

13. FINANCIAL STATEMENTS

CHOGORI

Chogori was found by a European expedition in 1856. The mountain was named as K2, second Karakoram summit. Summits, formerly named as K2, K3, K4 and K5, were renamed and currently are Masherbrum, Broad Peak, Gasherbrum I and Gasherbrum II. At that time K2 has its own name but it was not known to Europeans. Historically, the most famous name in Europe was technical name K2. On USSR maps till 1950-s the mountain was named as Godwin Austen or Chogori.

First ascent was attempted in 1902 by Oscar Eckenstein and Aleister Crowley, but it ended in a failure. A 1954 Italian expedition led by Ardito Desio was the first to reach the summit of K2. On July 31 Lino Lacedelli and Achille Compagnoni were the first climbers to conquer K2.

**Financial Statements under Russian Accounting Standards (RAS)
Balance Sheet as of 31.12.2013**

Comments	Indicators	Line code	As of 31.12.2013	As of 31.12.2012	As of 31.12.2011
	ASSETS				
	I. NON-CURRENT ASSETS				
5.1.1-5.2.2	Intangible assets	1110	38	47	56
	Including unfinished operations related to acquisition of intangible assets	1111			
	Researches and developments	1120			
	Including expenses on unfinished researches and developments	1121			
	Intangible development assets	1130			
	Material development assets	1140			
5.3.1.-5.3.6	Fixed assets	1150	45 438 550	40 358 751	36 694 389
	Land plots and other facilities	1151	76 340	57 884	43 588
	Buildings, vehicles and equipment, facilities	1152	41 817 420	36 750 441	33 244 485
	Other types of fixed assets	1153	965 550	753 541	752 991
5.3.5.	Uncompleted construction	1154	2 545 110	2 767 988	2 595 469
5.3.6.	Advances given for capital construction and acquisition of fixed assets	1155	34 130	28 897	57 856
	Materials used for fixed asset formation	1156			
5.3.1.	Investments in valuable property	1160	-	-	-
	Property for leasing	1161			
	Property under rental contracts	1162			
5.4.1-5.4.3.	Financial investments	1170	1 453 965	1 937 217	2 194 284
	Investments in subsidiaries	1171	1 004 231	1 004 935	1 007 530
	Investments in associates	1172			1 185 414
	Investments in other companies	1173	449 734	932 272	1 330
	Loans given to companies for over 12 months	1174			
	Other long-term financial investments	1175		10	10
5.7.2.	Deferred tax assets	1180	789 709	772 944	377 600
	Other non-current assets	1190	130 755	169 847	167 716
	TOTAL on Section I	1100	47 813 017	43 238 806	39 434 045
	II. CURRENT ASSETS				
5.5.1-5.5.2	Inventory	1210	769 498	1 039 172	1 262 049
	Materials and other similar valuables	1211	760 311	1 020 335	1 231 211
	Expenses of non-completed production	1212			
	Finished products and goods for resale	1213	9 187	17 803	30 838
	Goods delivered	1214		1 034	
	Other inventories and expenses	1215			
	Value-added tax on acquired valuable property	1220	12 150	8 788	24 641
5.6.1-5.6.4	Accounts receivable	1230	6 524 715	4 115 412	5 400 107
	Payments expected in over 12 months since the reported period	1231	82 531	92 027	76 564
	Purchasers and clients	123101	52 415	50 911	26 358
	Bills receivable	123102			
	Advances given	123103			
	Other receivables	123104	30 116	41 116	50 206
	Payments expected in 12 months since the reported period	1232	6 442 184	4 023 385	5 323 543
	Purchasers and clients	123201	5 758 856	3 213 671	4 676 408
	Bills receivable	123202			
	Debt of SACs on dividends	123203			
	Debt of participants in contributions to the charter capital	123204			
	Advances given	123205	81 868	126 697	193 797
	Other receivables	123206	601 460	683 017	453 338
5.4.1-5.4.3	Financial investments (excluding cash equivalents)	1240	-	-	-
	Loans to organizations for less than 12 months	1241			
	Other short-term financial investments	1242	-	-	-

F.4	Cash and cash equivalents	1250	1 106 369	1 510 147	722 686
	Pay office	1251	39	94	45
	Operating accounts	1252	1 084 025	935 400	462 072
	Foreign currency accounts	1253			
	Other monetary resources	1254	22 305	74 653	260 569
	Cash equivalent	1255		500 000	
	Other current assets	1260	396 671	347 022	314 478
	TOTAL on Section II	1200	8 809 403	7 020 541	7 723 961
	ASSETS	1600	56 622 420	50 259 347	47 158 006
	LIABILITIES				
	III. CAPITAL AND RESERVES				
3.1.	Charter Capital	1310	8 743 049	8 743 049	8 743 049
	Own shares purchased from shareholders	1320			
	Revaluation of noncurrent assets	1340			
3.1.	Added capital (no revaluation)	1350	17 009 503	17 009 503	17 009 503
3.1.	Reserve capital	1360	339 163	307 872	180 470
3.1.	Non-distributed profit (uncovered loss)	1370	5 704 116	5 537 326	5 283 720
	Of previous years	1371	5 349 535	5 537 326	5 283 720
	Of the reported period	1372	354 581		
	TOTAL on Section III	1300	31 795 831	31 597 750	31 216 742
	IV. LONG-TERM LIABILITIES				
5.6.7-5.6.8	Loans and borrowings	1410	12 231 733	9 071 231	6 030 928
	Bank credits subject to cancellation in over 12 months since the reported date	1411	9 231 733	9 071 231	6 030 928
	Loans subject to cancellation in over 12 months since the reported date	1412	3 000 000		
5.7.2	Deferred tax liabilities	1420	2 648 225	1 905 852	1 806 957
	Estimated liabilities	1430			
5.6.5.-5.6.6.	Other liabilities	1450	514 369	284 168	414 639
	TOTAL on Section IV	1400	15 394 327	11 261 251	8 252 524
	V. SHORT-TERM LIABILITIES				
5.6.7.-5.6.8.	Loans and borrowings	1510	161 117	60 049	33 592
	Bank credits subject to cancellation within 12 months since the reported date	1511	56 187	60 049	33 371
	Loans subject to cancellation within 12 months since the reported date	1512	104 930		221
5.6.5.-5.6.6.	Accounts payable	1520	6 796 851	5 851 137	5 881 362
	Suppliers and contractors	1521	4 076 407	3 450 363	4 034 808
	Bills payable	1522	0	190	190
	Debt to the personnel	1523	319 100	207 473	1 096
	Debt to non-budgetary funds	1524	115 683	112 668	79 831
	Debts in taxes and levies	1525	295 777	103 285	168 538
	Advances received	1526	1 887 753	1 916 603	1 529 110
	Debt to founders	1527			
	Other payables	1528	102 131	60 555	67 789
	Deferred revenues	1530	73 360	69 313	73 505
5.7.1	Estimated liabilities	1540	2 398 132	1 406 159	1 696 497
	Other liabilities	1550	2 802	13 688	3 784
	TOTAL on Section V	1500	9 432 262	7 400 346	7 688 740
	LIABILITIES	1700	56 622 420	50 259 347	47 158 006

Report on financial results as of 12 months 2013

Comments	Indicator	Line code	As of 2013	As of 2012
1	2	3	4	5
	Revenues	2110	57 443 525	51 334 978
	including			
	Transmission revenues	2111	55 257 665	49 691 276
	Connection revenues	2112	1 883 512	1 268 360
	Revenues from activities on the arrangement of Russian UES operations and development	2113		
	Revenues from resale	2114		
	Revenues from other companies' ownership	2115		
	Revenues from rent	2116	205 537	271 648
	Revenues from other core services and produce	2117	91 558	100 094
	Revenues from other non-core services and produce	2118	5 253	3 600
2.1	Expenses	2120	54 047 304	48 490 674
	including			
	Transmission expenses	2121	53 612 888	48 057 788
	Connection expenses	2122	221 693	164 040
	Expenses on activities on the arrangement of Russian UES operations and development	2123	-	0
	Resale expenses	2124	-	0
	Expenses on other companies' ownership	2125	-	0
	Expenses on rent	2126	159 654	201 543
	Expenses on other core services and produce	2127	47 650	61 345
	Expenses on other non-core services and produce	2128	5 419	5 958
	Gross profit (loss)	2100	3 396 221	2 844 304
2.1	Business expenses	2210	-	
2.1	Management expenses	2220	886 195	867 006
	Profit (loss) from sales	2200	2 510 026	1 977 298
	Revenues from participation in other companies	2310	281 624	251 708
	Interest receivable	2320	89 610	49 527
	Interest payable	2330	732 152	487 901
5.11	Other revenues	2340	3 973 676	11 784 687
5.11	Other expenses	2350	5 032 268	12 791 854
	Pre-tax profit (loss)	2300	1 090 516	783 465
2.3	Income tax	2410	286 108	507 239
2.3	Including permanent tax liabilities (assets)	2421	471 320	265 946
2.3	Changes in deferred tax liabilities	2430	355 237	290 461
2.3	Changes in deferred tax assets	2450	22 013	434 591
2.3	Other	2460	116 603	205 458
2.3	Net profit (loss)	2400	354 581	625 814
	FOR INFORMATION:			
	Revaluation of non-current assets, not included into net profit (loss) of the period	2510		
3.2	Other operations, not included into net profit (loss) of the period	2520		
	Consolidated financial result of the period	2500	354 581	625 814
2.2	Basic earnings (loss) per share (RUR)	2900	0,0000041	0,0000072
	Diluted earnings (loss) per share (RUR)	2910		

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Financial Statements under International Financial Reporting Standards (IFRS)
Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended
31 December 2013 (in thousands of Russian rubles , unless otherwise stated)

	Notes	Year ended 31 December 2013	Year ended 31 December 2012 (restated)
Revenues	4	65 523 246	59 430 818
Operating expenses	5	(67 115 969)	(59 650 427)
Other operating income	7	1 818 750	839 080
Result from operating activities		226 027	619 471
Finance income	8	193 633	602 042
Finance costs	8	(1 400 481)	(674 197)
Loss on disposal of subsidiary	1	(11 786)	-
Share of profit of equity accounted investee	11	-	67 898
(Loss)/Profit before income tax		(992 607)	615 214
Income tax	9	(107 272)	(350 253)
(Loss)/Profit for the year		(1 099 879)	264 961
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss: Net change in fair value of available-for-sale financial assets		(6 012)	(13 036)
Items that will not be reclassified to profit or loss: Remeasurement of defined benefit liability		(468 258)	(290 613)
Income tax relating to other comprehensive income		86 599	55 784
Other comprehensive income for the year, net of income tax		(387 671)	(247 865)
Total comprehensive income for the year		(1 487 550)	17 096
(Loss)/Profit attributable to:			
Owners of the Company		(1 170 536)	301 508
Non-controlling interests		70 657	(36 547)
Total comprehensive income attributable to:			
Owners of the Company		(1 555 944)	56 052
Non-controlling interests		68 394	(38 956)
(Loss)/Earnings per share. Basic and diluted (loss)/earnings per share (expressed in RUB)	17	(0,0134)	0,0034



Consolidated Statement of Financial Position as at 31 December 2013 (in thousands of Russian rubles unless otherwise stated)

	Notes	31 December 2013	31 December 2012 (restated)	1 January 2012 (restated)
ASSETS				
Non-current assets				
Property, plant and equipment	10	58 335 777	54 843 634	52 998 691
Investment property	10	52 794	74 845	85 512
Intangible assets		1 405	3 534	2 279
Investment in equity accounted investee	11	-	-	1 177 799
Deferred tax assets	9	3 052	19 906	11 436
Other non-current assets	12	775 259	1 324 716	400 713
Total non-current assets		59 168 287	56 266 635	54 676 430
Current assets				
Inventories	13	887 058	1 070 835	1 278 163
Income tax receivable		403 473	162 173	284 959
Trade and other receivables	14	7 673 071	6 499 400	6 001 742
Prepayments for current assets	15	414 043	160 079	290 540
Cash and cash equivalents	16	1 992 380	2 593 982	1 429 881
Other current assets		28 823	34 082	268 109
Total current assets		11 398 848	10 520 551	9 553 394
TOTAL ASSETS		70 567 135	66 787 186	64 229 824
EQUITY AND LIABILITIES				
Equity	17			
Share capital		8 743 049	8 743 049	8 743 049
Other reserves		(1 016 022)	(630 614)	(385 159)
Retained earnings		31 410 740	32 737 778	32 681 075
Total equity attributable to shareholders of the		39 137 767	40 850 213	41 038 965
Non-controlling interest		826 312	781 741	845 456
Total equity		39 964 079	41 631 954	41 884 421
Non-current liabilities				
Loans and borrowings	18	13 717 354	9 967 021	7 315 828
Long-term advances	19	514 146	283 941	414 639
Employee benefits	20	1 990 407	1 498 252	1 120 322
Finance lease liabilities		162	11 603	53 825
Deferred tax liabilities	9	3 976 061	3 947 479	4 492 785
Total non-current liabilities		20 198 130	15 708 296	13 397 399
Current liabilities				
Loans and borrowings	18	462 425	667 208	775 436
Trade and other payables	21	8 483 450	7 232 015	6 710 080
Current portion of finance lease liabilities		13 659	45 813	106 502
Provisions	21	892 783	656 027	779 425
Other tax payable	22	520 841	654 000	530 609
Income tax payable		31 768	191 873	45 952
Total current liabilities		10 404 926	9 446 936	8 948 004
TOTAL LIABILITIES		30 603 056	25 155 232	22 345 403
TOTAL EQUITY AND LIABILITIES		70 567 135	66 787 186	64 229 824

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