



Press release
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JSC Lenenergo published financial statements for Q1 2013 under RAS

Key financial indicators of JSC Lenenergo for 3 months 2012 - 3 months 2013, and also planned indicators for the end of 2013:

Indicator	Unit	31.03.2012	31.03.2013	Change		For reference BP 2013 (on 31.12.2013)
				Δ 2013/ 2012, abs.	Δ 2013/ 2012, in %	
Productive supply of electric power	mIn kWh	8,174	7,697	- 477	- 5.8 %	30,230
Electric power losses	%	14.46	13.94	- 0.52	- 3.6 %	10.21
Connected capacity	MW	52	30	- 23	- 43.4 %	621
Seles revenues, including:	RUB mln	8,380	8,136	- 244	- 2.9 %	42,669
- from electricity transmission services	RUB mln	7,534	7,798	264	3.5 %	34,271
- from grid connection services	RUB mln	810	303	- 507	- 62.6 %	8,239
- from other industrial activity	RUB mln	35	34	- 1	- 1.9 %	159
Prime cost	RUB mln	8,674	8,690	16	0.2 %	38,659
Gross profit (loss)	RUB mln	- 294	- 554	- 260	88.3 %	4,010
Profit (loss) before taxation	RUB mln	- 622	- 705	- 83	13.4 %	1,979
Net profit (loss)	RUB mln	- 599	- 739	- 140	23.4 %	801
EBITDA *	RUB mln	1,334	1,757	423	31.8 %	13,085
EBITDA margin	%	15.92 %	21.60 %	5.7 %	35.7 %	30.67 %
Loans and credits **	RUB mln	23,944	28,814	4,870	20.3 %	33,809
Average rate on involved credits	%	7.60	8.38	0.78	10.3 %	10.57 %
Net debt	RUB mln	20,946	24,329	3,383	16.1 %	32,074
Net debt/EBITDA in 4 quarters	-	2.51	2.35	- 0.16	- 6.4 %	2.45

* The Indicator is calculated according to the technique applied at formation of the Business plan for 2013: EBITDA = Net profit + Profit tax + Depreciation + (Interest payable - Interest receivable).

** The sum of debt on credits and loans (the Company's debt taking into account interest (the sum of lines 1410 and 1510 of the balance sheet) is reflected.

Note:

The actual values of indicators are given in the table in 3 months 2012 - 3 months 2013, and also forecasted indicators for 2013 according to the Business plan for 2013, approved by the Company's Board of Directors on 26.04.2013.

Sales revenues of the Company following the results of 3 months 2013 made RUB 8,136 mln and relative the similar period of last year decrease in revenues totaled RUB 244 mln, or 2.9 %.

Decrease in revenues occurred at the expense of a core type of activity - rendering of grid connection services. The revenues from electric power transmission thus increased.

Revenues growth on electricity transmission by RUB 264 mln, or for 3.5 % is generally caused by change of an average tariff for electric power transmission.

Decrease in revenues from rendering of grid connection services in comparison with the similar period of last year made RUB 507 mln, or -62.6 %, and is associated with closing in Q1 2012 of large contracts, including with LLC Gazstroy (RUB 101 mln), SNT Dubrava (RUB 91 mln), JSC LOESK (RUB 93 mln), CJSC Stroytrest (RUB 71 mln) and LLC Spetsmornefteport Ust-Luga (RUB 68 mln) – the sums are specified without VAT.

Cost of rendered services following the results of 3 months 2013 totaled RUB 8,690 mln, a growth concerning 3 months of previous year made only RUB 16 mln (0.2 %).

Gross loss of JSC Lenenergo following the results of 3 months 2013 relative the similar period of 2012 increased by RUB 260 mln or 88.3 % and made -554 RUB mln.

Net loss of the Company following the results of 3 months 2013 made -739 RUB mln. Deterioration of financial result relating to the similar period of 2012 made RUB 140 mln, or 23.4 %. The main influence was rendered by a decrease in revenues from rendering of grid connection services, and also a growth of depreciation charges caused by a gain of fixed assets at the expense of commissioning of facilities during implementation of the investment program of the Company and revaluation of fixed assets made on 31.12.2012.

EBITDA characterizing a cash flow generated by the Company before payment of taxes and interest, following the results of 3 months 2013 made RUB 1,757 mln and relative the similar previous reporting period increased by 31.8 %, or RUB 423 mln.

Indicators	Formula	31.03.2012	31.03.2013	RUB mln	
				Change 2013/2012	
				Abs.	Rel.
Revenues	1	8,380	8,136	- 244	- 2.9 %
Prime cost net of depreciation	2	7,130	6,627	- 503	- 7.1 %
Gross profit + depreciation	3= 1-2	1,249	1,509	259	20.7 %
Balance of other income and expenses (net of interest payable and receivable)	4	84	249	164	194.8 %
EBITDA* including:	5= 3 + 4 = 6 + 7-8 + 9 + 10	1,334	1,757	423	31.8 %
FA and IA amortization	6	1,544	2,063	519	33.6 %
Accrued interest	7	468	496	28	5.9 %
Interest receivable	8	56	96	40	71.6 %
Profit tax	9	- 23	34	57	- 247.1 %
Net profit	10= 3-6 + 4-7 + 8-9	- 599	- 739	- 140	23.4 %

* Calculation of EBITDA is given by the ARM technique of the Business plan of the Company for 2013

Increase in EBITDA on 31.03.2013 relating to its value for 3 months 2012 occurred mainly due to a less high rate of decrease in revenues in comparison with a rate of decrease in prime cost net of depreciation.

The balance of other income and expenses net of interest payable and receivable thus increased – generally due to a growth of income of the revealed non-metered and non-contractual electricity consumption, and also the sum of fines and penalties (receivable by the Company).

Increase in EBITDA was accompanied by a growth of the following components: accrued depreciation and profit tax.

Thus the sum of net profit and balance of accrued interest and interest receivable decreased.

Growth of accrued depreciation is caused by a gain of fixed assets at the expense of commissioning of facilities during implementation of the investment program of the Company, and the revaluation of fixed assets made on 31.12.2012.

The increase in interest payable is generally associated with that for the reporting period charge of interest was made for a large sum of a principal debt.

The growth of interest receivable is connected with existence of short-term financial investments in the Company (were absent for the end of Q1 2012).

The actual structure of EBITDA in a cut of its components following the results of 3 months 2012 and 2013 is presented in the table:

Indicator	31.03.2012	31.03.2013	Change
EBITDA including:	100.0 %	100.0 %	0.0 %
Net profit	- 44.9 %	- 42.1 %	2.8 %
Balance of accrued interest and interest receivable	30.9 %	22.7 %	- 8.1 %
Profit tax	- 1.7 %	1.9 %	3.7 %
FA and IA amortization	115.7 %	117.4 %	1.6 %

Overall, both on 31.03.2012 and on 31.03.2013 the main specific weight in the structure of EBITDA is the share of amortization.

As a result of multidirectional change of EBITDA (growth) and revenues (decrease) relative Q1 2012, the share of EBITDA in revenues (EBITDA margin) increased by 5.7 percentage points and made 21.6 %. As a whole, the given change of the indicator is positively characterized from a viewpoint of an assessment of the Company's financial state.

The increase in debt on loans and credits taking into account interest (the Company's debt, the sum of lines 1410 and 1510 of the balance sheet) made RUB 4,870 mln (20.3 %). The credits and loans were involved for financing of operating and investment activities of the Company, including on financing of works on renovation of cable lines in St. Petersburg and construction of a distributive grid.

The average rate on credits in 3 months 2013 made 8.38 % that is higher than its value for the similar period of previous year on 0.78 percentage points. Rate increase for using credit resources is associated with the worsened situation in the financial market, including a growth of cost of newly involved credit resources.

The gain of Net debt is less than a growth of debt on loans and the credits at the expense of growth of the most liquid assets for the period end (the sum of short-term financial investments increased (on 31.03.2012 were absent) while the amount of cash funds decreased to a lesser extent).

A more essential, in relative expression, gain of EBITDA (for 31.8 %) in comparison with a gain of Net debt (for 16.1 %) on 31.03.2013 relative 31.03.2012 led to improvement of the ratio Net debt/EBITDA.

Accounting reporting of JSC Lenenergo for 3 months 2013 is available on the Company's website at: http://www.lenenergo.ru/shareholders/fin_reports/