

NOTABLE EVENTS

FEBRUARY

- The Regional Energy Commissions (REC's) increased Lenenergo's average electricity tariffs by 10.98% for St.Petersburg and by 22.70% for the Leningrad Region. Average heat tariffs increased by 13.23% for St.Petersburg and decreased (due to expiry of the lease of Kirishy GRES, which served Kirishy Nefteorgsintez) by 29.27% for the Leningrad Region.
- The management of Lenenergo took part in the European road-show from 3 to 8 February 2003. Meetings with investment funds' representatives were held in Stockholm, Zurich, London, and Edinburgh.

MARCH

- A meeting of the Board of Directors of Lenenergo was held in the Company's Moscow office on 29 March 2003. The main topic on the agenda was the approval of the 2002 Annual Report and the 2002 accounts. Also, the Board reviewed the recommendations on profit and losses distribution in 2002, the size of the dividends for 2002 and the order of dividend payments.

MAY

- Lenenergo's Annual General Meeting elected a new Board of Directors, approved the Annual Report 2002 and appointed MOORE STEPHENS as new auditors. Shareholders approved dividends for both common and preferred shares 1.05 RUR per share.
- JSC Lenenergo released summarized IAS accounts for 2002.

JUNE

- General Director of Lenenergo Andrey Likhachev and President of the EBRD Jean Lemierre signed a 40 million loan agreement. The seven-year loan to Lenenergo will be used to finance the completion of a combined heat and power unit at TPP-5.

JULY

- Standard & Poor's completed its evaluation of Lenenergo's corporate governance and awarded the Company rating of 5.9.

SEPTEMBER

- The Board of Directors of Lenenergo approved the restructuring plan, proposed by the management of the Company.

KEY FIGURES

Operational figures

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

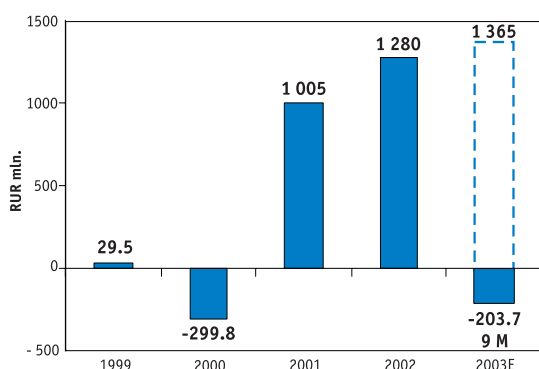
Financial results (RAS)

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

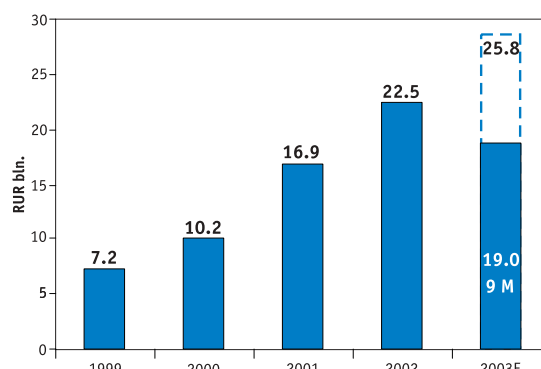
9M 2003	9M 2002	Change,%
3 244.5	5 352.5	(39.4)
8 513	11 718	(27.3)
13 144	8 437	55.8
17 985	16 731	7.5
14 997	15 349	(2.3)
15 051	17 448	(13.7)
18 994	15 047	26.2
1 234	1 293	(4.6)
632	1 313	(51.9)
(204)	(264)	22.6

* Due to expiry of the lease of GRES-19 (Kirishy)

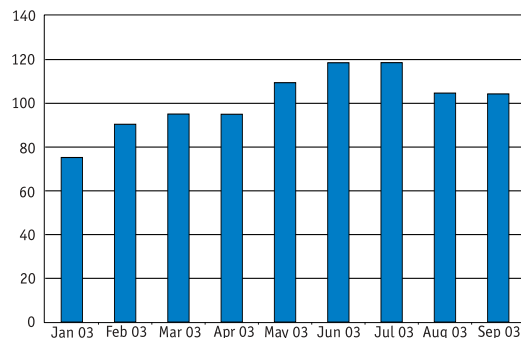
Profit/loss



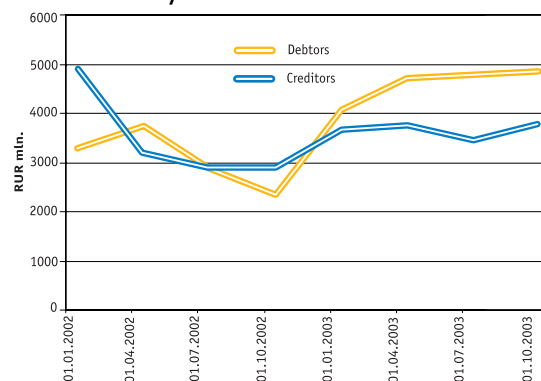
Sales



Cash collection

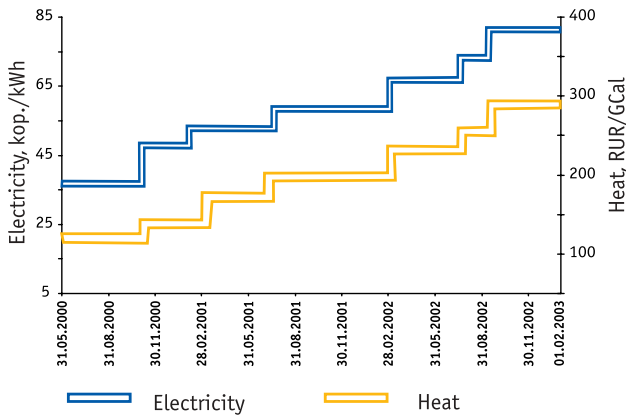


Debtors/Creditors





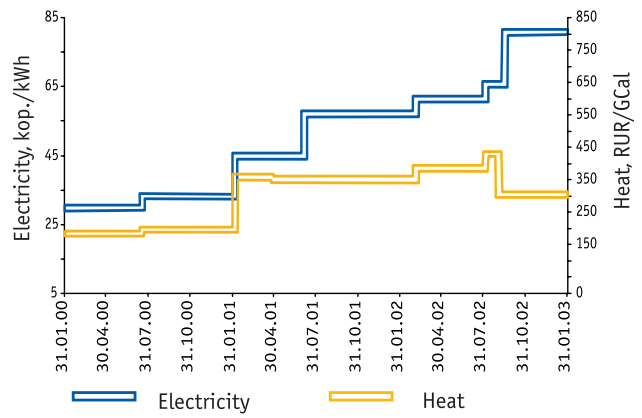
**Tariff changes
St. Petersburg**



Average current tariffs (St. Petersburg):

Electricity 81.90 kop./kWh
Heat 294.56 RUR/GCal

**Tariff changes
Leningrad Region**

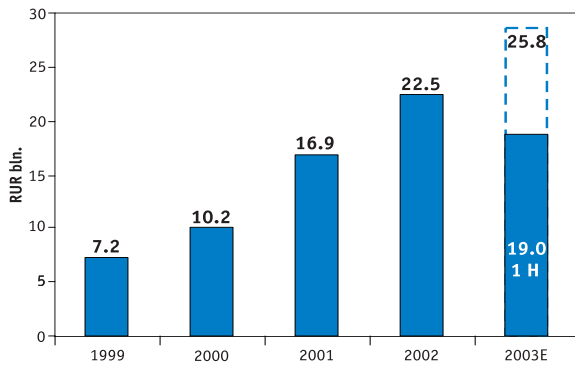


Average current tariffs (Leningrad Region):

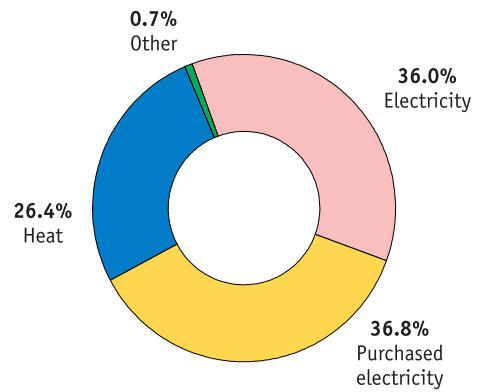
Electricity 81.60 kop./kWh
Heat 302.33 RUR/GCal*

* Due to expiry of the lease of Kirishy GRES, which served Kirishy Nefteorgsintez in terms of heat supply.

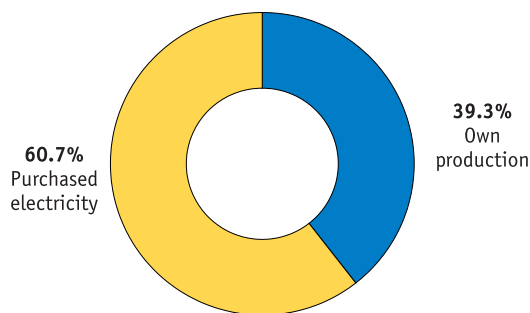
Sales



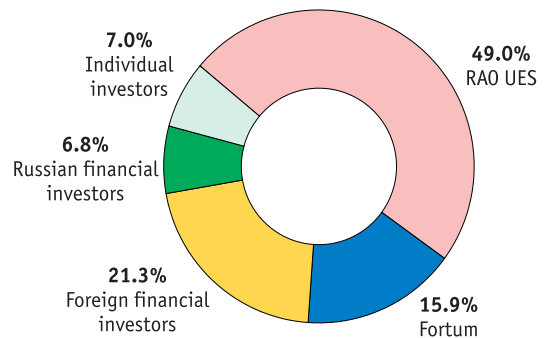
Cost of Sales



Electricity Balance



Shareholder structure





BALANCE SHEET

'000 RUR	January 1, 2003	September 30, 2003
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	9 260	6 030
Fixed assets, incl.:	36 244 872	35 316 242
Land	207	207
Buildings, plants and machinery	36 041 412	35 077 261
Other	203 253	238 774
Investments in non-current assets	3 245 577	3 959 176
Long-term financial investments, incl.:	409 102	407 274
Subsidiaries	18 907	18 907
Affiliates	28 074	28 074
Other companies	352 961	352 961
Long-term loans	6 800	5 000
Other long-term financial investments	2 360	2 332
TOTAL non-current assets	39 908 811	39 688 722
CURRENT ASSETS		
Inventories	1 214 689	1 426 754
VAT	518 678	712 214
Long-term accounts receivable	1 646	1 484
Short-term accounts receivable, incl.:	4 054 606	4 847 471
Customers	3 236 928	2 950 069
Notes receivable	11 793	-
Receivable from subsidiaries and affiliates	-	-
Prepayments	424 830	899 686
Other	381 055	997 716
Short-term financial assets	53 856	56 495
Cash and cash equivalents	330 731	504 604
Total current assets	6 174 206	7 549 022
TOTAL ASSETS	46 083 017	47 237 744
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Authorised share capital	897 363	897 363
Ordinary Share Capital	131 328	131 328
Preference Share Capital	766 035	766 035
Additional capital	39 323 323	39 300 590
Reserve capital	50 254	114 265
Social fund	-	-
Retained earnings of prior periods	1 280 228	6 123
Losses of prior periods	(783 203)	(513 704)
Profit/Loss of the accounting period	-	(203 721)
TOTAL Shareholders' equity	40 767 965	39 600 916
LONG-TERM DEBT	733 592	643 867
CURRENT LIABILITIES		
Loans and credits, incl.:	699 282	2 598 116
Bank credits	163 338	2 017 510
Loans	535 944	580 606
Accounts payable, incl.:	3 658 692	3 793 581
Suppliers	1 178 126	1 345 229
Notes payable	130	130
Accrued payroll	68 743	64 743
Social funds	38 417	35 877
Budget	542 607	222 126
Prepayments received	1 399 683	1 651 153
Other accounts payable	430 986	474 323
Due to shareholders	400	391 075
Deferred income	223 086	210 189
TOTAL current liabilities	4 581 460	6 992 961
TOTAL EQUITY AND LIABILITIES	46 083 017	47 237 744



INCOME STATEMENT

'000 RUR	2003 (9 M)	2002 (9 M)
Net Revenues	18 993 668	15 047 364
Electricity	14 195 907	10 955 675
Heat	4 257 923	3 803 982
Other	539 838	287 707
Cost of goods sold	17 759 288	13 754 304
Operating Profit	1 234 380	1 293 060
Interest income	41	8 390
Interest expenses	49 415	12 011
Other financial items gain	2 814	2 733
Other operating income	993 064	2 601 074
Other operating expenses	1 811 869	4 211 865
Profit from operating and financial activity	369 015	(318 619)
Other non-operating income	199 232	418 142
Other non-operating expenses	548 530	302 423
Pre tax profit	19 717	(202 900)
Income tax and other similar charges	229 685	61 001
Profit after tax	(209 968)	(263 726)
Exceptional income	7 067	371
Exceptional expenses	820	196
Net profit	(203 721)	(263 726)

CONTACT DETAILS

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