

KMPG

To shareholders  
of Open joint stock company of power industry and  
electrification of Kuban

**Auditor's opinion on  
accounting statements of Open joint stock company of power industry and  
electrification of Kuban for 2013**

### **Information on the auditor**

Name: Closed joint-stock company “KMPG”  
Address (legal address): 3035 office, 18/1 Olympiyskiy Prospekt, Moscow 129110  
Postal address: Floor 31, block C, 10 Presnenskaya Naberezhnaya, Moscow 123317  
State registration: Registered by Moscow registration chamber, certificate No.011585 dated 25.05.1992  
Listed in Unified State Register of Legal Entities by district inspectorate of RF Ministry for taxes and levies No.39 in Moscow, No. 1027700125628 on 13.08.2002. Certificate series 77 No.005721432  
Membership in self-regulatory organization of auditors: Member of NP “Audit Chamber of Russia”  
Registration number in state registry of auditors and audit companies 10301000804

### **Information on audited entity**

Name: Open joint stock company of power industry and electrification of Kuban (Kubanenergo JSC)  
Address (legal address): 2 Stavropolskaya street, Krasnodar, Krasnodar region 350033  
Postal address: 2 Stavropolskaya street, Krasnodar, Krasnodar region 350033  
State registration: Registered by administration of Oktyabrskiy district of Krasnodar. Registration certificate dated February 10 1993 No.127.  
Listed in uniform state register of legal entities of Ministry of Russian Federation on taxes and levies No.3 in Krasnodar No. 1022301427268 on September 17, 2001. Certificate series 23 No.001806938.

## **Auditor's report**

To shareholders of Open joint stock company of power industry and electrification of Kuban (Kubanenergo JSC)

We have accomplished an audit of attached hereto accounting statements of Open joint stock company of power industry and electrification of Kuban (Kubanenergo JSC) (hereafter – the Company) for 2013.

Accounting report on 99 pages:

- Accounting balance as of December 31, 2013;
- Report on business results of 2013;
- Annexes to accounting balance and report on business results, precisely:
  - statement of changes in equity in 2013
  - statement of cash flow in 2013
  - explanations to accounting balance and report on business results

### **Responsibility of the auditing entity for accounting report**

Management of the Company bears responsibility for preparation and credibility of the accounting report in accordance with Russian rules of preparing the accounting report and for system of internal audit necessary for preparation of accounting report without material misstatements that can be caused by fraud or faults.

### **Responsibility of the auditor**

The responsibility of the auditor consists in providing the opinion on credibility of the accounting report based on the carried out audit. We have carried out the audit in accordance of federal standards of audit activities. These standards require the observance of code of ethics as well as planning and performing the audit the way to make sure that the accounting report does not content material misstatements.

The audit included the audit procedures aimed to find the audit evidences proving the figures in accounting report and the disclosed information. The choice of the procedures is the subject-matter of our estimations that are based on the risk assessment of the material misstatements caused by fraud or faults. During the risk assessment we checked the system of internal audit (which provides preparation and credibility of accounting report) in order to choose the appropriate audit procedures, but not for evaluation of the effectiveness of internal audit system.

The audit also included the appraisal of the accounting policy and validity of estimated figures, as well as the appraisal of performance of accounting report in general.

We consider the proofs found during the audit to be enough to give qualified opinion on the credibility of the accounting report.

### **Reasons to give qualified opinion**

In accordance with Company's accounting policy objects of fixed assets, except for land plots, are accounted in accounting report by current (replacement) costs.

The Company did not reevaluate the fixed assets as of 31 December 2012. This was the decision made by the Company's management in 2012, based on which we expressed qualified opinion in regard of accounting report for 2012.

The evaluation of influence of specified misstatement could not be carried out by us with sufficient reliability. Therefore, we do not have any possibility to define whether there is the necessity of making adjustments in “Fixed Assets”, “Additional Capital” and “Undistributed Profit” as of 31 December 2012 as well as in other lines of the balance sheet, profit and loss statement, report on changes in capital for the years ended 31 December 2012 and 31 December 2013.

### **Opinion**

We consider that except the influence of the fact specified above, the attached to the Auditor’s report accounting balance truly depicts the financial state of the Company as of 31 December 2013, the results of business activity and cash flow in 2013, in accordance with Russian standards of preparing accounting statements.

### **Important events**

Without changing our opinion on the reliability of accounting statement, we pay attention to changes in accounting policy of the Company regarding the accounting of fixed assets, specified in paragraph 3 of explanations to balance sheet and financial statements.

### **Other information**

In auditor’s opinion dated 12 March 2014 we expressed qualified opinion on Company’s accounting report 2013. Our opinion was modified because the Company did not reevaluate homogenous groups of fixed assets as of 31 December 2013. Afterwards the Company carried out and indicated revaluation of homogenous groups of fixed assets as of 31 December 2013. We performed the necessary audit procedures regarding the amendments described in 6.1 “Fixed assets” in Explanations to accounting report of the Company for 2013. Consequently, this auditor’s conclusion on accounting report of the Company for 2013 that was approved on 16<sup>th</sup> April 2014 differs from previous one dated 12<sup>th</sup> March 2014.

On 28<sup>th</sup> February 2012 audit of accounting report for 2011 was carried out by other auditor that expressed in auditor’s conclusion unmodified opinion.

Director of “KMPG” CJSC  
(attorney dated 1 October 2013 No.74/13)

Kraskikhina T.Ye.

18<sup>th</sup> April, 2014

(seal: Closed joint stock company KMPG G.R.No.011585 Moscow)