



**RUSHYDRO GROUP**

**Condensed Consolidated Interim  
Financial Information (Unaudited)  
prepared in accordance with IAS 34**

**As at and for the three and nine months ended 30 September 2015**

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**RusHydro Group**  
**Condensed Consolidated Interim Statement of Financial Position (unaudited)**  
(In millions of Russian Rubles unless noted otherwise)



	Note	30 September 2015	31 December 2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	735,271	686,190
Investments in associates and joint ventures		15,343	14,032
Available-for-sale financial assets		6,046	4,132
Deferred income tax assets		4,596	5,355
Other non-current assets	8	25,327	25,021
<b>Total non-current assets</b>		<b>786,583</b>	<b>734,730</b>
<b>Current assets</b>			
Cash and cash equivalents	9	46,526	34,394
Income tax receivable		2,071	1,965
Accounts receivable and prepayments	10	53,968	48,012
Inventories	11	26,009	22,133
Other current assets	12	40,174	41,872
		<b>168,748</b>	<b>148,376</b>
Non-current assets and assets of disposal group classified as held for sale	3	2,078	664
<b>Total current assets</b>		<b>170,826</b>	<b>149,040</b>
<b>TOTAL ASSETS</b>		<b>957,409</b>	<b>883,770</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13	386,255	386,255
Treasury shares		(26,092)	(26,092)
Share premium		39,202	39,202
Retained earnings and other reserves		205,213	179,556
<b>Equity attributable to the shareholders of PJSC RusHydro</b>		<b>604,578</b>	<b>578,921</b>
Non-controlling interest		9,831	16,230
<b>TOTAL EQUITY</b>		<b>614,409</b>	<b>595,151</b>
<b>Non-current liabilities</b>			
Deferred income tax liabilities		37,262	35,891
Non-current debt	15	133,296	119,187
Other non-current liabilities		15,800	11,195
<b>Total non-current liabilities</b>		<b>186,358</b>	<b>166,273</b>
<b>Current liabilities</b>			
Current debt and current portion of non-current debt	15	91,885	57,843
Accounts payable and accruals	16	51,725	51,558
Current income tax payable		444	536
Other taxes payable	17	11,201	11,913
		<b>155,255</b>	<b>121,850</b>
Liabilities of disposal group classified as held for sale	3	1,387	496
<b>Total current liabilities</b>		<b>156,642</b>	<b>122,346</b>
<b>TOTAL LIABILITIES</b>		<b>343,000</b>	<b>288,619</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>957,409</b>	<b>883,770</b>

Chairman of Management Board – General Director

N. G. Shulginov

Chief Accountant

D. V. Finkel



15 December 2015

**RusHydro Group**  
**Condensed Consolidated Interim Income Statement (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



	Note	Nine months ended 30 September		Three months ended 30 September	
		2015	2014	2015	2014
Revenue	18	245,083	233,308	74,295	67,999
Government grants	19	8,188	7,833	2,668	2,226
Other operating income	7	6,792	697	5,033	-
Operating expenses (excluding impairment losses)	20	(226,069)	(205,089)	(71,500)	(65,121)
<b>Operating profit excluding impairment losses</b>		<b>33,994</b>	<b>36,749</b>	<b>10,496</b>	<b>5,104</b>
Impairment of property, plant and equipment, net (Impairment) / reversal of impairment of accounts receivable, net		(2,240)	(2,304)	(904)	(608)
Impairment of available-for-sale financial assets		(148)	(1,821)	637	(375)
		-	(1,509)	-	(362)
<b>Operating profit</b>		<b>31,606</b>	<b>31,115</b>	<b>10,229</b>	<b>3,759</b>
Finance income	21	9,837	6,121	2,561	2,051
Finance costs	21	(10,284)	(6,082)	(5,103)	(1,975)
Profit / (loss) in respect of associates and joint ventures		1,896	(344)	447	(374)
<b>Profit before income tax</b>		<b>33,055</b>	<b>30,810</b>	<b>8,134</b>	<b>3,461</b>
Total income tax expense	14	(8,957)	(8,412)	(2,618)	(2,399)
<b>Profit for the period</b>		<b>24,098</b>	<b>22,398</b>	<b>5,516</b>	<b>1,062</b>
Attributable to:					
Shareholders of PJSC RusHydro		30,153	23,916	8,491	2,926
Non-controlling interest		(6,055)	(1,518)	(2,975)	(1,864)
Earnings per ordinary share attributable to the shareholders of PJSC RusHydro – basic and diluted (in Russian Rubles per share)	22	0.0827	0.0640	0.0233	0.0080
Weighted average number of shares outstanding – basic and diluted (millions of shares)	22	364,469	373,862	364,469	366,482

**RusHydro Group**  
**Condensed Consolidated Interim Statement of Comprehensive Income (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



	Nine months ended 30 September		Three months ended 30 September	
	2015	2014	2015	2014
Profit for the period	24,098	22,398	5,516	1,062
<b>Other comprehensive (loss) / income, net of tax:</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of pension benefit obligations	(1,038)	320	-	-
Other comprehensive (loss) / income	(2)	8	(44)	4
<b>Total items that will not be reclassified to profit or loss</b>	<b>(1,040)</b>	<b>328</b>	<b>(44)</b>	<b>4</b>
<i>Items that may be reclassified subsequently to profit or loss</i>				
Gain / (loss) arising on available-for-sale financial assets	1,914	(4)	(782)	-
Loss arising on impaired available-for-sale financial assets	-	(114)	-	-
Accumulated loss on available-for-sale financial assets recycled to the Income Statement	-	103	-	-
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>1,914</b>	<b>(15)</b>	<b>(782)</b>	<b>-</b>
<b>Other comprehensive income / (loss) for the period</b>	<b>874</b>	<b>313</b>	<b>(826)</b>	<b>4</b>
<b>Total comprehensive income for the period</b>	<b>24,972</b>	<b>22,711</b>	<b>4,690</b>	<b>1,066</b>
Attributable to:				
Shareholders of PJSC RusHydro	31,367	24,150	7,665	2,930
Non-controlling interest	(6,395)	(1,439)	(2,975)	(1,864)

**RusHydro Group**  
**Condensed Consolidated Interim Statement of Cash Flows (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



	Note	Nine months ended 30 September	
		2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
<b>Profit before income tax</b>		<b>33,055</b>	<b>30,810</b>
Depreciation of property, plant and equipment and intangible assets	7, 20	16,983	15,484
Loss / (gain) on disposal of property, plant and equipment, net	20	2,463	(65)
(Profit) / loss in respect of associates and joint ventures		(1,896)	344
Other operating income	7	(6,792)	(697)
Finance income	21	(9,837)	(6,121)
Finance costs	21	10,284	6,082
Impairment of property, plant and equipment, net		2,240	2,304
Impairment of available-for-sale financial assets		-	1,509
Impairment of accounts receivable, net		148	1,821
Pension expenses		227	382
Other expense		5	126
<b>Operating cash flows before working capital changes, income tax paid and changes in other assets and liabilities</b>		<b>46,880</b>	<b>51,979</b>
Working capital changes:			
Decrease / (increase) in accounts receivable and prepayments		1,264	(5,220)
Increase in inventories		(4,629)	(3,877)
Decrease in accounts payable and accruals		(630)	(3,882)
Decrease in other taxes payable		(578)	(1,551)
(Increase) / decrease in other non-current assets		(546)	1,003
Increase / (decrease) in other non-current liabilities		2,788	(265)
Income tax paid		(6,767)	(6,076)
<b>Net cash generated by operating activities</b>		<b>37,782</b>	<b>32,111</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment		(58,586)	(47,878)
Proceeds from sale of property, plant and equipment		722	87
Investment in bank deposits and purchase of other investments		(48,985)	(123,708)
Redemption of bank deposits and proceeds from sale of other investments		50,036	134,660
Contribution to share capital of associates and joint ventures		-	(70)
Purchase of subsidiaries, net of cash acquired		(651)	(86)
Proceeds from sale of investments in associates		81	-
Proceeds from sale of subsidiaries		60	-
Interest received		6,674	5,601
<b>Net cash used in investing activities</b>		<b>(50,649)</b>	<b>(31,394)</b>

**RusHydro Group**  
**Condensed Consolidated Interim Statement of Cash Flows (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)

	Note	Nine months ended 30 September	
		2015	2014
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from current debt	15	58,874	64,472
Proceeds from non-current debt	15	34,269	18,304
Repayment of debt	15	(48,705)	(60,925)
Interest paid		(13,567)	(9,721)
Finance lease payments		(505)	(715)
Dividends paid to the shareholders of PJSC RusHydro		(5,685)	(5,102)
Dividends paid by subsidiaries to non-controlling interest holders		(30)	(80)
<b>Net cash generated by financing activities</b>		<b>24,651</b>	<b>6,233</b>
Effect of foreign exchange differences on cash and cash equivalents balances		348	53
<b>Increase in cash and cash equivalents</b>		<b>12,132</b>	<b>7,003</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>34,394</b>	<b>34,472</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>9</b>	<b>46,526</b>	<b>41,475</b>

**RusHydro Group**  
**Condensed Consolidated Interim Statement of Changes in Equity (unaudited)**

(in millions of Russian Rubles unless noted otherwise)



	Note	Share capital	Treasury shares	Share premium	Merger reserve	Foreign currency translation reserve	Revaluation reserve	Available-for-sale financial assets	Remeasurement of pension benefit obligation	Retained earnings	Equity attributable to shareholders of PJSC RusHydro	Non-controlling interest	Total equity
<b>As at 1 January 2014</b>		<b>386,255</b>	<b>(10,662)</b>	<b>39,202</b>	<b>(135,075)</b>	<b>(3)</b>	<b>198,015</b>	<b>(12)</b>	<b>875</b>	<b>100,935</b>	<b>579,530</b>	<b>17,177</b>	<b>596,707</b>
Profit for the period		-	-	-	-	-	-	-	-	23,916	23,916	(1,518)	22,398
Loss arising on available-for-sale financial assets		-	-	-	-	-	-	(4)	-	-	(4)	-	(5)
Loss arising on impaired available-for-sale financial assets		-	-	-	-	-	-	(114)	-	-	(114)	-	(113)
Accumulated loss on available-for-sale financial assets recycled to the Income Statement		-	-	-	-	-	-	103	-	-	103	-	103
Remeasurement of pension benefit obligations		-	-	-	-	-	-	-	241	-	241	79	320
Other comprehensive income		-	-	-	-	(114)	-	-	-	122	8	-	8
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(114)</b>	<b>-</b>	<b>(15)</b>	<b>241</b>	<b>24,038</b>	<b>24,150</b>	<b>(1,439)</b>	<b>22,711</b>
Exchange of shares of PJSC Krasnoyarskaya HPP for treasury shares	13	-	(15,430)	-	-	-	-	-	-	-	(15,430)	-	(15,430)
Dividends	13	-	-	-	-	-	-	-	-	(5,130)	(5,130)	(80)	(5,210)
Transfer of revaluation reserve to retained earnings		-	-	-	-	-	(781)	-	-	781	-	-	-
Other movements		-	-	-	-	-	-	-	-	(156)	(156)	41	(115)
<b>As at 30 September 2014</b>		<b>386,255</b>	<b>(26,092)</b>	<b>39,202</b>	<b>(135,075)</b>	<b>(117)</b>	<b>197,234</b>	<b>(27)</b>	<b>1,116</b>	<b>120,468</b>	<b>582,964</b>	<b>15,699</b>	<b>598,663</b>

The accompanying notes are an integral part of this Condensed Consolidated Interim Financial Information



**RusHydro Group**  
**Condensed Consolidated Interim Statement of Changes in Equity (unaudited)**

(in millions of Russian Rubles unless noted otherwise)



	Note	Share capital	Treasury shares	Share premium	Merger reserve	Foreign currency translation reserve	Revaluation reserve	Available-for-sale financial assets	Remeasurement of pension benefit obligation	Retained earnings	Equity attributable to shareholders of PJSC RusHydro	Non-controlling interest	Total equity
<b>As at 1 January 2015</b>		<b>386,255</b>	<b>(26,092)</b>	<b>39,202</b>	<b>(135,075)</b>	<b>(362)</b>	<b>190,476</b>	-	<b>1,721</b>	<b>122,796</b>	<b>578,921</b>	<b>16,230</b>	<b>595,151</b>
Profit for the period		-	-	-	-	-	-	-	-	30,153	30,153	(6,055)	24,098
Gain arising on available-for-sale financial assets		-	-	-	-	-	-	1,912	-	-	1,912	2	1,914
Remeasurement of pension benefit obligations		-	-	-	-	-	-	-	(696)	-	(696)	(342)	(1,038)
Other comprehensive loss		-	-	-	-	1	(1)	-	-	(2)	(2)	-	(2)
<b>Total comprehensive income</b>		-	-	-	-	<b>1</b>	<b>(1)</b>	<b>1,912</b>	<b>(696)</b>	<b>30,151</b>	<b>31,367</b>	<b>(6,395)</b>	<b>24,972</b>
Dividends	13	-	-	-	-	-	-	-	-	(5,710)	(5,710)	(134)	(5,844)
Disposal of subsidiaries	13	-	-	-	-	-	-	-	-	-	-	138	138
Disposal of investments in associates		-	-	-	-	-	-	-	-	-	-	(8)	(8)
Transfer of revaluation reserve to retained earnings		-	-	-	-	-	(488)	-	-	488	-	-	-
<b>As at 30 September 2015</b>		<b>386,255</b>	<b>(26,092)</b>	<b>39,202</b>	<b>(135,075)</b>	<b>(361)</b>	<b>189,987</b>	<b>1,912</b>	<b>1,025</b>	<b>147,725</b>	<b>604,578</b>	<b>9,831</b>	<b>614,409</b>

The accompanying notes are an integral part of this Condensed Consolidated Interim Financial Information



## **Note 1. The Group and its operations**

PJSC RusHydro (hereinafter referred to as “the Company”) was incorporated and is domiciled in the Russian Federation. The Company is a joint stock company limited by value of shares and was set up in accordance with Russian regulations (in July 2015 OJSC RusHydro was renamed to PJSC RusHydro).

The primary activities of the Company and its subsidiaries (hereinafter referred to as “the Group”) are generation and sale of electricity and capacity on the Russian wholesale and retail markets, as well as generation and sale of heat energy.

**Economic environment in the Russian Federation.** The Russian Federation displays certain characteristics of an emerging market, including relatively high inflation and high interest rates. The Russian economy is particularly sensitive to changes in oil and gas prices.

The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations. Decline in oil prices, ongoing political tension in the region and international sanctions against certain Russian companies and individuals have had and may continue to have a negative impact on the Russian economy, including weakening of the Russian Rouble and making it harder to raise international funding.

During the nine months ended 30 September 2015:

- exchange rate set by the Central Bank of the Russian Federation fluctuated between RR 49.1777 and RR 70.7465 per USD and between RR 52.9087 and RR 81.1533 per Euro;
- key interest rate set by the Central Bank of the Russian Federation decreased from 17.0 percent p.a. to 11.0 percent p.a.

Currently the financial markets continue to be volatile and are characterised by frequent significant price movements and increased trading spreads.

Subsequent to 30 September 2015: exchange rate set the Central Bank of the Russian Federation fluctuated between RR 61.1535 and RR 69.3026 per USD and between RR 68.7903 and RR 76.0674 per Euro.

These and other events may have a material impact on the Group's operations, its prospective financial position, operational results and business perspectives. Management is unable to foresee the outcome of such impact at this stage, but believes it takes all the necessary measures to support the sustainability and development of the Group's business.

**Wholesale electricity and capacity market..** The Resolution of the Russian Government No. 893 dated 27 August 2015 approved new rules for competitive capacity selection (CCS) and improved capacity trading principles on the wholesale market.

In 2015, the CCSs are conducted for 2016-2019. Starting from 2016, capacity under the CCS will be annually selected for the year which is in three calendar years' time from the year of the respective CCS. The CCS procedures are performed for the pricing zones not separated into free power transfer zones. Indexation is performed if CCS is conducted for more than one year ahead. The CCS price is indexed for CPI decreased by 1 percent for the period from 1 January of the year following the year when the CCS was conducted to 1 January of the year of supply.

The CCS price represents the maximum of prices in the selected bids and the price at which the demand function takes a value equal to the cumulative volume of the capacity selected (including the capacity to be paid irrespective of the CCS results). The CCS price for each pricing zone is the same for all selected generating facilities. Non-selected capacity that failed to pass through the competitive selection is not paid for.

If the actual demand for capacity exceeds the volume of generating capacity selected, an adjusting CCS procedure can be conducted. Capacity commissioned under capacity supply contracts (CSC) entered into with heating generation sites and contracts with nuclear power plants and hydropower plants similar to CSC and that of generating sites that are required to maintain the technological operating modes of the energy system or supply heat (“forced” generators) is paid for irrespective of the CCS results.

Capacity supplied by the “forced” generators is paid for at the price set by the authorised federal authority (or the Russian government) but not higher than the prior year price based on the CCS results or set for the “forced” generators. Capacity of the “forced” generators and capacity commissioned under capacity supply contracts (CSC) entered into with heating generation sites and contracts with nuclear power plants and hydropower plants similar to CSC is included in the price-accepting bid in the CCS procedure.



The payment for capacity is distributed as follows: capacity of the generating facilities selected through CCS and under CSC is paid by all consumers in the pricing zone. Capacity of the "forced" generators is paid for by the consumers of the relevant free power transfer zone to avoid threat of energy shortage, or by the consumers of the relevant constituent unit of the Russian Federation to avoid threat of heat power shortage.

Based on the CCS results for 2016 conducted by the System Operator in accordance with the requirements of the Russian Government Resolution No. 893 dated 27 August 2015, the prices for capacity for 2016 by pricing zones are set at RR 112,624.42 for MW for the first pricing zone and RR 189,191.17 for MW for the second pricing zone.

In other respects, during the nine months ended 30 September 2015 no substantial changes to the rules of Russian wholesale and retail electricity and capacity markets, their functioning and price setting mechanisms have been made.

**Relations with the Government and current regulation.** As at 30 September 2015 the Russian Federation owned 66.84 percent of the total voting ordinary shares of the Company (31 December 2014: 66.84 percent).

The Group's major customer base includes a large number of entities controlled by, or related to the Government. Furthermore, the Government controls contractors and suppliers, which provide the Group with electricity dispatch, transmission and distribution services, and a number of the Group's fuel and other suppliers (Note 6).

In addition, the Government affects the Group's operations through:

- participation of its representatives in the Company's Board of Directors;
- regulation of tariffs for electricity, capacity and heating;
- approval and monitoring of the Group's investment programme, including volume and sources of financing.

Economic, social and other policies of the Russian Government could have a material effect on operations of the Group.

**Seasonality of business.** The demand for the Group's heat and electricity generation and supply depends on weather conditions and the season. In addition to weather conditions, the electricity production by hydro generation plants depends on water flow in the river systems. In spring and in summer (flood period) electricity production by hydro generation plants is significantly higher than in autumn and in winter. Heat and electricity production by the heat generation assets, to the contrary, is significantly higher in autumn and in winter than in spring and in summer. The seasonal nature of heat and electricity generation has a significant influence on the volume of fuel consumed by heat generation assets and electricity purchased by the Group.

## **Note 2. Basis of preparation**

This Condensed Consolidated Interim Financial Information has been prepared in accordance with IAS 34, *Interim Financial Reporting* and should be read in conjunction with the annual Consolidated Financial Statements as at and for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

This Condensed Consolidated Interim Financial Information is unaudited. Certain disclosures duplicating information included in the annual Consolidated Financial Statements as at and for the year ended 31 December 2014 have been omitted or condensed.

## **Note 3. Significant accounting policies and new pronouncements**

The accounting policies followed in the preparation of this Condensed Consolidated Interim Financial Information are consistent with those applied in the annual Consolidated Financial Statements as at and for the year ended 31 December 2014 except for income tax which is accrued in the interim periods using the best estimate of the weighted average annual income tax rate that would be applicable to expected total annual profit or loss and new standards and interpretations that are effective from 1 January 2015.

Certain reclassifications have been made to prior period data to conform to the current period presentation. These reclassifications are not material.

## **Critical accounting estimates and judgements**

The preparation of Condensed Consolidated Interim Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In



(in millions of Russian Rubles unless noted otherwise)

preparing this Condensed Consolidated Interim Financial Information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Consolidated Financial Statements as at and for the year ended 31 December 2014 with the exception of changes in estimates that are required in determining the estimate weighted average annual income tax rate (Note 14) and discount rate for pension benefit obligations as provided below.

**Discount rate.** Principal actuarial assumptions used in determining pension benefit obligations as at 30 September 2015 remained unchanged in comparison with 31 December 2014 except for the discount rate which decreased from 13.0 percent as at 31 December 2014 to 11.0 percent as at 30 September 2015.

**Disposal group.** At the end of the first half of 2015 the Group's management made decision to sell shares of OJSK HRSK and OJSK SK Agroenergo at open auction. As at 30 September 2015 these investments were classified as disposal group held for sale as the sale was highly probable.

#### ***New standards and interpretations***

The Group has adopted all new standards and interpretations that were effective from 1 January 2015. The impact of the adoption of these new standards and interpretations has not been significant with respect to this Condensed Consolidated Interim Financial Information.

Certain new standards, interpretations and amendments to standards and interpretations, as disclosed in the Consolidated Financial Statements as at and for the year ended 31 December 2014, have been issued but are not effective for the financial year ending 31 December 2015 and which the Group has not early adopted.

#### **Note 4. Principal subsidiaries**

All principal subsidiaries are incorporated and operate in the Russian Federation. Differences between the ownership interest and voting interest held by some subsidiaries represent the effect of preference shares and / or effects of indirect ownership, or non-corporate partnership (LLC).

The Group operates in the three main reportable segments one of which is presented by the Group's parent company – PJSC RusHydro (Note 5). The principal subsidiaries are presented below according to their allocation to the reportable segments as at 30 September 2015 and 31 December 2014.

#### ***ESC RusHydro subgroup segment***

ESC RusHydro subgroup segment includes the Group's subsidiaries which sell electricity to final customers. All the entities included in this segment with the exception of JSC ESC RusHydro have the guaranteeing supplier status and are obliged to sign contracts on supplies with all final consumers of their region upon their request.

	30 September 2015		31 December 2014	
	% of ownership	% of voting	% of ownership	% of voting
JSC ESC RusHydro	100.00%	100.00%	100.00%	100.00%
PJSC Krasnoyarskenergosbyt	65.81%	69.40%	65.81%	65.81%
PJSC Ryazan Power Distributing Company	90.52%	90.52%	90.52%	90.52%
JSC Chuvashskaya energy retail company	100.00%	100.00%	100.00%	100.00%
LLC ESC Bashkortostan	100.00%	-	100.00%	-

#### ***RAO ES East subgroup segment***

RAO ES East subgroup segment consists of PJSC RAO ES East and its subsidiaries that generate, distribute and sell electricity and heat in the Far East region of the Russian Federation and render transportation, construction, repair and other services.

**RusHydro Group**  
**Notes to the Condensed Consolidated Interim Financial Information**  
**as at and for the three and nine months ended 30 September 2015 (unaudited)**  
(in millions of Russian Rubles unless noted otherwise)



Principal subsidiaries of this segment are presented below:

	30 September 2015		31 December 2014	
	% of ownership	% of voting	% of ownership	% of voting
PJSC RAO ES East*	85.92%	86.20%	85.92%	86.20%
PJSC DEK	44.92%	52.17%	44.92%	52.17%
JSC DGK	44.92%	100.00%	44.92%	100.00%
JSC DRSK	44.92%	100.00%	44.92%	100.00%
PJSC Kamchatskenergo	84.83%	98.74%	84.83%	98.74%
PJSC Magadanenergo**	42.10%	49.00%	42.10%	49.00%
OJSC Sakhalinenergo	47.72%	55.55%	47.72%	55.55%
PJSC Yakutskenergo	72.21%	79.16%	72.21%	79.16%

\* Voting and ownership percent interests in PJSC RAO ES East include 1.80 percent interest held by the Group's subsidiary LLC Vostok-Finance.

\*\* Control over PJSC Magadanenergo is achieved by the majority of votes on the shareholders meeting because the remaining part of the shares not owned by the Group are distributed among a large number of shareholders the individual stakes of which are insignificant.

**Other segments**

Other segments include:

- the Group's subsidiaries with production and sale of electricity and capacity;
- the Group's subsidiaries primarily engaged in research and development related to the utilities industry and construction of hydropower facilities;
- the Group's subsidiaries engaged in repair, upgrade and reconstruction of equipment and hydropower facilities;
- the Group's subsidiaries engaged primarily in hydropower plants construction;
- minor segments which do not have similar economic characteristics.

Principal subsidiaries included in all other segments are presented below:

	30 September 2015		31 December 2014	
	% of ownership	% of voting	% of ownership	% of voting
JSC Blagoveschensk HPP	100.00%	100.00%	100.00%	100.00%
JSC VNIIG	100.00%	100.00%	100.00%	100.00%
JSC Geotherm	99.65%	99.65%	99.65%	99.65%
JSC Gidroremont-VKK	100.00%	100.00%	100.00%	100.00%
JSC Zagorskaya GAES-2	100.00%	100.00%	100.00%	100.00%
JSC Zaramag HS	99.75%	99.75%	99.75%	99.75%
JSC Institute Hydroproject	100.00%	100.00%	100.00%	100.00%
PJSC Kolimaenergo	98.76%	98.76%	98.76%	98.76%
JSC Lenhydroproject	100.00%	100.00%	100.00%	100.00%
JSC NIIES	100.00%	100.00%	100.00%	100.00%
JSC Nizhne-Bureiskaya HPP	100.00%	100.00%	100.00%	100.00%
JSC Sahalin GRES-2	100.00%	100.00%	100.00%	100.00%
JSC Sulak GidroKaskad	100.00%	100.00%	100.00%	100.00%
JSC HPP in Sovetskaya Gavan	100.00%	100.00%	100.00%	100.00%
JSC Ust'-Srednekangesstroy	98.76%	100.00%	98.76%	100.00%
JSC Ust'-Srednekanskaya HPP	99.63%	100.00%	99.63%	100.00%
JSC Chirkeigesstroy	100.00%	100.00%	100.00%	100.00%
JSC ESCO UES	100.00%	100.00%	100.00%	100.00%
JSC Yakutskaya GRES-2	100.00%	100.00%	100.00%	100.00%



#### **Note 5. Segment information**

Operating segments are components of the Group engaged in operations from which they may earn revenue and incur expenses, including revenue and expenses relating to transactions with other components of the Group. The individual financial information of the segments is available and is regularly reviewed by the chief operating decision maker (CODM) to make operating decisions about resources to be allocated and the performance of segments' operating activities.

Information concerning the Group is considered by the groups of operations which are consolidated in the following separate reportable segments: PJSC RusHydro (Group's parent company), JSC ESC RusHydro subgroup, RAO ES East subgroup and other segments (Note 4). Transactions of other segments are not disclosed as reportable segments as the performance is based on quantitative indicators for the periods presented.

Management of operating activities of segments is performed with direct participation of individual segment managers accountable to the CODM. Segment managers on a regular basis submit for approval to the CODM results of operating activities and financial performance of segments. The CODM approves the annual business plan at the level of reportable segments as well as analyses actual financial performance of segments. Management bears responsibility for execution of approved plan and management of operating activities at the level of segments.

The segments' operational results are estimated on the basis of EBITDA, which is calculated as operating profit / loss excluding insurance indemnity, depreciation of property, plant and equipment and intangible assets, impairment of property, plant and equipment, impairment of available-for-sale financial assets, accounts receivable, loss on disposal of property, plant and equipment and other non-monetary items of operating income and expenses. This method of definition of EBITDA may differ from the methods applied by other companies. CODM believes that EBITDA represents the most useful means of assessing the performance of ongoing operating activities of the Company and the Group's subsidiaries, as it reflects the earnings trends without showing the impact of certain charges.

Segment information also contains capital expenditures and the amount of debt as these indicators are analysed by the CODM. Intersegment debt's balances are excluded.

All information provided to the CODM complies with the information presented in the consolidated financial statements.

Intersegment sales are carried out at market prices.

Segment information for the three and nine months ended 30 September 2015 and 30 September 2014 and as at 30 September 2015 and 31 December 2014 is presented below.



	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
<b>Nine months ended 30 September 2015</b>							
<b>Revenue</b>	<b>73,721</b>	<b>61,120</b>	<b>112,466</b>	<b>17,496</b>	<b>264,803</b>	<b>(19,720)</b>	<b>245,083</b>
<i>including:</i>							
<i>from external companies</i>	66,536	61,092	112,289	5,166	245,083	-	245,083
<i>sales of electricity</i>	47,208	60,334	72,474	331	180,347	-	180,347
<i>sales of heat and hot water sales</i>	94	-	22,887	-	22,981	-	22,981
<i>sales of capacity</i>	18,481	-	5,450	292	24,223	-	24,223
<i>other revenue</i>	753	758	11,478	4,543	17,532	-	17,532
<i>from intercompany operations</i>	7,185	28	177	12,330	19,720	(19,720)	-
Government grants	-	-	8,159	29	8,188	-	8,188
Other operating income (excluding insurance indemnity and non-monetary items)	-	-	486	251	737	(4)	733
Operating expenses (excluding depreciation and other non-monetary items)	(29,355)	(59,154)	(117,998)	(18,145)	(224,652)	18,225	(206,427)
<b>EBITDA</b>	<b>44,366</b>	<b>1,966</b>	<b>3,113</b>	<b>(369)</b>	<b>49,076</b>	<b>(1,499)</b>	<b>47,577</b>
Insurance indemnity	-	-	-	5,591	5,591	-	5,591
Depreciation of property, plant and equipment and intangible assets	(9,622)	(113)	(5,862)	(1,116)	(16,713)	(270)	(16,983)
Other non-monetary items of operating income and expenses	(34)	(345)	(1,285)	(2,741)	(4,405)	(174)	(4,579)
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(1,276)	-	(964)	-	(2,240)	-	(2,240)
<i>reversal / (impairment) of accounts receivable, net</i>	1,452	(335)	(965)	(300)	(148)	-	(148)
<i>(loss) / gain on disposal of property, plant and equipment, net</i>	(110)	(10)	8	(2,441)	(2,553)	90	(2,463)
<i>(loss) / profit on disposal of subsidiaries, associates and joint venture, net</i>	(100)	-	636	-	536	(264)	272
<b>Operating profit / (loss)</b>	<b>34,710</b>	<b>1,508</b>	<b>(4,034)</b>	<b>1,365</b>	<b>33,549</b>	<b>(1,943)</b>	<b>31,606</b>
Finance income							9,837
Finance costs							(10,284)
Profit in respect of associates and joint ventures							1,896
<b>Profit before income tax</b>							<b>33,055</b>
Total income tax expense							(8,957)
<b>Profit for the period</b>							<b>24,098</b>
<b>Capital expenditure</b>	<b>21,458</b>	<b>103</b>	<b>12,508</b>	<b>36,776</b>	<b>70,845</b>	<b>2,689</b>	<b>73,534</b>
<b>30 September 2015</b>							
<b>Non-current and current debt</b>	<b>141,279</b>	<b>3,628</b>	<b>73,361</b>	<b>6,913</b>	<b>225,181</b>	<b>-</b>	<b>225,181</b>



	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
<b>Nine months ended 30 September 2014</b>							
<b>Revenue</b>	<b>75,578</b>	<b>58,117</b>	<b>101,950</b>	<b>18,406</b>	<b>254,051</b>	<b>(20,743)</b>	<b>233,308</b>
<i>including:</i>							
<i>from external companies</i>	68,041	58,103	101,785	5,379	233,308	-	233,308
<i>sales of electricity</i>	49,897	57,474	64,721	234	172,326	-	172,326
<i>sales of heat and hot water sales</i>	90	-	22,132	2	22,224	-	22,224
<i>sales of capacity</i>	16,745	-	3,184	205	20,134	-	20,134
<i>other revenue</i>	1,309	629	11,748	4,938	18,624	-	18,624
<i>from intercompany operations</i>	7,537	14	165	13,027	20,743	(20,743)	-
Government grants	-	-	7,824	9	7,833	-	7,833
Operating expenses (excluding depreciation and other non-monetary items)	(29,170)	(57,151)	(103,509)	(18,302)	(208,132)	18,498	(189,634)
<b>EBITDA</b>	<b>46,408</b>	<b>966</b>	<b>6,265</b>	<b>113</b>	<b>53,752</b>	<b>(2,245)</b>	<b>51,507</b>
Depreciation of property, plant and equipment and intangible assets	(8,499)	(517)	(5,473)	(1,158)	(15,647)	163	(15,484)
Other non-monetary items of operating income and expenses	(4,508)	(34)	(600)	(43)	(5,185)	277	(4,908)
<i>including:</i>							
<i>other operating income</i>	697	-	-	-	697	-	697
<i>impairment of property, plant and equipment</i>	(2,304)	-	-	-	(2,304)	-	(2,304)
<i>impairment of accounts receivable, net</i>	(1,252)	(40)	(484)	(45)	(1,821)	-	(1,821)
<i>impairment of available-for-sale financial assets</i>	(1,445)	-	(64)	-	(1,509)	-	(1,509)
<i>(loss) / gain on disposal of property, plant and equipment, net</i>	(204)	6	(52)	2	(248)	313	65
<i>loss on disposal of subsidiaries</i>	-	-	-	-	-	(36)	(36)
<b>Operating profit / (loss)</b>	<b>33,401</b>	<b>415</b>	<b>192</b>	<b>(1,088)</b>	<b>32,920</b>	<b>(1,805)</b>	<b>31,115</b>
Finance income							6,121
Finance costs							(6,082)
Loss in respect of associates and joint ventures							(344)
<b>Profit before income tax</b>							<b>30,810</b>
Total income tax expense							(8,412)
<b>Profit for the period</b>							<b>22,398</b>
<b>Capital expenditure</b>							
	<b>27,219</b>	<b>72</b>	<b>11,328</b>	<b>23,611</b>	<b>62,230</b>	<b>(3,540)</b>	<b>58,690</b>
<b>31 December 2014</b>							
<b>Non-current and current debt</b>	<b>113,060</b>	<b>3,403</b>	<b>54,496</b>	<b>6,071</b>	<b>177,030</b>	<b>-</b>	<b>177,030</b>





	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
<b>Three months ended 30 September 2015</b>							
<b>Revenue</b>	<b>25,429</b>	<b>18,155</b>	<b>31,299</b>	<b>6,328</b>	<b>81,211</b>	<b>(6,916)</b>	<b>74,295</b>
<i>including:</i>							
<i>from external companies</i>	22,866	18,132	31,256	2,041	<b>74,295</b>	-	<b>74,295</b>
<i>sales of electricity</i>	16,704	17,881	21,467	113	<b>56,165</b>	-	<b>56,165</b>
<i>sales of heat and hot water sales</i>	13	-	2,826	-	<b>2,839</b>	-	<b>2,839</b>
<i>sales of capacity</i>	5,899	-	2,409	110	<b>8,418</b>	-	<b>8,418</b>
<i>other revenue</i>	250	251	4,554	1,818	<b>6,873</b>	-	<b>6,873</b>
<i>from intercompany operations</i>	2,563	23	43	4,287	<b>6,916</b>	(6,916)	-
Government grants	-	-	2,654	14	<b>2,668</b>	-	<b>2,668</b>
Other operating income (excluding insurance indemnity and non-monetary items)	-	-	202	5	<b>207</b>	(4)	<b>203</b>
Operating expenses (excluding depreciation and other non-monetary items)	(10,751)	(17,743)	(35,220)	(5,660)	<b>(69,374)</b>	6,118	<b>(63,256)</b>
<b>EBITDA</b>	<b>14,678</b>	<b>412</b>	<b>(1,065)</b>	<b>687</b>	<b>14,712</b>	<b>(802)</b>	<b>13,910</b>
Insurance indemnity	-	-	-	4,830	<b>4,830</b>	-	<b>4,830</b>
Depreciation of property, plant and equipment and intangible assets	(3,324)	235	(2,025)	(339)	<b>(5,453)</b>	(373)	<b>(5,826)</b>
Other non-monetary items of operating income and expenses	257	3	(412)	(2,374)	<b>(2,526)</b>	(159)	<b>(2,685)</b>
<i>including:</i>							
<i>impairment of property, plant and equipment</i>	(315)	-	(589)	-	<b>(904)</b>	-	<b>(904)</b>
<i>reversal / (impairment) of accounts receivable, net</i>	528	9	181	(81)	<b>637</b>	-	<b>637</b>
<i>(loss) / gain on disposal of property, plant and equipment, net</i>	65	(6)	(12)	(2,294)	<b>(2,247)</b>	(6)	<b>(2,253)</b>
<i>(loss) / profit on disposal of subsidiaries, associates and joint venture, net</i>	(21)	-	8	1	<b>(12)</b>	(153)	<b>(165)</b>
<b>Operating profit / (loss)</b>	<b>11,611</b>	<b>650</b>	<b>(3,502)</b>	<b>2,804</b>	<b>11,563</b>	<b>(1,334)</b>	<b>10,229</b>
Finance income							<b>2,561</b>
Finance costs							<b>(5,103)</b>
Profit in respect of associates and joint ventures							<b>447</b>
<b>Profit before income tax</b>							<b>8,134</b>
Total income tax expense							<b>(2,618)</b>
<b>Profit for the period</b>							<b>5,516</b>
<b>Capital expenditure</b>	<b>5,378</b>	<b>63</b>	<b>5,699</b>	<b>10,485</b>	<b>21,625</b>	<b>3,127</b>	<b>24,752</b>



	PJSC RusHydro	ESC RusHydro subgroup	RAO ES East subgroup	Other segments	Total segments	Unallocated adjustments and intercompany operations	TOTAL
<b>Three months ended 30 September 2014</b>							
<b>Revenue</b>	<b>24,134</b>	<b>17,325</b>	<b>26,896</b>	<b>8,126</b>	<b>76,481</b>	<b>(8,482)</b>	<b>67,999</b>
<i>including:</i>							
from external companies	21,602	17,321	26,864	2,212	67,999	-	67,999
sales of electricity	15,683	17,103	19,568	70	52,424	-	52,424
sales of heat and hot water sales	14	-	2,590	-	2,604	-	2,604
sales of capacity	5,656	-	1,178	77	6,911	-	6,911
other revenue	249	218	3,528	2,065	6,060	-	6,060
from intercompany operations	2,532	4	32	5,914	8,482	(8,482)	-
Government grants	-	-	2,217	9	2,226	-	2,226
Operating expenses (excluding depreciation and other non-monetary items)	(11,377)	(17,050)	(31,536)	(7,488)	(67,451)	7,351	(60,100)
<b>EBITDA</b>	<b>12,757</b>	<b>275</b>	<b>(2,423)</b>	<b>647</b>	<b>11,256</b>	<b>(1,131)</b>	<b>10,125</b>
Depreciation of property, plant and equipment and intangible assets	(2,784)	(172)	(1,708)	(477)	(5,141)	64	(5,077)
Other non-monetary items of operating income and expenses	(2,136)	650	158	(35)	(1,363)	74	(1,289)
<i>including:</i>							
impairment of property, plant and equipment	(608)	-	-	-	(608)	-	(608)
(impairment) / reversal of impairment of accounts receivable, net	(1,091)	648	134	(66)	(375)	-	(375)
impairment of available-for-sale financial assets	(360)	-	(2)	-	(362)	-	(362)
(loss) / gain on disposal of property, plant and equipment, net	(77)	2	26	31	(18)	110	92
loss on disposal of subsidiaries	-	-	-	-	-	(36)	(36)
<b>Operating profit / (loss)</b>	<b>7,837</b>	<b>753</b>	<b>(3,973)</b>	<b>135</b>	<b>4,752</b>	<b>(993)</b>	<b>3,759</b>
Finance income							2,051
Finance costs							(1,975)
Loss in respect of associates and joint ventures							(374)
<b>Profit before income tax</b>							<b>3,461</b>
Total income tax expense							(2,399)
<b>Profit for the period</b>							<b>1,062</b>
<b>Capital expenditure</b>	<b>10,983</b>	<b>47</b>	<b>5,622</b>	<b>10,619</b>	<b>27,271</b>	<b>(2,191)</b>	<b>25,080</b>



**Note 6. Related party transactions**

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Group's principal related parties for the nine months ended 30 September 2015 and 30 September 2014 and as at 30 September 2015 and 31 December 2014 were associates and joint ventures of the Group, government-related entities and key management of the Group.

Disclosure of the Group's related party transactions is presented on an aggregate basis however there may be an additional disclosure of certain significant transactions (balances and turnovers) with certain related parties in each reporting period.

**Joint ventures**

The Group had the following balances with its joint ventures:

	<b>30 September 2015</b>	<b>31 December 2014</b>
Long-term promissory notes receivable	5,578	5,203
Loans issued	2,123	1,492

The Group had the following transactions with its joint ventures:

	<b>Nine months ended 30 September</b>		<b>Three months ended 30 September</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Sales of electricity and capacity	167	96	81	14
Other revenue	535	344	272	97
Purchased electricity and capacity	(1,502)	(731)	(422)	(231)

**Associates**

The Group had the following balances with its associates:

	<b>30 September 2015</b>	<b>31 December 2014</b>
Trade and other receivables	241	293
Trade payables and advances received	662	352

The Group had the following transactions with its associates:

	<b>Nine months ended 30 September</b>		<b>Three months ended 30 September</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Sales of electricity and capacity	1,550	1,930	250	224
Other revenue	102	199	24	122
Purchased electricity and capacity	(13)	(156)	(1)	(13)
Rent	(336)	(199)	(111)	(60)

**Government-related entities**

In the normal course of business the Group enters into transactions with the entities controlled by the Government, including sales of electricity and capacity, sales of heat and hot water, purchases of electricity and capacity, purchases of fuel and other goods, electricity distribution and other services, debt financing, investment in bank deposits and other transactions.

Transactions with government-related entities are carried out on the terms comparable to the terms of the similar transactions with entities which are not government-related.

Sales of heat and hot water are carried out based on regulated tariffs. Sales of electricity and capacity in certain circumstances are carried out based on regulated tariffs, in other cases – at unregulated prices including those defined by competitive pricing on the wholesale electricity and capacity market. Purchases of fuel and other goods and services are carried out on market terms. Electricity distribution services are subject to tariff regulations. Debt financing and investing in bank deposits is performed on market interest rates.

The Group's sales of electricity, capacity and heat to government-related entities comprised approximately 30 percent of total sales of electricity, capacity and heat for the nine months ended 30 September 2015 (for the nine months ended 30 September 2014: approximately 30 percent).



The Group's purchases of electricity, capacity and fuel from government-related entities comprised approximately 20 percent of total expenses on purchased electricity, capacity and fuel for the nine months ended 30 September 2015 (for the nine months ended 30 September 2014: approximately 20 percent).

Electricity distribution services provided to the Group by government-related entities comprised approximately 40 percent of total electricity distribution expenses for the nine months ended 30 September 2015 (for the nine months ended 30 September 2014: approximately 60 percent).

**Key management of the Group.** Key management of the Group includes members of the Board of Directors of the Company, members of the Management Board of the Company, heads of the business subdivisions of the Company and their deputies, key management of subsidiaries of RAO ES East subgroup segment.

Remuneration to the members of the Board of Directors of the Company for their services in their capacity and for attending Board meetings is paid depending on the results for the year and is calculated based on specific remuneration policy approved by the Annual General Shareholders Meeting of the Company.

Remuneration to the members of the Management Board and to other key management of the Group is paid for their services in full time management positions and is made up of a contractual salary and performance bonuses depending on the results of the work for the period based on key performance indicators approved by the Board of Directors of the Company.

Main compensation for Key management of the Group generally is short-term excluding future payments under pension plans with defined benefits. Pension benefits for key management of the Group are provided on the same terms as for the rest of employees.

Short-term remuneration paid to the key management of the Group for the nine months ended 30 September 2015 comprised RR 1,766 million (for the nine months ended 30 September 2014: RR 1,844 million). Short-term remuneration paid to the key management of the Group for the three months ended 30 September 2015 comprised RR 323 million (for the three months ended 30 September 2014: RR 487 million).



**Note 7. Property, plant and equipment**

Revalued amount / cost	Buildings	Facilities	Plant and equipment	Assets under construction	Other	Total
<b>Balance as at 31 December 2014</b>	<b>81,110</b>	<b>378,702</b>	<b>226,137</b>	<b>256,121</b>	<b>14,925</b>	<b>956,995</b>
Reclassification	(120)	253	(1,939)	2,598	(792)	-
Additions	944	238	1,911	69,876	565	73,534
Reclassification to assets of disposal group classified as held for sale	(469)	(278)	(405)	(55)	(1,177)	(2,384)
Transfers	797	9,503	32,004	(42,460)	156	-
Disposals and write-offs	(73)	(40)	(847)	(2,519)	(743)	(4,222)
<b>Balance as at 30 September 2015</b>	<b>82,189</b>	<b>388,378</b>	<b>256,861</b>	<b>283,561</b>	<b>12,934</b>	<b>1,023,923</b>
<b>Accumulated depreciation (including impairment)</b>						
<b>Balance as at 31 December 2014</b>	<b>(29,504)</b>	<b>(116,411)</b>	<b>(89,161)</b>	<b>(29,062)</b>	<b>(6,667)</b>	<b>(270,805)</b>
Impairment charge	(10)	(11)	(229)	(1,980)	(10)	(2,240)
Charge for the period	(1,343)	(6,353)	(9,702)	-	(989)	(18,387)
Reclassification to assets of disposal group classified as held for sale	292	180	364	37	149	1,022
Transfers	(82)	(2,271)	(3,283)	5,070	566	-
Disposals and write-offs	73	34	847	124	680	1,758
<b>Balance as at 30 September 2015</b>	<b>(30,574)</b>	<b>(124,832)</b>	<b>(101,164)</b>	<b>(25,811)</b>	<b>(6,271)</b>	<b>(288,652)</b>
<b>Net book value as at 30 September 2015</b>	<b>51,615</b>	<b>263,546</b>	<b>155,697</b>	<b>257,750</b>	<b>6,663</b>	<b>735,271</b>
<b>Net book value as at 31 December 2014</b>	<b>51,606</b>	<b>262,291</b>	<b>136,976</b>	<b>227,059</b>	<b>8,258</b>	<b>686,190</b>

  

Revalued amount / cost	Buildings	Facilities	Plant and equipment	Assets under construction	Other	Total
<b>Balance as at 31 December 2013</b>	<b>78,712</b>	<b>377,429</b>	<b>191,377</b>	<b>214,999</b>	<b>14,620</b>	<b>877,137</b>
Reclassification	(310)	(2,731)	(1,636)	4,690	(13)	-
Additions	123	97	304	57,119	1,047	58,690
Transfers	957	2,528	23,379	(26,993)	129	-
Disposals and write-offs	(164)	(117)	(1,265)	(239)	(318)	(2,103)
<b>Balance as at 30 September 2014</b>	<b>79,318</b>	<b>377,206</b>	<b>212,159</b>	<b>249,576</b>	<b>15,465</b>	<b>933,724</b>
<b>Accumulated depreciation (including impairment)</b>						
<b>Balance as at 31 December 2013</b>	<b>(27,139)</b>	<b>(108,005)</b>	<b>(75,665)</b>	<b>(26,904)</b>	<b>(5,578)</b>	<b>(243,291)</b>
Impairment charge	(7)	(1)	(84)	(2,210)	(2)	(2,304)
Charge for the period	(1,277)	(5,532)	(7,252)	-	(1,329)	(15,390)
Transfers	(255)	(124)	(1,436)	1,816	(1)	-
Disposals and write-offs	102	48	861	4	269	1,284
<b>Balance as at 30 September 2014</b>	<b>(28,576)</b>	<b>(113,614)</b>	<b>(83,576)</b>	<b>(27,294)</b>	<b>(6,641)</b>	<b>(259,701)</b>
<b>Net book value as at 30 September 2014</b>	<b>50,742</b>	<b>263,592</b>	<b>128,583</b>	<b>222,282</b>	<b>8,824</b>	<b>674,023</b>
<b>Net book value as at 31 December 2013</b>	<b>51,573</b>	<b>269,424</b>	<b>115,712</b>	<b>188,095</b>	<b>9,042</b>	<b>633,846</b>

As at 30 September 2015 included in the net book value of the property, plant and equipment are office buildings and plots of land owned by the Group in the amount of RR 7,799 million (31 December 2014: RR 7,869 million) which are stated at cost.

**Impairment.** Management of the Group considered the market and economic environment in which the Group operates to assess whether any indicators of property, plant and equipment being impaired existed, or that an impairment loss recognised in prior periods may no longer exist or may have decreased. At the reporting date no indicators of significant changes of management's assumptions used to determine the recoverable amounts of cash-generating units as at 31 December 2014 were identified as a result of this analysis.



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Basing on the same assumptions the Group continued to recognise impairment loss in the amount of RR 2,240 million for the nine months ended 30 September 2015 in respect of additions of property, plant and equipment related to cash-generating units impaired in previous periods (for the nine months ended 30 September 2014: RR 2,304 million).

**Events on Zagorskaya GAES-2.** On 17 September 2013 there was a partial flooding at Zagorskaya GAES-2 which is under construction in the Moscow Region. The flooding of the GAES building originated from the lower reservoir via functional joints of the station block and a newly formed cavity in the right junction of the GAES-2 building foundation. Construction and assembly works as well as property, including equipment, were insured by PIJSC Ingosstrakh, OJSC AlfaStrakhovanie and JSC SOGAZ. As at 30 September 2015 all insurance companies have recognized the technical incident at Zagorskaya GAES-2 as an insured event.

Other operating income for the nine months ended 30 September 2015 include insurance indemnity received from OJSC AlfaStrakhovanie in the amount of RR 0.2 billion (the maximum insurance amount under the contract with OJSC AlfaStrakhovanie is RR 1.2 billion) and from JSC SOGAZ in the amount of RR 0.7 billion (the maximum insurance amount under the contract with JSC SOGAZ is RR 2.6 billion), as well as insurance indemnity from PIJSC Ingosstrakh in the amount of RR 4.7 billion, the receipt of which management believes is almost certain.

For the nine months ended 30 September 2015 a loss on disposal of damaged equipment and assets under construction which are not recoverable was recognised in Operating expenses in the amount of RR 2.4 billion. Also for the nine months ended 30 September 2015 the Group has carried expenses on recovery works in the total amount of RR 1.6 billion which are recognized in the following items of Operating expenses: services of subcontracting companies, other third parties services, other materials, employee benefit expenses.

Currently management of the Group cannot reliably estimate future expenses that may be necessary to eliminate consequences of the technical incident. However, these expenses may be material for the Group.

Management of the Group believes that there are no indications of property, plant and equipment impairment as at 30 September 2015 there were capacity supply contracts concluded in respect of new power generation facilities of Zagorskaya GAES-2, that guarantee the payback period of 20 years for all capital expenses invested in construction in the period.

**Note 8. Other non-current assets**

	<b>30 September 2015</b>	<b>31 December 2014</b>
Long-term promissory notes	38,139	37,047
Discount	(17,090)	(16,864)
Impairment provision	(14,025)	(14,025)
Long-term promissory notes, net	7,024	6,158
Dams of Bratskaya, Ust'-Ilimskaya and Irkutskaya HPPs	5,408	5,478
VAT recoverable	2,735	3,226
Goodwill	929	929
Customer base of LLC ESC Bashkortostan	692	1,109
Other non-current assets	8,539	8,121
<b>Total other non-current assets</b>	<b>25,327</b>	<b>25,021</b>

**Note 9. Cash and cash equivalents**

	<b>30 September 2015</b>	<b>31 December 2014</b>
Cash at bank	14,941	14,960
Cash equivalents	31,562	19,417
Cash in hand	23	17
<b>Total cash and cash equivalents</b>	<b>46,526</b>	<b>34,394</b>

Cash equivalents held as at 30 September 2015 and 31 December 2014 comprised short-term bank deposits with original maturities of three months or less.



**Note 10. Accounts receivable and prepayments**

	<b>30 September 2015</b>	<b>31 December 2014</b>
Trade receivables	50,622	50,931
Provision for impairment of trade receivables	(17,267)	(18,643)
<b>Trade receivables, net</b>	<b>33,355</b>	<b>32,288</b>
<b>VAT recoverable</b>	<b>8,591</b>	<b>8,683</b>
Advances to suppliers and other prepayments	3,509	3,957
Provision for impairment of advances to suppliers and other prepayments	(387)	(670)
<b>Advances to suppliers and other prepayments, net</b>	<b>3,122</b>	<b>3,287</b>
Other receivables	12,118	6,637
Provision for impairment of other receivables	(3,218)	(2,883)
<b>Other receivables, net</b>	<b>8,900</b>	<b>3,754</b>
<b>Total accounts receivable and prepayments</b>	<b>53,968</b>	<b>48,012</b>

The Group does not hold any accounts receivable pledged as collateral.

**Note 11. Inventories**

	<b>30 September 2015</b>	<b>31 December 2014</b>
Fuel	15,743	13,229
Materials and supplies	7,066	6,383
Spare parts	2,434	2,085
Other materials	1,000	645
<b>Total inventories before impairment</b>	<b>26,243</b>	<b>22,342</b>
<b>Impairment of inventories</b>	<b>(234)</b>	<b>(209)</b>
<b>Total inventories</b>	<b>26,009</b>	<b>22,133</b>

**Note 12. Other current assets**

	<b>30 September 2015</b>	<b>31 December 2014</b>
Deposits and promissory notes	37,648	40,122
Loans issued	2,280	1,484
Other short-term investments	246	266
<b>Total other current assets</b>	<b>40,174</b>	<b>41,872</b>

**Note 13. Equity**

	<b>Number of issued ordinary shares (Par value of RR 1.00)</b>
As at 30 September 2015	386,255,464,890
As at 31 December 2014	386,255,464,890
As at 30 September 2014	386,255,464,890
As at 31 December 2013	386,255,464,890

**Treasury shares.** As at 30 September 2014 treasury shares were represented by 21,786,611,933 ordinary shares in the amount of RR 26,092 million (31 December 2013: 8,703,807,839 ordinary shares in the amount of RR 10,662 million).

In July 2014 3.39 percent of treasury shares were received by the Group's subsidiary JSC HydroInvest from JSC EuroSibEnergo in exchange of 25 percent minus 1 share of PJSC Krasnoyarskaya HPP.

Treasury shares carry voting rights in the same proportion as other ordinary shares. Voting rights of ordinary shares of the Company held by entities within the Group are effectively controlled by management of the Group.

**Effect of changes in non-controlling interest of subsidiaries.** In March 2015 the Group's share in subsidiaries OJSC Daltehenergo and OJSC Guberovskiy machinery and repair plant was sold. During nine months ended 30 September 2015 LLC Energokomfort Amur electricity wholesale company and JSC Amyrskaya Zhemchuzhina went bankrupt, also in June 2015 OJSC Kamchatskenergoremsevis was

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liquidated. As a result non-controlling interest increased by RR 138 million due to decrease of share in losses of these subsidiaries previously absorbed by shareholders of the Group.

**Dividends.** On 26 June 2015 the Company declared dividends for the year ended 31 December 2014 of RR 0.0156 per share in the total amount of RR 6,033 million (RR 5,710 million excluding dividends to subsidiaries).

On 27 June 2014 the Company declared dividends for the year ended 31 December 2013 of RR 0.0136 per share in the total amount of RR 5,248 million (RR 5,130 million excluding dividends to subsidiaries).

Declared dividends of the Group's subsidiaries in favour of non-controlling interest holders amounted to RR 134 million for the nine months ended 30 September 2015 (for the nine months ended 30 September 2014: RR 80 million).

**Note 14. Income tax**

Income tax expense is recognised based on the management's best estimate of the weighted average annual income tax rate expected for the full financial year. The tax effect of the exceptional, one-off items has not been included in the estimation of the weighted average annual income tax rate. The estimated average annual effective income tax rate used for the nine months ended 30 September 2015 was 27 percent (for the nine months ended 30 September 2014: 27 percent).

	Nine months ended 30 September		Three months ended 30 September	
	2015	2014	2015	2014
Current income tax expense	6,569	6,312	1,556	1,463
Deferred income tax expense	2,388	2,100	1,062	936
<b>Total income tax expense</b>	<b>8,957</b>	<b>8,412</b>	<b>2,618</b>	<b>2,399</b>

**Note 15. Current and non-current debt**

*Non-current debt*

	Due date	30 September 2015	31 December 2014
PJSC Sberbank	2015–2027	49,867	48,473
Eurobonds (RusHydro Finance Ltd)	2015	20,672	20,281
Russian bonds (PJSC RusHydro) issued in February 2013	2018*	20,207	20,628
EBRD	2016–2027	20,205	18,560
Russian bonds (PJSC RusHydro) issued in April 2011	2016*	15,535	15,233
Russian bonds (PJSC RusHydro) issued in July 2015	2018*	15,390	-
Russian bonds (PJSC RusHydro) issued in April 2015	2017*	10,528	-
OJSC Bank of Moscow	2015	7,521	7,536
UniCredit Bank Austria AG	2017–2026	6,138	5,580
Crédit Agricole Corporate and Investment Bank Deutschland	2029	5,805	5,211
PJSC ROSBANK	2015–2017	5,762	4,481
PJSC Bank VTB	2015–2018	4,521	4,522
Municipal authority of Kamchatka region	2034	3,164	2,526
ASIAN Development bank	2017–2026	1,653	1,437
Bayerische Landesbank	2016–2025	1,068	965
Bank GPB (JSC)	2015–2016	461	1,179
Other long-term debt	-	1,742	1,112
Finance lease liabilities	-	1,969	2,313
<b>Total</b>		<b>192,208</b>	<b>160,037</b>
Less current portion of non-current debt		(58,127)	(39,937)
Less current portion of finance lease liabilities		(785)	(913)
<b>Total non-current debt</b>		<b>133,296</b>	<b>119,187</b>

\* The bonds mature in 10 years with a put option to redeem them in 2016, 2017 and 2018 respectively.



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**Bonds issue (April 2015).** In April 2015 the Group placed non-convertible ten years interest bearing bonds of series 09 with a nominal amount of RR 10,000 million. The term of the offer (period of redemption of bonds on request of their owners) – 2.5 years, coupon rate of 12.75 percent per annum was determined for the first 2.5 years only.

**Bonds issue (July 2015).** In July 2015 the Group placed market bonds with a nominal amount of RR 15,000 million for the purpose of refinancing the eurobonds issued in October 2010 and financing the investment programme of the Company. The maturity of the bonds – 3 years, coupon rate is 11.85 percent per annum.

*Current debt*

	30 September 2015	31 December 2014
PJSC Sberbank	15,205	3,331
PJSC ROSBANK	8,147	4,096
Bank GPB (JSC)	4,169	2,076
PJSC Bank VTB	2,785	4,921
Bank RRDB (JSC)	1,285	727
JSC Alfa-Bank	1,171	851
JSC Raiffeisenbank	-	598
Current portion of non-current debt	58,127	39,937
Current portion of finance lease liabilities	785	913
Other current debt	211	393
<b>Total current debt and current portion of non-current debt</b>	<b>91,885</b>	<b>57,843</b>
<i>Reference:</i>		
Interest payable	3,404	2,190

**Liquidity risk.** Management of the Group plans to repay the current debt both from own funds and attracting external financing. The Group has a positive credit history, deals with large-sized credit institutions including government-related banks and has access to capital markets. In March 2015 the Board of Directors of the Company approved the prospectus of market bonds with total nominal value of RR 200,000 million maturing in 20 years.

**Compliance with covenants.** The Group is subject to certain covenants related to its debt. As at 30 September 2015 and 31 December 2014 the Group met all required covenant clauses of the credit agreements.

**Note 16. Accounts payable and accruals**

	30 September 2015	31 December 2014
Trade payables	32,626	31,914
Settlements with personnel	6,664	7,714
Advances received	6,205	7,824
Accounts payable under factoring agreements	3,273	1,376
Dividends payable	217	88
Other accounts payable	2,740	2,642
<b>Total accounts payable and accruals</b>	<b>51,725</b>	<b>51,558</b>

All accounts payable and accruals are denominated in Russian Rubles.

**Note 17. Other taxes payable**

	30 September 2015	31 December 2014
VAT	5,342	5,855
Property tax	2,738	2,717
Insurance contributions	2,248	2,404
Other taxes	873	937
<b>Total other taxes payable</b>	<b>11,201</b>	<b>11,913</b>



**Note 18. Revenue**

	Nine months ended 30 September		Three months ended 30 September	
	2015	2014	2015	2014
Sales of electricity	180,347	172,326	56,165	52,424
Sales of heat and hot water	22,981	22,224	2,839	2,604
Sales of capacity	24,223	20,134	8,418	6,911
Other revenue	17,532	18,624	6,873	6,060
<b>Total revenue</b>	<b>245,083</b>	<b>233,308</b>	<b>74,295</b>	<b>67,999</b>

Other revenue includes revenue earned from transportation of electricity and heat, connections to the grid, rendering of construction, repair and other services.

**Note 19. Government grants**

In accordance with legislation of the Russian Federation, several companies of the Group are entitled to government subsidies for compensation of the difference between approved economically viable electricity and heat tariffs and actual reduced tariffs and for compensation of losses on purchased fuel. During the nine months ended 30 September 2015 the Group received government subsidies in the amount of RR 8,188 million (for the nine months ended 30 September 2014: RR 7,833 million). During the three months ended 30 September 2015 the Group received government subsidies in amount of RR 2,668 million (for the three months ended 30 September 2014: RR 2,226 million). The subsidies were received in the following territories: Kamchatka territory, Republic of Sakha (Yakutiya), Magadan region and other Far East regions.

**Note 20. Operating expenses (excluding impairment losses)**

	Nine months ended 30 September		Three months ended 30 September	
	2015	2014	2015	2014
Employee benefit expenses (including payroll taxes and pension benefit expenses)	52,571	47,828	16,672	15,784
Purchased electricity and capacity	42,720	39,164	12,235	12,348
Fuel expenses	37,811	31,228	9,051	7,128
Electricity distribution expenses	30,238	29,827	9,514	8,682
Depreciation of property, plant and equipment and intangible assets	16,983	15,484	5,826	5,077
Taxes other than on income	7,306	6,671	2,452	2,235
Other materials	5,966	7,389	2,256	3,522
Third parties services, including:				
Services of subcontracting companies	3,295	2,747	1,487	1,177
Repairs and maintenance	3,049	2,187	1,563	1,008
Provision of functioning of electricity and capacity market	2,761	2,694	952	890
Security expenses	2,414	2,347	784	858
Purchase and transportation of heat power	2,172	2,055	582	545
Rent	1,603	1,374	537	434
Consulting, legal and information expenses	1,413	1,564	521	655
Insurance cost	1,171	964	370	343
Transportation expenses	764	1,246	368	656
Other third parties services	4,291	3,784	1,260	1,123
Loss / (gain) on disposal of property, plant and equipment, net	2,463	(65)	2,253	(92)
Water usage expenses	2,042	2,062	633	694
Travel expenses	1,498	1,188	560	454
Social charges	1,066	1,710	339	981
Purchase of oil products for sale	549	280	408	37
Loss on disposal of subsidiaries, associates and joint venture, net	196	36	165	36
Other expenses	1,727	1,325	712	546
<b>Total expenses</b>	<b>226,069</b>	<b>205,089</b>	<b>71,500</b>	<b>65,121</b>



**Note 21. Finance income, costs**

	Nine months ended 30 September		Three months ended 30 September	
	2015	2014	2015	2014
<i>Finance income</i>				
Interest income	7,629	5,386	2,399	1,988
Foreign exchange gain	1,874	466	-	-
Income on discounting	143	78	-	-
Other income	191	191	162	63
<b>Total finance income</b>	<b>9,837</b>	<b>6,121</b>	<b>2,561</b>	<b>2,051</b>
<i>Finance costs</i>				
Interest expense	(5,498)	(3,806)	(2,174)	(1,343)
Foreign exchange loss	(2,349)	(719)	(1,924)	(197)
Expense on discounting	(1,407)	(566)	(660)	(187)
Finance lease expense	(173)	(160)	(58)	(70)
Other costs	(857)	(831)	(287)	(178)
<b>Total finance costs</b>	<b>(10,284)</b>	<b>(6,082)</b>	<b>(5,103)</b>	<b>(1,975)</b>

**Note 22. Earnings per share**

	Nine months ended 30 September		Three months ended 30 September	
	2015	2014	2015	2014
Weighted average number of ordinary shares issued (millions of shares)	364,469	373,862	364,469	366,482
Profit for the period attributable to the shareholders of PJSC RusHydro	30,153	23,916	8,491	2,926
<b>Earnings per share attributable to the shareholders of PJSC RusHydro – basic and diluted</b> (in Russian Rubles per share)	<b>0.0827</b>	<b>0.0640</b>	<b>0.0233</b>	<b>0.0080</b>

**Note 23. Capital commitments**

During the nine months ended 30 September 2015 investment programme of the Company and separate investment programmes of subsidiaries of the RAO ES East subgroup segment were revised. In accordance with the revised investment programme of the Company and separate investment programmes of subsidiaries of RAO ES East subgroup segment, the Group has to invest RR 354,445 million for the period 2015–2017 for reconstruction of the existing and construction of new power plants (RR 324,878 million for the period 2014–2016).

Capital commitments of the Group as at 30 September 2015 are as follows: 2015 year – RR 63,132 million, 2016 year – RR 123,718 million, 2017 year – RR 100,291 million.

Future capital expenditures are mainly related to reconstruction of equipment of power plants: Volzhskaya HPP in the amount of RR 15,137 million, Saratovskaya HPP in the amount of RR 14,322 million, Zhigulevskaya HPP in the amount of RR 11,625 million; and to construction of power plants: Sakhalin GRES-2 in the amount of RR 24,970 million, Zaramagskie HPP in the amount of RR 24,880 million, Yakutskaya GRES-2 in the amount of RR 15,347 million, HPP in Sovetskaya Gavan in the amount of RR 11,325 million, Nizhne-Bureiskaya HPP in the amount of RR 9,390 million.

**Note 24. Contingencies**

**Social commitments.** The Group contributes to the maintenance and upkeep of the local infrastructure and the welfare of its employees, including contributions toward the development and maintenance of housing, hospitals, transport services and other social needs in the geographical areas in which it operates.

**Insurance.** The Group holds limited insurance policies in relation to its assets, operations, public liability or other insurable risks. Accordingly, the Group is exposed for those risks for which it does not have insurance.

**Legal proceedings.** The Group's subsidiaries are parties to certain legal proceedings arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which, upon final disposition, will have a material adverse effect on the position of the Group.



**Tax contingencies.** Russian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by tax authorities, in particular, the way of accounting for tax purposes of some income and expenses of the Group as well as deductibility of input VAT from suppliers and contractors. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business purpose or with tax non-compliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

The Russian transfer pricing legislation is to a large extent aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD). This legislation provides the possibility for tax authorities to make transfer pricing adjustments and impose additional tax liabilities in respect of controlled transactions (transactions with related parties and some types of transactions with unrelated parties), provided that the transaction price is not arm's length.

During the nine months ended 30 September 2015 the Group's subsidiaries had controlled transactions and transactions which highly probably will be considered by tax authorities to be controlled based on the results of the period. Management has implemented internal controls to be in compliance with the new transfer pricing legislation.

Tax liabilities arising from transactions between companies are determined using actual transaction prices. It is possible, with the evolution of the interpretation of the transfer pricing rules, that such transfer prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Group.

Management believes that as at 30 September 2015 its interpretation of the relevant legislation was appropriate and the Group's tax position would be sustained.

New provisions aimed at deoffshorisation of Russian economy have been added to the Russian tax legislation and are effective from 1 January 2015. Specifically, they introduce new rules for controlled foreign companies, a concept of beneficiary owner of income for the purposes of application of preferential provisions of taxation treaties of the Russian Federation, a concept of tax residency for foreign persons and taxation of indirect sale of Russian real estate assets.

The Group is currently assessing the effects of new tax rules on the Group's operations and takes necessary steps to comply with the new requirements of the Russian tax legislation. However, in view of the recent introduction of the above provisions and insufficient related administrative and court practice, at present the probability of claims from Russian tax authorities and probability of favourable outcome of tax disputes (if they arise) cannot be reliably estimated. Tax disputes (if any) may have an impact on the Group's financial position and results.

**Environmental matters.** The Group's subsidiaries and their predecessor entities have operated in the utilities industry of the Russian Federation for many years. The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group's subsidiaries periodically evaluate their obligations under environmental regulations. Group accrued assets retirement obligation for ash dumps used by the Group which is included in other non-current liabilities and other accounts payable and comprised RR 750 million as at 30 September 2015 (31 December 2014: RR 653 million).

Potential liabilities might arise as a result of changes in legislation and regulation or civil litigation. The impact of these potential changes cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.



**Guarantees.** The Group has issued guarantees for CJSC Boguchansky Aluminium Plant in favour of its suppliers for future equipment deliveries and for OJSC Boguchanskaya HPP in favour of the State Corporation Vnesheconombank for the loan facility:

Counterparty	30 September 2015	31 December 2014
<i>for OJSC Boguchanskaya HPP:</i>		
State Corporation Vnesheconombank	27,567	28,106
<i>for CJSC Boguchansky Aluminium Plant:</i>		
ALSTOM Grid SAS	72	134
<b>Total guarantees issued</b>	<b>27,639</b>	<b>28,240</b>

**Note 25. Financial instruments and financial risk management**

**Financial risks.** The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk), credit risk and liquidity risk.

This Condensed Consolidated Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements; it should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2014.

There have been no changes in any risk management policies during the nine months ended 30 September 2015.

**Presentation of financial instruments by measurement category.** The following table provides a reconciliation of classes of financial assets with the measurement categories of IAS,39 Financial instruments: Recognition and Measurement as at 30 September 2015 and 31 December 2014:

As at 30 September 2015	Loans and receivables	Available-for-sale financial assets	Total
<b>Assets</b>			
<b>Other non-current assets (Note 8)</b>	<b>7,344</b>	-	<b>7,344</b>
Promissory notes	7,024	-	7,024
Long-term loans issued	246	-	246
Net settled derivatives	74	-	74
<b>Available-for-sale financial assets</b>	-	<b>6,046</b>	<b>6,046</b>
<b>Trade and other receivables (Note 10)</b>	<b>41,115</b>	-	<b>41,115</b>
Trade receivables	33,355	-	33,355
Promissory notes receivable	16	-	16
Other financial receivables	7,744	-	7,744
<b>Other current assets (Note 12)</b>	<b>39,973</b>	-	<b>39,973</b>
Deposits and promissory notes	37,648	-	37,648
Short-term loans issued	2,280	-	2,280
Net settled derivatives	45	-	45
<b>Cash and cash equivalents (Note 9)</b>	<b>46,526</b>	-	<b>46,526</b>
<b>Total financial assets</b>	<b>134,958</b>	<b>6,046</b>	<b>141,004</b>
<b>Non-financial assets</b>			<b>814,327</b>
<b>Non-current assets and assets of disposal group classified as held for sale</b>			<b>2,078</b>
<b>Total assets</b>			<b>957,409</b>



As at 31 December 2014	Loans and receivables	Available-for-sale financial assets	Total
<b>Assets</b>			
<b>Other non-current assets (Note 8)</b>	<b>7,297</b>	-	<b>7,297</b>
Promissory notes	6,158	-	6,158
Deposits	585	-	585
Long-term loans issued	373	-	373
Net settled derivatives	181	-	181
<b>Available-for-sale financial assets</b>	-	<b>4,132</b>	<b>4,132</b>
<b>Trade and other receivables (Note 10)</b>	<b>35,113</b>	-	<b>35,113</b>
Trade receivables	32,288	-	32,288
Promissory notes receivable	13	-	13
Other financial receivables	2,812	-	2,812
<b>Other current assets (Note 12)</b>	<b>41,703</b>	-	<b>41,703</b>
Deposits and promissory notes	40,122	-	40,122
Short-term loans issued	1,484	-	1,484
Net settled derivatives	97	-	97
<b>Cash and cash equivalents (Note 9)</b>	<b>34,394</b>	-	<b>34,394</b>
<b>Total financial assets</b>	<b>118,507</b>	<b>4,132</b>	<b>122,639</b>
<b>Non-financial assets</b>			<b>760,467</b>
<b>Non-current assets and assets of disposal group classified as held for sale</b>			<b>664</b>
<b>Total assets</b>			<b>883,770</b>

All financial liabilities of the Group are carried at amortised cost. Financial liabilities are represented mainly by the current and non-current debt (Note 15), trade payables and other accounts payable (Note 16).

## **Note 26. Fair value of assets and liabilities**

### **a) Recurring fair value measurements**

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period.

The level in the fair value hierarchy into which the recurring fair value measurements are categorised are as follows:

30 September 2015	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Available-for-sale financial assets	5,888	-	158	<b>6,046</b>
<b>Non-financial assets</b>				
Property, plant and equipment (except for construction in progress, office buildings and land)	-	-	469,722	<b>469,722</b>
<b>Total assets recurring fair value measurements</b>	<b>5,888</b>	-	<b>469,880</b>	<b>475,768</b>
<b>31 December 2014</b>				
<b>Financial assets</b>				
Available-for-sale financial assets	4,055	-	77	<b>4,132</b>
<b>Non-financial assets</b>				
Property, plant and equipment (except for construction in progress, office buildings and land)	-	-	451,262	<b>451,262</b>
<b>Total assets recurring fair value measurements</b>	<b>4,055</b>	-	<b>451,339</b>	<b>455,394</b>

The Group had no liabilities measured at fair value as at 30 September 2015 and 31 December 2014.

There were no changes in valuation techniques, inputs and assumptions for recurring fair value measurements during the nine months ended 30 September 2015.



***b) Assets and liabilities not measured at fair value but for which fair value is disclosed***

***Financial assets carried at amortised cost.*** The Group considers that the fair value of cash, short-term deposits (Level 1 of the fair value hierarchy) and accounts receivable (Level 3 of the fair value hierarchy) approximates their carrying value. The estimated fair value of long term accounts receivable, other non-current and current assets (Level 3 of the fair value hierarchy) is based on future cash flows expected to be received discounted at current interest rates with similar credit risks and remaining maturities. Discount rates used depend on the credit risk of the counterparty. The fair value of these assets approximates their carrying value.

***Liabilities carried at amortised cost.*** The fair value of floating rate liabilities approximates their carrying value. The fair value of bonds is based on quoted market prices (Level 1 of the fair value hierarchy). Fair value of the fixed rate liabilities is estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risk and remaining maturity (Level 3 of the fair value hierarchy).

The fair value of current liabilities carried at amortised cost approximates their carrying value.

As at 30 September 2015 the carrying value of bonds exceeded their fair value by RR 1,022 million (31 December 2014: by RR 2,527 million).

As at 30 September 2015 the carrying value of non-current fixed rate debt exceeded their fair value by RR 9,025 million (31 December 2014: by RR 7,319 million).

**Note 27. Subsequent events**

There were no significant subsequent events that can influence the Group's financial position, cash flows or operating results which took place during the period between reporting date and date of signing of the Group's condensed consolidated interim financial information for the nine months ended 30 September 2015 prepared in accordance to IFRS.