



**EXPLANATORY NOTES TO THE BALANCE SHEET
AND STATEMENT OF FINANCIAL POSITION
for 2017**

Annex to Decree of the
Russian Ministry of
Finance No. 66n dated
July 2, 2010 (as revised
by Decree of the Russian
Ministry of Finance No.
124n dated October 5,
2011)

**Public Joint-Stock Company “Federal Grid Company of Unified
Energy System”**

power transmission

public joint-stock company/mixed Russian assets with a federal share

RUB, in thousands

| | CODES |
|-------------------------|------------|
| OKUD Form No. 5 | 0710005 |
| Date [year, month, day] | 2017 12 31 |
| as per OKPO | 56947007 |
| INN | 4716016979 |
| as per OKVED | 35.12 |
| as per OKOPF/OKFS | 47 41 |
| as per OKEI | 384 |

1. Intangible assets and expenses for research and development, design and experimental, and technological works (R&D)

1.1. Availability and changes in intangible assets

| Indicator | | | As of the beginning of year | | Changes for the period | | | | | | As of the end of period | | |
|--|------|----------|------------------------------|--------------------------|------------------------|------------------------------|--------------------------|--------------------------|-----------------|------------------------------|-------------------------|------------------------------|--------------------------|
| Item | Code | Period | Initial/current market value | Accumulated depreciation | Received | Withdrawn | | Accumulated depreciation | Impairment loss | Revaluation | | Initial/current market value | Accumulated depreciation |
| | | | | | | Initial/current market value | Accumulated depreciation | | | Initial/current market value | Depreciation | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| Intangible assets - total | 5100 | for 2017 | 12 236 323 | (8 909 416) | 599 357 | (9 381) | 246 | (1 243 852) | - | - | - | 12 826 299 | (10 153 022) |
| | 5110 | for 2016 | 11 430 798 | (7 936 647) | 1 034 374 | (228 849) | 228 849 | (1 201 618) | - | - | - | 12 236 323 | (8 909 416) |
| including: | | | | | | | | | | | | | |
| by patent holder for invention, industrial prototype, useful model | 5101 | for 2017 | 329 794 | (117 466) | 22 678 | - | - | (29 677) | - | - | - | 352 472 | (147 143) |
| | 5111 | for 2016 | 316 270 | (88 465) | 13 524 | - | - | (29 001) | - | - | - | 329 794 | (117 466) |
| by possessor of right for computer programs, databases | 5102 | for 2017 | 9 074 853 | (6 842 221) | 329 692 | (9 135) | - | (845 260) | - | - | - | 9 395 410 | (7 687 481) |
| | 5112 | for 2016 | 8 485 549 | (6 226 734) | 818 153 | (228 849) | 228 849 | (844 336) | - | - | - | 9 074 853 | (6 842 221) |
| by owner for trademark and service mark, appellation of goods origin | 5103 | for 2017 | 246 | (246) | 89 | (246) | 246 | (6) | - | - | - | 89 | (6) |
| | 5113 | for 2016 | 246 | (246) | - | - | - | - | - | - | - | 246 | (246) |
| Other | 5104 | for 2017 | 2 831 430 | (1 949 483) | 246 898 | - | - | (368 909) | - | - | - | 3 078 328 | (2 318 392) |
| | 5114 | for 2016 | 2 628 733 | (1 621 202) | 202 697 | - | - | (328 281) | - | - | - | 2 831 430 | (1 949 483) |

1.2. Acquisition cost of intangible assets created by the company itself

| Indicator | Code | As of December 31, 2017 | As of December 31, 2016 | As of December 31, 2015 |
|-----------|------|-------------------------|-------------------------|-------------------------|
| 1 | 2 | 3 | 4 | 5 |
| Total | 5120 | - | - | - |

1.3. Totally redeemed intangible assets

| Indicator | Code | As of December 31, 2017 | As of December 31, 2016 | As of December 31, 2015 |
|-----------|------|-------------------------|-------------------------|-------------------------|
| 1 | 2 | 3 | 4 | 5 |
| Total | 5130 | 6 355 191 | 6 198 334 | 5 612 715 |
| including | | | | |
| Other | 5131 | 6 355 191 | 6 198 334 | 5 612 715 |

1.4. Availability and changes in R&D results

| Indicator | Code | Period | As of the beginning of year | | Changes for the period | | | | As of the end of period | |
|---|------|----------|------------------------------|-----------------------------------|------------------------|------------------------------|-----------------------------------|-----------------------------------|------------------------------|-----------------------------------|
| | | | initial/current market value | part of cost expensed as incurred | Received | Withdrawn | | part of cost expensed as incurred | initial/current market value | part of cost expensed as incurred |
| | | | | | | initial/current market value | part of cost expensed as incurred | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| R&D - total | 5140 | for 2017 | 403 971 | (240 924) | - | - | - | (80 605) | 403 971 | (321 529) |
| | 5150 | for 2016 | 403 971 | (160 320) | - | - | - | (80 604) | 403 971 | (240 924) |
| including: | | | | | | | | | | |
| Creation of the general information model of UES based on IEC standards | 5141 | for 2017 | 65 811 | (36 196) | - | - | - | (13 162) | 65 811 | (49 358) |
| | 5151 | for 2016 | 65 811 | (23 034) | - | - | - | (13 162) | 65 811 | (36 196) |
| AAS concept development | 5142 | for 2017 | 80 007 | (49 339) | - | - | - | (16 002) | 80 007 | (65 341) |
| | 5152 | for 2016 | 80 007 | (33 337) | - | - | - | (16 002) | 80 007 | (49 339) |
| UNEG of Russia modernization program for the period till 2020, with perspective till 2030 | 5143 | for 2017 | 84 955 | (52 389) | - | - | - | (16 991) | 84 955 | (69 380) |
| | 5153 | for 2016 | 84 955 | (35 398) | - | - | - | (16 991) | 84 955 | (52 389) |
| Program of innovative development of JSC FGC UES till 2020 | 5144 | for 2017 | 60 819 | (37 506) | - | - | - | (12 164) | 60 819 | (49 670) |
| | 5154 | for 2016 | 60 819 | (25 342) | - | - | - | (12 164) | 60 819 | (37 506) |
| Other | 5145 | for 2017 | 112 379 | (65 494) | - | - | - | (22 286) | 112 379 | (87 780) |
| | 5155 | for 2016 | 112 379 | (43 209) | - | - | - | (22 285) | 112 379 | (65 494) |

1.5. Unfinished R&D and unfinished transactions on intangible assets acquisition

| Indicator | Code | Period | Changes for the period | | | | As of the end of period |
|---|------|----------|-----------------------------|-------------------------|-------------------------------------|--|-------------------------|
| | | | As of the beginning of year | expenses for the period | expenses withdrawn as non-effective | accounted as intangible assets or R&D* | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Expenses for unfinished R&D - total | 5160 | for 2017 | 4 718 625 | 377 301 | - | (269 539) | 4 826 387 |
| | 5170 | for 2016 | 4 560 604 | 393 141 | - | (235 120) | 4 718 625 |
| including: | | | | | | | |
| Development of technical requirements, design, manufacturing and testing of high-temperature superconductor of direct-current cable, including converters | 5161 | for 2017 | 911 625 | - | - | - | 911 625 |
| | 5171 | for 2016 | 911 625 | - | - | - | 911 625 |
| Setting-up a smart network within UPS East (Vostok) | 5162 | for 2017 | 236 736 | - | - | - | 236 736 |
| | 5172 | for 2016 | 236 736 | - | - | - | 236 736 |
| Development and manufacture of the production prototype for 500 kV HV line of Sayano-Shushenskaya HPP | 5163 | for 2017 | 318 025 | - | - | (2 803) | 315 222 |
| | 5173 | for 2016 | 172 127 | 147 700 | - | (1 802) | 318 025 |
| Other | 5164 | for 2017 | 3 252 239 | 377 301 | - | (266 736) | 3 362 804 |
| | 5174 | for 2016 | 3 240 116 | 245 441 | - | (233 318) | 3 252 239 |
| Unfinished operations on intangible assets acquisition - total | 5180 | for 2017 | 605 032 | 509 590 | (27 885) | (320 682) | 766 055 |
| | 5190 | for 2016 | 940 935 | 535 750 | (59 153) | (812 500) | 605 032 |
| including: | | | | | | | |
| Schemes of territorial planning of the Russian Federation in the field of power production | 5181 | for 2017 | - | 119 944 | - | - | 119 944 |
| | 5191 | for 2016 | - | - | - | - | - |
| Automated system of control, adjustment and analysis of expenses in investment activities | 5182 | for 2017 | - | 54 119 | - | (54 119) | - |
| | 5192 | for 2016 | - | - | - | - | - |
| Creation of OSNBS of electrical grid facilities | 5183 | for 2017 | 55 475 | - | - | - | 55 475 |
| | 5193 | for 2016 | 55 475 | - | - | - | 55 475 |
| Special automatic information and measurement system of Federal Grid Company | 5186 | for 2017 | 133 990 | - | - | - | 133 990 |
| | 5196 | for 2016 | 133 990 | - | - | - | 133 990 |
| Other | 5188 | for 2017 | 415 567 | 335 527 | (27 885) | (266 563) | 456 646 |
| | 5198 | for 2016 | 751 470 | 535 750 | (59 153) | (812 500) | 415 567 |

* 5170 line reflects reclassification to fixed assets

2. Fixed assets
2.1. Availability and changes in fixed assets

| Indicator | Code | Period | As of the beginning of year | | Changes for the period | | | | | | As of the end of period | | |
|--|------|----------|-----------------------------|--------------------------|------------------------|--------------------------|-------------------|--------------------------|--------------------------|--------------|--------------------------|---------------|--------------------------|
| | | | initial cost | accumulated depreciation | received | | objects withdrawn | | accumulated depreciation | revaluation | | initial cost | accumulated depreciation |
| | | | | | initial cost | accumulated depreciation | initial cost | accumulated depreciation | | initial cost | accumulated depreciation | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| Fixed assets (excluding income-bearing investments in tangible assets) - total | 5200 | for 2017 | 1 609 610 199 | (752 170 088) | 72 864 202 | (337 436) | (3 535 660) | 2 899 922 | (80 713 464) | 57 524 485 | (27 814 087) | 1 736 463 226 | (858 135 153) |
| | 5210 | for 2016 | 1 486 934 382 | (663 309 397) | 104 047 056 | (97 294) | (3 551 048) | 2 662 129 | (80 290 155) | 22 179 809 | (11 135 371) | 1 609 610 199 | (752 170 088) |
| including: | | | | | | | | | | | | | |
| | 5201 | for 2017 | 93 032 807 | (23 020 960) | 3 116 143 | (1 787) | (134 270) | 70 789 | (3 324 395) | 5 057 323 | (1 452 843) | 101 072 003 | (27 729 196) |
| Buildings | 5211 | for 2016 | 83 833 105 | (19 585 430) | 8 933 484 | (2 004) | (336 658) | 82 727 | (3 097 940) | 602 876 | (418 313) | 93 032 807 | (23 020 960) |
| | 5202 | for 2017 | 933 449 680 | (449 074 972) | 31 384 011 | (41 697) | (1 097 796) | 955 728 | (36 564 294) | 25 984 391 | (12 388 896) | 989 720 286 | (497 114 131) |
| Constructions and transfer mechanisms | 5212 | for 2016 | 892 294 143 | (411 493 380) | 39 704 589 | (1 784) | (620 676) | 498 542 | (37 250 622) | 2 071 624 | (827 728) | 933 449 680 | (449 074 972) |
| | 5203 | for 2017 | 569 235 397 | (271 265 193) | 37 367 206 | (293 609) | (2 043 458) | 1 671 672 | (39 728 075) | 26 480 442 | (13 971 967) | 631 039 587 | (323 587 172) |
| Machinery and equipment | 5213 | for 2016 | 497 416 084 | (224 507 108) | 54 718 230 | (74 625) | (2 402 982) | 1 926 231 | (38 720 682) | 19 504 065 | (9 889 009) | 569 235 397 | (271 265 193) |
| | 5204 | for 2017 | 7 988 442 | (6 091 654) | 604 157 | (5) | (147 701) | 143 617 | (742 206) | - | - | 8 444 898 | (6 690 248) |
| Transport vehicles | 5214 | for 2016 | 7 877 138 | (5 261 649) | 206 798 | (17 420) | (95 494) | 86 839 | (899 424) | - | - | 7 988 442 | (6 091 654) |
| | 5205 | for 2017 | 3 264 150 | (2 308 316) | 337 139 | (338) | (37 613) | 36 711 | (306 349) | (71) | (1) | 3 563 605 | (2 578 293) |
| Production and household stock | 5215 | for 2016 | 2 938 084 | (2 083 191) | 375 984 | (1 178) | (49 921) | 49 208 | (273 154) | 3 | (1) | 3 264 150 | (2 308 316) |
| | 5206 | for 2017 | 573 848 | (374 603) | 23 697 | - | (74 463) | 21 405 | (30 949) | 2 400 | (380) | 525 482 | (384 527) |
| Other types of fixed assets | 5216 | for 2016 | 532 949 | (361 444) | 58 393 | (283) | (18 735) | 18 582 | (31 138) | 1 241 | (320) | 573 848 | (374 603) |
| | 5207 | for 2017 | 1 721 968 | - | 31 849 | - | (359) | - | - | - | - | 1 753 458 | - |
| Land plots and natural resources sites | 5217 | for 2016 | 1 698 972 | - | 49 578 | - | (26 582) | - | - | - | - | 1 721 968 | - |
| | 5220 | for 2017 | 343 907 | (34 390) | - | - | - | - | (17 196) | - | - | 343 907 | (51 586) |
| Fixed assets obtained under leasing agreement | 5230 | for 2016 | 343 907 | (17 195) | - | - | - | - | (17 195) | - | - | 343 907 | (34 390) |

2.2. Incomplete capital investments

| Indicator name | Code | Period | As of the beginning of year | Changes for the period | | | As of the end of period |
|--|------|----------|-----------------------------|-------------------------|--------------|---|-------------------------|
| | | | | expenses for the period | withdrawn | accounted as fixed assets or the value is increased | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Construction in progress and incomplete operations on purchase, modernization etc. of fixed assets - total | 5250 | for 2017 | 224 401 309 | 135 595 087 | (23 610 455) | (72 296 504) | 264 089 437 |
| | 5240 | for 2016 | 243 589 070 | 104 695 333 | (20 052 760) | (103 830 334) | 224 401 309 |
| including: | | | | | | | |
| new construction | 5251 | for 2017 | 97 377 033 | 69 638 764 | (1 162 925) | (25 464 082) | 140 388 790 |
| | 5241 | for 2016 | 93 255 221 | 51 618 798 | (582 701) | (46 914 285) | 97 377 033 |
| modernization and reconstruction | 5252 | for 2017 | 83 898 433 | 24 924 797 | (459 941) | (28 341 375) | 80 021 914 |
| | 5242 | for 2016 | 106 531 284 | 33 208 715 | (353 141) | (55 488 425) | 83 898 433 |
| acquisition of fixed asset items | 5253 | for 2017 | 54 671 | 18 859 583 | - | (18 491 047) | 423 207 |
| | 5243 | for 2016 | 142 126 | 1 339 088 | (12 166) | (1 414 377) | 54 671 |
| R&D objects | 5254 | for 2017 | 4 718 625 | 377 301 | (269 539) | - | 4 826 387 |
| | 5244 | for 2016 | 4 560 604 | 393 141 | (221 873) | (13 247) | 4 718 625 |
| creation of intangible assets | 5255 | for 2017 | 605 032 | 509 590 | (348 567) | - | 766 055 |
| | 5245 | for 2016 | 940 935 | 535 750 | (871 653) | - | 605 032 |
| DEW non-completed | 5256 | for 2017 | 4 419 388 | 1 156 250 | (1 372 642) | - | 4 202 996 |
| | 5246 | for 2016 | 4 308 623 | 1 260 072 | (1 149 307) | - | 4 419 388 |
| other | 5257 | for 2017 | - | - | - | - | - |
| | 5247 | for 2016 | - | 40 164 | - | (40 164) | - |
| equipment for installation | 5258 | for 2017 | 33 328 127 | 20 128 802 | (19 996 841) | - | 33 460 088 |
| | 5248 | for 2016 | 33 850 277 | 16 339 769 | (16 861 919) | - | 33 328 127 |

2.3. Change in the cost of fixed assets as a consequence of further construction, further equipment, reconstruction and partial liquidation

| Indicator | Code | for 2017 | for 2016 |
|--|------|------------|------------|
| | | 1 | 2 |
| Increase in the cost of fixed assets as a consequence of further construction, further equipment, reconstruction - total | 5260 | 13 771 674 | 20 760 199 |
| including: | | | |
| Buildings | 5261 | 386 988 | 1 284 346 |
| Constructions and transfer mechanisms | 5262 | 8 485 293 | 14 100 881 |
| Machinery and equipment | 5263 | 4 717 239 | 5 353 834 |
| Transport vehicles | 5264 | 165 906 | 120 |
| Production and household stock | 5265 | 924 | 173 |
| Other | 5266 | 15 324 | 20 845 |
| Decrease in the cost of fixed assets as a consequence of partial liquidation - total: | 5270 | (560 948) | (65 570) |
| including: | | | |
| Buildings | 5271 | - | - |
| Constructions and transfer mechanisms | 5272 | (535 198) | (57 809) |
| Machinery and equipment | 5273 | (25 600) | (7 761) |
| Transport vehicles | 5274 | (150) | - |
| Production and household stock | 5275 | - | - |

2.4. Other use of fixed assets

| Indicator | Code | As of December 31, 2017 | As of December 31, 2016 | As of December 31, 2015 |
|---|------|----------------------------|----------------------------|----------------------------|
| 1 | 2 | 3 | 4 | 5 |
| Rented fixed assets on the balance sheet | 5280 | 8 093 607 | 7 680 932 | 10 313 874 |
| Rented fixed assets out of the balance sheet | 5281 | - | - | - |
| Leased fixed assets on the balance sheet | 5282 | - | - | - |
| Leased fixed assets out of the balance sheet | 5283 | 37 501 887 | 33 654 082 | 30 925 398 |
| Real assets accepted into operation and actually used, being in the process of state registration | 5284 | 150 440 214 | 185 337 710 | 189 135 531 |
| Isolated fixed assets | 5285 | 102 835 | 98 323 | 87 768 |
| Other use of fixed assets (pledge, etc.) | 5286 | 144 307 | - | - |

3. Financial investments

3.1. Availability and changes in financial investments

| Indicator | Code | Period | As of the beginning of year | | Changes for the period | | | | | | As of the end of period | |
|---|------|----------|-----------------------------|------------------------|------------------------|------------------------|--------------------|------------------------|--|--|-------------------------|------------------------|
| | | | initial cost | accumulated correction | Received | | Withdrawn (repaid) | | accrual of interest (including adjustment of initial value to nominal one) | current market value (impairment loss) | initial cost | accumulated correction |
| | | | | | initial cost | accumulated correction | initial cost | accumulated correction | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Long-term - total | 5301 | for 2017 | 103 899 685 | (32 075 463) | 33 036 454 | - | (12 399 976) | - | - | (8 395 793) | 124 536 163 | (40 471 256) |
| | 5321 | for 2016 | 104 198 595 | (71 859 440) | - | - | (298 910) | - | - | 39 783 977 | 103 899 685 | (32 075 463) |
| including: | | | | | | | | | | | | |
| Investment into charter capitals of other companies | 5302 | for 2017 | 78 728 273 | (22 792 879) | 18 079 453 | - | (80) | - | - | (7 476 140) | 96 807 646 | (30 269 019) |
| | 5322 | for 2016 | 78 728 279 | (62 562 606) | - | - | (6) | - | - | 39 769 727 | 78 728 273 | (22 792 879) |
| Investment into charter capitals of subsidiaries and affiliates | 5303 | for 2017 | 24 171 412 | (9 282 584) | 3 691 244 | - | (134 139) | - | - | (919 653) | 27 728 517 | (10 202 237) |
| | 5323 | for 2016 | 24 171 512 | (9 296 834) | - | - | (100) | - | - | 14 250 | 24 171 412 | (9 282 584) |
| Securities (promissory notes) | 5304 | for 2017 | - | - | - | - | - | - | - | - | - | - |
| | 5324 | for 2016 | - | - | - | - | - | - | - | - | - | - |
| Loans extended | 5305 | for 2017 | 1 000 000 | - | 11 265 757 | - | (12 265 757) | - | - | - | - | - |
| | 5325 | for 2016 | 1 298 804 | - | - | - | (298 804) | - | - | - | 1 000 000 | - |
| Deposits | 5306 | for 2017 | - | - | - | - | - | - | - | - | - | - |
| | 5326 | for 2016 | - | - | - | - | - | - | - | - | - | - |
| Other | 5307 | for 2017 | - | - | - | - | - | - | - | - | - | - |
| | 5327 | for 2016 | - | - | - | - | - | - | - | - | - | - |
| Short-term - total | 5308 | for 2017 | 2 067 318 | - | 9 281 149 | - | (9 297 277) | - | - | - | 2 051 190 | - |
| | 5328 | for 2016 | 51 764 310 | (12 870 821) | 10 658 511 | - | (60 008 081) | - | (347 422) | 12 870 821 | 2 067 318 | - |
| including: | | | | | | | | | | | | |
| Investment into charter capitals of other companies | 5309 | for 2017 | - | - | - | - | - | - | - | - | - | - |
| | 5329 | for 2016 | - | - | - | - | - | - | - | - | - | - |
| Investment into charter capitals of subsidiaries and affiliates | 5310 | for 2017 | - | - | - | - | - | - | - | - | - | - |
| | 5330 | for 2016 | - | - | - | - | - | - | - | - | - | - |
| Securities (promissory notes) | 5311 | for 2017 | - | - | - | - | - | - | - | - | - | - |
| | 5331 | for 2016 | 12 369 521 | (12 369 521) | - | - | (12 022 099) | - | (347 422) | 12 369 521 | - | - |
| Loans extended | 5312 | for 2017 | 2 058 598 | - | 9 281 149 | - | (9 297 277) | - | - | - | 2 042 470 | - |
| | 5332 | for 2016 | 9 268 226 | (501 300) | 10 654 522 | - | (17 864 150) | - | - | 501 300 | 2 058 598 | - |
| Deposits | 5313 | for 2017 | - | - | - | - | - | - | - | - | - | - |
| | 5333 | for 2016 | 30 116 320 | - | - | - | (30 116 320) | - | - | - | - | - |
| Other | 5314 | for 2017 | 8 720 | - | - | - | - | - | - | - | 8 720 | - |
| | 5334 | for 2016 | 10 243 | - | 3 989 | - | (5 512) | - | - | - | 8 720 | - |
| Financial investments - total | 5300 | for 2017 | 105 967 003 | (32 075 463) | 42 317 603 | - | (21 697 253) | - | - | (8 395 793) | 126 587 353 | (40 471 256) |
| | 5320 | for 2016 | 155 962 905 | (84 730 261) | 10 658 511 | - | (60 306 991) | - | (347 422) | 52 654 798 | 105 967 003 | (32 075 463) |

| Indicator | Code | As of December 31, 2017 | As of December 31, 2016 | As of December 31, 2015 |
|--|-------|-------------------------|-------------------------|-------------------------|
| 1 | 2 | 3 | 4 | 5 |
| Financial investments received as pledge - total | 53200 | - | - | - |
| Financial investments transferred to third parties (except sale) - total | 53205 | - | - | - |
| Other use of financial investments | 53209 | - | - | - |

4. Inventory
4.1. Availability and changes in inventories

| Indicator | Code | Period | As of the beginning of year | | Changes for the period | | | | | As of the end of period | |
|--|------|----------|-----------------------------|-------------------------------|---------------------------|--------------------|--------------------------------------|----------------------------------|---|-------------------------|-------------------------------|
| | | | production cost | cost reduction reserve amount | revenues and expenditures | Withdrawn (repaid) | | loss from deterioration in value | inventory turnover between their groups (types) | production cost | cost reduction reserve amount |
| | | | | | | production cost | provision for deterioration in value | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Inventories - total | 5400 | for 2017 | 9 108 558 | - | 1 867 301 | (1 226 819) | - | - | - | 9 749 040 | - |
| | 5420 | for 2016 | 12 632 339 | - | 6 226 048 | (9 749 829) | - | - | - | 9 108 558 | - |
| Raw materials, materials and other valuables | 5401 | for 2017 | 9 108 558 | - | 1 867 301 | (1 226 819) | - | - | - | 9 749 040 | - |
| | 5421 | for 2016 | 12 632 325 | - | 6 225 691 | (9 749 458) | - | - | - | 9 108 558 | - |
| finished goods and goods for sale | 5402 | for 2017 | - | - | - | - | - | - | - | - | - |
| | 5422 | for 2016 | 14 | - | 357 | (371) | - | - | - | - | - |

4.2 Pledged inventory

| Indicator | Code | As of December 31, 2017 | As of December 31, 2016 | As of December 31, 2015 |
|---|------|-------------------------|-------------------------|-------------------------|
| 1 | 2 | 3 | 4 | 5 |
| Inventory not paid as of the reporting date - total | 5440 | - | - | - |
| Inventory pledged under contracts - total | 5445 | - | - | - |

5. Receivables and payables
5.1. Availability and changes in accounts receivable

| Indicator | Code | Period | As of the beginning of year | | Changes for the period | | | | | | As of the end of period | | |
|--|------|----------|-----------------------------|--------------------|---|--|---------------|-------------|--------------------|---|--|-------------------|--------------------|
| | | | by contract terms | bad debt provision | received | | disposals | | | writing off at the expense of provision funds | transfer from long-term to short-term debt | by contract terms | bad debt provision |
| | | | | | as a result of business activities (transaction debt) | interest, fines and other accruals due | repayment | writing-off | allowance recovery | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| Long-term accounts receivable - total | 5501 | for 2017 | 11 378 417 | (50 855) | 88 651 040 | 212 133 | (48 972 281) | - | (330 953) | (88) | 26 995 364 | 78 264 585 | (381 720) |
| | 5521 | for 2016 | 9 554 594 | (50 855) | 9 372 866 | - | (65 764) | - | - | - | (7 483 279) | 11 378 417 | (50 855) |
| including: | | | | | | | | | | | | | |
| customers and consumers | 5502 | for 2017 | 10 485 059 | - | 87 228 958 | - | (48 093 198) | - | (277 623) | - | 27 050 205 | 76 671 024 | (277 623) |
| | 5522 | for 2016 | 8 654 597 | - | 9 360 250 | - | (57 220) | - | - | - | (7 472 568) | 10 485 059 | - |
| advance payments made | 5503 | for 2017 | 88 | (88) | - | - | - | - | - | (88) | - | - | - |
| | 5523 | for 2016 | 88 | (88) | - | - | - | - | - | - | - | 88 | (88) |
| other debtors | 5504 | for 2017 | 893 270 | (50 767) | 1 422 082 | 212 133 | (879 083) | - | (53 330) | - | (54 841) | 1 593 561 | (104 097) |
| | 5524 | for 2016 | 899 909 | (50 767) | 12 616 | - | (8 544) | - | - | - | (10 711) | 893 270 | (50 767) |
| Short-term accounts receivable - total | 5510 | for 2017 | 183 333 369 | (59 459 654) | 345 099 981 | 12 482 536 | (404 234 187) | (15 692) | 285 221 | (1 593 480) | (26 995 364) | 108 077 163 | (57 580 953) |
| | 5530 | for 2016 | 118 887 847 | (58 900 371) | 712 758 788 | 3 498 802 | (644 503 485) | (489) | (640 896) | (81 613) | (7 226 481) | 183 333 369 | (59 459 654) |
| including: | | | | | | | | | | | | | |
| customers and consumers | 5511 | for 2017 | 99 366 476 | (9 390 388) | 254 904 719 | - | (284 894 927) | (8 750) | 3 439 224 | (151 006) | (27 028 106) | 42 188 406 | (5 800 158) |
| | 5531 | for 2016 | 50 679 611 | (10 926 211) | 262 022 163 | - | (206 108 767) | (50) | 1 535 823 | - | (7 226 481) | 99 366 476 | (9 390 388) |
| amounts owed by members (founders) as payments into the authorized capital | 5512 | for 2017 | - | - | - | - | - | - | - | - | - | - | - |
| | 5532 | for 2016 | - | - | - | - | - | - | - | - | - | - | - |
| advance payments made | 5513 | for 2017 | 2 495 097 | (1 979 163) | 12 379 574 | - | (12 640 749) | - | 15 795 | (1 120 490) | - | 1 113 432 | (842 878) |
| | 5533 | for 2016 | 2 746 155 | (1 980 105) | 9 420 918 | - | (9 614 884) | (12) | (56 138) | (57 080) | - | 2 495 097 | (1 979 163) |
| other debtors | 5514 | for 2017 | 81 471 796 | (48 090 103) | 77 815 688 | 12 482 536 | (106 698 511) | (6 942) | (3 169 798) | (321 984) | 32 742 | 64 775 325 | (50 937 917) |
| | 5534 | for 2016 | 65 462 081 | (45 994 055) | 441 315 707 | 3 498 802 | (428 779 834) | (427) | (2 120 581) | (24 533) | - | 81 471 796 | (48 090 103) |
| Advance payments under non-current assets (balance line 1173) | 5515 | for 2017 | 34 842 818 | (9 052 731) | 49 333 999 | - | (56 228 813) | - | 2 370 395 | (102 154) | - | 27 845 850 | (6 580 182) |
| | 5535 | for 2016 | 26 272 966 | (5 418 243) | 223 481 092 | - | (214 907 684) | (393) | (3 637 651) | (3 163) | - | 34 842 818 | (9 052 731) |
| | 5500 | for 2017 | 229 554 604 | (68 563 240) | 483 085 020 | 12 694 669 | (509 435 281) | (15 692) | 2 324 663 | (1 695 722) | - | 214 187 598 | (64 542 855) |
| Total | 5520 | for 2016 | 154 715 407 | (64 369 469) | 945 612 746 | 3 498 802 | (859 476 933) | (882) | (4 278 547) | (84 776) | (14 709 760) | 229 554 604 | (68 563 240) |

5.2. Overdue accounts receivable

| Indicator | Code | As of December 31, 2017 | | As of December 31, 2016 | | As of December 31, 2015 | |
|---|------|-------------------------|---|-------------------------|---|-------------------------|---|
| | | by contract terms | balance value (less provision for doubtful debts) | by contract terms | balance value (less provision for doubtful debts) | by contract terms | balance value (less provision for doubtful debts) |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Total | 5540 | 26 806 306 | 9 232 714 | 35 768 797 | 15 516 478 | 37 857 026 | 18 476 959 |
| including: | | | | | | | |
| Customers and consumers | 5541 | 14 118 815 | 8 326 366 | 22 041 037 | 12 650 692 | 28 021 309 | 17 095 098 |
| Advance payments made | 5542 | 3 604 | 1 598 | 2 381 | - | 1 849 | - |
| Other debtors | 5543 | 5 407 428 | 15 555 | 1 878 317 | 29 508 | 3 033 764 | - |
| Advance payments under non-current assets (balance line 1173) | 5544 | 7 276 459 | 889 195 | 11 847 062 | 2 836 278 | 6 800 104 | 1 381 861 |

5.3. Availability and changes in accounts payable

| Indicator | Code | Period | As of the beginning of year | Changes for the period | | | | | As of the end of period |
|--|------|----------|-----------------------------|---|--|---------------|-------------|--|-------------------------|
| | | | | received | | disposals | | transfer from long-term to short-term debt | |
| | | | | as a result of business activities (transaction debt) | interest, fines and other accruals due | repayment | writing-off | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Long-term accounts payable - total | 5551 | for 2017 | 512 667 | 19 949 390 | | (6 250 337) | (15 733) | 3 046 816 | 17 242 803 |
| | 5571 | for 2016 | 462 788 | 146 120 | - | (101 771) | - | 5 530 | 512 667 |
| Short-term accounts payable - total | 5560 | for 2017 | 60 031 744 | 593 806 114 | 455 380 | (596 717 447) | (44 147) | (3 046 816) | 54 484 828 |
| | 5580 | for 2016 | 54 748 132 | 509 898 503 | 122 524 | (504 706 814) | (6 300) | (24 301) | 60 031 744 |
| including: | | | | | | | | | |
| suppliers and contractors | 5561 | for 2017 | 31 047 890 | 270 089 190 | 23 625 | (267 688 909) | (36 618) | (3 051 742) | 30 383 436 |
| | 5581 | for 2016 | 42 279 852 | 225 287 412 | 7 | (236 474 162) | (6 300) | (38 919) | 31 047 890 |
| Amounts owed to the company staff | 5562 | for 2017 | 21 370 | 48 524 667 | | (48 526 610) | (20) | | 19 407 |
| | 5582 | for 2016 | 18 486 | 45 537 582 | - | (45 534 698) | - | - | 21 370 |
| Amounts owed to state non-budget funds | 5563 | for 2017 | 555 | 13 070 857 | | (12 537 590) | | | 533 822 |
| | 5583 | for 2016 | 310 101 | 5 131 901 | - | (5 441 447) | - | - | 555 |
| Taxes and fees payables | 5564 | for 2017 | 16 731 083 | 116 346 575 | 25 192 | (125 823 891) | | | 7 278 959 |
| | 5584 | for 2016 | 4 062 955 | 98 137 396 | 6 029 | (85 475 297) | - | - | 16 731 083 |
| Advances received | 5565 | for 2017 | 8 171 878 | 66 541 545 | | (62 217 179) | (4 978) | 9 742 | 12 501 008 |
| | 5585 | for 2016 | 6 129 644 | 37 617 465 | - | (35 589 849) | - | 14 618 | 8 171 878 |
| Other creditors | 5566 | for 2017 | 3 984 504 | 63 302 544 | 406 563 | (64 065 053) | (2 531) | (4 816) | 3 621 211 |
| | 5586 | for 2016 | 1 939 360 | 84 287 420 | 116 488 | (82 358 764) | - | - | 3 984 504 |
| Payables to members (founders) | 5567 | for 2017 | 74 464 | 15 930 736 | | (15 858 215) | | | 146 985 |
| | 5587 | for 2016 | 7 734 | 13 899 327 | - | (13 832 597) | - | - | 74 464 |
| Total | 5550 | for 2017 | 60 544 411 | 613 755 504 | 455 380 | (602 967 784) | (59 880) | - | 71 727 631 |
| | 5570 | for 2016 | 55 210 920 | 510 044 623 | 122 524 | (504 808 585) | (6 300) | (18 771) | 60 544 411 |

5.4. Overdue accounts payable

| Indicator | Code | As of December 31, 2017 | As of December 31, 2016 | As of December 31, 2015 |
|---------------------------|------|-------------------------|-------------------------|-------------------------|
| 1 | 2 | 3 | 4 | 5 |
| Total | 5590 | 827 624 | 251 777 | 778 259 |
| including: | | | | |
| Suppliers and contractors | 5591 | 819 988 | 233 059 | 743 507 |
| Advances received | 5592 | - | 18 644 | 34 752 |
| Other creditors | 5593 | 7 636 | 74 | - |

6. Production costs

| Indicator | Code | for 2017 | for 2016 |
|---|------|-------------|-------------|
| 1 | 2 | 3 | 4 |
| Material expenses | 5610 | 32 499 779 | 23 714 349 |
| Labor costs | 5620 | 19 749 605 | 18 991 636 |
| Fringe benefit expenses | 5630 | 4 511 537 | 4 287 496 |
| Depreciation | 5640 | 81 979 756 | 81 490 149 |
| Other expenses | 5650 | 21 896 545 | 19 587 110 |
| Total by cost category | 5660 | 160 637 222 | 148 070 740 |
| Change in balance (growth [-], loss [+]): | | | |
| work in progress, finished goods, etc. (growth [-]) | 5670 | | |
| work in progress, finished goods, etc. (loss [+]) | 5680 | | |
| Total costs for common activities | 5600 | 160 637 222 | 148 070 740 |

7. Provisions for contingent liabilities

| Indicator | | Code | Period | As of the beginning of year | Accrued | Use | Restored | As of the end of period |
|---|---|------|----------|-----------------------------|-----------|-------------|----------|-------------------------|
| Item | 1 | | | | | | | |
| Contingent liabilities | | 5700 | for 2017 | 2 426 829 | 3 435 670 | (3 317 669) | (28 061) | 2 516 769 |
| | | | for 2016 | 1 905 387 | 3 831 169 | (3 282 953) | (26 774) | 2 426 829 |
| including: | | | | | | | | |
| Estimated liability related to unutilized vacation | | 5701 | for 2017 | 816 145 | 2 345 710 | (2 293 886) | - | 867 969 |
| | | | for 2016 | 762 619 | 2 220 485 | (2 166 959) | - | 816 145 |
| Estimated liability related to prior period payments | | 5702 | for 2017 | 943 507 | 1 048 708 | (915 446) | (28 061) | 1 048 708 |
| | | | for 2016 | 876 899 | 943 507 | (850 125) | (26 774) | 943 507 |
| Estimated liability related to non-state pension fund | | 5703 | for 2017 | 106 428 | 38 351 | (106 428) | - | 38 351 |
| | | | for 2016 | 265 869 | 106 428 | (265 869) | - | 106 428 |
| Estimated liability related to payments to management and control bodies | | 5704 | for 2017 | 1 909 | 870 | (1 909) | - | 870 |
| | | | for 2016 | - | 1 909 | - | - | 1 909 |
| Estimated liability according to contract terms | | 5705 | for 2017 | 558 840 | - | - | - | 558 840 |
| | | | for 2016 | - | 558 840 | - | - | 558 840 |
| Estimated liability related to the disputable part of electric power losses | | 5706 | for 2017 | - | 2 031 | - | - | 2 031 |
| | | | for 2016 | - | - | - | - | - |

8. Securing Liabilities

| Indicator | Code | As of December 31, 2017 | As of December 31, 2016 | As of December 31, 2015 |
|--------------------------------------|------|----------------------------|----------------------------|----------------------------|
| 1 | 2 | 3 | 4 | 5 |
| Received - total | 5800 | 68 805 025 | 78 556 902 | 50 884 425 |
| including: | | | | |
| Bank guarantees | 5801 | 65 689 412 | 77 737 509 | 50 063 709 |
| Surety agreements | 5802 | 2 400 832 | - | - |
| Property pledge contract | 5803 | 651 346 | 735 206 | 721 557 |
| Other | 5804 | 63 435 | 84 187 | 99 159 |
| Issued under own obligations - total | 5810 | 2 580 588 | 2 248 381 | 136 709 |
| including: | | | | |
| Surety | 5811 | 2 580 588 | 2 248 381 | 136 709 |

9. Government aid

| Indicator | Code | For 2017 | For 2016 |
|-------------------------------------|------|----------|----------|
| 1 | 2 | 3 | 4 |
| Budget funds received – total | 5900 | - | - |
| including: | | | |
| investments into non-current assets | 5901 | - | - |

Chief Executive _____ A.E. Murov
[signature] [print name]

Chief Accountant _____ A.P. Noskov
[signature] [print name]

February 20, 2018