



NOTABLE EVENTS

JANUARY

● The Regional Energy Commissions (REC's) increased Lenenergo's average electricity tariffs by 9.66% for St.Petersburg and by 10.32% for the Leningrad Region. Average heat tariffs increased by 12.00% for St.Petersburg and by 7.63% for the Leningrad Region.

FEBRUARY

● A meeting of the Board of Directors of Lenenergo was held in the Company's head-office in St.Petersburg on 18 February 2004. The management of Lenenergo reported to the Board preliminary operational and financial results for the year 2003.

APRIL

● Lenenergo floated a 3 bln. RUR bond with the maturity period of 3 years at Moscow Interbank Currency Exchange.

MAY

- Standard & Poor's completed its evaluation of Lenenergo's corporate governance and awarded the Company rating of 6.0.
- The plan on JSC "Lenenergo" restructuring was approved at the meeting of RAO "UES of Russia" Board of Directors.
- Lenenergo's Annual General Meeting elected a new Board of Directors, approved the Annual Report 2003 and appointed MOORE STEPHENS as auditors. Shareholders approved dividends of 0,13657 RUR per ordinary share and 0,1670 RUR per preferred share.

JUNE

● Lenenergo put into operation the new substation "Port" of 110 kV. It was one of the largest investment projects of Lenenergo for the last several years.

JULY

● The Board of Directors of Lenenergo decided to start the restructuring of JSC Lenenergo.

SEPTEMBER

● Fortum increased its share in Lenenergo's share capital up to 30.7 %.

KEY FIGURES

Operational figures

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

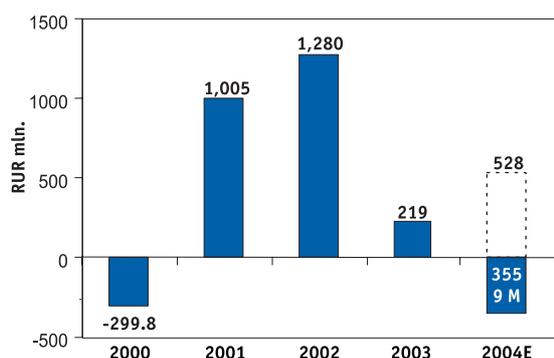
Financial results (RAS)

Net sales, RUR mln.
 Allocated to reserves, RUR mln.
 Operating profit, RUR mln.
 Net profit/loss, RUR mln.

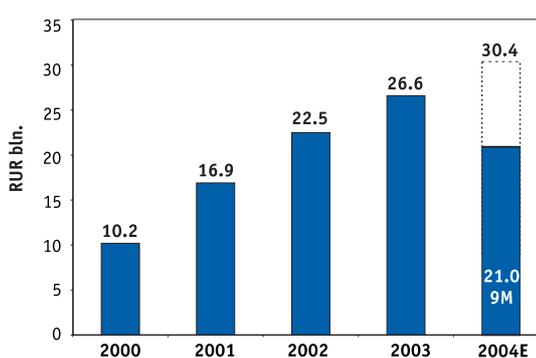
9 M 2004	9 M 2003	Change, %
3,244.5	3,244.5	-
9,475	8,513	11.3
12,527	13,144	(4.7)
17,853	17,985	(0.7)
13,844	14,997	(7.7)
13,944	14,339	(2.8)

21,034	18,994	10.7
126	632	(80.1)
860	1,234	(30.3)
(355)	(204)	(74.0)

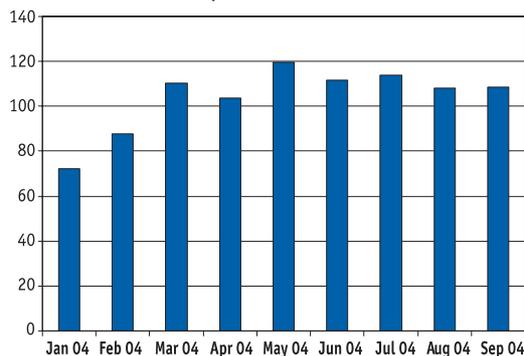
Profit/loss



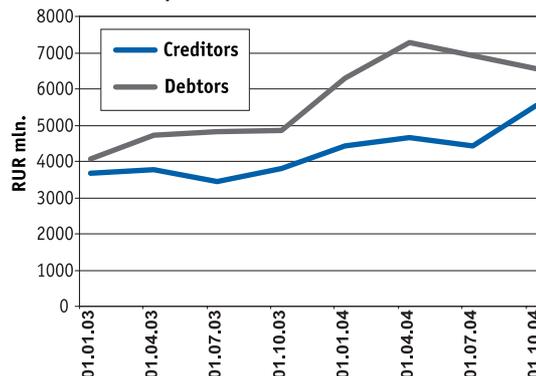
Sales



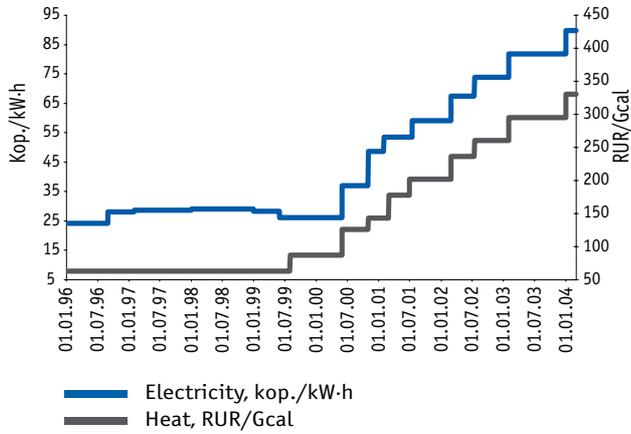
Cash collection, %



Debtors/Creditors



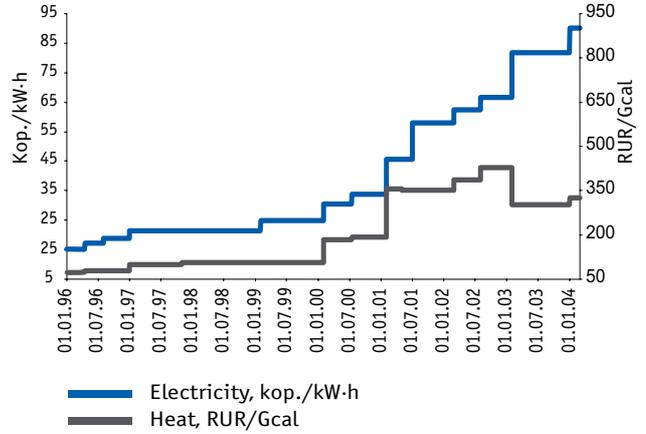
**Tariff changes
St. Petersburg**



Average current tariffs (St. Petersburg):

Electricity 89.81 kop./kW-h
Heat 329.9 RUR/Gcal

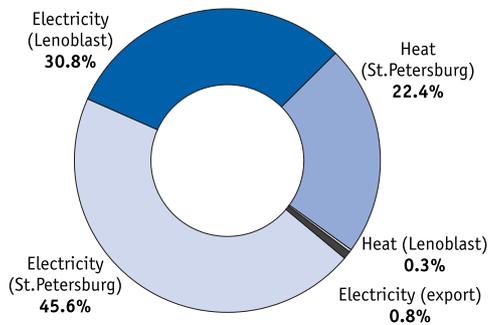
**Tariff changes
Leningrad Region**



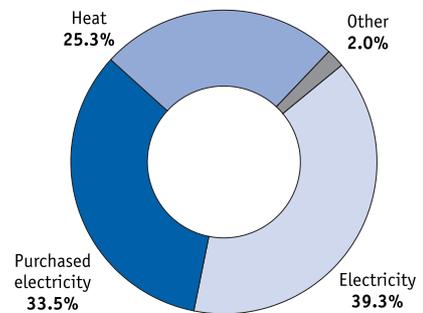
Average current tariffs (Leningrad Region):

Electricity 90.02 kop./kW-h
Heat 325.4 RUR/Gcal

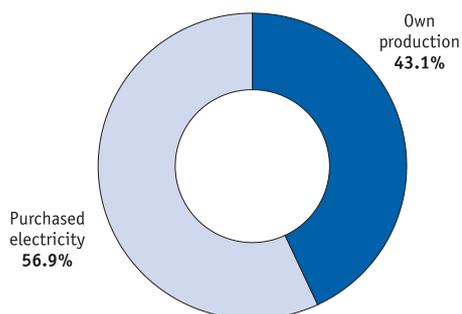
Sales



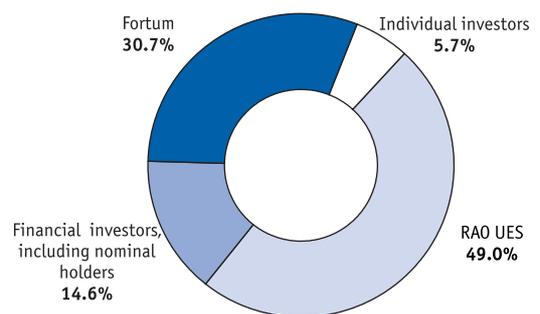
Cost of Sales



Electricity Balance



Shareholder structure





BALANCE SHEET

'000 RUR	January 1, 2004	September 30, 2004
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	5,072	1,013
Fixed assets, incl.:	35,484,265	34,762,896
Land	207	20,877
Buildings, plants and machinery	35,216,966	34,512,368
Other	267,092	229,651
Investments in non-current assets	4,013,594	5,786,954
Long-term financial investments, incl.:	453,874	450,205
Subsidiaries	18,907	18,907
Affiliates	28,074	28,074
Other companies	352,961	352,951
Long-term loans	51,600	48,673
Other long-term financial investments	2,332	1,600
Deffered tax assets	100,308	301,829
TOTAL non-current assets	40,057,113	41,302,897
CURRENT ASSETS		
Inventories	1,493,590	1,624,223
VAT	844,378	1,135,925
Long-term accounts receivable	7,059	7,899
Short-term accounts receivable, incl.:	6,278,655	6,537,164
Customers	4,299,911	3,621,699
Notes receivable	-	-
Receivable from subsidiaries and affiliates	-	-
Prepayments	1,288,174	1,524,954
Other	690,570	1,390,511
Short-term financial assets	59,548	12,366
Cash and cash equivalents	471,511	630,103
Total current assets	9,154,741	9,947,680
TOTAL ASSETS	49,211,854	51,250,577
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Authorised share capital	897,363	897,363
Preference Share Capital	131,328	131,328
Ordinary Share Capital	766,035	766,035
Additional capital	39,241,845	39,046,945
Reserve capital	114,265	125,230
Retained earnings of prior periods	219,298	81,784
Losses of prior periods	(488,190)	(312,954)
Profit/Loss of the accounting period	-	(354,983)
TOTAL Shareholders' equity	39,984,581	39,483,385
LONG-TERM DEBT	494,159	3,757,669
CURRENT LIABILITIES		
Loans and credits, incl.:	3,774,445	1,972,363
Bank credits	3,238,500	1,670,103
Loans	535,945	302,260
Accounts payable, incl.:	4,433,616	5,536,943
Suppliers	1,422,001	1,774,457
Notes payable	64	24
Accrued payroll	68,155	72,953
Social funds	24,581	28,195
Budget	405,989	425,613
Prepayments received	1,974,376	2,553,685
Other accounts payable	538,450	682,016
Due to shareholders	318,258	298,668
Deferred income	206,795	201,549
Reserves of future payments	-	-
TOTAL current liabilities	8,733,114	8,009,523
TOTAL EQUITY AND LIABILITIES	49,211,854	51,250,577



INCOME STATEMENT

'000 RUR	2004 (9 M)	2003 (9 M)
Net Revenues	21,034,157	18,993,668
Electricity	15,515,843	14,195,907
Heat	4,564,008	4,257,923
Other	954,306	539,838
Cost of goods sold	20,174,051	17,759,288
Operating Profit	860,106	1,234,380
Interest income	598	41
Interest expenses	334,071	49,415
Other financial items gain	2,422	2,814
Other operating income	1,039,460	993,064
Other operating expenses	1,334,326	1,811,869
Profit from operating and financial activity	234,189	369,015
Other non-operating income	452,624	199,232
Other non-operating expenses	946,278	548,530
Pre tax profit	(259,465)	19,717
Income tax and other similar charges	95,534	229,685
Profit after tax	(354,999)	(209,968)
Exceptional income	16	7,067
Exceptional expenses	-	820
Net profit	(354,983)	(203,721)

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