

NOTABLE EVENTS

JANUARY

● On January 14, 2005 the management of JSC "Lenenergo" held a meeting with representatives of Finnish investment funds in the frameworks of the seminar called "Invest in Russian growth". The agenda of the meeting was devoted to the issues of strategic development of Russian power industry and restructuring of JSC "Lenenergo". Besides the issues of possibilities for attraction of investments into power complex of North-West of Russia on the restructuring stage were discussed during this meeting.

FEBRUARY

● On February 3, 2005 General Director of JSC "Lenenergo" Andrey Likhachev took part in the conference held by "Interfax North-West" where the preliminary results of financial activity of JSC "Lenenergo" for 2004 were reported.

The official opening of substation №542 was held on 8 February 2005 in Saint-Petersburg. This is one of the most important investment projects of the company for the recent years. The new substation was designed for increasing the electricity deliveries, ensuring the connection of new electricity consumers and expanding the existing power capacities.

The meeting of the Board of directors was held on 17 February 2005. The members of the Board discussed the matters of key operational and financial results and considered company's business plan for 2005.

MARCH

● Annual report of JSC Lenenergo for 2003 was awarded the first prize in the nomination "The best idea and design" at the international conference "Power industry of Russia -2005" held in Moscow on 9 March 2005

The meeting of the Board of directors held on 16 March 2005 approved the participation of JSC Lenenergo in Open Joint-Stock Company "Territorial Generating Company-1" and the conclusion of the foundation of OJSC "TGC-1" between JSC Lenenergo, JSC Kolenergo and JSC Karelenegerogeneration"

The first meeting of the founders of the new interregional generating company - JSC "TGC-1" was held on 17 March 2005

The governmental registration of JSC "Territorial Generating Company №1" was made on 30 March 2005 in the district inspection of Federal tax service of Russia of Saint-Petersburg.

APRIL

● On April 07, 2005 the meeting of the Board of Directors of JSC "Lenenergo" was held. The members of the Board approved "The regulating order of effecting specified purchases of goods, work and services for the Company".

The 1st meeting of the Board of Directors of JSC TGC-1 was held on April 07, 2005. The Chairman of the Board of Directors was elected Mr. Alexander Chikunov - member of the Executive Board of JSC "RAO UES of Russia", Director of department for realization of reforming projects of RAO UES Corporate Centre. The Board approved the statement of Audit Committee of JSC "TGC-1", issuance of common nominal uncertificated shares of JSC "TGC-1". Registrar of the Company was approved JSC "Central Moscow Depository". The decision on Lenenergo's restructuring in the form of separation was made at the Extraordinary meeting of shareholders of JSC Lenenergo on April 08, 2005.

On April 08, 2005 General Director of JSC "Lenenergo" Andrey Likhachev held a meeting with the leading analysts and managers of investment funds: Alliance Capital, Invesco, Vontobel, Banka Immobiliare, Studi&Investimenti, Alfa AM, Templeton, Unifond, Uralsib AM. The meeting was held in Lenenergo's headquarters and was arranged by investment bank ING Eurasia.

On April 11, 2005 General Director of JSC "Lenenergo" Andrey Likhachev took the floor at the conference "Special view on Saint-Petersburg" and presented a report "Results of JSC Lenenergo for 2004 and foundation of JSC TGC-1". The presentation was made in the framework of the 8th Russian economic forum held in London.

MAY

● On May 12, 2005 the meeting of the Board of Directors of JSC "Lenenergo" was held in the headquarters. Members of the Board approved the Annual Report of JSC Lenenergo for 2004 and Business Plan for 2005.

On May 23, 2005 JSC "Lenenergo" and "Imatran Voima" ("Fortum") celebrated 45 years of successful and fruitful cooperation

On May 24, 2005 the meeting of the Board of Directors of JSC "TGC-1" was held in the headquarters of JSC "Lenenergo". Members of the Board approved the structure of the Company and elected Audit Committee and Budget and Planning Committee.

JUNE

● On June 03, 2005 Smolny held a conference with the participation of Saint-Petersburg Governor Valentina Matvienko, General Director of JSC "Lenenergo" Andrey Likhachev, Plenipotentiary Representative of the RF President in North-Western Federal Area Ilya Klebanov, Heads of profiled Committees of Saint-Petersburg Administration. The issues devoted to the assurance of reliability, security and development of Saint-Petersburg electrical power supply were discussed during the conference.

On June 13, 2005 new substation "Voznesenie" of 110 kV located in Podporozhskiy region was put into operation. This object of electric power network plays a substantial role in the reliable electric power supply in this region

On June 24, 2005 General Director of JSC "Lenenergo" Andrey Likhachev was awarded the honorary diploma of the prizewinner "Manager of 2004" in the nomination "For Deserts". The award was established by European fund for science and education development together with Saint-Petersburg Institute of management and economics (IME).

On June 30, 2005 the Annual General Meeting of shareholders of JSC "Lenenergo" was held. The shareholders approved the Annual Report for 2004 and elected the new staff of the Board of Directors and Audit Committee of the Company. The Independent Auditor of JSC "Lenenergo" was approved ZAO "PricewaterhouseCoopers Audit".

KEY FIGURES

Operational figures

Installed capacity, MW
 Electricity production, mln. kWh
 Purchased electricity, mln.kWh
 Electricity useful output, mln. kWh
 Heat useful output, '000 Gcal
 Number of employees

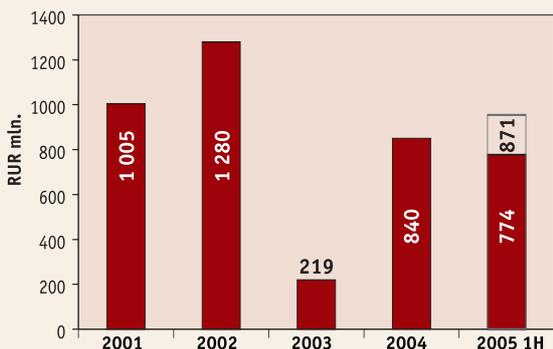
Financial results (RAS)

Net sales, RUR mln.
 Pre tax profit, RUR mln.
 Net profit/loss, RUR mln.

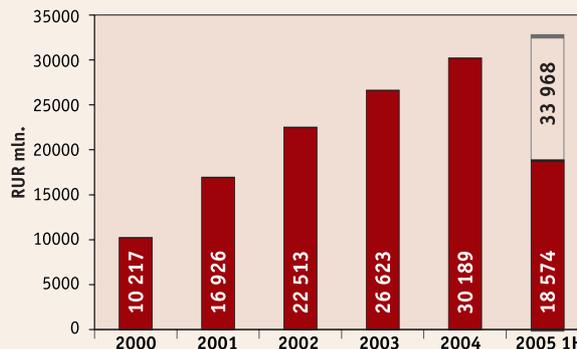
1H 2005	1H 2004	Change, %
3,226	3,244	(0.5)
7,836	7,332	6.9
7,932	7,946	(0.2)
12,751	12,533	1.7
13,262	12,378	7.1
12,589	14,326	(12.1)

1H 2005	1H 2004	Growth, multiples
18,574	15,614	1.2
1,441	315	4.6
744	46	16.8

Profit/loss

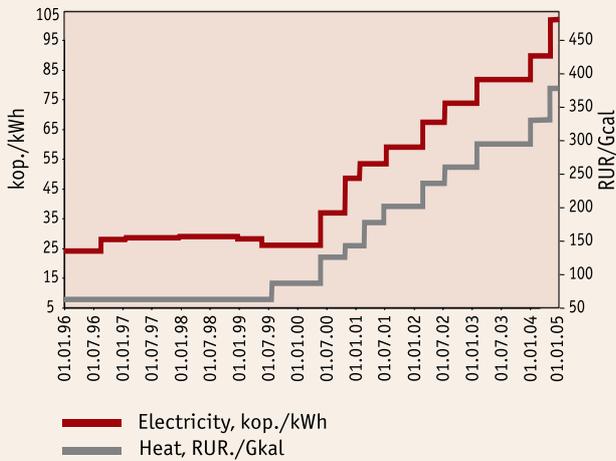


Sales





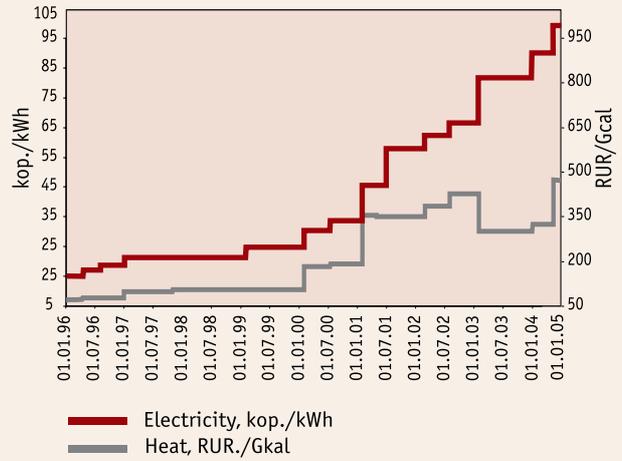
**Tariff changes
St. Petersburg**



Average current tariffs (St. Petersburg):

Electricity 102.3 kop./kW-h
Heat 374.5 RUR/GCal

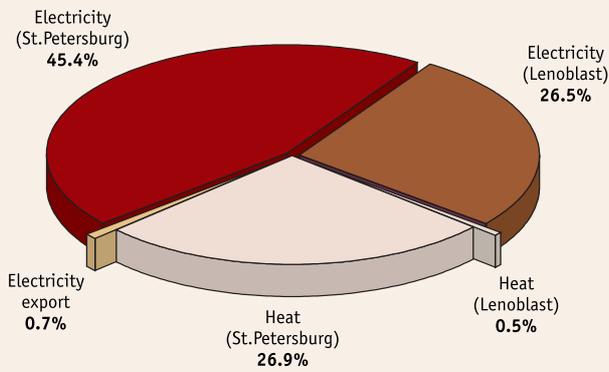
**Tariff changes
Leningrad Region**



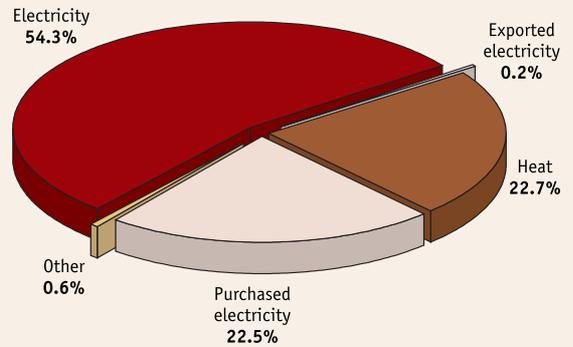
Average current tariffs (Leningrad Region):

Electricity 100.9 kop./kW-h
Heat 492.3 RUR/GCal

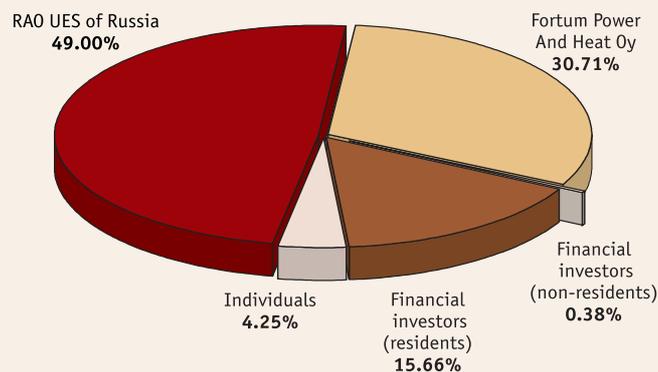
Sales



Cost of Sales



Shareholder structure



BALANCE SHEET

'000 RUR	January 01, 2005	June 30, 2005
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	946	804
Fixed assets, incl.:	35,315,742	35,245,407
Land	20,877	20,877
Buildings, plants and machinery	35,086,671	35,084,120
Other	208,194	140,410
Investments in non-current assets	6,230,615	7,150,911
Long-term financial investments, incl.:	825,545	831,837
Subsidiaries	244,476	250,768
Affiliates	28,074	28,074
Other companies	506,122	506,122
Long-term loans	45,273	45,273
Other long-term financial investments	1,600	1,600
Deferred tax assets	117,584	127,162
TOTAL non-current assets	42,490,432	43,356,121
CURRENT ASSETS		
Inventories	1,586,266	1,456,332
VAT	1,345,925	1,300,517
Long-term accounts receivable	6,725	7,935
Short-term accounts receivable, incl.:	7,935,900	8,693,058
Customers	4,902,495	5,657,836
Notes receivable	-	-
Receivable from subsidiaries and affiliates	-	-
Prepayments	1,492,153	1,300,542
Other	1,541,252	1,734,680
Short-term financial assets	60,122	7,870
Cash and cash equivalents	1,072,181	804,814
Total current assets	12,007,119	12,270,526
TOTAL ASSETS	54,497,551	55,626,647
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Authorised share capital	897,363	897,363
Reacquired shares	-	(562,189)
Additional capital	38,880,753	38,846,201
Reserve capital	125,230	134,604
Social fund	-	-
Retained earnings of prior period	1,314,937	584,154
Losses of prior periods	(525,958)	-
Profit/Loss of the accounting period	-	774,471
TOTAL Shareholders' equity	40,692,325	40,674,604
LONG-TERM DEBT	5,261,247	5,209,782
CURRENT LIABILITIES		
Loans and credits, incl.:	1,764,735	2,058,011
Bank credits	1,696,481	1,996,274
Loans	68,254	61,737
Accounts payable, incl.:	6,290,967	6,554,387
Suppliers	2,262,840	1,786,015
Notes payable	23	23
Accrued payroll	47,057	136,323
Social funds	52,075	59,275
Budget	247,253	339,119
Prepayments received	2,943,976	3,266,259
Other accounts payable	665,838	932,621
Due to shareholders	298,668	521,113
Deferred income	189,609	178,444
TOTAL current liabilities	8,543,979	9,742,261
TOTAL EQUITY AND LIABILITIES	54,497,551	55,626,647



INCOME STATEMENT (RAS)

'000 RUR	1st half 2005	1st half 2004
Net Revenues	18,574,179	15,613,555
Electricity	13,260,740	10,816,119
Heat	4,992,088	4,085,488
Other	321,351	711,948
Cost of goods sold	(16,625,300)	(14,397,696)
Operating Profit	1,948,879	1,215,859
Interest income	203	321
Interest expenses	(210,508)	(210,041)
Other financial items gain	-	-
Other operating income	475,458	719,305
Other operational expenses	(739,278)	(1,057,647)
Other non-operating income	333,960	346,619
Other non-operating expenses	(336,858)	(698,951)
Pre tax profit	1,441,856	315,465
Income tax and other similar charges	(667,385)	(269,349)
Profit after tax	774,471	46,116
Exceptional income	-	16
Exceptional expenses	-	-
Net profit	774,471	46,132

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