered by subsidiaries and affiliated companies in 2014 amounted to 3,993,249 thou. RUB (5,685,228 thou. RUB in 2013), VAT not included.

Purchases were effectuated on an arm's length basis.

Name	Amount	
	2014	2013
Purchase of electricity (power)	2,871,107	3,076,728
Purchase of services	1,122,142	2,268,500
Purchase of equipment (gas turbine engine GTE-110 N 2 for delivery to the Managing Company IC Gas Turbine Technology)	-	340,000
TOTAL	3,993,249	5,685,228

Within expenses for purchase of services the expenditures associated with office space rent by subsidiary company of total book value 953,608 thou. RUB as of 31.12.2014 are reflected. (953,650 thou. RUB as of 31.12.2013; 17,180,383 thou. RUB (including cost of equipment) as of 31.12.2012).

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

19.2.6. Status of payments with subsidiaries and affiliated companies.

ACCOUNTS RECEIVABLE

Long-term receivables of subsidiaries and affiliated companies

Name	Accounts receivable		
	As of 31.12.2014	As of 31.12.2013	As of 31.12.2012
Arrears for property sold within terminated activities ¹	6,909,490	22,273,472	1,7192,416
Interests for accommodated loans	1,675,442	1,266,027	1,206,366
Arrears for acquisition of shares	-	1,455,878	-
Arrears passed to the Company under reconstruction in 2012	2,043,375	6,354,759	6,220,836
TOTAL	10,628,307	31,350,136	24,619,618

The Company's activity related to electric and heat energy production was stopped from October 1, 2013.

See art.7.1. Long-Term Receivables of these Explanatory Notes.

Short-term receivables from subsidiaries and affiliated companies

Name	Accounts receivable		
	As of 31.12.2014	As of 31.12.2013	As of 31.12.2012
Short-term receivables from buyers and customers	1,206,815	600,314	879,799
Short-term receivables from buyers of electricity (power) under the commission agreement made with CFR OJSC	127,983	70,663	82,283
Advance payments made to suppliers and contractors	32,357	33,111	1,082,620
Other accounts receivable	11,846,744	1,630,393	52,345,479
including:			
<i>arrears for property sold within terminated activities ¹</i>	<i>8,400,000</i>	<i>-</i>	<i>10,821,777</i>
<i>arrears in payments for electricity under commission agreements, agency agreements</i>	<i>1,960,941</i>	<i>647,600</i>	<i>792,604</i>
<i>arrears of JSC LOTS Energetik under the contract for property sale and purchase</i>	<i>423,915</i>	<i>423,915</i>	<i>-</i>
<i>arrears for interests payable for borrowed assets, payment in installment</i>	<i>562,614</i>	<i>484,543</i>	<i>307,381</i>
<i>arrears for dividends payable</i>	<i>483,843</i>	<i>8,340</i>	<i>5,280</i>
<i>arrears for acquisition of shares</i>	<i>-</i>	<i>-</i>	<i>37,817,839</i>
<i>other arrears</i>	<i>15,431</i>	<i>65,995</i>	<i>2,600,598</i>
TOTAL	13,213,899	2,334,481	54,390,181

¹ The Company's activity related to electric and heat energy production was stopped from October 1, 2013.

Receivables as of 31.12.2012 include arrears for its own repurchased shares sold in 2012 to CJSC Inter RAO Capital in the amount of 6,493,057 thou. RUB This indebtedness was redeemed in 2013, among others with monetary funds in the amount of 3,966,939 thou. RUB, through offsetting of counter claims of the same kind in the amount of 2,526,118 thou. RUB

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

ACCOUNTS PAYABLE

Short-term accounts payable to subsidiaries and affiliated companies

Name	Accounts payable		
	As of 31.12.2014	As of 31.12.2013	As of 31.12.2012
Accounts payable to suppliers and contractors	390,175	172,822	1,418,180
Advance payments received from the buyers	-	283,739	-
Other accounts payable	367,797	397,693	26,607,819
TOTAL	757,972	854,254	28,025,999

19.2.7. Loans issued to subsidiaries and affiliated companies

Interests for borrowed assets provided to subsidiaries and affiliated companies in 2014 made up in currency from 10% to 15% of annual interest (from 10% to 15% of annual interest in 2013), in rubles from 7.25% to 12.68% of annual interest (from 7.0% to 10.25% of annual interest in 2013).

Availability and flows of loans provided to subsidiaries and affiliated companies for the accounting period are given in the table below without consideration of interests.

Name of related party	Loan balance as of 31.12.2013	Issued in 2014	Redeemed in 2014	Reserve	Balance of exchange rate differences	Loan balance as of 31.12.2014
CJSC Armenia's Power Networks	1,573,292	-	(111,260)	-	804,844	2,266,876
ASIA ENERGY B.V.	8,109	-	(10,329)	-	2,220	-
CJSC Moldova GRES	1,856,050	630,061	(814,839)	-	1,321,772	2,993,044
OJSC ELECTROLUCH	2,444,354	-	(130,000)	-	-	2,314,354
LLC Ugolny Razrez	706,000	-	(706,000)	-	-	-
OJSC Inter RAO Electric Power Plants	3,721,903	5,689,618	(5,021,903)	-	-	4,389,618
JSC Bashkir Generating Company	-	1,300,000	-	-	-	1,300,000
OJSC St.Petersburg Energy Retail Company	-	1,000,000	(790,724)	-	-	209,276
LLC INTER RAO – Oryol Energy Distribution	-	199,724	(49,718)	-	-	150,006
JSC CCT Energy Without Limits	-	23,000	-	-	-	23,000
TOTAL	10,309,708	8,842,403	(7,634,773)	-	2,128,836	13,646,174

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Availability and flows of loans provided to subsidiaries and affiliated companies in 2013 are given in the table below without consideration of interests.

Name of related party	Loan balance as of 31.12.2012	Issued in 2013	Redeemed in 2013	Reserve	Balance of exchange rate differences	Loan balance as of 31.12.2013
CJSC Armenia's Power Networks	1,414,911	-	-	-	158,381	1,573,292
ASIA ENERGY B.V.	7,525	-	-	-	584	8,109
CJSC Moldova GRES	1,238,895	1,025,287	(502,287)	-	94,155	1,856,050
OJSC ELECTROLUCH	2,735,754	-	(291,400)	-	-	2,444,354
JSC Bashkir Generating Company	900,000	-	(900,000)	-	-	-
LLC Ugolny Razrez	706,000	-	-	-	-	706,000
OJSC Inter RAO Electric Power Plants	-	3,721,903	-	-	-	3,721,903
TGR ENERJI ¹	-	-	(12,955)	11,976	979	-
TOTAL	7,003,085	4,747,190	(1,706,642)	11,976	254,099	10,309,708

¹ the data in the table is given after deduction of provision for impairment of loans in the amount of 11,976 thou. RUB as of 31.12.2012 regarding the arrears of TGR ENERJI.

19.2.8. Loans received from subsidiaries and affiliated companies

Long-term loans in currency

In 2011 the Company attracted the borrowed monetary funds in the amount of 163,000 thou. USD. The interest rate corresponds to the market interest rate for similar borrowings. Pay-back period is 2015.

The data on long-term loans in currency received from subsidiaries and affiliated companies for the accounting period are given in the table below considering interests:

Name of related party	Loan balance as of 31.12.2013	Issued / charged in 2014	Redeemed in 2014	Transfer to the short-term loan	Balance of exchange rate differences	Loan balance as of 31.12.2014
INTER RAO Credit B.V.	5,340,765	241,039	(142,886)	(7,596,969)	2,158,051	-
including interests	5,905	241,039	(142,886)	(116,475)	12,417	-

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

The data on long-term loans in currency received from subsidiaries and affiliated companies in 2013 is given in the table below considering interests:

Name of related party	Loan balance as of 31.12.2012	Issued / charged in 2013	Redeemed in 2013	Balance of exchange rate differences	Loan balance as of 31.12.2013
INTER RAO Credit B.V.	4,956,388	268,853	(271,455)	386,979	5,340,765
incl. interest	5,638	268,853	(271,455)	2,869	5,905

Long-term loans in rubles

In 2014 the Company attracted long-term borrowed monetary funds in rubles. The interest rate corresponded to the market interest rate for similar borrowings. The loan was fully redeemed in 2014 prior to maturity.

The data on long-term loans in rubles received from subsidiaries and affiliated companies for the accounting period are given in the table below considering interests:

Name of related party	Loan balance as of 31.12.2013	Issued / charged in 2014	Redeemed in 2014	Transfer to the short-term loan	Loan balance as of 31.12.2014
INTER RAO Credit B.V.	-	9,814,962	(9,814,962)	-	-
incl. interest	—	214,962	(214,962)	-	—

The data on long-term loans in rubles received from subsidiaries and affiliated companies in 2013 are given in the table below considering interests:

Name of related party	Loan balance as of 31.12.2012	Issued / charged in 2013	Redeemed in 2013	Transfer to the short-term loan	Loan balance as of 31.12.2013
INTER RAO Credit B.V.	1,504,843	26,290	(29,942)	(1,501,191)	-
incl. interest	3,652	26,290	(29,942)	-	-

Short-term loans in foreign currency

The data on short-term loans in currency received from subsidiary and affiliated companies for the accounting period are given in the table below, including interests:

Name of related party	Loan balance as of 31.12.2013	Issued / charged in 2014	Redeemed in 2014	Transfer from the long-term loan	Balance of exchange rate differences	Loan balance as of 31.12.2014
INTER RAO Credit B.V.	-	57,984	(246,493)	7,596,969	1,769,808	9,178,268
incl. interest	-	57,984	(246,493)	116,475	80,183	8,149

NOTES to the balance sheet (accounts) of LLC Inter RAO for 2014

Short-term loans in rubles

In 2014 the Company did not attract any short-term loans in rubles from subsidiaries and affiliated companies.

The data on short-term loans in rubles received from subsidiaries and affiliated companies in 2013 are given in the table below considering interests:

Name of related party	Loan balance as of 31.12.2012	Issued / charged in 2013	Redeemed in 2013	Transfer from the long-term loan	Loan balance as of 31.12.2013
INTER RAO Credit B.V.	316,040	-	(1,817,231)	1,501,191	-
incl. interest	-	—	-	—	-

Credit lines

There are no credit lines established by subsidiaries and affiliated companies as of 31.12.2014.

Information on credit lines established by subsidiaries and affiliated companies as of 31.12.2013 is given in the table below:

Credit provider	Limit amount	Unexpended balance as of 31.12.2013	Availability termination period
INTER RAO Credit B.V.	2,000,000	2,000,000	August 2014
TOTAL	2,000,000	2,000,000	

The Company did not have any credit lines established by subsidiaries and affiliated companies as of 31.12.2012.

19.3. Information on key management personnel transactions

To key management personnel the Company attributes the members of the Management Board and the Board of Directors. Their lists are given in the section General Information of these Explanatory Notes.

In 2014 the Company charged to the members of the Board of Directors the fees for participation in meetings in the total amount of 26,403 thou. RUB (23,621 thou. RUB in 2013). In 2014 and 2013, no other payments to the members of the Board of Directors were made.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

In 2014, the Company paid emoluments (salary, awards and benefits) to the members of the Executive Board, amounting to a total of 526,699 thousand RUB (527,896 thou. rub as of 2013). Besides, in 2014 the Company transferred voluntary pension contributions into the GAZFOND private pension fund to the benefit of the Executive Board's members, amounting to 25,375 thousand RUB (25,740 thou. rub as of 2013). In 2014 and 2013, no other payments to the members of the Executive Board were made.

In 2014, the Company paid emoluments (salary, awards and benefits) to the members of the Internal Audit Commission, amounting to a total of 5,985 thousand RUB (6,409 thou. rub as of 2013). In 2014, the Company also transferred voluntary pension contributions into the GAZFOND private pension fund to the benefit of the members of Internal Audit Commission (the Company's employees), amounting to 654 thousand RUB (671 thou. rub as of 2013). In 2014 and 2013, no other payments to the members of the Internal Audit Commission were made.

In 2011, in the context of implementation of the Company's Call Option program approved by the Board of Directors, the Company issued interest-free cash loans to their basic executive staff, amounting to 51,733 thou. RUB. As of 31.12.2014, the debt under these loans amounts to 40,486 thou. RUB (40,486 thou. RUB – as of 31.12.2013; 44,985 thou. RUB – as of 31.12.2012). Loan maturity date – 2015. In the reported period, these debts were transferred from the long-term accounts receivable to the short-terms ones.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

19.4. Cash flows from transactions with related parties

Indicator	Code	For 2014	For 2013
Cash flows from current transactions ' 			
Proceeds – total	4110	16,874,167	17,046,283
including:			
from sales of products, goods, works and services	4111	12,414,657	13,101,437
from electricity (power) sale under contracts between the commission and CFR OJSC	4111	1,755,297	2,315,831
lease payments, license fees, royalties, commissions and other similar payments	4112	126,694	181,728
other proceeds	4119	2,577,519	1,447,287
Payments – total	4120	(5,315,399)	(3,268,052)
including:			
to suppliers (contractors) for raw materials, materials, works and services	4121	(3,905,150)	(2,299,874)
related to payment employees' remuneration	4122	(629,884)	(601,094)
interests on debt liabilities	4123	(652,341)	(367,084)
other payments	4129	(128,024)	-
Cash flows from investment transactions			
Proceeds – total	4210	19,061,982	19,318,186
including:			
from sales of current assets (other than financial investments)	4211	6,500,456	4,692,630
from sales of shares (interests) in other entities	4212	275,000	7,119,965
from return of loans provided, from sales of debt securities (money claim rights towards other persons)	4213	7,634,774	1,706,642
dividends, interest on debt financial investments and similar proceeds from equity participation in other entities	4214	4,641,480	5,778,100
other proceeds	4219	10,272	20,849
Payments – total	4220	(12,855,592)	(7,141,539)
including:			
due to acquisition of shares (interests) in other entities	4222	(4,013,189)	(2,394,399)
due to acquisition of debt financial investments (money claim rights towards other persons), provision of loans to other persons	4223	(8,842,403)	(4,747,140)
Cash flows from financial transactions			
Proceeds – total	4310	9,600,355	5,967,348
including:			
obtaining credits and loans	4311	9,600,000	2,000,000
due to repurchase of own shares from shareholders	4313	-	3,967,348
other proceeds	4319	355	-
Payments – total	4320	(9,600,124)	(11,217,535)
including:			
for payout of dividends and other payments on distribution of profits to the benefit of owners (participants)	4322	(124)	(303)
due to repayment (repurchase) of bills of exchange and other debt securities, repayment of credits and loans	4323	(9,600,000)	(11,217,232)

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

The cash flows from current transactions with related parties for a comparable period have been corrected in relation to the received advance payments.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

20. INFORMATION BY SEGMENT

The Company's risks and profit shall mainly depend on differences in geographical regions of the Company's marketing outlet. Thus, the Company emphasizes geographical segments as accounting segments, based on the marketing outlet principle.

In 2014, the share of sales on the internal market was of 30% (against 36% in 2013).

A significant amount of electrical power was supplied to Lithuania (21%), Finland (15%), Kazakhstan (10%). The Other countries segment includes electric power supplies to Azerbaijan, Belarus, Georgia, Ukraine, South Ossetia, as well as supplies of electrical equipment to Venezuela and the Republic of Ecuador. The share of proceeds from sales for every separate country among those listed above, is less than 10%.

In the reporting year the share of proceeds from sales of electric power to Belarus has diminished from 17% to 9%, and the share of proceeds from sales of electric power to Kazakhstan has grown from 6% to 10%. Comparing to the indicators by geographical segment as of 2013, the Kazakhstan reporting segment was singled out from the Other countries reporting segment, and the Belarus reporting segment was included into the Other countries reporting segment.

The indicators from the reporting segments to be disclosed are specified in an evaluation submitted to the Company's management for decision making (according to the management accounting data)

Unappropriated expenses are the expenses related to the Company as a whole. The segment assets usually include capital assets, intangible assets and accounts receivable. The segment assets usually don't include financial investments. The segment liabilities include operating liabilities, but don't include such items as tax liabilities and some loans related to the Company as a whole. Capital expenditures include fixed assets proceeds. Impairment loss and reserves are only posted to a segment if they are related to its assets.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

During the reported period, there was no change in the methods of indicator evaluation used to determine financial result (profit or loss) of the reporting segment comparing to previous periods and, correspondingly, the influence of the changes on this financial result (profit, loss) of the reporting segment in reported period.

The table below contains data on income and profit, as well as on assets and liabilities by the Company's geographical segment:

Name	Russia	Finland	Lithuania	Kazakhstan	Other countries	Total
For 2014						
Income	9,736,232	4,780,149	6,951,195	3,201,580	7,977,512	32,646,668
Cost price	(11,063,714)	(3,657,184)	(3,661,130)	(1,778,212)	(5,178,029)	(25,338,269)
Profit (loss) per segment	(1,327,482)	1,122,965	3,290,065	1,423,368	2,799,483	7,308,399
Unappropriated expenditure (commercial, managerial, other)						(5,917,522)
Total profit (loss) before taxation						1,390,877
Assets by segment	27,841,753	352,096	965,773	784,091	4,083,232	34,026,945
Unappropriated expenditure						319 389 634
Total assets						353 416 579
Non-current assets by segment	145,171	-	-	-	721,367	866,538
Unappropriated non-current assets						294 916 068
Total non-current assets						295 782 606
Liabilities by segment	6,259,755	168	2,803	100,353	6,144,815	12,507,894
Unappropriated liabilities						10,142,949
Total liabilities						22,650,843
Capital investments	9,381	-	-	-	-	9,381
For 2013						
Income	14,860,586	6,341,388	6,240,988	2,593,664	11,183,951	41,220,577
Cost price	(16,387,198)	(4,922,273)	(3,953,672)	(1,581,369)	(7,853,695)	(34,698,207)
Profit (loss) per segment	(1,526,612)	1,419,115	2,287,316	1,012,295	3,330,256	6,522,370
Unappropriated expenditure (commercial, managerial, other)						(59,119,473)
Total profit (loss) before taxation						(52,597,103)

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Name	Russia	Finland	Lithuania	Kazakhstan	Other countries	Total
Assets by segment	40,916,995	29,255	542,283	161,948	2,231,077	43,881,558
Unappropriated expenditure						302 427 456
Total assets						346 309 014
Non-current assets by segment	1,102,069	-	-	-	412,596	1,514,665
Unappropriated non-current assets						311 219 195
Total non-current assets						312 733 860
Liabilities by segment	3,475,419	172,936	1,892	281,574	5,062,565	8,994,386
Unappropriated liabilities						6 983 387
Total liabilities						15 977 773
Capital investments	129 036	-	-	-	-	129,036

The following table contains information about the customers (clients), if the proceeds from sales to them make at least 10% of total proceeds from sales to the Company's customers (clients).

Customer's name	Total proceeds amount	Share in total proceeds from sales, %	Name of reporting segment
For 2014			
RAO NORDIC OY	4,409,664	13.51	Finland
UAB INTER RAO Lietuva	6,951,195	21.29	Lithuania
CFR OJSC	9,643,062	29.54	Russia
TOTAL	21,003,921	64.34	
For 2013			
RAO NORDIC OY	6,061,546	14.71	Finland
UAB INTER RAO Lietuva	6,240,988	15.14	Lithuania
State production entity Belenergo	6,815,796	16.53	Other countries
CFR OJSC	13,303,676	32.27	Russia
TOTAL	32,422,006	78.65	
For 2012			
RAO NORDIC OY	4,882,430	11.44	Finland
UAB INTER RAO Lietuva	7,782,283	18.23	Lithuania
State production entity Belenergo	7,192,853	16.85	Other countries
CFR OJSC	13,462,582	31.53	Russia
TOTAL	33,320,148	78.05	

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

These indicators are shown in an evaluation used to reflect the similar indicators of the Company as a whole in the accounting (financial) reports.

21. DISCLOSURE OF INFORMATION CONCERNING OFF-BALANCE SHEET ITEMS

Breakdown of securities and other liabilities issued by the Company

Total amount of securities and other liabilities issued by the Company as of 31/12/2014, is 117,479,756 thou. RUB (90,032,261 thou. RUB – as of 31.12.2013; 77,681,752 thou. RUB – as of 31.12.2012).

The Company shows the fee for issue of guarantees among other proceeds in the Profit and Loss Statement.

A breakdown of securities and other liabilities issued by the Company is shown below:

Name of security issued	Date of issue	Date of execution	Organization being issued a guarantee	Security amount as of 31.12.2014
Security for a loan issued by VTB Bank (VTB Bank (Deutschland) AG) to the benefit of INTER RAO Credit B.V.	04.12.2013	04.12.2018	INTER RAO Credit B.V.	21,013,179
Security issued for the liabilities of INTER RAO Capital CJSC to Mezhtregionenergostroy OJSC	27.06.2011	23.06.2015	CJSC Inter RAO Capital	17,316,207
Security for a loan issued by EBRD to the benefit of INTER RAO Credit B.V.	31.07.2012	31.07.2017	INTER RAO Credit B.V.	9,802,981
Security for a loan issued by GC Vnesheconombank to the benefit of INTER RAO Credit B.V.	21.12.2011	12.11.2015	INTER RAO Credit B.V.	9,177,866
Security for a loan issued by EBRD to the benefit of INTER RAO Credit B.V.	18.12.2013	27.11.2020	INTER RAO Credit B.V.	8,747,884
Security for a loan issued by EABR (Vnesheconombank) to the benefit of Ekibastuz GRES-2 Regional Power Plant JSC	23.12.2011	30.09.2018	JSC Ekibastuz GRES-2 Regional Power Plant	8,338,700

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Name of security issued	Date of issue	Date of execution	Organization being issued a guarantee	Security amount as of 31.12.2014
Obligations for underlying asset payment under the forward transactions conducted with HSBC Bank Ltd, Deutsche Bank Ltd	08.04.2013	14.12.2015	HSBC Bank Ltd, Deutsche Bank Ltd	6,168,929
Security for a loan issued by AB Rossiya OJSC to the benefit of INTER RAO Credit B.V.	31.07.2014	31.07.2017	INTER RAO Credit B.V.	5,000,000
Security issued for the liabilities of INTER RAO Turkey Enerji Holding A.S. to ING Bank B.V. under a Loan Agreement	04.12.2012	04.12.2018	INTER RAO Turkey Enerji Holding A.S.	4,632,898
Security for a counter-guarantee issued by ING BANK (EURASIA) CJSC to the benefit of RAO Nordic Oy	01.07.2014	12.07.2015	RAO Nordic Oy	3,421,725
Security for a loan issued ING Bank N.V. to the benefit of INTER RAO Credit B.V.	27.09.2011 г.	23.09.2016	INTER RAO Credit B.V.	3,352,762
Security under a contract, for bank guarantees issued by BNP PARIBAS Bank to the benefit of INTER RAO Export Ltd	10.07.2013	03.04.2017	INTER RAO Export Ltd	2,713,664
Liability for repayment (return on investment), stand-by letter of credit issue by VTB Bank OJSC to the benefit of GE Energy Holdings Vostok B.V.	17.08.2012	17.08.2020	GE Energy Holdings Vostok B.V.	2,186,966
Security for a loan issued by Raiffeisenbank CJSC to the benefit of INTER RAO Credit B.V.	26.08.2013	26.08.2016	INTER RAO Credit B.V.	2,016,075
Counter-guarantees issued by VTB Bank OJSC to the benefit of BNP PARIBAS (Netherlands), having issued direct guarantees to the benefit of BARIVEN S.A.	24.03.2011	05.02.2015	BARIVEN S.A. (Venezuela)	2,007,049
Counter-guarantees issued by Nordea Bank to the benefit of Banco PICHINCHA S.A. (Ecuador), having issued direct guarantees to CELEC EP	25.08.2011	19.05.2015	CELEC EP (Ecuador)	1,986,821

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Name of security issued	Date of issue	Date of execution	Organization being issued a guarantee	Security amount as of 31.12.2014
Security for a loan issued by ING Bank N.V., ING DiBa AG branch, to the benefit of INTER RAO Credit B.V.	18.12.2013	19.06.2023	INTER RAO Credit B.V.	1,821,307
Pledge over shares of Ekibastuz GRES-2 Regional Power Plant JSC (7,559,026 ordinary shares, making 50% of the Equity Capital) in order to secure the liabilities of Ekibastuz GRES-2 Regional Power Plant JSC towards EABR (Vnesheconombank)	17.10.2011	23.06.2025	JSC Ekibastuz GRES-2 Regional Power Plant	1,631,086
Security for a loan issued by the European Bank of Reconstruction and Development to the benefit of CJSC Armenia's Power Networks	17.06.2009	01.10.2018	CJSC Armenia's Power Networks	1,450,909
Security for a loan issued by EBRR to the benefit of Telasi JSC	02.02.2011	04.11.2020	Telasi JSC	1,061,350
Security for a loan issued by Vnesheconombank to the benefit of CJSC Armenia's Power Networks	09.03.2010	01.10.2018	CJSC Armenia's Power Networks	779,493
Security under a counter-guarantee issued by Deutsche Bank (OJSC) to the benefit of RAO Nordic Oy	19.08.2014	30.07.2015	RAO Nordic Oy	683,427
Guarantee for RAO Nordic Oy to perform their obligation under an electric power sale contract signed with Boliden Kokkola Oy	12.03.2014 г.	before performance of obligations	RAO Nordic Oy	683,427
Guarantee for RAO Nordic Oy to perform their obligation under an electric power sale contract signed with Vaasan Sähkö Oy	29.03.2012	28.02.2020	RAO Nordic Oy	683,427
Security for a loan issued by Raiffeisenbank CJSC to the benefit of INTER RAO Credit B.V.	27.08.2014	31.03.2021	INTER RAO Credit B.V.	329,894

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Name of security issued	Date of issue	Date of execution	Organization being issued a guarantee	Security amount as of 31.12.2014
Security for a bank guarantee issued by Sberbank Rossii OJSC to the benefit of Russian Gas Turbines Ltd	18.03.2014	31.12.2017	Russian Gas Turbines Ltd	214,313
Security for a loan issued by GPD (OJSC) to the benefit of INTER RAO Credit B.V.	10.06.2013	01.11.2022	INTER RAO Credit B.V.	150,261
Security for a bank guarantee issued by Sberbank Rossii OJSC to the benefit of Russian Gas Turbines Ltd	04.06.2014	30.07.2019	Russian Gas Turbines Ltd	107,156
TOTAL				117,479,756

Breakdown of collaterals and payments received by the Company

Total amount of collaterals and payments received by the Company as of 31.12.2014, is of 34,816,967 thou. RUB (40,860,969 thou. RUB – as of 31.12.2013; 36,952,247 thou. RUB – as of 31.12.2012).

A breakdown of securities and other liabilities received by the Company is shown below:

Name of security received Guarantor	Guarantee validity term	Entity for which a guarantee is received/ Pledger	Security amount as of 31.12.2014
Guarantee under a General Agreement signed on 12.05.2012 with Sistema-Invest OJSC and Ecu Gest Holding S.A., for performance of contractual obligations	06.11.2018	Sistema-Invest OJSC, Ecu Gest Holding S.A.	22,500,000
Obligations for underlying asset payment under the forward transactions conducted with HSBC Bank Ltd, Deutsche Bank Ltd	14.12.2015	HSBC Bank Ltd, Deutsche Bank Ltd	5,671,352
Bank guarantees for advance payment refund issued by VTB Bank OJSC under a contract with a JSC Oil-Refining Plant Privod	07.05.2015	JSC Oil-Refining Plant Privod	3,038,464

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

Name of security received Guarantor	Guarantee validity term	Entity for which a guarantee is received/ Pledger	Security amount as of 31/12/2014
Assets received as a pledge under a claim assignment agreement for a multi-currency credit line opening agreement. Pledge object: non-residential buildings belonging to the pledger as their property; right to use of land under long-term lease agreements. Location of the property: possession 27, Bolshaya Pirogovskaya street	2015	OJSC ELECTROLUCH	2,093,431
Bank guarantees for advance payment refund issued by Gazprombank OJSC under a contract with a OJSC TYAZHMASH	27.02.2015	OJSC TYAZHMASH	1,508,333
Liabilities received from individuals (Company's employees) under apartment sale agreements	2022-2027	Individuals – Company's employees	5,387
TOTAL			34,816,967

22. CONTINGENT LIABILITIES AND OPERATIONAL ACTIVITY FACTS

Factors having incidence on the Company's financial situation

The Company's business environment

Russia is still in process of implementation of economic reforms and development of legal, tax and administrative infrastructure which would comply with requirements of market economy. The stability of the Russian economy will largely depend on the progress of these reforms and efficiency of actions taken by the Government in regard to the economy, financial and monetary policy.

In 2014, the Russian economy experienced negative influence from a significant drop in crude oil prices and a considerable devaluation of the Russian ruble, as well as from the sanctions introduced by some countries against Russia. In December 2014, interest rates for loans in rubles grew significantly as a result of the key interest raising to 17% by the Bank of Russia. As a result of all above-mentioned factors put together, availability of capital has dropped while its cost has grown, the inflation has increased and the future economic growth remains unclear, which in perspective may negatively influence the financial situation, the transaction results and the economic outlook of the Company. The Company's executives consider that they are undertaking all necessary measures in order to maintain economical stability of the Company under current circumstances.

NOTES

to the balance sheet (accounts)

of LLC Inter RAO for 2014

Taxation

Russian tax, currency and customs laws allow various interpretations and are subject to frequent amendments. The Company's management interpretation of these laws in respect of the Company's transactions and business may be disputed by the relevant regional or federal authorities. The events which have recently taken place in the Russian Federation show that the tax authorities may take a firmer line in interpretation of the law and inspection of tax calculation. As a consequence, the tax authorities may challenge such transactions and reporting modes which they have never challenged before. As a result, significant additional taxes, penalties and fines may be charged. It is impossible to determine the amounts of claims under possible but not brought legal actions, as well as to carry out evaluation of possibility of unfavorable outcome. Tax audits may take up to three years of business immediately preceding the audited year. Upon certain conditions, earlier periods may also be subject to audit.

According to the management opinion, the relevant provisions of the law have been interpreted by them correctly, as of December 31, 2014, and there is a high possibility of preserving the position in relation to the tax, currency and customs laws in which the Company currently remains.

Guarantees, securities and other liabilities issued by the Company

As of 31.12.2014, the Company delivered to third parties' creditors guarantees, securities and other liabilities with unexpired due date amounting in total to 117,479,756 thou. RUB (90,032,261 thou. RUB as of 31.12.2013;

77,681,752 thou. RUB as of 31.12.2012). The Company's management don't expect arising of any significant liabilities in relation to these securities and guarantees.

Liabilities under forward transactions

Currency forwards

In order to manage currency exchange risks, including taking into account regular proceeds in foreign currency, the Company is conducting transactions on the market of derivative securities on a regular basis. Transactions involving derivative securities are made with leading banks under corresponding General agreements signed with these banks, and determine an exchange rate at which the Company undertakes to sell/buy a certain amount in currency, while the bank similarly undertakes to buy/sell the same amount on a certain date in the future. In order to reduce the exchange rate risk, all transactions conducted with derivative securities are deliverable transaction with delayed execution.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

As of 31.12.2014, the Company's off-balance sheet accounts show securing of the Company's obligations under outstanding forward contracts amounting to 4,144,260 thou. RUB calculated at the Russia's Central Bank exchange rate at 31.12.2014, as well as counter-securing of the counter-agent banks' obligation amounting to 3,421,016 thou. RUB, calculated at the forward transaction rate.

Net fair value of forward agreements as of 31.12.2014 amounts to -911,426 (- 169,795 thou. rub as of 31.12.2013). Bloomberg analytical system's data were used for evaluation of the net fair value.

Foreign exchange swap

According to a foreign exchange swap transaction, the Company makes payments to the counter-agent Bank under a forward transaction in Euro (based on the 6-months EURIBOR floating rate index), while getting payments in US dollars from the Bank (based on the 6-months LIBOR floating rate index), which are converted into the creditor's loan repayment (interests and amortization of the face value), determined in US dollars on the basis of a similar 6-months LIBOR floating rate index. Such currency hedging transaction allows, in the part of determined hedging amount, to fix an exchange rate for conversion of payments from Euro (proceeds in currency) into US dollars (loan repayment), and thus to protect the Company from a lower financial result due to decreasing EUR/USD exchange rate.

In their efficiency evaluation, the Company uses both retrospective and prospective analysis of hedging efficiency. According to the results of prospective and retrospective analysis, as of December 31, 2014, hedging of the currency exchange risks arising from interest expenditure using foreign exchange swap is 100% efficient.

Net fair value of foreign exchange swap as of December 31, 2014, amounts to 71,362 (profit) (- 14,711 thou. rub (loss) as of 31.12.2013). Bloomberg analytical system's data were used for evaluation of the net fair value.

NOTES
to the balance sheet (accounts)
of LLC Inter RAO for 2014

23. EVENTS AFTER REPORTING DATE

- On January 11, 2015, registered changes were brought to the Company's Articles of Association concerning liquidation of the following branches:
- North-Western TPP branch
(location: 32, 3rd Konnaya Lakhta, vil. Olgino, Saint Petersburg, Russia 197229)

Kaliningrad TPP 2 branch
(location: 2, pereulok Energetikov,
Kaliningrad, Russia 236034);

- Sochinskaya TPP branch (location: 133 Transportnaya street, Sochi, Russia 354000).
- from January 20, 2015, the new Company's shares (state registration number 1-04-33498-E of 23.12.2014) with nominal value of 2.809767 rubles are admitted to trading at the MICEX Stock Exchange CJSC.

24. OPERATIONAL RISKS

The Company publishes all information concerning its operational risks in its quarterly Issuer's Report, posted on the web-site under section To Shareholders and Investors
<http://www.interrao.ru/investors/disclosure/quarterly/2014.php>

February 13, 2015.
Chairman of the Executive Board
Chief Accountant

<signature>
<signature>

B.Y. Kovalchuk
A.P. Vainilavicate