

Contents

Independent Auditors' Report

Statement of Financial Position

Statement of Comprehensive Income

Statement of Cash Flows

Statement of Equity

Notes to the Financial Statements

**Limited Liability Company
North-West Concession Company**

**Financial Statements
as at and for the year ended
31 December 2011**

Contents

| | |
|-----------------------------------|---|
| Independent Auditors' Report | 3 |
| Statement of Financial Position | 4 |
| Statement of Comprehensive Income | 5 |
| Statement of Changes in Equity | 6 |
| Statement of Cash Flows | 7 |
| Notes to the Financial Statements | 8 |

Independent Auditors' Report
We have audited the financial statements of LLC NWCC, which consist of the balance sheet as of December 31, 2014, and the statements of comprehensive income, changes in equity, and cash flows for the year then ended, and the related notes to the financial statements. In our opinion, the financial statements present fairly, in all material aspects, the financial position, results of operations, and cash flows of LLC NWCC for the year ended December 31, 2014, in accordance with the accounting principles generally accepted in the United States of America.

Our audit was conducted in accordance with the standards of the American Institute of Certified Public Accountants. We are a member firm of the network of independent member firms affiliated with the Chartered Accountants Global Network, a network of independent member firms affiliated with the American Institute of Certified Public Accountants, a network of independent member firms affiliated with the American Institute of Certified Public Accountants, a network of independent member firms affiliated with the American Institute of Certified Public Accountants.

We have audited the financial statements of LLC NWCC, which consist of the balance sheet as of December 31, 2014, and the statements of comprehensive income, changes in equity, and cash flows for the year then ended, and the related notes to the financial statements. In our opinion, the financial statements present fairly, in all material aspects, the financial position, results of operations, and cash flows of LLC NWCC for the year ended December 31, 2014, in accordance with the accounting principles generally accepted in the United States of America.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Our audit opinion is based on the evidence we have obtained and is not a guarantee of the accuracy or completeness of the financial statements.

240, K...
11/11/2014



ZAO KPMG
10 Presnenskaya Naberezhnaya
Moscow, Russia 123317

Telephone +7 (495) 937 4477
Fax +7 (495) 937 4400/99
Internet www.kpmg.ru

Independent Auditors' Report

To the Board of Directors
Limited Liability Company North-West Concession Company

We have audited the accompanying financial statements of Limited Liability Company North-West Concession Company (the "Company") which comprise the statement of financial position as at 31 December 2011, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

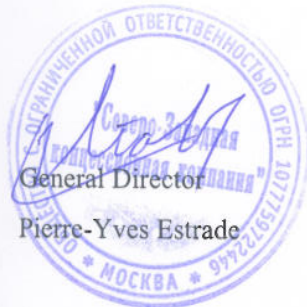
ZAO KPMG
ZAO KPMG
17 August 2012


| '000 RUB | Note | 31 December 2011 | 31 December 2010 |
|--------------------------------------|------|-------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 11 | 2,522 | 2,327 |
| Intangible assets | 5 | 1,818,152 | - |
| Deferred tax assets | 12 | 57,029 | 41,173 |
| Trade and other receivables | 13 | 150,122 | 59,253 |
| Total non-current assets | | 2,027,825 | 102,753 |
| Current assets | | | |
| Inventories | | 392 | 200 |
| Amount due from grantor | 5 | 1,578,565 | - |
| Trade and other receivables | 13 | 494,020 | 59,737 |
| Cash and cash equivalents | 14 | 6,055,143 | 52,189 |
| Deferred construction expenses | 15 | 2,224,673 | 986,445 |
| Total current assets | | 10,352,793 | 1,098,571 |
| Total assets | | 12,380,618 | 1,201,324 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| | 16 | | |
| Share capital | | 470,000 | 345,300 |
| Additional paid in capital | | 4,300 | 4,300 |
| Accumulated losses | | (234,418) | (170,230) |
| Total equity | | 239,882 | 179,370 |
| Non-current liabilities | | | |
| Loans and borrowings | 17 | 10,920,912 | 456,785 |
| Total non-current liabilities | | 10,920,912 | 456,785 |
| Current liabilities | | | |
| Trade and other payables | 18 | 1,219,824 | 565,169 |
| Total current liabilities | | 1,219,824 | 565,169 |
| Total liabilities | | 12,140,736 | 1,021,954 |
| Total equity and liabilities | | 12,380,618 | 1,201,324 |

LLC NWCC
Statement of Comprehensive Income for the year ended 31 December 2011

| '000 RUB | Note | 2011 | 2010 |
|---|------|-----------------|-----------------|
| Continuing operations | | | |
| Revenue | 5 | 3,221,561 | - |
| Cost of sales | 5 | (3,221,561) | - |
| Gross profit | | - | - |
| Administrative expenses | 6 | (36,124) | (22,718) |
| Other expenses | 7 | (15,138) | (1,616) |
| Results from operating activities | | (51,262) | (24,334) |
| Finance income | 9 | - | 10,946 |
| Finance costs | 9 | (28,782) | - |
| Net finance (costs)/income | | (28,782) | 10,946 |
| Loss before income tax | | (80,044) | (13,388) |
| Income tax benefit | 10 | 15,856 | 2,598 |
| Loss and total comprehensive income for the year | | (64,188) | (10,790) |

These financial statements were approved by management on 17 August 2012 and were signed on its behalf by:




Chief Accountant
Olga Chebunkova

LLC NWCC
Statement of Changes in Equity for the year ended 31 December 2011

'000 RUB

| | Charter capital | Additional paid in capital | Accumulated losses | Total equity |
|--|------------------------|-----------------------------------|---------------------------|---------------------|
| Balance at 1 January 2010 | 66,100 | 4,300 | (159,440) | (89,040) |
| Other contributions by owner | 279,200 | - | - | 279,200 |
| Loss and total comprehensive income for the year | - | - | (10,790) | (10,790) |
| Balance at 31 December 2010 | 345,300 | 4,300 | (170,230) | 179,370 |
| Other contributions by owner | 124,700 | - | - | 124,700 |
| Loss and total comprehensive income for the year | - | - | (64,188) | (64,188) |
| Balance at 31 December 2011 | 470,000 | 4,300 | (234,418) | 239,882 |

LLC NWCC
Statement of Cash Flows for the year ended 31 December 2011

| '000 RUB | Note | 2011 | 2010 |
|---|------|--------------------|------------------|
| Cash flows from operating activities | | | |
| Loss before income tax | | (80,044) | (13,388) |
| <i>Adjustments for:</i> | | | |
| Depreciation | 11 | 1,235 | 1,292 |
| Net forex expense /(income) | 9 | 28,782 | (10,946) |
| Change in inventories | | (191) | 142 |
| Change in trade and other receivables | | (2,103,717) | (74,502) |
| Change in trade and other payables | | 654,654 | 463,367 |
| Cash flows from/(used in) operations before income taxes and interest paid | | (1,499,281) | 365,965 |
| Interest paid | | - | - |
| Net cash (used in)/from operating activities | | (1,499,281) | 365,965 |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | 11 | (1,469) | (960) |
| Acquisition of intangible assets | 5 | (1,818,152) | |
| Acquisition of deferred construction expenses | 15 | (1,291,328) | (854,819) |
| Net cash used in investing activities | | (3,110,949) | (855,779) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | 10,481,367 | 239,663 |
| Proceeds from the contributions to charter capital | | 124,700 | 279,200 |
| Net cash from financing activities | | 10,606,067 | 518,863 |
| Net increase in cash and cash equivalents | | 5,995,837 | 29,049 |
| Cash and cash equivalents at 1 January | | 52,189 | 23,891 |
| Effect of exchange rate fluctuations on cash and cash equivalents | | 7,117 | (751) |
| Cash and cash equivalents at 31 December | 14 | 6,055,143 | 52,189 |

1 Background

(a) Russian business environment

The Company's operations are primarily located in the Russian Federation. Consequently, the Company is exposed to the economic and financial markets of the Russian Federation which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Russian Federation. The financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Company. The future business environment may differ from management's assessment.

(b) Organisation and operations

Limited Liability Company North-West Concession Company (the "Company") is a Russian Federation limited liability company as defined in the Civil Code of the Russian Federation. The Company was established on 1 August 2007.

The Company's registered office is Testovskaya ulitsa, 10, block 19-2, Moscow, Russian Federation, 123317. The company is wholly owned by Vinci Concessions Russie. Related party transactions are detailed in note 22.

The Company's principal activity is developing services that optimise the operation of the infrastructure in Russia using the experience of the Group Vinci. For these purposes the Company is intending to conclude several concession agreements with the government of Russian Federation. During the year 2007 and partially 2008 the Company has been preparing for the participation in the Tender for concluding the concession agreement for financing, construction and further operation of "Highway Moscow – Saint-Petersburg 15-58 km" (the "Concession agreement"). On 30 November 2008 Federal Road Agency issued the decision to conclude this agreement with the Company. The concession agreement was concluded on 27 July 2009.

2 Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(b) Basis of measurement

The financial statements are prepared on the historical cost basis.

(c) Functional and presentation currency

The national currency of the Russian Federation is the Russian Rouble ("RUB"), which is the Company's functional currency and the currency in which these financial statements are presented. All financial information presented in RUB has been rounded to the nearest thousand.

(d) **Use of estimates and judgments**

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments and assumptions and estimation uncertainties in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the notes 5 – Revenue, cost of sales, intangible assets, amount due from grantor and 12 - Deferred tax assets.

3 **Significant accounting policies**

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

(a) **Revenue**

The operator under Concession agreement (concessionaire) recognises and measures revenue in accordance with IASs 11 and 18 for the services it performs. As the operator performs more than one service (i.e. construction services and operation services) under a single arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered. The Company considers that fair value of construction services performed is equal to costs incurred. The operator is paid for the construction services partly by a financial asset and partly by an intangible asset. Therefore the Company accounts separately for each component of the operator's consideration. The consideration received or receivable for both components is recognized initially at the fair value of the consideration received or receivable.

The nature of the consideration given by the grantor to the operator shall be determined by reference to the contract terms.

(b) **Foreign currency**

(i) ***Foreign currency transactions***

Transactions in foreign currencies are translated to RUB at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to RUB at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising in retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) **Financial instruments**

(i) ***Non-derivative financial instruments***

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

The Company initially recognises trade and other receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition trade and other receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities at initial recognition of three months or less.

(ii) ***Non-derivative financial liabilities***

The Company initially recognizes financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Company has the following non-derivative financial liabilities: loans and borrowings and trade and other payables.

(d) **Property, plant and equipment**

(i) ***Recognition and measurement***

Items of property, plant and equipment, except for land, are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

(ii) ***Subsequent costs***

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) ***Depreciation***

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful life for the current and comparative periods for office equipment is 1-5 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(e) **Intangible assets**

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(i) ***Subsequent expenditure***

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the profit or loss as incurred.

(ii) **Amortisation**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. The estimated useful life of intangible asset is 26 years.

(f) **Impairment**

(i) **Financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor will enter bankruptcy, adverse changes in the payment status of borrowers or economic conditions that correlate with defaults.

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) **Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amount of assets in the CGU (group of CGUs) on a pro rata basis. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment losses are recognised in profit or loss.

(g) **Employee benefits**

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(h) **Finance income and costs**

Finance income comprises foreign currency gains.

Finance costs comprise interest expense on borrowings, foreign currency losses and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(i) **Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(j) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(k) New Standards and Interpretations not yet adopted

A number of new Standards, amendments to Standards and Interpretations are not yet effective as at 31 December 2011, and have not been applied in preparing these financial statements. Of these pronouncements, potentially the following will have an impact on the Company's operations. The Company plans to adopt these pronouncements when they become effective.

- IFRS 9 *Financial Instruments* will be effective for annual periods beginning on or after 1 January 2015. The new standard is to be issued in phases and is intended ultimately to replace International Financial Reporting Standard IAS 39 *Financial Instruments: Recognition and Measurement*. The first phase of IFRS 9 was issued in November 2009 and relates to the classification and measurement of financial assets. The second phase regarding classification and measurement of financial liabilities was published in October 2010. The remaining parts of the standard are expected to be issued during 2012. The Company recognises that the new standard introduces many changes to the accounting for financial instruments and is likely to have a significant impact on Company's financial statements. The impact of these changes will be analysed during the course of the project as further phases of the standard are issued. The Company does not intend to adopt this standard early.
- IFRS 13 *Fair Value Measurement* will be effective for annual periods beginning on or after 1 January 2013. The new standard replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It provides a revised definition of fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurement that currently exist in certain standards. The standard is applied prospectively with early adoption permitted. Comparative disclosure information is not required for periods before the date of initial application.

- Amendment to IAS 1 *Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income*. The amendment requires that an entity present separately items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. Additionally, the amendment changes the title of the statement of comprehensive income to statement of profit or loss and other comprehensive income. However, the use of other titles is permitted. The amendment shall be applied retrospectively from 1 July 2012 and early adoption is permitted. The Company considers that amendments will not affect Company's financial statements.
- Amendment to IAS 12 *Income taxes – Deferred Tax: Recovery of Underlying Assets*. The amendment introduces an exception to the current measurement principles for deferred tax assets and liabilities arising from investment property measured using the fair value model in accordance with IAS 40 *Investment Property*. The exception also applies to investment property acquired in a business combination accounted for in accordance with IFRS 3 *Business Combinations* provided the acquirer subsequently measures the assets using the fair value model. In these specified circumstances the measurement of deferred tax liabilities and deferred tax assets should reflect a rebuttable presumption that the carrying amount of the underlying asset will be recovered entirely by sale unless the asset is depreciated or the business model is to consume substantially all the asset. The amendment is effective for periods beginning on or after 1 January 2012 and is applied retrospectively. The Company considers that amendments will not affect Company's financial statements.
- Amendment to IFRS 7 *Disclosures – Transfers of Financial Assets* introduces additional disclosure requirements for transfers of financial assets in situations where assets are not derecognised in their entirety or where the assets are derecognised in their entirety but a continuing involvement in the transferred assets is retained. The new disclosure requirements are designated to enable the users of financial statements to better understand the nature of the risks and rewards associated with these assets. The amendment is effective for annual periods beginning on or after 1 July 2011. The Company considers that amendments will not affect Company's financial statements.
- Various *Improvements to IFRSs* have been dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement purposes, will come into effect not earlier than 1 January 2012. The Company has not yet analysed the likely impact of the improvements on its financial position or performance.

4 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and for disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(b) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined by reference to similar lease agreements.

5 Revenue, cost of sales, intangible assets, amount due from grantor

In accordance with the Concession agreement the Company is engaged to finance, construct and further operate "Highway Moscow – Saint-Petersburg 15-58 km".

Construction of the road started 1 September 2011. The Company as an operator of the Concession agreement accounted for the revenue from construction works in accordance with IAS 11 Construction contracts.

In line with IAS 38 the Company measures the consideration receivable for construction works at fair value of services delivered. The Company considers that the fair value of the services delivered, in this case fair value of construction works, equals costs incurred on the construction under the Concession agreement.

This resulted in recognition of sales and cost of sales in the amount of RUB 3,221,561 thousand for the year ended 31 December 2011. These amounts are recognized on the basis of the stage of completion under IAS 11, which is determined on the basis of estimates made by technical expert and total planned cost of construction.

The Company is paid for the construction services partly by a financial asset, in the form of financing by the grantor (state company "Russian Highways" (Avtodor), and partly by intangible asset, in the form of future right to use and collect revenue from toll road. Therefore, the Company accounted separately for each component of the consideration receivable. The amount receivable from grantor recognised as at 31 December 2011 is RUB 1,578,565 thousand, which approximates half of the revenue for the period. The remaining amount of RUB 1,642,996 thousand is recognised as an intangible asset. The cost of intangible asset also includes capitalized interest expenses in the amount of RUB 175,156 thousand.

The intangible asset will be available for use when the Highway is put in use after the completion of construction. The Company has analysed the impairment indicators of intangible assets as at 31 December 2011 and concluded that no impairment exists.

6 Administrative expenses

| '000 RUB | 2011 | 2010 |
|-------------------------------|---------------|---------------|
| Wages and salaries | 17,927 | 9,403 |
| Corporate events | 6,788 | 3,681 |
| Depreciation | 1,235 | 1,292 |
| Other administrative expenses | 10,174 | 8,342 |
| | 36,124 | 22,718 |

After signing the concession agreement for financing, construction and further operation of "Highway Moscow – Saint-Petersburg 15-58 km" the Company capitalizes the expenses directly related to toll road construction as deferred construction expenses.

7 Other expenses

| '000 RUB | 2011 | 2010 |
|--------------|---------------|--------------|
| Bank charges | 8,089 | 1,491 |
| Other | 7,049 | 125 |
| | 15,138 | 1,616 |

8 Personnel costs

| '000 RUB | 2011 | 2010 |
|-------------------------------------|----------------|---------------|
| Wages and salaries | 104,258 | 63,485 |
| Contributions to State pension fund | 6,004 | 4,232 |
| | 110,262 | 67,717 |

In 2011 RUB 92,335 thousand of payroll expenses were capitalized into deferred construction expenses (2010: RUB 58,314 thousand) and RUB 17,927 thousand were included in Administrative expenses (2010: RUB 9,403 thousand).

9 Finance income and finance costs

| '000 RUB | 2011 | 2010 |
|---|-----------------|---------------|
| Recognised in profit or loss | | |
| Net foreign exchange gain | - | 10,946 |
| Finance income | - | 10,946 |
| Net foreign exchange loss | (28,782) | - |
| Finance costs | (28,782) | - |
| Net finance(costs)/ income recognised in profit or loss | (28,782) | 10,946 |

10 Income tax benefit

The Group's applicable tax rate is the income tax rate of 20% for Russian companies.

| '000 RUB | 2011 | 2010 |
|---|---------------|--------------|
| Current tax expense | | |
| Current year | - | - |
| Deferred tax benefit | | |
| Origination and reversal of temporary differences | 15,856 | 2,598 |
| | 15,856 | 2,598 |

Reconciliation of effective tax rate:

| | 2011 | | 2010 | |
|------------------------------------|---------------|-----------|--------------|-----------|
| | '000 RUB | % | '000 RUB | % |
| Loss before income tax | (80,044) | 100 | (13,388) | 100 |
| Tax benefit at applicable tax rate | 16,009 | 20 | 2,678 | 20 |
| Non-deductible expenses | (153) | (0) | (80) | (1) |
| | 15,856 | 20 | 2,598 | 19 |

11 Property, plant and equipment

| '000 RUB | Office equipment |
|-----------------------------|------------------|
| <i>Historical cost</i> | |
| At 1 January 2010 | 3,834 |
| Additions | 960 |
| Balance at 31 December 2010 | 4,794 |
| Balance at 1 January 2011 | 4,794 |
| Additions | 1,469 |
| Disposals | (49) |
| Balance at 31 December 2011 | 6,214 |

| '000 RUB | <u>Office equipment</u> |
|---|-------------------------|
| <i>Depreciation and impairment losses</i> | |
| Balance at 1 January 2010 | 1,175 |
| Depreciation for the year | 1,292 |
| Balance at 31 December 2010 | <u>2,467</u> |
| Balance at 1 January 2011 | 2,467 |
| Depreciation for the year | 1,235 |
| Depreciation on disposals for the year | (10) |
| Balance at 31 December 2011 | <u>3,692</u> |
| <i>Carrying amounts</i> | |
| At 1 January 2010 | <u>2,659</u> |
| At 31 December 2010 | <u>2,327</u> |
| At 31 December 2011 | <u>2,522</u> |

12 Deferred tax assets and liabilities

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| '000 RUB | Assets | | Liabilities | | Net | |
|--------------------------------|----------------|----------------|------------------|-----------------|---------------|---------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Deferred construction expenses | 179,903 | - | - | (70,572) | 179,903 | (70,572) |
| Intangible assets | - | - | (363,630) | - | (363,630) | - |
| Trade and other payables | 108,326 | 66,517 | - | - | 108,326 | 66,517 |
| Loans | - | - | (68,184) | - | (68,184) | - |
| Tax loss carry-forwards | 200,614 | 45,228 | - | - | 200,614 | 45,228 |
| Net tax assets/(liabilities) | <u>488,843</u> | <u>111,745</u> | <u>(431,814)</u> | <u>(70,572)</u> | <u>57,029</u> | <u>41,173</u> |

There are no unrecognised deferred tax assets. All temporary differences are recognised in income statement.

As the concession agreement is signed, the Company believes that future taxable profits will be available against which the deferred tax assets can be utilised to their full extent.

There are no unrecognised deferred tax assets or liabilities. The tax losses expire in 2017 year. The deductible temporary differences do not expire under current legislation.

13 Trade and other receivables

| '000 RUB | 2011 | 2010 |
|-----------------------------|----------------|----------------|
| VAT receivable (long-term) | 150,122 | 59,253 |
| VAT receivable (short-term) | 477,097 | 55,120 |
| Other receivables | 16,923 | 4,617 |
| | 644,142 | 118,990 |

VAT receivable relates to the expenses incurred for services for project "Highway Moscow-Saint-Petersburg 15 - 58 km". Out of total VAT receivable amount of RUB 458,106 thousand is already claimed from tax authorities.

The Company's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 19.

14 Cash and cash equivalents

| '000 RUB | 2011 | 2010 |
|--|------------------|---------------|
| Petty cash | 28 | 29 |
| Bank balances | 50,115 | 52,160 |
| Short term deposits | 6,005,000 | - |
| Cash and cash equivalents in the statement of financial position | 6,055,143 | 52,189 |
| Cash and cash equivalents in the statement of cash flows | 6,055,143 | 52,189 |

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 19.

15 Deferred construction expenses

| '000 RUB | 2011 | 2010 |
|----------------------|------------------|----------------|
| Consultancy fees | 1,197,552 | 624,626 |
| Bank commission | 711,521 | 208,830 |
| Wages and salaries | 119,657 | 76,797 |
| Interest capitalised | 71,063 | 30,327 |
| Rent and rates | 38,387 | 24,352 |
| Other | 20,046 | 15,883 |
| Advances issued | 66,447 | 5,630 |
| | 2,224,673 | 986,445 |

On 27 July 2009 the Company signed concession agreement with the Federal Road Agency on behalf of the Russian Federation for construction of the "Highway Moscow – Saint-Petersburg 15-

58 km” (the “Highway”). Thereafter, all related costs necessary to create and prepare the Highway to be capable of operating in the manner intended by management were capitalised into the cost of deferred construction expenses as it became probable that the expected future economic benefits that are attributable to the Highway will flow to the entity.

On 1 September 2011 – start date of construction - the Company started to transfer accumulated deferred construction expenses into the cost of intangible assets. Deferred construction expenses are reclassified into intangible asset on a straight line basis during the period of construction. Expected term of Highway construction is 38 months.

Bank commission of RUB 711,521 thousand as at 31 December 2011 is accrued for unused credit line in the amount of RUB 29,200,00 thousand that is made available to the Company as a part of the construction of the Highway.

16 Equity

Charter capital

At 31 December 2011 the Company’s charter capital represents the statutory charter capital of RUB 470,000 thousand (2010: RUB 345,300 thousand). The charter capital is fully contributed by Vinci Concessions Russie.

In 2011 the sole participant Vinci Concessions Russie made additional contribution to the Company’s capital in the amount of RUB 124,700 thousand (2010: RUB 279,200 thousand).

17 Loans and borrowings

This note provides information about the contractual terms of the Company’s interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Company’s exposure to interest rate, foreign currency and liquidity risk, see note 19.

| '000 RUB | 2011 | 2010 |
|-----------------------------------|-------------------|----------------|
| <i>Non-current liabilities</i> | | |
| Bonds | 9,875,980 | - |
| Unsecured loan from related party | 1,044,932 | 456,785 |
| | 10,920,912 | 456,785 |

The Company received a loan from Vinci Concessions Russie, the sole participant of the Company.

On 1 September 2011 the Company registered two issues of non-documentary non-convertible 20-year interest earning bonds series 03 of 5,000,000 with par value RUB 1 thousand each with total par value RUB 5,000,000 thousand and non-documentary non-convertible interest earning bonds series 04 of 5,000,000 with par value RUB 1 thousand each with total par value RUB 5,000,000 thousand. State registration numbers are 4-01-36388-R and 4-02-36388-R respectively. Issues took place on 21 October 2011. Both of these issues are guaranteed by the Government of Russian Federation. Guarantee agreements with Ministry of Finance on behalf of Russian Federation were signed on 20 July 2011.

Interest is paid semi annually at a rate of CPI + 3 percentage points. The Company will begin partial redemption of bonds face value after 7 years of issue.

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

| '000 RUB | Currency | Nominal interest rate | Year of maturity | 2011 | | 2010 | |
|-----------------------------------|----------|-----------------------|------------------|-------------------|-------------------|----------------|-----------------|
| | | | | Face value | Carrying amount | Face value | Carrying amount |
| Bonds | RUB | floating | 2031 | 10,000,000 | 9,875,980 | - | - |
| Unsecured loan from related party | EUR | 5% | 2013 | 1,044,932 | 1,044,932 | 456,785 | 456,785 |
| | | | | 11,152,258 | 10,920,912 | 456,785 | 456,785 |

18 Trade and other payables

| '000 RUB | 2011 | 2010 |
|----------------------|------------------|----------------|
| Trade payables | 587,736 | 556,858 |
| VAT payable | 376,868 | - |
| Interest on bonds | 216,900 | - |
| Provisions | 17,353 | - |
| Other payables | 20,920 | 8,287 |
| Social funds payable | 47 | 24 |
| | 1,219,824 | 565,169 |

The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 19.

19 Financial instruments and risk management

(a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the

Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(b) **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents kept with the bank.

(i) **Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| '000 RUB | Carrying amount | |
|---------------------------|------------------|---------------|
| | 2011 | 2010 |
| Amount due from Grantor | 1,578,565 | - |
| Cash and cash equivalents | 6,055,143 | 52,189 |
| | 7,633,708 | 52,189 |

As at 31 December 2011 the cash and cash equivalents represent funds predominantly kept in the Russian Government owned bank with BBB Fitch rating.

(c) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

2011

| '000 RUB | Carrying amount | Contractual cash flows | 0-2 yrs | 3-6 yrs | 7-20 yrs |
|---|-------------------|------------------------|------------------|------------------|-------------------|
| Non-derivative financial liabilities | | | | | |
| Bonds | 9,875,980 | 26,611,349 | 2,223,890 | 4,447,781 | 19,939,678 |
| Unsecured loan from related party | 1,044,932 | 1,115,253 | 1,115,253 | - | - |
| Trade and other payables | 1,219,824 | 1,219,824 | 1,219,824 | - | - |
| | 12,140,736 | 28,946,426 | 4,558,967 | 4,447,781 | 19,939,678 |

2010

| '000 RUB | Carrying amount | Contractual cash flows | 0-2 yrs | 3-6 yrs | 7-20 yrs |
|---|------------------|------------------------|------------------|----------|----------|
| Non-derivative financial liabilities | | | | | |
| Unsecured loan from related party | 456,785 | 562,660 | 562,660 | - | - |
| Trade and other payables | 565,169 | 565,169 | 565,169 | - | - |
| | 1,021,954 | 1,127,829 | 1,127,829 | - | - |

(d) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) **Currency risk**

The Company is exposed to currency risk on purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company, primarily the Russian Rouble (RUB). The currency in which these transactions primarily are denominated is EUR.

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the Company, primarily RUB.

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts:

| '000 RUB | USD- | EUR- | USD- | EUR- |
|-----------------------------------|----------------|--------------------|----------------|------------------|
| | denominated | denominated | denominated | denominated |
| | 2011 | 2011 | 2010 | 2010 |
| Cash and cash equivalents | 11 | 11,910 | 11 | 45,528 |
| Unsecured loan from related party | - | (1,044,932) | - | (456,785) |
| Trade payables | (3,840) | (240,562) | (2,506) | (477,306) |
| Net exposure | (3,829) | (1,273,584) | (2,495) | (888,563) |

The following significant exchange rates applied during the year:

| in RUB | Average rate | | Reporting date spot rate | |
|--------|--------------|-------|--------------------------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| USD 1 | 29.39 | 30.37 | 31.46 | 30.48 |
| EUR 1 | 40.89 | 40.30 | 41.48 | 40.33 |

Sensitivity analysis

Change of the RUB rate, as indicated below, against the following currencies at 31 December would have increased (decreased) profit or loss by the amounts shown below. There would have been no impact directly on equity. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2010, as indicated below.

| '000 RUB | Strengthening | | Weakening | |
|-------------------------|---------------|----------------|-----------|----------------|
| | Equity | Profit or loss | Equity | Profit or loss |
| 31 December 2011 | | | | |
| USD (10% movement) | (383) | (383) | 383 | 383 |
| EUR (10% movement) | (127,358) | (127,358) | 127,358 | 127,358 |

| '000 RUB | Strengthening | | Weakening | |
|-------------------------|---------------|----------------|-----------|----------------|
| | Equity | Profit or loss | Equity | Profit or loss |
| 31 December 2010 | | | | |
| USD (10% movement) | (250) | (250) | 250 | 250 |
| EUR (10% movement) | (88,856) | (88,856) | 88,856 | 88,856 |

(ii) **Interest rate risk**

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt). Management does not have a formal policy of determining how much of the Company's exposure should be to fixed or variable rates. However, at the time of raising new loans or borrowings management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Company over the expected period until maturity.

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

| '000 RUB | Carrying amount | |
|-------------------------------|------------------|----------------|
| | 2011 | 2010 |
| Fixed rate instruments | | |
| Financial liabilities | 1,044,932 | 456,785 |
| | 1,044,932 | 456,785 |

| '000 RUB | Carrying amount | |
|----------------------------------|------------------|----------|
| | 2011 | 2010 |
| Variable rate instruments | | |
| Bonds | 9,875,980 | - |
| | 9,875,980 | - |

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

(e) **Fair values versus carrying amounts**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

| '000 RUB | Carrying amount | Fair value | Carrying amount | Fair value |
|--|-------------------|-------------------|------------------|------------------|
| | 2011 | 2011 | 2010 | 2010 |
| Assets carried at amortised cost | | | | |
| Amount due from Grantor | 1,578,565 | 1,578,565 | - | - |
| Cash and cash equivalents | 6,055,143 | 6,055,143 | 52,189 | 52,189 |
| | 7,633,708 | 7,633,708 | 52,189 | 52,189 |
| Liabilities carried at amortised cost | | | | |
| Bonds | 9,875,980 | 9,875,980 | - | - |
| Unsecured loans from related party | 1,044,932 | 1,044,932 | 456,785 | 456,785 |
| Trade and other payables | 1,219,824 | 1,219,824 | 565,169 | 565,169 |
| | 12,140,736 | 12,140,736 | 1,021,954 | 1,021,954 |

The basis for determining fair values is disclosed in note 4.

20 Operating leases

The Company leases an administrative office under operating leases. The leases typically run for an initial period of one year, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rentals.

During the year ended 31 December 2011 an amount of RUB 27,450 thousand was capitalized into deferred construction expenses (2010: RUB 17,955 thousand).

21 Contingencies**(a) Taxation contingencies in the Russian Federation**

The taxation system in the Russian Federation continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive and substance-based position in their interpretation and enforcement of tax legislation.

These circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

22 Related party transactions

(a) Control relationships

The Company's immediate parent company is Vinci Concessions Russie. No publicly available financial statements are produced by the Company's parent company.

There are no parties with ultimate control or intermediate controlling parties over the Company.

(b) Transactions with management and close family members

(i) Management remuneration

Key management received the following remuneration during the year, which is included in personnel costs (see note 8):

| '000 RUB | 2011 | 2010 |
|-------------------------------------|---------------|---------------|
| Salaries and bonuses | 45,539 | 26,041 |
| Contributions to State pension fund | 707 | 324 |
| | 46,246 | 26,365 |

(c) Transactions with other related parties

The Company's other related party transactions are disclosed below:

(i) Expenses

| '000 RUB | Transaction value | Transaction value | Outstanding balance | Outstanding balance |
|-----------------------------------|-------------------|-------------------|---------------------|---------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Services received: | | | | |
| Vinci Construction Grands Projets | 834,010 | - | - | - |
| Vinci Concession SA | - | - | (28,988) | (45,831) |
| Severnaya bashnya | 27,450 | 17,955 | 5,513 | 372 |
| | 861,460 | 17,955 | (23,475) | (45,459) |

All outstanding balances with related parties are to be settled in cash within six months of the reporting date. None of the balances are secured.

(ii) **Loans**

| '000 RUB | Amount loaned | Amount loaned | Outstanding balance | Outstanding balance |
|-----------------|------------------|------------------|------------------------|------------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Loans received: | | | | |
| Parent Company | 481,367 | 239,663 | 1,044,932 | 456,785 |
| | 481,367 | 239,663 | 1,044,932 | 456,785 |

The loan from the Company's parent company Vinci Concessions Russie bears interest at 5% per annum. Loan and interest are repayable in June 2013.

23 Events subsequent to the reporting date

On 18 January 2012 Board of Directors appointed Mr Pierre-Yves Estrade to serve as General Director for two-year term.