

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders and the Board of Directors of Open Joint Stock Company "OGK-6":

Introduction

We have reviewed the accompanying interim combined and consolidated financial statements of OJSC OGK-6 and its subsidiaries (the "Group") which comprise the consolidated balance sheet as at 30 June 2007 and the combined and consolidated statement of income, combined and consolidated statement of cash flows and combined and consolidated statement of changes in equity for the six months then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim combined and consolidated financial statements based on our review. Management has issued interim combined and consolidated financial statements for the first time as of and for the period ended 30 June 2007 and hence we did not perform a review of interim financial information as of and for the period ended 30 June 2006.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim combined and consolidated financial statements do not present fairly, in all material respects, the financial position of the Group as at 30 June 2007, and its financial performance and its cash flows for the six months period then ended in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Emphasis of Matter

Without qualifying our conclusion, we also draw your attention to Notes 1, 2 and 26 to the accompanying interim combined and consolidated financial statements. The Government of the Russian Federation has an ultimate controlling interest in the Group and Governmental economic and social policies affect the Group's financial position, results of operations and cash flows.

ZAO PricewaterhouseCoopers Audit

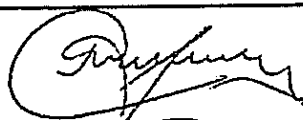
Moscow, Russian Federation

24 September 2007

OGK-6 Group
Interim Consolidated Balance Sheet as at 30 June 2007
(in thousand of Russian Roubles, except earning / (loss) per share)

	Note	30 June 2007 (Unaudited)	31 December 2006
ASSETS			
Non-current assets			
Property, plant and equipment	5	28,624,648	28,853,585
Other non-current assets	6	380,848	371,799
Total non-current assets		29,005,496	29,225,384
Current assets			
Cash and cash equivalents	7	44,072	143,258
Receivables and prepayments	8	2,777,116	1,142,492
Inventory	9	2,615,836	2,968,762
Other current assets	10	442,730	208,860
Total current assets		5,879,754	4,463,372
TOTAL ASSETS		34,885,250	33,688,756
EQUITY AND LIABILITIES			
Equity			
Share capital	11	12,830,909	26,731,061
Merger reserve		-	(9,937,275)
Retained earnings		6,791,561	2,282,917
Total equity		19,622,470	19,076,703
Non-current liabilities			
Deferred income tax liabilities	13	3,944,862	3,856,647
Long-term debt	12	5,083,610	-
Pension liabilities	14	530,768	500,263
Other non-current liabilities	15	330,532	324,061
Total non-current liabilities		9,889,772	4,680,971
Current liabilities			
Current debt and current portion of non-current debt	16	1,438,341	6,515,341
Accounts payable and accrued charges	17	3,362,258	2,412,133
Income tax payable		129,418	222,360
Taxes payable	18	442,991	781,248
Total current liabilities		5,373,008	9,931,082
Total liabilities		15,262,780	14,612,053
TOTAL LIABILITIES AND EQUITY		34,885,250	33,688,756

General Director



V. M. Sanko

Deputy General Director for Finance



A. N. Selaykov

The accompanying notes are an integral part of these combined and consolidated financial statements

OGK-6 Group
Interim Combined and Consolidated Statement of Income for the six months ended 30 June 2007
(unaudited)
(in thousand of Russian Roubles, except earning/ (loss) per share)

	Notes	6 months ended 30 June 2007	6 months ended 30 June 2006
Revenues	19	16,474,933	13,517,583
Operating expenses	20	(14,685,753)	(14,038,846)
Other operating income	21	419,488	79,058
Operating profit / (loss)		2,208,668	(442,205)
Finance costs, net	22	(230,033)	(550,112)
Profit / (loss) before income tax		1,978,635	(992,317)
Income tax (expense) / benefit	13	(859,486)	701,746
Profit / (loss) for the year		1,119,149	(290,571)
Attributable to:			
Minorities of the Group		-	103,982
Shareholders of the Group		1,119,149	(394,553)
Earning / (loss) per ordinary share for profit attributable to the shareholders of the Group - basic and diluted (in Russian Roubles)	23	0.0419	(0.0166)

General Director



V. M. Sanko

Deputy General Director for Finance



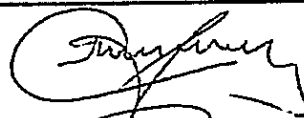
A. N. Selaykov

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OGK-6 Group
Interim Combined and Consolidated Statement of Cash Flow for the six months ended 30 June 2007 (unaudited)
(in thousand of Russian Roubles, except earning/ (loss) per share)

	Notes	6 months ended 30 June 2007	6 months ended 30 June 2006
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit / (loss) before income tax		1,978,635	(992,317)
Adjustments to reconcile profit before income tax to net cash provided by operations:			
Depreciation	5	1,196,858	1,248,971
Interest expenses and effect of discounting	22	233,691	550,113
Forgiveness of tax penalties	21	(312,094)	(18,091)
Other		41,716	63,203
Operating cash flows before working capital changes and income tax paid		3,138,806	851,879
Working capital changes:			
(Increase) / decrease in accounts receivable and prepayments		(1,867,541)	71,634
Decrease in inventories		305,856	419,191
(Increase) / decrease in other assets		(8,926)	23,199
(Increase) / decrease in other non-current assets		(9,049)	108,170
Increase / (decrease) in accounts payable and accruals		698,334	(370,353)
Increase / (decrease) in taxes payable other than income tax		199,635	(5,103)
(Decrease) / increase in other non-current liabilities		(57,001)	166,995
Cash provided by operating activities		2,400,114	1,265,612
Income tax paid		(1,089,156)	(351,236)
Net cash generated from operating activities		1,310,958	914,376
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment and other non-current assets		(977,925)	(594,646)
Proceeds from sale of property, plant and equipment and other non-current assets		4,986	3,383
Net cash used in investing activities		(972,939)	(591,263)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from short-term borrowing		9,198,527	4,308,717
Repayment of short-term borrowing		(9,241,017)	(4,028,385)
Dividend paid by the Group to the shareholders		(186,136)	(254,025)
Interest paid		(208,579)	(310,736)
Net cash generated from financing activities		(437,205)	(284,429)
(Decrease) / increase in cash and cash equivalents		(99,186)	38,684
Cash and cash equivalents at the beginning of the year		143,258	271,999
Cash and cash equivalents at the end of the year		44,072	310,683

General Director



V.M. Sanko

Deputy Director General for Finance



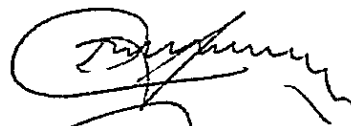
A.N. Selyakov

The accompanying notes are an integral part of these combined and consolidated financial statements

OGK-6 Group
Interim Combined and Consolidated Statement of Changes in Equity for the six months ended
30 June 2007
(in thousands of Russian Roubles, except earning/ (loss) per share)

	Attributable to the shareholders of the Group					
	Ordinary share capital	Merger reserve	Retained earnings	Total	Minority interest	Total equity
As at 1 January 2006	23,008,617	(8,600,000)	(378,694)	14,029,923	1,318,841	15,348,764
Profit for the period			3,341,939	3,341,939	749,504	4,091,443
Dividends			(680,328)	(680,328)		(680,328)
Payment of share capital	3,722,444	(1,337,275)		2,385,169	(2,068,345)	316,824
As at 31 December 2006	26,731,061	(9,937,275)	2,282,917	19,076,703	-	19,076,703
As at 1 January 2007	26,731,061	(9,937,275)	2,282,917	19,076,703	-	19,076,703
Profit for the period			1,119,149	1,119,149	-	1,119,149
Decrease of charter capital	(13,900,152)	9,937,275	3,845,485	(117,392)	-	(117,392)
Dividends (Note 11)			(455,990)	(455,990)	-	(455,990)
As at 30 June 2007 (unaudited)	12,830,909	-	6,791,561	19,622,470	-	19,622,470

General Director



V.M. Sanko

Deputy Director General for Finance



A.N. Selyakov

OGK-6 Group

Notes to Interim Combined and Consolidated Financial Statements for the six months ended 30 June 2007 (unaudited)

(in thousands of Russian Roubles, except earning / (loss) per share)

Note 1. Group and its operations

Open Joint-Stock Company 'Sixth Power Generating Company on the Wholesale Energy Market' ("OJSC "OGK-6", or "the Company") was established on 17 March 2005 within the framework of the Russian electricity sector restructuring in accordance with the Resolution of the Chairman of the Management Board of OAO RAO Russian Open Joint-Stock Company for Energy and Electrification Unified Energy System of Russia ("RAO UES") dated 16 March 2005.

OJSC "OGK-6" and its subsidiaries form the OGK-6 Group ("the Group").

The Group specializes in electricity, heat generation and sales at the established tariffs and in accordance with the dispatch plans of electricity and heat loads.

The registered office of OJSC "OGK-6" is located at 49, Bolshaya Sadovaya st., Rostov-on-Don.

The Company has a Head office in Moscow (21 Mytnaya st., 115162, Moscow) which was set up following Decision No. 1 of the Board of Directors of 11 April 2005.

History of the Group. The Company was registered in the state register of the legal entities on March 17, 2005. By that moment the sole shareholder was RAO UES that made contributions to the Company's charter capital in the form of shares of OJSC "Novocherkasskaya GRES" ("Novocherkasskaya GRES"), OJSC "KiGRES" ("Kirishskaya GRES"), OJSC "Ryazanskaya GRES" ("Ryazanskaya GRES") and OJSC "KGRES-2" ("Krasnoyarskaya GRES-2").

- On September 1, 2005 OJSC "OGK-6" signed management agreements with Novocherkasskaya, "Kirishskaya GRES", "Ryazanskaya GRES" and "Krasnoyarskaya-2 GRES" and started operations as their executive body.
- On October 1, 2005 OJSC "OGK-6" signed management agreement with OJSC "GRES-24" (GRES-24) and started operations as its executive body.
- On January 1, 2006 OJSC "OGK-6" signed management agreement with OJSC "Cherepovetskaya GRES" (Cherepovetskaya GRES) and started operations as its executive body.
- On March 17, 2006, shareholders of the abovementioned entities adopted decisions on reorganization through absorption merger into the Company and were merged with and into the Company on September 29, 2006. Following these absorption mergers, all of the entities listed below ceased to exist as separate legal entities and became branches of the Company:

"Novocherkasskaya GRES", "Ryazanskaya GRES" and "Krasnoyarskaya GRES-2" were established in 1993 by the way of privatization and since then had been subsidiaries of RAO UES. "Kirishskaya GRES" was established in 2002. Its then sole shareholder RAO UES made contribution to the charter capital in the form of the assets of Kirishskaya GRES. In May, 2005 all the issued and outstanding shares in the abovementioned stations less one share per each station were contributed by RAO UES to the charter capital of the Company. On September 1, 2005 the Company signed management agreement with the above mentioned GRESes and started operations as their executive body. On September 29, 2006, the Company and its above mentioned GRESes have merged into a single legal entity, with GRESes operated as the branches of the Company.

"GRES-24" was incorporated on April 1, 2005 by contribution of a separate business from OJSC "Mosenergo" (Mosenergo) which was the RAO UES subsidiary. On October 1, 2006 the Company signed management agreement with GRES-24 and started operations as an executive body. During the period April 27, 2006 to May 29, 2006 additionally issued shares of the Company were exchanged for the shares of GRES-24. As a result the Company obtained control over GRES-24 (52%). On September 29, 2006 GRES-24 merged into and became a branch of the Company.

"Cherepovetskaya GRES" was incorporated on October 1, 2005 by contribution a separate business from OJSC "Vologdaenergo" (Vologdaenergo), related RAO UES company, whose business included generation, distribution and sales of electric and heat energy. On January 1, 2006 the Company signed management agreement with Cherepovetskaya GRES and started operations as an executive body. During the period April 27, 2006 to May 29, 2006 additionally issued shares of the Company were exchanged for the shares of Cherepovetskaya GRES. As a result Company obtained control over Cherepovetskaya GRES (84%). On September 29, 2006 Cherepovetskaya GRES merged into and became a branch of the Company.

Operating environment of the Group. Whilst there have been improvements in economic trends in the country, the Russian Federation continues to display certain characteristics of an emerging market. These characteristics include, but are not limited to, existence of a currency that is not freely convertible in most countries and relatively high inflation. The tax, currency and customs legislation within the Russian Federation is subject to varying interpretations, and changes, which can occur frequently.

Relations with the state and current regulation. As at 30 June 2007 the Russian Federation owned 52.7% of the shares of RAO UES. In turn, as at 30 June 2007 RAO UES owned 93.48% of the OJSC "OGK-6". The Russian Government is the ultimate controlling party of the Group.

OGK-6 Group

Notes to Interim Combined and Consolidated Financial Statements for the six months ended 30 June 2007 (unaudited)

(in thousands of Russian Roubles, except earning / (loss) per share)

The Group's customer base includes a large number of entities controlled by the State. Furthermore, the State controls a number of the Group's fuel and other suppliers.

The Government of the Russian Federation directly affects the Group's operations through regulation by the Federal Tariff Service ("FTS"), with respect to its wholesale energy sales, and by the Regional Tariff Services ("RSTs"), with respect to its heat sales. The operations of all generating facilities are coordinated by JSC System Operator – Central Dispatch Unit of Unified Energy System ("SO-CDU") in order to meet system requirements in an efficient manner. SO-CDU is controlled by RAO UES.

Tariffs which the Group may charge for sales of electricity and heat are governed by regulations specific to the electricity and heat industry and by regulations applicable to natural monopolies. Historically, such tariffs have been based on a "cost-plus" system, meaning cost of service plus a margin, where costs are determined under the Regulations on Accounting and Reporting of the Russian Federation ("RAR"), a basis of accounting which significantly differs from International Financial Reporting Standards ("IFRS"). In practice, tariff decisions were impacted significantly by social and political considerations, causing significant delays in tariff determinations and tariff increases that were lower than required to compensate for cost increases.

As discussed in Notes 2, 25 and 27, the government's economic, social and other policies could materially effect the operations of the Company.

Regulatory and sector restructuring. The Russian electric utilities industry in general and RAO UES in particular are presently undergoing a reform process designed to introduce competition into the electricity sector and to create an environment in which the Group can raise the capital required to maintain and expand current capacity.

The regulatory framework governing the process of reforming the Russian Federation electric utilities industry and the functioning of the industry, both during the transition period and subsequent to the completion of reforms, is set forth in the following legislation: Federal Law No. 35-FZ of 26 March 2003 "On the Electric Utilities" and Federal Law No. 36-FZ of 26 March 2003 "On the Specifics of the Functioning of Electric Utilities During the Transition Period and the Introduction of Amendments to Certain Russian Federation Legislative Acts and the Invalidation of Certain Russian Federation Legislative Acts in Connection with the Adoption of the Law "On the Electric Utilities of the Russian Federation".

As at 29 May 2003, the Board of Directors of RAO UES of Russia approved a "Concept of RAO UES of Russia strategy for the period from 2003 through 2008". This document provides a detailed description of the major changes that are planned to take place in respect of wholesale generation companies during the electric utilities reform program.

In October 2003, the Russian Federation Government issued Resolution No. 643 "On the Rules for the Wholesale Electricity Market during the Transition Period". According to the rules adopted, there will be two sectors within the Federal Wholesale Electricity Market (FOREM): regulated trading sector and free trading sector. Within the free trading sector, electricity suppliers will be able to sell electricity generated with the use of facilities and equipment accounting for 15% of the working capacity. Since November 2003, the non-commercial partnership "Trade System Administrator of the Wholesale Electricity Market", in accordance with the rules for the wholesale electricity market during the transition period, has been holding electricity bidding in the free trading sector.

A crucial step in developing a competitive wholesale electricity (capacity) market was the adoption of the new Wholesale Electric Power (capacity) Market (NOREM) Rules of the Transitional Period approved by Resolution of the Government of the Russian Federation No. 529 "On Improvement of the Functioning of the Wholesale Electricity Market (Capacity)" dated August 31, 2006 and which came into force on September 1, 2006. Under the new wholesale market framework, electricity and power purchase-and-sale transactions in the regulated market sector are to be governed by a regulated bilateral contract system. From 1 September 2006, regulated contracts covered all volumes of electricity and power produced and consumed.

From 2007 the volumes of electricity power and electricity capacity traded in the wholesale market at regulated prices will begin to be substantially reduced. The pace of reduction was set by the Russian Federation Government according to socio-economic development forecasts. In 2007 up to 90% of the forecasted production volumes will be traded at regulated prices. The period from 2006 to approximately 2011 is a transition period. After that, it is expected that a fully competitive wholesale market will develop.

Management believes that ultimately a stable regulatory regime and a competitive power market will be put in place such that the Group will be able to raise needed capital to sustain the business. However, there can be no assurance in this regard.

Note 2. Financial condition

As at 30 June 2007, the Group's current assets exceeded its current liabilities by RR 506,746 thousand (As at 31 December 2006, the Group's current liabilities exceeded its current assets by RR 5,467,710 thousand). The change caused due to repayment of the major part of the short-term loans in the first half of 2007.

The Group is affected by Government policy through control of tariffs and other factors. The regional services on tariffs have not always permitted tariff increases in line with the Group's costs and thus some tariffs are insufficient

OGK-6 Group

Notes to Interim Combined and Consolidated Financial Statements for the six months ended 30 June 2007 (unaudited)

(in thousands of Russian Roubles, except earning / (loss) per share)

to cover all the costs of generation and distribution of energy. Moreover, increases in these tariffs consider costs only on a Russian statutory basis and, accordingly, exclude additional costs recognised under an IFRS basis of accounting. As a result, tariffs may not consistently allow for an adequate return on investment and currently do not provide sufficient funds for the full replacement of property, plant and equipment. In addition, the Group also experiences difficulties with raising financing for investments in the assets used for generation, transmission and distribution of power.

The Group's management has engaged in the following actions in order to address the issues noted above and further improve the Group's financial position:

- introduction of improved financial budgeting procedures; a strong focus on timely cash collection of current and debtor balances; restructuring liabilities for repayment purposes during a longer time period;
- negotiations with federal and regional governments and regulators for real increases in tariffs to support adequate long term investment into the Group's generation, transmission and distribution assets (Note 1).

The number of bonds placed was 5 million. The bonds were placed through public offering. The total amount of the placement was RR 5,000,000 thousand (Note 12).

On 15 August 2007 the Board of Directors of WGC-6 approved prospectus for the issue of shares in amount of 11,850 mln. with the par value of RR 0.48 each (Note 29).

Note 3: Basis of preparation

Statement of compliance. These consolidated financial statements ("Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related interpretations adopted by the International Accounting Standards Board ("IASB"). The financial statements have been prepared under the historical cost convention.

Functional and presentation currency. The national currency of the Russian Federation is the Russian Rouble ("RR"), which is the functional currency of each of the Group's entities and the currency in which these Financial Statements are presented. All financial information presented in RR has been rounded to the nearest thousand.

Inflation accounting. Prior to 1 January 2003 non-monetary assets acquired and non-monetary liabilities incurred or assumed have been adjusted for the changes in the general purchasing power of the RR in accordance with International Accounting Standards 29 ("IAS") ("Financial Reporting in Hyperinflationary Economies"). IAS 29 requires that the financial statements are prepared in the currency of a hyperinflationary economy to be stated in terms of the measuring current unit at the balance sheet date. As the characteristics of the economic environment of the Russian Federation indicate that hyperinflation has ceased, effective from 1 January 2003 the Group no longer applies the provisions of IAS 29. Accordingly, the amounts expressed in the measuring unit current at 31 December 2002 are treated as the basis for the carrying amounts in these financial statements.

Predecessor Accounting. In May, 2005 RAO UES (hereinafter – the Parent) transferred to OGK-6 shares that were owned by RAO UES in subsidiaries Ryazanskaya GRES, Novocherkasskaya GRES, Kirishskaya GRES and Krasnoyarskaya GRES-2 leaving one share in each subsidiary in its ownership. In April-May 2006 the additional shares of the Company were exchanged for the shares of GRES-24 and Cherepovetskaya GRES including those owned by the Parent. As a result of the transfer the Company became the owner of 52% of shares of GRES-24 and of 84% of shares of Cherepovetskaya GRES. In these financial statements, the Group accounted for this business combination amongst entities under common control using the predecessor values method. Accordingly, assets and liabilities of the transferred entities were accounted for at their carrying value, as determined by the Parent in its IFRS consolidated financial statements. Information in respect of the comparative period has been restated as if the business combination took place at the beginning of the earliest period presented. On September 29, 2006 these entities were merged into OJSC "OGK-6" and became branches.

Thus, starting from January 1, 2005 Ryazanskaya GRES, Novocherkasskaya GRES, Kirishskaya GRES, Krasnoyarskaya GRES-2, GRES-24 and Cherepovetskaya GRES are aggregated into the Group financial statements as branches of OJSC "OGK-6".

New accounting developments. Certain new IFRSs became effective for the Group from January 1, 2007. Listed below are those new or amended standards or interpretations which are or in the future could be relevant to the Group's operations and the nature of their impact on the Group's accounting policies.

- IAS 1, Presentation of Financial Statements (revised September 2007; effective for annual periods beginning on or after 1 January 2009). The main change in IAS 1 is the replacement of the income statement by a statement of comprehensive income which will also include all non-owner changes in equity, such as the revaluation of available-for-sale financial assets. Alternatively, entities will be allowed to present two statements: a separate income statement and a statement of comprehensive income. The revised IAS 1 also introduces a requirement to present a statement of financial position (balance sheet) at the beginning of the earliest comparative period whenever the entity restates comparatives due to reclassifications, changes in accounting policies, or corrections of errors. The Group expects the revised IAS 1 to affect the presentation of its financial statements but to have no impact on the recognition or measurement of specific transactions and balances.

OGK-6 Group

Notes to Interim Combined and Consolidated Financial Statements for the six months ended 30 June 2007 (unaudited)

(in thousands of Russian Roubles, except earning / (loss) per share)

- IFRS 7 Financial Instruments: Disclosures (effective from January 1, 2007). The IFRS introduces new disclosure requirements for financial instruments. The volume of disclosures will increase significantly with an emphasis on quantitative aspects of risk exposures and the methods of risk management. The quantitative disclosures will provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel. Qualitative and quantitative disclosures will cover exposure to credit risk, liquidity risk and market risk including sensitivity analysis to market risk. IFRS 7 replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and some of the requirements in IAS 32, Financial Instruments: Disclosure and Presentation. The Amendment to IAS 1 introduces disclosures about level of an entity's capital and how it manages capital.
- IFRIC 7, Applying the Restatement Approach under IAS 29, effective for annual periods beginning on or after March 1, 2006 (that is from January 1, 2007 for these financial statements). The Interpretation clarifies application of IAS 29 in the reporting period in which hyperinflation is first identified. It states that IAS 29 should initially be applied as if the economy has always been hyperinflationary. It further clarifies calculation of deferred income taxes in the opening balance sheet restated for hyperinflation in accordance with IAS 29.
- IFRIC 8, Scope of IFRS 2, effective for annual periods beginning on or after May 1, 2006 (that is from January 1, 2007 for these financial statements). The interpretation states that IFRS 2 also applies to transactions in which the entity receives unidentifiable goods or services and that such items should be measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received (or to be received).
- IFRIC 9, Reassessment of Embedded Derivatives, effective for annual periods beginning on or after June 1, 2006. The Interpretation clarifies that an entity should assess whether an embedded derivative should be accounted for separately from the host contract when the entity first becomes party to the contract. Only if the contract subsequently is significantly modified the entity reassesses whether to separate or not.
- IFRIC 10 Interim Financial Reporting and Impairment (effective for annual periods beginning on or after November 1, 2006). The interpretation clarifies that an entity should not reverse an impairment loss recognised in previous interim periods in respect of goodwill or an investment in a financial asset carried at cost.

The effect of adoption of the above new or revised standards and interpretations on the Group's financial position at June 30, 2007 and December 31, 2006 and on the results of its operations for the two years then ended was not material.

Other new standards or interpretations. The following standards interpretations are not yet effective and have not been applied in the preparation of these financial statements.

- IFRS 8 Operating Segments (effective for annual periods beginning on or after January 1, 2009). The Standard applies to entities whose debt or equity instruments are traded in a public market or that file, or are in the process of filing, their financial statements with a regulatory organisation for the purpose of issuing any class of instruments in a public market. IFRS 8 requires an entity to report financial and descriptive information about its operating segments and specifies how an entity should report such information:
- IFRIC 11, IFRS 2 Group and Treasury Share Transactions (effective for annual periods beginning on or after March 1, 2007). This Interpretation addresses how to apply IFRS 2 "Share-based Payment" to share-based payment arrangements involving an entity's own equity instruments or equity instruments of another entity in the same group (e.g. equity instruments of its parent).
- IFRIC 12, Service Concession Arrangements (effective for annual periods beginning on or after January 1, 2008). The interpretation addresses how service concession operators should apply existing IFRS to account for the obligations they undertake and rights they receive in service concession arrangements. It does not address accounting for the government side of service concession arrangements.
- IFRIC 13, Customer Loyalty Programmes (effective for annual periods beginning on or after July 1, 2008). The interpretation addresses accounting by entities that grant loyalty award credits (such as 'points' or travel miles) to customers who buy other goods or services. Specifically, it explains how such entities should account for their obligations to provide free or discounted goods or services ('awards') to customers who redeem award credits.
- IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. (effective for annual periods beginning on or after January 1, 2008). IFRIC 14 addresses when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of IAS 19; how a minimum refunding requirement might affect the availability of reductions in future

OGK-6 Group

Notes to Interim Combined and Consolidated Financial Statements for the six months ended

30 June 2007 (unaudited)

(In thousands of Russian Roubles, except earning / (loss) per share)

contributions, and when a minimum refunding requirement might give rise to a liability. IFRIC 14 is not relevant for the Company's operations.

- IAS 23, Borrowing Cost (Amendment, applies to borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after January 1, 2009). The amendment eliminates the option of immediately recognising as an expense borrowing costs that relate to the assets which requires substantial period of time to get ready for use or sale.

Going concern. The Financial Statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The future operations of the Group may be significantly affected by the current and future economic environment and the Group's financial condition as discussed above. The Group's restructuring can also have a significant impact on the Group's ability to realize its assets and on its future operations. The accompanying financial statements do not include any adjustments should the Group be unable to continue as a going concern.

Critical accounting estimates and assumptions. The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgments, apart from those involving estimations, in the process of applying the accounting policies. Judgments that have the most significant effect on the amounts recognized in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Provision for impairment of accounts receivable. Provision for impairment of accounts receivable is based on the Group's assessment of whether the collectibility of specific customer accounts worsened compared to prior estimates. If there is deterioration in a major customer's creditworthiness or actual defaults are higher than the estimates, the actual results could differ from these estimates.

Provision for impairment of property, plant and equipment. At each balance sheet date the Group assesses whether there is any indication that the recoverable amount of the Group's assets has declined below the carrying value. The recoverable amount of property, plant and equipment is the higher of an asset's fair value less costs to sell and its value in use. When such a decline is identified, the carrying amount is reduced to the recoverable amount. The amount of the reduction is recorded in the combined and consolidated statement of income in the period in which the reduction is identified. If conditions change and management determines that the value of an asset other than goodwill has increased, the impairment provision will be fully or partially reversed. Management has used various assumptions in the calculation of the recoverable value of property, plant and equipment (for further details see Note 5).

Useful lives of property, plant and equipment. The estimation of the useful lives of an item of property, plant and equipment is a matter of management judgment based upon experience with similar assets. In determining the useful life of an asset, management considers the expected usage, estimated technical obsolescence, physical wear and tear and the physical environment in which the asset is operated. Changes in any of these conditions or estimates may result in adjustments for future depreciation rates.

Tax contingencies. Russian tax legislation is subject to varying interpretations and changes, which can occur frequently. Where the Group management believes it is probable that their interpretation of the relevant legislation and the Group's tax positions cannot be sustained, an appropriate amount is accrued for in these IFRS financial statements.

Note 4: Summary of significant accounting policies

Principles of consolidation. These financial statements comprise the financial statements of OJSC "OGK-6" and the financial statements of those entities whose operations are controlled by OJSC "OGK-6". Control is presumed to exist when OJSC "OGK-6" controls directly or indirectly through subsidiaries, more than 50 percent of voting rights.

A) Subsidiaries

The financial statements of subsidiaries are included in the combined and consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. The subsidiaries' financial statements have been adjusted to conform accounting policies with the Group. Minority interest is included in the Group's equity.

B) Transactions eliminated on consolidation

Inter-company balances and transactions, and any unrealized gains arising from inter-company transactions, are eliminated in preparing the combined and consolidated financial statements.

Minority interest. Minority interest represents the minority shareholders' proportionate share of the equity and results of operations of the Group's subsidiaries. This has been calculated based upon the minority's ownership percentage of these subsidiaries. In purchases of minority interest, difference, if any, between the carrying amount of a minority interest and the amount paid to acquire it is recorded directly in equity.

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Seasonality. Demand for electricity and heat is influenced by both the season of the year and the relative severity of the weather. Revenues from heating are concentrated within the months of October to March. A similar, though less severe, concentration of electricity sales occurs within the same period. The seasonality of electricity and heat production has a corresponding impact on the usage of fuel and the purchase of power. Furthermore, during the periods of lower production from April to September, there is an increase in the expenditures on repairs and maintenance. This seasonality does not impact the revenue or cost recognition policies of the Group.

Transfers of subsidiaries between parties under common control. Transfers of subsidiaries between parties under common control are accounted for using the predecessor basis of accounting method. Under this method the financial statements of the combined entity are presented as if the businesses had been combined from the beginning of the earliest period presented. The assets and liabilities of the subsidiary transferred under common control are recognised at the predecessor entity's carrying amounts. Any difference between the carrying amount of net assets and the nominal value of share capital contributed is accounted for in these consolidated financial statements as an adjustment to equity (Note 11).

Dividends. Dividends are recognized as a liability and deducted from equity at the balance sheet date only if they are declared (approved by shareholders) before or on the balance sheet date. Dividends are disclosed when they are declared after the balance sheet date, but before the financial statements are authorized for issue.

Property, plant and equipment. As at June 30, 2007 property, plant and equipment are stated at the carrying value determined in accordance with the IFRS as at the date of their transfer to the Group by the Predecessor, and adjusted taking into account further additions, disposals and depreciation charges.

Renewals and improvements are capitalized and the assets replaced are retired. The cost of repair and maintenance are expensed as incurred. Gains and losses arising from the retirement of property, plant and equipment are included in the income statement as incurred.

Depreciation of property, plant and equipment is calculated on a straight-line basis over the estimated useful life of the asset. For the property, plant and equipment which were subject to the third party valuation as at 31 December 1997, the depreciation rate applied is based on the estimated remaining useful life as at the valuation date.

The useful lives, in years, of assets by type of facility are as follows:

Type of facility	Acquired prior to 31 December 1997	Acquired subsequent to 31 December 1997
Electricity and heat generation	4-63	20-50
Electricity distribution	5-27	25
Heating networks	11-18	20
Other	6	10

Loan charges received for the financing of construction of property, plant and equipment are not capitalized within the cost of property, plant and equipment object during the period needed for the finalization of construction works and preparation for planned use.

Cash and cash equivalents. Cash comprises cash in hand and cash on demand deposited at banks. Cash equivalents comprise short-term highly liquid investments that are readily convertible into cash and have a maturity of three months or less from the date of acquisition, and are subject to insignificant changes in value.

Accounts receivable and prepayments. Accounts receivable are recorded inclusive of the value added taxes which are payable to the tax authorities upon collection of such receivables. Trade and other receivables are adjusted for provision made for impairment of these receivables. Such a provision for impairment of accounts receivable is established if there is objective evidence that the Group will not be able to collect all amounts due, according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the original effective interest rate at the date of origination of the receivables.

Value added tax on purchases and sales. Output VAT related to sales is payable to tax authorities on the earlier of (a) collection of the receivables from customers or (b) delivery of the goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice.

The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the balance sheet on a gross basis and disclosed separately as an current asset or liability. Where provision has been made for impairment of receivables, impairment loss is recorded for the gross amount of the debtor, including VAT. The related deferred VAT liability is maintained until the debtor is written off for tax purposes.

Inventories. Inventories are valued at the lower of net realizable value and weighed average acquisition cost.

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Income tax. The income tax expense represents the sum of the current tax payable and deferred income tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of operations because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been substantially enacted by the balance sheet date.

Deferred income taxes. Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the balance sheet date which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

Deferred tax is not provided for the undistributed earnings of subsidiaries, as the Group requires profits to be reinvested, and only insignificant dividends are expected to be declared from future profits of the subsidiaries.

Accounts payable and accrued charges. Accounts payable are stated inclusive of value added tax. If accounts payable are restructured and the discounted present value of the cash flows under the restructured terms discounted using the original effective interest rate differs by more than ten percent from the discounted present value of the remaining cash flows of the original financial liability, then the fair value of the restructured payable is measured as the discounted present value of the cash flows under the restructured terms. The amount of the discount is credited to the statement of operations (finance costs) as a gain on restructuring, and the non-current portion of the discounted payable is reclassified to other non-current liabilities. The difference, if any, between the fair value of the restructured payable on its initial recognition and the maturity amount is amortised over the period until the maturity of the payable as an interest expense.

Debt. Debt is recognised initially at its fair value. Fair value is determined using the prevailing market rate of interest for a similar instrument, if significantly different from the transaction price. In subsequent periods, debt is stated at amortised cost using the effective interest rate method; any difference between the fair value of the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of operations as an interest expense over the period of the debt obligation. All borrowing costs, including those on borrowings used to finance construction of property, plant and equipment are recognised as an expense in the period in which they are incurred.

Pension and post-employment benefits. In the normal course of business the Group contributes to the Russian Federation state pension scheme on behalf of its employees. Mandatory contributions to the governmental pension scheme are expensed when incurred in employee benefit expenses and payroll taxes in the income statement.

A number of Group entities operate defined benefit plans that cover the majority of the Group's employees. Benefit plans define the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in the balance sheet in respect of the defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and unrecognized past service cost. The defined benefit obligations are calculated using the Projected Unit Credit Method. The present value of the defined benefit obligations are determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liabilities.

Actuarial gains and losses arising from changes in actuarial assumptions and exceeding the higher of 10% of the defined benefit obligations and fair value of plan assets are charged or credited to the statement of operations over the average remaining service lives of employees starting from the next reporting period.

Past service costs are amortized over vesting period of 10.5 years.

Foreign currency. Monetary assets and liabilities, which are held by the Group entities and denominated in foreign currencies at the balance sheet date, are translated into roubles at the exchange rates prevailing at that date. Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of operations.

Environmental liabilities. Liabilities for environmental remediation are recorded where there is a present obligation, the payment is probable and reliable estimates exist. Any provision made is recognised at the best estimate of the outflow.

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Revenue recognition. Revenue is recognized on the delivery of electricity, heat and on the dispatch of non-utility goods and services during the period. Revenue amounts are presented exclusive of value added tax. Revenue is based on the application of authorized tariffs for electricity sales as approved by the Regional Tariffs Authorities.

Social expenditure. To the extent that the Group's contributions to social programs benefit the community at large and are not restricted to the Group's employees, they are recognized in the income statement as incurred.

Segment reporting. The Group operates predominantly in a single geographical area and industry, the generation of electric power and heat in Russian Federation. The generation of electricity and heat are related activities and are subject to similar risks and returns, therefore they are reported as one business segment.

Operating leases. Where the Group is a lessee in a lease which does not transfer substantially all the risk and rewards incidental to ownership from the lessor to the Group, the total lease payments, including those on expected termination, are charged to profit or loss on a straight-line basis over the period of the lease.

When assets are leased out under an operating lease, the lease payments receivable are recognized as rental income on a straight-line basis over the lease term.

Earnings per share. The earnings per share are determined by dividing the profit attributable to ordinary shareholders of the parent of the Group by the weighted average number of ordinary shares outstanding during the reporting period.

Interest. Interest income and expense are recognized in the income statement for all debt instruments on an accrual basis using the effective rate of interest method. Interest income includes nominal interest and amortized discount and premium. When loan collection becomes doubtful, loans are written down to their recoverable amount and interest income is thereafter recognized based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount.

Fair value measurement. The fair value of accounts receivable for the purposes of financial statements preparation is measured by discounting the value of expected cash flows at the market rate of interest for similar borrowers at the reporting date.

The fair value of financial liabilities and other financial instruments (except if publicly quoted) for disclosure purposes is measured by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments. The fair value of publicly quoted financial instruments for disclosure purposes are measured based on current market value at the close of business on the reporting date.

Financial assets. The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

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Note 5. Property, plant and equipment

Cost	Electricity and heat generation	Electricity transmission	Heating networks	Other	Construction in progress	Total
Opening balance as at 31 December 2006	36,301,128	2,317,267	192,263	9,247,807	840,249	48,898,714
Additions	156,304	523	-	37,873	803,586	998,286
Transfers	44,567	25,793	-	63,021	(133,381)	-
Disposals	(1,419)	-	-	(3,267)	(27,580)	(32,266)
Closing balance as at 30 June 2007	36,500,580	2,343,583	192,263	9,345,434	1,482,874	49,864,734

Accumulated depreciation						
Opening balance as at 31 December 2006	13,119,172	1,282,265	75,125	5,568,567	-	20,045,129
Depreciation for the period	933,338	36,820	4,579	222,121	-	1,196,858
Disposals	(54)	-	-	(1,847)	-	(1,901)
Closing balance as at 30 June 2007	14,052,456	1,319,085	79,704	5,788,841	-	21,240,086

Net book value						
Closing balance as at 31 December 2006	23,181,956	1,035,002	117,138	3,679,240	840,249	28,853,585
Closing balance as at 30 June 2007	22,448,124	1,024,498	112,559	3,556,593	1,482,874	28,624,648

Cost	Electricity and heat generation	Electricity transmission	Heating networks	Other	Construction in progress	Total
Opening balance as at 31 December 2005	35,227,210	2,375,203	191,607	8,383,724	960,960	47,138,704
Additions	226,562	-	656	137,243	268,697	633,158
Transfers	79,871	-	-	32,860	(112,731)	-
Disposals	(5,379)	(696)	-	(4,765)	(6,458)	(17,298)
Closing balance as at 30 June 2006	35,528,264	2,374,507	192,263	8,549,062	1,110,468	47,754,564

Accumulated depreciation (including impairment)						
Opening balance as at 31 December 2005	17,811,958	1,445,912	65,649	5,513,428	-	24,836,957
Depreciation for the period	976,577	33,327	4,993	234,074	-	1,248,971
Disposals	(2,324)	(290)	-	(4,765)	-	(7,379)
Closing balance as at 30 June 2006	18,786,221	1,478,949	70,642	5,742,737	-	26,078,549

Net book value						
Closing balances at 31 December 2005	17,415,242	929,291	125,958	2,870,296	960,960	22,301,747
Closing balances at 30 June 2006	16,742,043	895,558	121,621	2,806,325	1,110,468	21,676,015

Construction in progress represents the carrying amount of property, plant and equipment that has not yet been put into operation. Heat and electricity generation business requires significant capital expenditures, and quite a number of the Group's power stations are technologically and physically obsolete and need to be periodically upgraded and repaired. The Company believes that required investments will have a significant effect on the Company's cash flows and operating results in the future. The construction in progress relates to the Group's capital investment program for the period through 2011 to build up capacity at GRES-24, Kirishskaya GRES, Novocherkasskaya GRES and Cherepovetskaya GRES.

The major items in construction are:

	6 months ended 30 June 2007
Replacement of condensing plant and putting into operation combined-cycle plant unit #6 (Kirishskaja GRES)	121,912
Reconstruction of water treatment system (Kirishskaja GRES)	110,586
Fume stack reconstruction unit #2 (Riazanskaja GRES)	45,361

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Depreciation is charged once property, plant and equipment is available for use in the production.

Other property, plant and equipment include motor vehicles, computer equipment, office fixtures and other equipment.

The assets transferred to the Group upon privatization did not include the land on which the Group's buildings and facilities are situated. The Group has the option to purchase this land upon application to the state registration body or to formalise the right for rent. As of 30 June 2007 the Group filed an application to acquire land at the municipality of Novomichurinskoe village of Pronsky district, Ryazan region.

A portion of property, plant and equipment additions has been settled through mutual settlement, barter and other non-cash transactions. Non-cash transactions in respect of property, plant and equipment are:

	6 months ended 30 June 2007	6 months ended 30 June 2006
Non-cash acquisitions	-	195,961
Non-cash proceeds from the sale of property, plant and equipment	-	529

Impairment provision for property, plant and equipment Management has used various assumptions in the calculation of the recoverable value of property, plant and equipment. Variations in these assumptions may give rise to a significantly different amount for the impairment provision.

Cost and accumulated depreciation of transferred assets including the impairment provision were accepted by the Group as at the time of assets transfer from the Predecessor, RAO UES.

In 2006 the management has concluded that at the reporting date there were indications for reversing previously recognized impairment losses based on significant changes with a favourable effect on the Group that have occurred or are expected to occur in the near future in the market and economic environment in which the Group operates. Such changes include:

- upward revisions, based on recent trends, in the expected growth of demand for electricity and heat in the regions in which the Group operates;
- higher degree of certainty about the free trading sector for electricity, which has been enacted by the government of the Russian Federation as of August 2006 (Note 1);

As at December 31, 2006 the impairment provision has been reversed in amount of RR 7,132,709 thousand.

These developments have resulted in a change to the assumptions that were used to determine the value in use of assets that comprise the cash generating units. An impairment review was carried out by comparing the recoverable amount of the individual cash generating units with their net book values. For the purposes of the review, each of the Group's power plants was used as the relevant cash generating unit. The recoverable amount was generally based on value in use, which was calculated based on estimated future cash flows using various assumptions including the following:

- Electricity tariffs in the regulated sector will be increased by 17.1 - 28.7%, 10.3 - 19.8%, 7.6 - 25.6% for the years ended December 31, 2008, 2009 and 2010, respectively;
- Electricity tariffs in the free market sector will be increased by 8.4%, 11.9%, 17.2% for the years ended December 31, 2008, 2009 and 2010, respectively;
- Heat tariffs will be increased by 17%, 18.2% and 18.4% for the years ended December 31, 2008, 2009 and 2010, respectively;
- Gas price will be increased by 25%, 27.7% and 27.7% for the years ended December 31, 2008, 2009 and 2010, respectively;
- Growth of gas prices and other operating costs will be accounted for by the Regional Tariff Service in the course of establishing regulated electricity and heat tariffs on a "cost-plus" basis;
- Inflation rate will not exceed 6.5% year;
- Increase of major variable cost will exceed the inflation rate;
- The pre-tax discount rate used to determine assets value in use is equal to 13.28% up to the year 2009 and 14.16% in the years 2010-2025.

Gas price, heat tariffs and electricity tariffs (in the regulated sector) approved by respective regulators for 2007 indicates increases of 15%, 11.5% and 6.5%, respectively in comparison with the year ended 31 December 2006.

Operating Leases. The Group leases a number of land areas owned by local government under operating lease. Land lease payments are determined by lease agreements.

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Operating land lease rentals are payable as follows:

	6 months ended 30 June 2007	6 months ended 30 June 2006
Less than one year	7,097	7,623
Between one and five years	26,116	23,891
More than five years	52,185	45,528
Total	85,397	77,042

Generally the leases run for an initial period of 5-49 years with an option to renew the lease after that date. Lease payments are reviewed regularly to reflect market rentals.

Operating lease rentals for other fixed assets are payable as follows:

	6 months ended 30 June 2007	6 months ended 30 June 2006
Less than one year	384	382
Between one and five years	329,828	217,175
Total	330,212	217,557

Note 6. Other non-current assets

	30 June 2007	31 December 2006
Long-term Trade Accounts Receivable (net of provision for impairment of accounts receivable of RR 228,376 thousand as of 30 June 2007 and 214,623 thousand as of 31 December 2006)	224,789	216,765
Taxes receivables (LT part)	145,814	146,301
Other non-current assets	10,245	8,733
Total	380,848	371,799

Long-term Trade Accounts Receivable include amounts receivable overdue from the customers under initial trade contract terms that were restructured and for which the new contracts were signed. Under restructured terms these receivables are expected to be settled in the years 2008 – 2013. The recorded value approximates their fair value.

The management believes that Group will be able to realize the net receivable amount through direct collections and other non-cash settlements. Management considered non-collectible and, accordingly, fully impaired all the long-term accounts receivable aged more than 1 year overdue under the restructured terms or receivables that have never been restructured. The impaired receivables are mainly from the companies of RAO UES group which are in difficult economic situation.

Note 7. Cash and cash equivalents

	30 June 2007	31 December 2006
Cash at bank and in hand	44,072	143,258
Total	44,072	143,258

There are no cash equivalents.

Note 8. Accounts receivable and prepayments

	30 June 2007	31 December 2006
Trade receivables (net of provision for impairment of accounts receivable of RR 131,797 thousand as of 30 June 2007 and RR 124,401 thousand as of 31 December 2006)	1,678,736	502,186
VAT recoverable	215,164	86,861
Advances to suppliers and prepayments (net of provision for impairment of accounts receivable of RR 52,489 thousand as of 30 June 2007 and RR 50,957 thousand as of 31 December 2006)	497,514	254,124
Other receivables (net of provision for impairment of accounts receivable of RR 69,890 thousand as of 30 June 2007 and RR 78,598 thousand as of 31 December 2006)	385,702	299,321
Total	2,777,116	1,142,492

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The provision for impairment of accounts receivable was calculated based on analysis of collectibility. The movement of the provision is shown in the table below.

	6 months ended 30 June 2007	6 months ended 30 June 2006
As at 1 January	480,046	855,961
Reversal of provision	-	(16,345)
Accrued provision	2,507	
As at 30 June	482,553	839,616

As of 30 June 2007, trade receivables of 172,452 (31 December 2006: 222,815) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	30 June 2007	31 December 2006
3 to 6 months	31,924	102,563
more than 6 months	140,528	120,232
Total	172,452	222,815

Management has determined the provision for impairment of accounts receivable based on specific customer identification, customer payment trends, subsequent receipts and settlements and analysis of expected future cash flows. Fair valuation of future cash flows was based on the expected collection date and 16-17% discount rate. The discounting effect is recorded in the provision for impairment of accounts receivable. The management of the Group believes that Group entities will be able to realize the net receivable amount through direct collections and other non-cash settlements, and that therefore the recorded value approximates their fair value. The individually impaired receivables mainly relate to energocompanies which are in difficult economic situation. The aging of these receivables is over 1 year old.

Note 9. Inventories

	30 June 2007	31 December 2006
Fuel supplies	1,545,429	2,053,934
Spare parts	678,236	529,937
Materials and supplies	430,491	369,921
Other inventories	5,576	14,970
Provision for slow-moving and obsolete inventory	(43,896)	-
Total	2,615,836	2,968,762

Inventory balances as of December 31, 2006 include inventories in the amount of RR 165,000 thousand and which were pledged as collateral under loan agreements.

Note 10. Other Current Assets

	30 June 2007	31 December 2006
Other current assets	217,787	208,860
Profit tax	224,943	-
Total	442,730	208,860

Note 11. Equity***Basis of presentation of movements in equity***

The Group was formed by the combination of a number of businesses under common control. Because of the consequent use of the predecessor basis of accounting (see Note 3), the principal component of the net equity recognised for the Group is based on the historic carrying value of the net assets of the businesses contributed as recorded in the IFRS financial records of the predecessor enterprises, rather than the fair values of those net assets. Similarly, for the purpose of comparability, the equity of the Group has been presented for comparative periods and as at January 1, 2005 as if the current Group structure had existed from January 1, 2005 (see Note 3). As the Group was formed as a result of a series of share issues completed after January 1, 2005, the equity statement reflects additions to share capital in the amount equal to the statutory nominal value of the shares issued which is based on the fair value of the net assets of the businesses contributed. In accordance with the predecessor basis of accounting, the effect of such additions to equity is offset by a corresponding increase in the merger reserve and reduction in minority interest.

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Share capital

	Number of shares issued and fully paid	30 June 2007 (RR, th.)	31 December 2006 (RR, th.)
Ordinary shares	26,731,061,492	12,830,909	26,731,061
Total	26,731,061,492	12,830,909	26,731,061

As at 1 January 2006 the number of issued ordinary shares amounted to 23,008,616,898 with a par value of RR 1.00 each.

On June 20, 2006 was registered the report on results of 2,776,435,233 additional ordinary shares issue of the Group with a value of RR 1.00 each. These shares were exchanged for the ordinary shares of JSC "GRES-24", JSC "Cherepovetskaya GRES" and for assets contributed by RAO UES.

On November 8, 2006 were registered six reports on results of 946,009,361 additional ordinary shares issue of the JSC OGK-6 with a value of RR 1.00 each. On September 29, 2006 these shares were exchanged for the ordinary shares of the following GRES:

- the ordinary shares of the JSC "Cherepovetskaya GRES" were exchanged for 360,964,952 additionally issued ordinary shares of JSC OGK-6 with the value of RR 1.00 each;
- the ordinary shares of the JSC "GRES-24" were exchanged for 585,044,307 additionally issued ordinary shares of JSC OGK-6 with the value of RR 1.00 each;
- the ordinary shares of the JSC "Kirishskaya GRES" were exchanged for 25 additionally issued ordinary shares of JSC OGK-6 with the value of RR 1.00 each;
- the ordinary shares of the JSC "Ryazanskaya GRES" were exchanged for 29 additionally issued ordinary shares of JSC OGK-6 with the value of RR 1.00 each;
- for the ordinary shares of the JSC "Novocherkasskaya GRES" were exchanged 23 additionally issued ordinary shares of JSC OGK-6 with the value of RR 1.00 each;
- the ordinary shares of the JSC "Krasnoyarskaya GRES" were exchanged for 25 additionally issued ordinary shares of JSC OGK-6 with the value of RR 1.00 each;

As at 31 December 2006, the number of issued ordinary shares amounted to 26,731,061,492 with a par value of RR 1.00 each.

On 10 April 2007 Shareholders of the Group resolved to decrease share capital of the Group from RR 26,731,061,492 to RR 12,830,909,516 by the way of decrease of the nominal value of the outstanding shares. As at 30 June 2007 the number of outstanding shares amounted to 26,731,061,492 with par RR 0.48.

Decrease of Charter capital was performed in accordance with requirements of Federal Law "On Joint-stock Companies" which stipulates that net assets shall be equal or exceed Charter capital.

Dividends. The statutory financial reports of OJSC "OGK-6" are the basis for profit distribution and other appropriations. The Russian legislation identifies the basis of distribution as the net profit. However, this legislation and other statutory laws and regulations dealing with the distribution rights are open to legal interpretation and, accordingly, management believes at present it would not be appropriate to disclose an amount for the distributable reserves in these financial statements.

On 29 June 2007 the Annual Shareholders' meeting of the Group approved the dividends based on results of 2006 and 1st quarter of 2007.

- The total amount of dividends approved for common shares based on results of 2006 was RR 225,990 thousand.
- The amount of dividends approved based on results of 2006 per common share is RR 0.00845417.
- The total amount of dividends approved for common shares based on results of 1st quarter 2007 was RR 230,000 thousand.
- The amount of dividends approved based on results of 1st quarter 2007 per common share is RR 0.00860422.

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Note 12. Long-term borrowings

This line represents the long-term bonded loan obtained for operating purposes.

On 26 April 2007, the Group placed interest-bearing documentary non-convertible bearer bonds, series 01, at MICEX. The bonds were issued under the state registration number 4-01-65106-D and have circulation period of 5 years with 3-year buy-back option. The securities are placed at par value of RR 1 thousand each. The number of actually placed bonds is 5 mln bonds. The bonds are placed through public offering. The bond issue is arranged by ROSBANK, with the International Moscow Bank as a co-arranger.

The first coupon yield rate is 7.55%. The first coupon yield is payable on day 182 from the bond issue inception date. The principal amount is payable with the 10th coupon yield on day 1,820 from the bond issue inception date.

	Currency of loan	Interest rate	30 June 2007	31 December 2006
Bonds	RUR	7,55%	5,000,000	-
Other	EUR	7,875%	83,610	-
Total			5,083,610	-

Management believes that total current value of non-current debt approximates its fair value since actual interest rates approximate current market interest rates available to the Company for similar financial instruments.

The exposure of the Group's borrowings to interest rate changes at 30 June 2007 is limited to 5 years.

Note 13. Income tax

	6 months ended 30 June 2007	6 months ended 30 June 2006
Income tax of current year	582,464	222,247
Income tax of previous years	188,807	-
Deferred income tax charge	88,215	(923,993)
Income tax charge / (benefit)	859,486	(701,746)

During 6 months ended on 30 June 2007 most members of the Group were subject to income tax rates of 24% on the taxable profit.

In accordance with Russian tax legislation, tax losses in different Group companies may not be relieved against taxable profit of the other Group companies. Accordingly, income tax may accrue even where there is a net consolidated tax loss.

For the reporting purposes net profit before tax is reconciled with the tax charge as follows:

	6 months ended 30 June 2007	6 months ended 30 June 2006
Profit / (loss) before tax	1,978,635	(992,317)
Theoretical tax charge at an average statutory tax rate of 24%	474,873	(238,156)
Tax effect of items which are not deductible or assessable for taxation purposes	384,613	(463,590)
Total income tax charge / (benefit)	859,486	(701,746)

Deferred income tax. Differences between IFRS and Russian statutory taxation regulations give rise to certain temporary differences between the carrying value of certain assets and liabilities for financial reporting purposes and for income tax purposes. Deferred income tax liabilities (assets) are measured at 24%, the rate applicable when the asset or liability will reverse.

Deferred tax liabilities

	31 December 2006	Movement for the year recognized in the Income Statement	30 June 2007
Property, plant and equipment	(4,599,951)	(58,417)	(4,658,368)
Accounts receivable and prepayments	325,467	(105,674)	219,793
Tax loss	226,649	(101,502)	125,147
Other	191,188	177,378	368,566
Total	(3,855,647)	(88,215)	(3,944,862)

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	31 December 2005	Movement for the year recognized in the Income Statement	30 June 2006
Property, plant and equipment	(3,011,642)	(31,594)	(3,043,236)
Accounts receivable and prepayments	209,705	760,094	969,799
Other	(23,395)	195,493	172,098
Total	(2,825,332)	923,993	(1,901,339)

Note 14. Pension liabilities

The tables below provide information about the benefit obligations, plan assets and actuarial assumptions used for the six months ended 30 June 2007 and for the year 2006.

	30 June 2007	31 December 2006
Present value of funded defined benefit obligations	862,623	811,012
Less: Fair value of plan assets	-	-
Deficit in plan	862,623	811,012
Unrecognized net actuarial loss	(166,255)	(149,574)
Unrecognised past service cost	(165,600)	(161,175)
Net liability in the balance sheet	530,768	500,263

Amounts recognized in the combined and consolidated income statement:

	6 months ended 30 June 2007	6 months ended 31 December 2006
Current service cost	19,456	19,403
Interest cost	24,928	13,615
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognised in period	2,344	-
Amortisation of past service cost	19,428	18,975
Settlement (gain)/loss	(59,049)	-
Immediate recognition of vested prior service cost	62,628	-
Other	-	115,912
Total	69,735	167,905

Other category includes the result of changing estimation of year 2005 pension liabilities. During the year 2006 more detailed information about the group's pension plans was obtained. As a result the group's liability increased and an additional charge of RR 148,673 thousand was recorded. The management has treated this as a change in estimate rather than an actuarial loss, which would be deferred, because this allows the financial statements to better reflect the position at December 31, 2006.

Changes in the present value of the Group's defined benefit obligation are as follows:

	30 June 2007	31 December 2006
Present value of defined benefit obligations (DBO) at beginning of year	811,012	403,408
Service cost	19,456	36,073
Interest cost	24,928	44,684
Plan participants' contributions	-	-
Actuarial (gain)/loss	32,377	131,863
Past service cost	86,482	160,730
Benefits paid	(39,230)	(81,658)
Settlement and curtailment (gain)/loss	(72,402)	-
Other	-	115,912
Defined benefit obligations	862,623	811,012

	30 June 2007	31 December 2006
Net liability at start of year	500,263	294,145
Adjustment to remove plan assets	-	52,067
Adjusted net liability at start of year	500,263	346,212
Net expense recognised in the income statement	69,735	235,709
Employer contributions	(39,230)	(81,658)
Net liability at the end of the year	530,768	500,263

OGK-6 Group**Notes to Interim Combined and Consolidated Financial Statements for the six months ended****30 June 2007 (unaudited)**

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Principal actuarial assumptions are as follows:

	30 June 2007	31 December 2006
Discount rate	6.75%	6.75%
Pension increase (excl. annuities via NSPF)	7.0%	7.0%
Inflation	5.0%	5.0%
Salary increase	5.0%	5.0%

Note 15. Other non-current liabilities

	30 June 2007	31 December 2006
Water tax	69,483	54,521
Profit tax	164,165	164,165
VAT	91,068	97,048
Other	5,816	8,327
Total	330,532	324,061

Tax authorities carried out inspections, as a result of which accruals were made for the taxes listed above. The amounts mentioned are currently disputed in court. Results are expected in the following financial reporting periods.

Note 16. Current debt and current portion of non-current debt

This line represents short-term bank loans obtained for operating purposes, with interest rates ranging from 9 % to 14%. The interest rates are the market interest rates applicable to the loans at the dates of their origination. As of 30 June 2007 collateral included promissory notes issued in amount of RR 168,000 thousand. As of December 31, 2006 inventories were pledged as collateral for these debts (Note 9).

Bank	Currency	Interest rate	30 June 2007	31 December 2006
OJSC "Vneshtorgbank"	RR	10.00%	150,452	490,517
OJSC "AL'FA-BANK"	RR	10.5%-12.6%	390,545	1,232,156
OJSC "Transkreditbank"	RR	9.5%-11.5%	-	421,993
CJSC "Mezhdunarodnyi Moskovskii Bank"	RR	7.5%-11.75%	353,896	3,111,964
JSB "Rosbank"	RR	7.5%-13%	200,148	342,400
JSB "Evrofinans Mosnarbank"	RR	9.25%	175,040	400,000
JSB "MDM"	RR	8.5%-10.5%	-	516,311
Other	RR	9.25%-12.5%	168,260	-
Total			1,438,341	6,515,341

The carrying amounts of short-term borrowings approximate their fair value.

Note 17. Accounts payable and accrued charges

	30 June 2007	31 December 2006
Trade payables	2,117,034	1,873,737
Payables to employees	112,399	92,342
Dividends payable	464,498	194,644
Other payables	668,327	251,410
Total	3,362,258	2,412,133

Note 18. Taxes payable

	30 June 2007	31 December 2006
Value-Added Tax	72,838	75,646
Property tax	79,304	86,574
Payroll tax	39,131	27,654
Current portion of restructured taxes	2,175	314,069
Other taxes	249,543	277,305
Total	442,991	781,248

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Note 19. Revenues

	6 months ended 30 June 2007	6 months ended 30 June 2006
Electricity	12,772,877	12,270,414
Resale of purchased electricity	2,527,516	-
Heating	1,016,213	1,039,655
Other	158,327	207,514
Total	16,474,933	13,517,583

Note 20. Operating expenses

	6 months ended 30 June 2007	6 months ended 30 June 2006
Fuel expenses	7,568,146	8,315,361
Depreciation charge	1,196,858	1,248,971
Repairs and maintenance	1,176,712	1,097,941
Employee benefit expenses and payroll taxes	1,183,789	1,396,301
Water usage expenses	414,669	530,674
Taxes	260,475	203,819
Purchased power	1,770,492	7,887
Other materials	125,707	194,242
Rent and lease payments	161,983	132,774
Insurance cost	39,905	84,755
Transport costs	57,754	75,209
Security and fire safety cost	77,101	60,122
Charity expenditure	20,445	29,644
Provision for slow-moving and obsolete inventory / write-down	47,070	65,564
Consulting, legal and information services	18,284	28,389
NOREM development costs	251,020	219,953
Electricity transition	162,694	42,946
Reversal of previously written-off trade payables	8,158	(16,345)
Other	144,491	320,639
Total	14,685,753	14,038,846

Taxes comprise the following:

	6 months ended 30 June 2007	6 months ended 30 June 2006
Property tax	172,133	165,073
Non-refundable VAT	15,356	7,427
Other taxes	72,986	31,319
Total	260,475	203,819

Employee benefits expenses comprise the following:

	6 months ended 30 June 2007	6 months ended 30 June 2006
Salaries and wages, payroll taxes	1,044,496	1,232,195
Financial aid to employees and pensioners	100,702	129,759
Non-governmental pension fund expenses	38,591	34,347
Total	1,183,789	1,396,301

Note 21. Other operating income

	6 months ended 30 June 2007	6 months ended 30 June 2006
Income from fines and penalties written-off	312,094	18,091
Other	107,394	60,967
Total	419,488	79,058

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Note 22. Finance costs

	6 months ended 30 June 2007	6 months ended 30 June 2006
Interest expense	234,546	309,772
Discounting effect	(855)	240,340
Other	(3,658)	-
Total	230,033	550,112

Subsequent to the initial recognition, the discount is amortized over the period of restructuring as an expense.

Note 23. Earnings per share

	6 months ended 30 June 2007	6 months ended 30 June 2006
Weighted average number of ordinary shares issued (thousand)	26,731,061	23,798,023
Net profit / (loss) attributable to the shareholders of OJSC "OGK-6"	1,119,149	(394,553)
Earning / (loss) per ordinary share for profit attributable to the shareholders of OJSC "OGK-6" - basic and diluted (in RR)	0.0419	(0.0166)

Note 24. Commitments

Sales commitments. The Group's entities sell electricity (power) on the two wholesale market sectors: free trading sector and regulated trading sector.

The tariffs (prices) for the electricity (power) sold/purchased in the regulated trading sector (including the sector of deviations) are set by the Federal Service on Tariffs.

The Group has entered into a number of electricity sales agreements with AO-Energos, retail companies and large industrial customers.

Supply commitments. The Group has signed a number of agreements for the fuel supplies. These agreements do not cover all the needs of the Group. The remaining part of the fuel required by the Group will be purchased on short-term agreements from a number of suppliers with immediate payment terms.

Gas supplies were mostly received from OOO "Ryazanregiongaz", OAO "Ryazanoblغاز", ZAO "Peterburgregiongaz", OOO "Vologdaregiongaz", OOO "Rostovregiongaz".

Coal supplies were mostly received from ZAO "MezhRegionProm", ZAO "Trading House Ellit", OOO "Mettransexpo", OOO "RusUgolProm", OOO "Yujnaja Toplivnaja Company".

The quantity of supplies was determined annually on the basis of fuel stocks requirements set by RAO UES.

Prices under the Group's natural gas and coal contracts were generally determined by reference to base amounts that were adjusted to reflect provisions for changes in regulatory prices, published inflation indices and current market prices.

Capital commitments. Future capital expenditures for which contracts have been signed, amount to RR 1,310,164 thousand and RR 480,541 thousand on 30 June 2007 and 31 December 2006, respectively.

Note 25. Contingencies

Political environment. From time to time and in varying degrees the operations and earnings of the Group entities continue to be affected by political, legislative, fiscal and regulatory developments, including those related to environmental protection, in Russia.

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

Legal proceedings. Group entities are bound to certain legal proceedings arising in the ordinary course of business. In the managements' opinion, there are no current legal proceedings or other claims outstanding, which, upon final disposition, will have a material adverse effect on the financial position of the Group.

Taxation. Russian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Group entities may be challenged by the relevant regional and federal authorities. Recent events within the Russian Federation suggest that the tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments. As a result, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances review may cover longer periods.

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As of 30 June 2007 management believes that its interpretation of the relevant legislation is appropriate and the Group's tax, currency and customs positions will be sustained. Where management believes it is probable that a position cannot be sustained, an appropriate amount has been accrued for in these Financial Statements.

Environmental matters. Group entities and their predecessor entities have operated in the electric power industry in the Russian Federation for many years. The enforcement of environmental regulations in the Russian Federation is evolving and the enforcement posture of the government authorities is continually being reconsidered. Group entities periodically evaluate their obligations under the environmental regulations.

Potential liabilities might arise as a result of changes in the legislation and regulations 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.

Note 26. Related party transactions

The nature of the related party relationships for those related parties with whom the Group entered into significant transactions or had significant balances outstanding at June 30, 2007 are detailed below.

Parent

The Company is controlled by RAO UES which owns 93.48% of the Company's shares.

The remaining 6.52% of ordinary shares are placed among a large number of shareholders. RAO UES is the ultimate parent company of the Group of interrelated organizations of which the Company is a member.

Balances on operations with RAO UES were as follows:

	30 June 2007	31 December 2006
Accounts payable (dividends)	426,259	185,553
Total	426,259	185,553

Transactions with management and close family members

Compensation is paid to members of the Management Board of OJSC "OGK-6" (hereinafter – the "Management Board") for their services in full time management positions and is made up of a contractual salary, non-cash benefits, and a performance bonus depending on the results for the period according to Russian statutory financial statements. The compensation is approved by the Board of Directors of OJSC "OGK-6". Optional bonuses, which are approved by the Chairman of the Management Board according to his perception of the value of their contribution, are also payable to members of the Management Board.

Key management received the following remuneration during 6 months 2007 and 6 months 2006:

	6 months ended 30 June 2007	6 months ended 30 June 2006
Salaries and bonuses	19,349	64,713
Payroll taxes	1,137	2,123
Total	20,486	66,836

Transactions with the Parent's subsidiaries

Transactions with the Parent's subsidiaries were as follows:

	6 months ended 30 June 2007	6 months ended 30 June 2006
Sales of electricity and heat	11,335,483	9,031,688

Balances with the Parent's subsidiaries at the end of the period were as follows:

	As at 30 June 2007	As at 31 December 2006
Accounts receivable and prepayments	1,551,289	427,802
Provision	(185,164)	(185,879)
Accounts payable and accruals	130,784	75,803

Operations with other state-controlled entities

In the normal course of business the Group enters into transactions with other entities under the Government control. Prices for natural gas, electricity and heat are based on tariffs set by FST and RST. Bank loans are granted at market rates. Taxes are accrued and settled in accordance with the Russian tax legislation.

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The Group had the following transactions and balances with state-controlled entities:

	6 months ended 30 June 2007	6 months ended 30 June 2006
Fuel purchase	4,628,248	3,348,165
Payments of NOREM development costs	251,020	219,953
Total	4,879,268	3,568,118

	30 June 2007	31 December 2006
Accounts receivable and prepayments	773,863	1,049,893
Provision	(104,977)	(104,315)
Accounts payable and accruals	154,934	1,659,925

Note 27. Financial instruments and financial risk factors

Financial risk factors. The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, changes in interest rates, and the collectibility of receivables. The Group does not have a risk policy to hedge its financial exposures.

Credit risk. Financial assets, which subject the Group to potential credit risk, consist principally of trade receivables. Although collection of receivables could be influenced by economic factors, management believes that there is no significant risk of loss to the Group beyond the provision for impairment of receivables already recorded.

Cash is placed in financial institutions, which are considered at the time of the deposit to have minimal risk of default.

Credit risk is managed on a Group basis. For wholesale customers there is no independent rating and therefore Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The table below shows the balance of the twelve major counterparties at the balance sheet date:

	Rating	30 June 2007	31 December 2006
Karelskaya energy distribution company	BBB	111,213	-
Kolskaya energy distribution company	BBB	460,600	-
OAo Mosenergosbyt	BBB	83,788	-
OAo Peterburgskaya energy distribution company	BBB	82,092	-
ZAO Center of financial estimation	BBB	125,443	109,436
OAo Energosbyt Rostovenergo	BBB	113,655	-
OAo Kabbalkenergo	BBB	83,488	67,316
ZAO Peterburgregiongaz	BBB	147,970	-
OAo scientific development and production center SATURN	BBB	255,360	-
OOO KlirishiNefteorgSintez	BBB	70,939	49,371
OAo Silovye Mashiny	BBB	-	38,940
OOO Ryazanregiongaz	BBB	-	105,494
Total		1,534,548	370,557

Interest rate risk. The Group's operating profits and cash flows from operating activity are substantially independent of the changes in market interest rates. The Group is exposed to interest rate risk through market value fluctuations of interest bearing long-term borrowings. Most of the Group's long-term borrowings are at fixed interest rates. The Group has no material interest-bearing assets.

Liquidity risk. Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

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	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 30 June 2007				
Bank borrowings and long-term debt	1,438,341			6,882,328
Trade and other payables	3,782,464	83,903	68,300	-
At 31 December 2006				
Bank borrowing	6,515,341	-	-	-
Trade and other payables	3,216,821	198,911	9	-

Fair values. Management believes that the fair value of its financial assets and liabilities approximates their carrying amounts. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available for Group for similar financial instruments.

The maximum exposure for each risk is limited to the fair value of each class of financial instrument.

Note 28. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings and trade and other payables, as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

The gearing ratios at 30 June 2007 and at 31 December 2006 were as follows:

	30 June 2007	31 December 2006
Total borrowings	6,521,951	6,515,341
Less: cash and cash equivalents (Note 7)	(44,072)	(143,258)
Net debt	6,477,879	6,372,083
Total equity	19,622,470	19,076,703
Total capital	26,100,349	25,448,786
Gearing ratio	25%	25%

Note 29. Post balance sheet events

On 15 August 2007 the Board of Directors of the Group approved prospectus for the issue of shares in amount of 11,850 mln. with the par value of RR 0.48 each. Shares will be placed by the way of open subscriptions in accordance with the decision of the General Shareholdings meeting of OJSC "WGC-6" as of 29 June 2007 to increase the share capital.

On 22 August 2007 the Board of Directors of the Group voted to call extraordinary General Shareholder meeting 27 September 2007. It is planned that shareholders of OJSC "WGC-6" would vote for the decision on dividends distribution based on results of 1 half year of 2007. The Board of Directors recommended the general shareholder meeting to approve dividends for 1 half year 2007 in amount of RR 0.00978311 per 1 share.