

Investments

All measures under the investment programme were carried out according to the planned indicators and requirements that were approved by the authorities of the regions where the Company operates.

Actual IDGC of Centre investment in 2012–2014

Period	Capital investment (excl. VAT)	Commissioning of fixed assets (excl. VAT)	Financing (incl. VAT)	Commissioning of capacity		Capacity increase	
	RUB bn.			km	MVA	km	MVA
2012	15.8	16.9	19.2	8,026	1,518	4,481	1,342
2013	14.4	16.0	17.6	5,689	1,362	3,112	891
2014	12.2	12.9	14.2	5,110	1,107	2,560	602



AREAS AND STRUCTURE OF CAPITAL INVESTMENT FINANCING

Capital investments, RUB bn

Purpose	Amount of investment			Share in total investments 2014, %
	2012	2013	2014	
Retrofitting and reconstruction	8.2	7.2	6.8	55.8
New construction and further development	7.2	7.1	5.3	43.8
Purchase of power grid assets, as well as implementation of other programmes and events	0.4	0.1	0.1	0.4
Total	15.8	14.4	12.2	100
Variance, %		—8.8	—15.3	

In 2014, capital investments were down 15.3%, totalling RUB 12.2bn. The Company reduced funding of the 2012–2014 Investment Programme due to limited sources of funding as a result of the current policy of increasing operational efficiency. Capital investment was curtailed by optimising the Retrofitting and Reconstruction Programme and taking measures to control unit costs of construction and reconstruction of capital facilities.



12 2 RUB bn

5 1 1 0 km

12.2

Capital investment amount

5110

and 1,107 MVA — commissioning of capacity

In 2014, financing of the investment programme amounted to RUB 14.2bn, and was done using the following sources:

Investment programme funding sources for 2012–2014, RUB bn

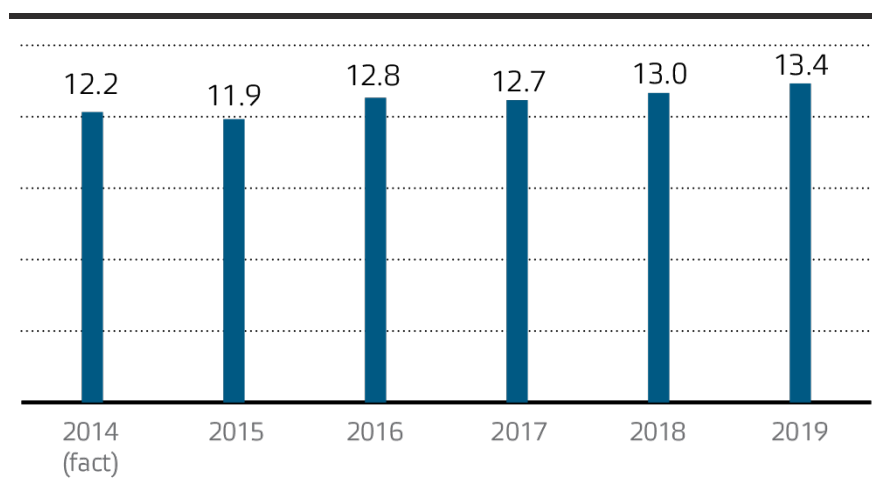
Sources	2012	2013	2014
Internal sources	13.96	12.13	12.38
Net profit including other own sources	5.37	2.48	2.42
Depreciation	6.17	7.54	7.93
VAT recovery	2.42	2.11	2.03
External sources	5.23	5.49	1.86
Bank loans	4.51	5.12	1.86
Other external funds	0.72	0.37	0
Total	19.19	17.62	14.24



LONG-TERM INVESTMENT PROGRAMME

The development of the long-term programme of the Company involved scenarios for the development of the electric power industry of the Russian Federation, the requirements of the industry's technological policy, and socio-economic growth forecasts for the regions.

Planned capital investments in 2014–2019, RUB Bn



The planned capital investment of the investment programme for 2014–2019 provides for an increase in investment with no significant changes in dynamics.

The dynamics of capital investment is determined by the flow of funding sources being used. The reduction of borrowings is covered by the increase in using internal funding sources (including depreciation and operating profit). As a result, the redistribution between internal and borrowed sources in the planning period will cause no decrease in capital investment and will have no impact on performance by the Company of the electric reliability improvement programme, as well as obligations for grid connection of applicants, being provided by engineering requirements and standard regulations of the Russian Federation.