

Auditors’ statement, including Annual Accounting (Financial) Statement

AUDITORS' REPORT
on accounting (financial) statements

For the shareholders of

Joint-Stock Company
"International Uranium Enrichment Center"
18 February 2013

Nexia Pacioli LLC
Auditors' Report on accounting (financial) statements of JSC "IUEC" for 2012

Information on the Audited Entity

Full name: Joint-Stock Company «International Uranium Enrichment Center»
Abbreviated name: JSC "IUEC"
State Registration: State Registration Certificate, series 38, No. 002365389, dated 5 September 2007, issued by the Federal Tax Service Inspectorate for the city of Angarsk, the Irkutsk region. Entered on the Unified State Registry of Legal Entities, primary registration number: 1073801006982
Location: 665824, Irkutsk region, Angarsk, quarter 220, bldg. 4
Mailing address: 665824, Irkutsk region, Angarsk, quarter 220, bldg. 4

Auditor details

Full name: Nexia Pacioli Limited Liability Company
Abbreviated name: Nexia Pacioli LLC
State registration: State Registration Certificate No. 856.235, dated 23 June 1995, issued by the Moscow Registration Chamber;
State Registration Certificate, series 77, No. 005390060, dated 22 October 2002, issued by Moscow Interdistrict Tax Inspectorate No. 39 of the Ministry for Taxes and Levies;
Entered on the Unified State Register of Legal Entities, primary state registration number: 1027739428716
Location: 119180, Moscow, Malaya Polyanka St., bldg. 2
Mailing address: 119180, Moscow, Malaya Polyanka St., bldg. 2
Membership in a self-regulated organization of auditors: A member of the self-regulated organization of auditors, Non-Profit Partnership "Institute of Professional Auditors";
Entered on the Register of Auditors and Auditing Organizations of the above self-regulated organization of auditors on 30 October 2009, primary registration number: 10202000073

We have audited the attached financial statements of JSC "IUEC", which include:

- the accounting balance sheet as of 31 December 2011;
- the profit and loss statement for 2011;
- the capital change statement for 2011;
- the cash flow statement for 2011;
- the explanatory notes to the accounting balance sheet and the profit and loss statement.

Nexia Pacioli LLC
Auditors' Report on accounting (financial) statements of JSC "IUEC" for 2012

**Responsibility of the audited entity
for the financial statements**

The management of the audited entity is responsible for preparing and the credibility of the financial statements in accordance with the rules of accounting in effect in the Russian Federation and for the internal control system required for preparing the accounting reports that do not contain material misstatements due to malpractice or errors.

Responsibility of the Auditor

Our responsibility involves the expression of the opinion on the credibility of the accounting statements based on the audit performed by us. We conducted the audit in accordance with the federal auditing standards of the Russian Federation. These standards require the adherence to the applicable rules of ethical conduct, as well as the planning and performance of the audit in such manner as would ensure the sufficient confidence that the accounting reports do not contain any material misstatements.

The audit included the auditing of the procedures for obtaining the audit evidence to prove the numerical values shown in the accounting statements and the disclosure of information therein. The choice of the auditing procedures is based on our judgment which relies on the assessment of the risk of material misstatements due to malpractice or errors. In assessing this risk we examined the internal control system that ensured proper generation and credibility of the financial statements in order to select the appropriate auditing procedures, but not for the purpose of judging on the efficiency of the internal control system.

The audit also included the evaluation of the adequacy of the accounting policies and the reasonability of the evaluation parameters obtained by the management of the audited entity, as well as the assessment as to how properly the accounting statements were presented in general.

We believe that the audit evidence collected during the audit give the substantial ground for expressing the opinion on the credibility of the accounting statements.

Opinion

We believe that the financial statement of JSC "IUEC" adequately describes in every material aspect the financial standing of the company as of 31 December 2012, and the results of its financial and business activities and the cash flow in 2012 in accordance with the accounting standards of the Russian Federation.

Deputy Director General for Audit of Nexia Pacioli
LLC
(general auditor competence certificate No. 02-
000361, validity period limitation, perpetual)
Entered on the register of auditors and auditing
entities of the Institute of Professional Auditors of
Russia, primary registration number: 29502000246.

O.V. Danilova

Auditor
(general auditor competence certificate No.
K029347, perpetual)

O.N. Sazonova

3

Nexia Pacioli LLC
Auditors' Report on accounting (financial) statements of JSC "IUEC" for 2012

Entered on the register of auditors and auditing
entities of the Institute of Professional Auditors of
Russia, primary registration number: 20402003507.

18 February 2013

Official seal

4

Balance sheet 2012

Balance sheet as of 31 December 2012

	Form as per OKUD	Codes
Organization JSC "International Uranium Enrichment Center"	Date (day, month, year)	31 12 2012
Taxpayer identification number	as per OKPO	80274421
Type of business Production of nuclear materials	INN	3801091245
	as per OKVED	23_30
Organizational and legal form / form of ownership Open Joint-Stock Company / Joint federal and foreign ownership	as per OKOPF / OKFS	47 31
Measurement unit: thousand rubles	as per OKEI	384
Location (address)		
660824, Irkutsk region, Angarsk, quarter 220, bldg. 4		

Notes	Indicator description	Code	As of 31 December 2012	As of 31 December 2011	As of 31 December 2010
	ASSETS				
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	707	752	847
	Research and development results	1120	-	-	-
	Intangible development assets	1130	-	-	-
	Tangible development assets	1140	-	-	-
	Fixed assets	1150	341	351	194
	Income-bearing investments in material values	1160	-	-	-
	Financial investments	1170	-	-	-
	Deferred tax assets	1180	3 219	3 434	2 875
	Other non-current assets	1190	-	-	-
	Total for Section I	1100	4 267	4 538	3 917
	II. CURRENT ASSETS				
	Reserves	1210	1 109	59	92
	including:				
	Value added tax on acquired values	1220	39	80	10 151
	Debits receivable	1230	2 638	15 472	136 504
	Financial investments (except cash equivalents)	1240	71 000	34 000	-
	Cash and cash equivalent	1250	3 946	27 318	11 141
	Other current assets	1260	76	1 570	2 153
	Total for Section II	1200	78 807	78 500	160 041
	BALANCE	1600	83 074	83 037	163 958

Notes	Indicator description	Code	As of 31 December 2012	As of 31 December 2011	As of 31 December 2010
	LIABILITIES				
	III. EQUITY AND RESERVES				
	Authorized capital (share capital, authorized fund, partner contributions)	1310	26 000	26 000	26 000
	Own shares purchased from shareholders	1320	-	-	-
	Revaluation of non-current assets	1340	-	-	-
	Added capital (not revaluated)	1350	-	-	-
	Reserve capital	1360	3 900	3 900	3 143
	Undistributed profit (uncovered loss)	1370	26 195	15 003	12 024
	Total for Section III	1300	56 095	44 903	41 167
	IV. LONG-TERM LIABILITIES				
	Loan funds	1410	-	-	-
	Deferred tax liabilities	1420	5	4	-
	Estimated liabilities	1430	-	-	-
	Other liabilities	1450	-	-	-
	Total for Section IV	1400	5	4	-
	V. SHORT-TERM LIABILITIES				
	Loan funds	1510	-	-	55 724
	Debts payable	1520	9 667	20 406	52 149
	Deferred income	1530	-	-	202
	Estimated liabilities	1540	17 306	17 724	14 715
	Other liabilities	1550	-	-	-
	Total for Section V	1500	26 973	38 130	122 791
	BALANCE	1700	83 074	83 037	163 958

Director Lebedev, Aleksei Yevgenyevich

22 January 2013

Seal

Supplementary notes to accounting balance 2012

IUEC

International Uranium Enrichment Centre

Supplementary notes to the accounting balance of International Uranium Enrichment Centre for 2012

1. Profile of the enterprise

1.1. General information

Full company name in Russian: Открытое акционерное общество «Международный центр по обогащению урана».

Abbreviated name in Russian: ОАО «МЦОУ».

Full company name in English: Joint-Stock Company "International Uranium Enrichment Centre".

Abbreviated company name in English: JSC "IUEC"

Legal and mailing address: bldg. #4, 220th quarter, Angarsk, Irkutsk Region, Russian Federation, 665824

Phone: 8 (39-55) 54-45-43

Date of incorporation: 5 September 2007.

Primary state registration number: 1073801006982.

State Registration Certificate: series 38, No. 002365389, issued by the Irkutsk Region Inspectorate of the Federal Tax Service.

Taxpayer identification number: 3801091245.

Company auditor:

The Company is subject to mandatory audits as falling within the criteria established by Article 7 of the Federal Law "On Auditing", No. 119-FZ, dated 07.08.2001 (organizationally and legally, the Company is a joint-stock company).

The auditor of the Company as of 2012 is Nexia Pacioli LLC approved as such at the annual meeting of JSC "IUEC" shareholders (minutes of 30.06.2010).

Daughter and affiliated companies, branch and representative offices

JSC "IUEC" does not have daughter or affiliated companies.

The Company has a branch office which has not its own balance sheet.

Full name: Moscow Branch Office of Joint-Stock Company "International Uranium Enrichment Centre"

Abbreviated name: "IUEC-Moscow" Branch Office.

Legal address: Ozerkovskaya Embankment, bldg. 28, str. 3, Moscow, 115184

The bylaw of the Moscow branch office was approved by a resolution of the Board of Directors dated 15.08.2008.

Licenses

As of 31 December 2012, the Company has the following licenses:

1. License No. GN-05-115-1903 (date of issue: 28 September 2011; expiry date: 28 September 2016) from the Federal Environmental, Industrial and Nuclear Supervision Service for handling of nuclear material and radioactive substance.
2. License GT No. 0013838 (date of issue: 10 October 2008; expiry date: 2 October 2013) from the Federal Security Service of Russia for carrying out activities using information constituting state secret.

1.2. Core businesses

The Company's core businesses under p. 2.2 of the Company's Articles of Association are:

- nuclear enrichment services;
- export, import and other operations, other than limited to the range of goods and services, in accordance with effective law and the contracts and agreements made by the Company, including export and import of nuclear materials and radioactive substances;
- handling, including use, storage and transportation of nuclear materials, radioactive substances and items based on them;
- accounting and control of nuclear materials, radioactive substances, items based on them and radioactive waste.

1.3. Owners equity

Information on shareholders

The number of the registered shareholders, including the shareholders who are eligible to participate in the annual general meeting of JSC "IUEC" is 4 (four).

1. State Atomic Energy Corporation ROSATOM (70%);
2. AO NAC Kazatomprom (10%);
3. State Concern Nuclear Fuel (10%);
4. CJSC HAEK (10%).

There is no government (municipal) stake in the Company's shareholder stock, and no special right (golden share) exists.

Registration number of the primary listing and state registration date: 1-01-22260-F, 27.11.2007.

The Authorized Capital as of 31 December 2012 is 26 million rubles and consists of 26,000 ordinary shares of the nominal value 1,000 rubles each.

Information on securities issues:

Resolution to place securities (by whom), resolution date	Category (type) of shares	Number of shares issued	Type of placement	Offering price, rubles/share	Issue registering government body, registration number	Status of issue
Board of Directors, minutes No 1-2007, dated 02.10.2007	Registered ordinary uncertificated shares	26,000	Stock floatation among founding shareholders	1,000	Regional Office of the FFMS of Russia for the East Siberian region, 27.11.07, No. 1-01-22260-F	Placement completed

No dividends have been paid as the result of 2012.

1.4 Personnel of the Company

The average number of IUEC staff in 2012 was 12 persons.

The labor payment expenditures in 2012 were 33,524,000, including the executive staff labor payment expenditures of 18,219,000 rubles.

The executive staff labor payment includes the following payments:

- fixed salary, total sum paid: 7,787,000 rubles;
- integrated additional incentive, total sum paid: 6,822,000 rubles;
- leave allowance, total sum paid: 1,893,000 rubles;
- extra payments for dealing with information constituting state secret, total sum paid: 727,000 rubles;
- one-off bonus, total sum paid: 990,000 rubles.

Also in 2012 the executive staff was paid the 2011 year-end remuneration of 10,092,000 rubles.

The sum of the insurance payments to staff members in 2012 was 6,364,000 rubles.

The sum of the occupational injury insurance payments was 241,000 rubles.

1.5 Corporate management

Board of Directors

Members of the Board of Directors in 2012:

In the period of 01.01.2012 to 30.06.2012:

Full name	Position
Chairman of the Board of Directors	
POLYSAYEV, Veniamin Ivanovich	Adviser to the International Business Department of ROSATOM
Members of the Board of Directors	
LEBEDEV, Aleksei Yevgenyevich	Director General of JSC "IUEC"
AMOSOVA, Tatiana Vladimirovna	Director General of State Concern Nuclear Fuel
YASHIN, Sergey Alekseyevich	Vice-President of AO NAC Kazatomprom
VANDYSHEV, Viktor Ivanovich	Chief Engineer of JSC AECC
PASHKOV, Vladimir Igorevich	First Deputy Chairman of the Irkutsk Region Government
GRIGORYEV, Aleksei Antonovich	Director General of JSC Technabexport

In the period of 01.07.2012 to 20.11.2012

Name	Position
Chairman of the Board of Directors	
LINYAEV, Oleg Ivanovich	Head of the NFC Lifecycle Projects Department, ROSATOM
Members of the Board of Directors	
LEBEDEV, Aleksei Yevgenyevich	Director General of JSC IUEC
AMOSOVA, Tatiana Vladimirovna	Director General of State Concern Nuclear Fuel
YASHIN, Sergey Alekseyevich	Deputy Chairman of the Management Board, AO NAC Kazatomprom
VANDYSHEV, Viktor Ivanovich	Chief Engineer of JSC AECC
KORNEEV, Igor Nikolayevich	Acting First Deputy Chairman of the Irkutsk Region Government
GRIGORYEV, Aleksei Antonovich	Director General of JSC Technobexport

In the period of 21.11.2012 to 31.12.2012

Name	Position
Chairman of the Board of Directors	
LINYAEV, Oleg Ivanovich	Head of the NFC Lifecycle Projects Department, ROSATOM
Members of the Board of Directors	
LEBEDEV, Aleksei Yevgenyevich	Director General of JSC IUEC
AMOSOVA, Tatiana Vladimirovna	Director General of State Concern Nuclear Fuel
YASHIN, Sergey Alekseyevich	Deputy Chairman of the Management Board, AO NAC Kazatomprom
SLOBODCHIKOV, Nikolay Valentinovich	First Deputy Chairman of the Irkutsk Region Government
GERNER, Yuri Konstantinovich	Director General of JSC AECC
ZALIMSKAYA, Lyudmila Mikhaylovna	First Deputy Director General of JSC Technobexport

The members of the Board of Directors of IUEC do not own shares of the Company. No remunerations were paid to the members of the Board of Directors in 2012.

Sole Executive Body

Director General of JSC "IUEC" (LEBEDEV, Aleksei Yevgenyevich).

A.Ye. Lebedev was appointed the Director General on 15 January 2010 by the resolution of the General Meeting of Shareholders of JSC "IUEC" (minutes No. 1-2010, dated 15.01.2010).

Internal Audit Commission

The Internal Audit Commission of the Company was elected by the annual general meeting of shareholders of JSC "IUEC" (minutes dated 30.06.2010) and is composed of three persons, namely:

- 1) ABDRAKHMANOV, Nurlan Bolatovich, AO NAC Kazatomprom, Internal Audit Department, Manager;
- 2) KRUYKOV, Alexander Nikolayevich, ROSATOM, NFC Lifecycle Projects Department, Manager;
- 3) SAVOSIN, Vladimir Ivanovich, ROSATOM, Deputy Director of the Treasury.

2. Accounting (financial) statements

The Company's accounting records are kept by the accounting service as a division led by the chief accountant.

The Company keeps records in a computer-oriented form using the 1S Bukhgalteriya software product.

The inventory cards for the accounting of fixed assets and intangible assets are made out on machine-readable media and printed out onto paper at the end of the reporting year.

Accounting in separate divisions (representation offices) of the Company:

- no representation office has its own balance sheets;
- has its own bank account;
- keeps its own accounting records.

Primary accounting documents made out within a separate division (representation office) are delivered to the accounting department of the Company (head office). The dates for the documentation delivery are specified by bylaws. The Company's accounting office processes the documents and reflects them in the accounting records.

Changes were made to the accounting policy in 2012 which was caused by amendments to the regulations that govern the accounting issues.

In accordance with the Federal Law "On Accounting" dated 06.12.2011, No. 402-FZ, the amendments concern the name of the records, its composition and description.

Beginning with the 2012 annual accounting statements, the accounting (financial) statements include the balance sheet, the profit and loss statement, and appendices to the balance sheet and the profit and loss statement (statement of change in equity, cash flow statement and others).

In accordance with the Federal Law "On Accounting" dated 06.12.2011, No. 402-FZ, the organizational aspects of the accounting have been changed. As of the reporting date, the said regulation had not yet entered force and so was not used in the 2012 statements. In connection with the said regulation becoming valid starting with the 2013 accounting (financial) records, the Company will change the following of its accounting practices:

- the list of the primary accounting documentation forms approved by the Company's chief executive;
- the list of the mandatory details to be given in accounting registers;
- the list of the accounting registers approved by the Company's chief executive.

This accounting (financial) statement of the Company has been prepared based on the following accounting policy.

2.1 Accounting policy for bookkeeping purposes

1. Basis for preparation

The accounting statement has been generated based on the bookkeeping rules and reporting rules in effect in the Russian Federation, specifically the Federal Law "On Accounting" and the Provisions for the Accounting Record-Keeping and Accounting Statements in the Russian Federation, as approved by the Russian Federation Ministry of Finance.

The assets and the liabilities have been estimated in the statement with regard for the actual expenditures.

The cost of the currency units in the Company's cash office, the cash on the Company's bank accounts, the money and payments documents, and other cash in foreign currency are converted into rubles for being shown in accounting record-keeping and accounting statements at the official exchange rate of the given foreign currency against rubles as established by the Central Bank of the Russian Federation.

2. Short-term and long-term assets and liabilities

The balance sheet shows the financial investments, the debts receivable and the debts payable as short-term assets unless the circulation (repayment) period thereof is more than 12 months after the reporting date. The rest of the said assets and liabilities are shown as long-term.

3. Fixed assets

The fixed assets shown include office equipment and other respective items having the useful life of over 12 months. Inventory item is the fixed asset accounting unit.

Depreciation has been charged for the fixed assets by linear method based on the initial cost of the fixed assets and the depreciation rate determined from the useful life of the given item.

The initial cost of fixed assets cannot be changed after they have been accepted for accounting, excluding cases of completion, retrofitting, reconstruction, modernization, and partial elimination activities and in other cases as specified in Russian Law.

No fixed assets have been revaluated. The leased fixed assets are taken into account in the "Leased Fixed Assets" item given the contractual or other cost as agreed by the parties.

Group of fixed assets	Useful life
Group II (electronics and computers)	25 months
Group IV (furniture)	61 months
Group III (household appliances)	37 months

The acquired items with the initial cost of less than 40,000 rubles per unit are shown as part of the inventory stocks.

Fixed assets have been accepted for accounting with regard for the actual acquisition cost.

The statement shows fixed assets as historically valued less the depreciation sum for the period of the operation.

In the Accounting Statement, fixed assets are shown by the residual cost in the "Fixed Assets" line.

4. Intangible assets

Inventory item is the intangible asset accounting unit.

The intangible assets of the Company are grouped as follows for accounting:

- Corporate identity
- Web-site
- Software product (with the exclusive right of use)

Intangible assets are accepted for accounting based on their actual (initial) cost.

The initial cost of the intangible assets created by the Company itself is determined as the sum of the actual cost of the IA creation and fabrication, less VAT and other recoverable taxes.

The initial cost of the intangible assets with the determined useful life is repaid through the accrual of depreciation for the useful life thereof.

The depreciation of intangible assets is charged by linear method.

In the Accounting Statement, the intangible assets are shown with their residual value in the "Intangible Assets" line.

5. Financial investments

The financial investments are accepted for accounting based on the actual acquisition cost.

The value of the financial investments based on which the market value can be duly determined is adjusted monthly.

The financial investments based on which no current market value is determined are shown in the balance sheet as of the end of the reporting period as valued for the accounting (balance sheet).

When the financial investments are withdrawn, the initial value is found as the accounting value of each unit.

No value of the financial investments is adjusted in the Company.

6. Inventory stocks

The inventory stocks have been valued as part of the actual acquisition cost sum. And the transportation and procurement expenditures, which were incurred by the Company before

materials are released into manufacture and disposed of otherwise prior to the transfer of materials, are included in the actual cost of the materials.

Subject to accounting as the inventory stock items are the assets:

- used as feedstock, materials or otherwise in the manufacture of products to be sold (works, services);
- to be sold, including finished products and goods;
- used for the Company's managerial needs¹.

The inventory stocks are valued when released for manufacture or disposed otherwise:

- based on their average cost.

7. Deferred expenses

The expenses which have been incurred by the Company in the reporting period but belong to a future period are shown in the statement when these are written off:

- not less than 12 months after the reporting period – as part of the current assets (the balance sheet item "Other Current Assets");
- more than 12 months after the reporting period – as part of noncurrent assets (the balance sheet item "Other Noncurrent Assets").

8. Authorized capital, added capital and reserves

The authorized capital is shown in the nominal value sum of the ordinary registered shares purchased by the shareholders.

The Company creates the following types of estimated liabilities with respect to the expenses to be incurred:

- to pay the staff leave allowances;
- to pay the year-end remunerations.

The estimated liabilities for the payment of the staff leave allowances and the year-end remunerations are shown in the account of reserves for the anticipated expenses.

The analytical accounting for account 96 is conducted for each type of estimated liability.

The analytical accounting with respect to the estimated liability for the payment of the year-end remunerations is conducted by the creation years.

An estimated liability is repaid as sums are actually accrued for the leave allowances to be paid when the leave is taken, to compensate for a part of the leave in excess of 28 calendar days, to compensate for the leave not taken during dismissal, as well as for the insurance

¹ Rules of Accounting 5/01, para 2.

premiums to be paid to state off-budget funds and the occupational injury or disease compulsory insurance premiums which relate to the above payments.

In this, leave allowances, with regard for the insurance premiums paid to state off-budget funds and the occupational injury and disease compulsory insurance premiums may be accrued during the reporting year only in the correspondence with the account of reserves for the anticipated expenses.

The balance sheet shows the amount of estimated liabilities for the payment of leave allowances and for the payment of year-end remunerations in the "Estimated Liabilities" line.

9. Credits and loans received

The loans (credits) received for a term of not more than 12 months are shown as part of short-term liabilities on account 66 ("Settlements for short-term loans and credits").

The expenses relating to the fulfillment of the obligations for the loans and credits received are:

- the interest to be paid on the loans (credits) received;
- the interest and discount on the promissory notes and bonds to be paid;
- extra expenditures on loans;
- sums paid for information and advisory services;
- sums paid for the expert examination of the loan (credit) contract.

other expenses concerned immediately with the loans (credits) received.

The interest on loans (credits) are shown in the balance sheet separately from the main sum of the liability on the loan (credit) received on account 66 or account 67 in accordance with the liability payment term specified in the respective loan (credit) contract.

Where loaned funds were attracted by the Company, the sum of the interest (discount) to be paid was attributed to the prepaid expenses.

3. Key year-end financial performance indicators

3.1 Key financial indicators

No.	Indicator	2012, thousand rubles	2011 thousand rubles
1	Sales proceeds	816 230	274 561
2	Prime cost of products and services sold	727 932	185 881
3	Commercial expenses	9 731	14 440
4	Administrative expenses	73 159	65 243
5	Profit on sales	5 408	8 997
6	Other income	32 806	11 159
7	Other expenses	22 640	13 476
8	Profit before tax	15 574	6 680
9	Net profit (loss)	11 192	3 736
10	Total year-end assets (liabilities)	83 074	83 037

11	Year-end value of net assets	56 095	44 903
----	------------------------------	--------	--------

3.2 Revenues by businesses

Core business revenues

In 2012 IUEC rendered services to ROSATOM in servicing the guaranteed reserve of low enriched uranium. The revenues amounted to **1,395,000 rubles**.

The enriched uranium product of JSC "TVEL" was sold. The revenues were **814,835,000 rubles**.

Other revenues

Other revenues amounted to **32,806,000 rubles** received as:

- non-repayable receipts from the founder with a stake of >75% to enable the application of the IAEA safeguards (**9,297,000 rubles**);
- gain of exchange (**14,470,000 rubles**);
- interest receivable for 2012 on the balance of the settlement account and on the loan granted (**3,511,000 rubles**);
- recoverable costs of customs formalities for goods (**30,000 rubles**);
- revenues from sale (purchase) of foreign currencies (**2,498,000 rubles**).

Structure of revenues

Sale of enriched uranium product
Sale of services (servicing of guaranteed reserve)
Target funding
Interest receivable
Recoverable costs
Difference in exchange rate
Revenues from purchased (sale) of foreign currencies

3.3 Expenses by businesses

Prime cost of goods, products, works and services sold

Expenses	2012, thousand rubles	2011, thousand rubles
Cost of goods for resale	726 613	183 542
Transportation costs for purchase of goods	-	1 069
Servicing of the warranty reserve warehouse	1 319	1 270

Commercial expenses

Expenses	2012, thousand rubles	2011, thousand rubles
Exhibition expenses	4 875	3 560
Agency commission for sales in 2012		4 338
Payment to the World Association of Nuclear Operators (WANO)	1 194	1 247
Promotional materials with the company logo	2 586	4 149
PR activities	758	538
Three-level training of speakers	-	337
Placement of information in printed media	127	271
Participation in conferences	191	-

Administrative expenses

Expenses	2012, thousand rubles	2011, thousand rubles
Labor payment expenses	29 423	23 961
Insurance premiums	4 187	2 305
Estimated liability on payment of year-end remuneration	16 416	16 305
Estimated liability on staff leave allowances	3 865	3 296
Occupational injury and disease insurance	136	111
Voluntary medical insurance	276	241
Extra payments to dismissed staff	-	1 737
Lease of premises	7 232	6 738
Lease of furniture and IT equipment	847	1 209
Traveling expenses	3 274	2 065
Core business licenses	15	171
Information services	40	99
Maintenance of computers and office equipment	391	553
Training of personnel	223	195
Subscription for periodicals	582	565
Depreciation on fixed assets	140	107
Depreciation on intangible assets	95	95
Outside audit	108	108
Disposal of low-value and short-life items	404	460
Communication services	430	496
Representation expenses	680	432
Equipment lease and maintenance costs	1 408	1 415
Mobile telephone communication	665	445
Social payments	335	98
Software maintenance and support	542	491
Other administrative expenses	1 445	1 545

Other expenses

The following expenses are shown as other expenses of **22,640,000 rubles**:

- as loss of exchange (**10,715,000 rubles**);
- writing-off of currency foreign currency assets (sale of foreign currency) (**1,431,000 rubles**);
- losses of previous years revealed in the reporting period (**22,000 rubles**);
- penalties for breaches of tax and duties legislation (**2,000 rubles**);
- bank commission (**90,000 rubles**);
- charity expenses (**1,000,000 rubles**);
- costs of application of the IAEA safeguards (**9,297,000 rubles**);
- others (**83,000 rubles**).

Structure of expenses

Prime cost of goods, works and services
Administrative expenses
Commercial expenses
Application of IAEA safeguards
Sale of foreign currency
Difference in exchange rate
Others
Charity activities

3.4 Balance sheet structure

Company assets

The Company assets as of 31.12.2012 (**83,074,000 rubles**) consist of the following:

- Debts receivable (**2,638,000 rubles**),
- Cash (**3,946,000 rubles**),
- Financial investments in the form of loan granted (**71,000,000 rubles**),
- Other circulating assets (**75,000 rubles**),
- Non-circulating assets (**4,267,000 rubles**),
- Reserves (**1,109,000 rubles**),
- VAT on goods, material values and services purchased (**39,000 rubles**).

Structure of assets

Loan granted
Cash
Debts receivable
Noncurrent assets
Other current assets
Reserves
VAT

The Company does not have overdue receivables.

thousand rubles

Short-term receivables	As of the beginning of the year	Received for the period	Withdrawn for the period	As of the end of the period
- settlements with buyers and customers		963 151	(963 151)	
- advance payments made	841	102 242	(101 791)	1 293
- taxes to be indemnified from the budget	12 810		(12 810)	
- others	1 821	111 638	(112 114)	1 354
Total	15 472	1 177 031	(1 189 866)	2 638

Company liabilities

The Company liabilities as of 31.12.2012 consist of the following:

- Authorized capital **(26,000,000 rubles)**
- Reserve capital **(3,900,000 rubles)**,
- Undistributed profit **(26,195,000 rubles)**,
including the 2012 undistributed profit of **11,135,000 rubles**,
- Debts payable **(9,667,000 rubles)**,
including the debts on tax payments to budget **(9,453,000 rubles)**,
- Estimated liabilities **(17,307,000 rubles)**,

- Deferred tax liabilities **(5,000 rubles)**.

Structure of liabilities

Authorized capital
Reserve fund
Undistributed profit
Debts payable
Estimated liabilities
Deferred tax liabilities

The Company does not have overdue debts payables.

thousand rubles

Short-term payables	As of the beginning of the year	Received for the period	Withdrawn for the period	As of the end of the period
- settlements with buyers and customers	738	819 945	(820 486)	197
- advance payments made				
- taxes to be indemnified from the budget	18 061	254 329	(262 937)	9 453
- others	1 607		(1 590)	17
Total	20 406	1 074 274	(1 085 013)	9 667

Off-balance sheet account 001 "Fixed assets on lease" shows the following:

- a vehicle (the estimated cost of the motorcar under contract of lease dated 05.04.2010 (unnumbered) is 2,486,500.00 (two million four hundred and eighty six thousand five hundred rubles 00 kopecks);
- warehouses for the storage of goods and material values and an office room, situated in the city of Angarsk, the Irkutsk Region, leased from JSC AECC under contracts of lease No. 20121614, dated 28.09.2012, and No. 20122198, dated 30.11.2012.

Account 002 "Goods and material values in safe storage" includes the warranty reserve material handed over for storage by ROSATOM under Government Contract No. D.4u.17.45.12.2106, dated 06.03.2012.

As of 31 December 2012, the contracts of leases of the office room in the city of Moscow, furniture and office equipment had expired. The property was transferred to the Leasers under respective acceptance certificates.

It is planned that new lease contracts of the kind will be made in 2013. In accordance with the contracts of lease of office rooms, the utility bills, including for electric power, are paid as part of the rental charge payments.

3.5 Operations with related parties

ROSATOM	Shareholder of IUEC	Dt 62 Kt 90	1 646 312	Servicing of the warranty reserve of low-enriched uranium under Government Contract
		Dt 51 Kt 62	1 646 312	
		Dt 51 Kt 76	12 573 000	Funds under the agreement to provide non-repayable (target) funding for the application of the IAEA safeguards at the IUEC facility. The funds not used have been returned, including the funds not used in 2011 (855 411 thousand rubles)
		Dt 76 Kt 91	9 296 842	
		Dt 76 Kt 51	4 131 569	
JSC Atomenergoprom	Entity within the group of companies of ROSATOM	Dt 58 Kt 51	128 000 000	Loans granted
		Dt 51 Kt 58	34 000 000	Repayment of liabilities on loans as of 01.01.2012
		Dt 51 Kt 58	57 000 000	Repayments of loans
		Dt 76 Kt 91	2 724 287	Accrual of interest on loans
JSC AECC	Entity within the group of companies of ROSATOM	Dt 26,19 Kt 60	3 784 616	Supply of goods and services
		Dt 60 Kt 51	3 958 131	Payment of goods, including liabilities of 227 079 as of

JSC TVEL	Entity within the group of companies of ROSATOM	Dt 20, 19 Kt 60	335 601 359	01.01.2012 Enrichment of raw uranium
		Dt 76 Kt 60	1 807 205	Repayment of transportation costs and goods insurance expenses
		Dt 60 Kt 62	355 601 359	Mutual settlement of liabilities
		Dt 60 Kt 51	1 807 205	Transportation and insurance services paid
		Dt 62 Kt 90	961 504 528	Sale of EUP
		Dt 51 Kt 62	605 903 169	EUP paid for
JSC Technobexport	Entity within the group of companies of ROSATOM	Dt 26,19 Kt 60	1 099 645	Services rendered
		Dt 60 Kt 51	321 959	Liability paid as of 01.01.2012
		Dt 60 Kt 51	1 099 645	Serviced paid
Crown Ltd.	Entity within the group of companies of ROSATOM	Dt 26,19 Kt 60	8 058 718	Lease of office room
		Dt 60 Kt 51	8 058 718	Payment of lease of rooms
JSC SPb IZOTOP	Entity within the group of companies of ROSATOM	Dt 91 Kt 60	81 420	Customs services, delivery of goods as part of the IAEA safeguards application
		Dt 60 Kt 51	81 420	Payment of services
JSC Grinatom	Entity within the group of companies of ROSATOM	Dt 26,19 Kt 60	434 951	Support of the office equipment operation
		Dt 60 Kt 51	467 746	Payment of services

3.6 Financial investments

As of 31.12.2012, the loans granted in the amount of 71,000,000 rubles were shown as part of short-term financial investments. The loan recipient is the Company's affiliated company.

Counterparty	Loan contract validity period	Loan sum, thousand rubles	Loan conditions, %
JSC Atomenergoprom	01.11.12-01.04.13	7 000.0	8.03
JSC Atomenergoprom	10.08.12-17.01.13	7 000.0	7.65
JSC Atomenergoprom	10.08.12-04.02.13	7 000.0	7.70
JSC Atomenergoprom	10.08.12-08.02.13	4 000.0	7.75
JSC Atomenergoprom	10.09.12-04.03.13	4 000.0	7.72
JSC Atomenergoprom	10.09.12-18.03.13	4 000.0	7.77
JSC Atomenergoprom	27.11.12-17.01.13	3 000.0	7.23
JSC Atomenergoprom	27.11.12-18.02.13	4 000.0	7.73
JSC Atomenergoprom	27.11.12-04.03.13	3 000.0	7.90
JSC Atomenergoprom	27.11.12-18.03.13	3 000.0	8.00
JSC Atomenergoprom	27.11.12-01.04.13	3 000.0	8.10
JSC Atomenergoprom	27.11.12-18.04.13	15 000.0	8.23
JSC Atomenergoprom	27.11.12-29.04.13	4 000.0	8.30
JSC Atomenergoprom	27.11.12-13.05.13	3 000.0	8.41
Total		71 000.0	

3.7 Noncurrent assets

Fixed assets commissioned in 2012

Description	Specified useful life, months	Cost, thousand rubles
Laptop PC, MacBook	25	59.0
Laptop PC, MacBook	25	59.0
Laptop PC, MacBook	25	75.0
Total		193.0

Intangible assets registered for accounting in 2012

Description	Specified useful life, months	Cost, thousand rubles
NM accounting and control program	36	50
Total		50

3.8 Reserves and estimated liabilities

No reserve was formed in 2012 for doubtful debts. As the result of the inventory of the debts receivable and payable taken as of 31.12.2012, the Company's total debts were found to be repayable and no doubtful debts were revealed.

No reserve for the devaluation of financial investments was formed.

No reserve was formed for business contingencies due to no business contingencies accepted as conditional.

As of 31.12.2012, the "Estimated liabilities" account line shows short-term estimated liabilities:

- for the payment of the staff leaves to be taken and insurance premiums to be paid to the budget on these payments in the amount of **1,007,000 rubles**;
- for the payment of the 2012 year-end remunerations with the insurance premiums to be paid on these payments in the amount of **16,299,000 rubles**.

3.9 Payment of taxes, levies and duties

In 2012, the total sum of the taxes, levies and duties paid amounted to **40,940,000 rubles**, including:

Insurance premiums on the labor payment fund – 6,798,000 rubles).

Personal income tax – 6,561,000 rubles.

Property tax – 8,000 rubles.

VAT – 24,075,000 rubles.

Profit tax – 3,498,000 rubles.

The VAT for the total sum of **15,210,000 rubles** has been compensated from the budget in the reporting year.

3.10 Profit tax calculation

No.	Debtor	Sum, rubles
1	Contingent expenditure on profit tax	16 934 393
2	Contingent income on profit tax	13 819 523
3	Ongoing tax liability	3 126 546
4	Ongoing tax asset	1 859 368
5	Creation of deferred tax liability	3 857
6	Repayment of deferred tax liability	2 802
7	Creation of deferred tax asset	3 303 577
8	Repayment of deferred tax asset	3 518 947
9	2012 profit tax ($p.1 - p.2 + p.3 - p.4 - p.5 + p.6 + p.7 - p.8$)	4 165 623

Taxation law

Russian tax law permits different interpretations and is subject to particle changes.

In the opinion of the Company leaders, as of 31 December 2012, the respective provisions of the law were interpreted by them correctly, and the Company's standing in terms of tax law will be stable.

Director General

A.Ye. Lebedev

Chief Accountant

I.K. Marshavina

Форма 2. Profit and loss statement

Profit and loss statement
for January – December 2012

Form as per OKUD	Codes
Date (day, month, year)	31 12 2012
as per OKPO	80274421
Organization JSC "International Uranium Enrichment Center"	
Taxpayer identification number	INN 3801091245
Type of business Production of nuclear materials	as per OKVED 23.30
Organizational and legal form / form of ownership Open Joint-Stock Company / Joint federal and foreign ownership	as per OKOPF / OKFS 47 31
Measurement unit: thousand rubles	as per OKEI 384

Notes	Indicator description	Code	For January – December 2012	For January – December 2011
	Revenues	2110	816 230	274 561
	Cost of sales	2120	(727 922)	(185 881)
	Gross profit (loss)	2100	88 298	88 680
	Commercial expenses	2210	(9 731)	(14 440)
	Administrative expenses	2220	(73 159)	(65 243)
	Sales profit (loss)	2200	5 408	8 997
	Profit from participation in other entities	2310	-	-
	Interest receivable	2320	3 511	694
	Interest payable	2330	-	(1 608)
	Other income	2340	29 295	10 465
	Other expenses	2350	(22 640)	(11 869)
	Profit (loss) before tax	2300	15 574	6 679
	Current profit tax	2410	(4 166)	(3 498)
	incl. permanent tax liabilities (assets)	2421	(1 267)	(1 607)
	Change in deferred tax liabilities	2430	(1)	(4)
	Change in deferred tax assets	2450	(215)	559
	Other	2450	-	-
	Net profit (loss)	2400	11 192	3 736

Notes	Indicator description	Code	For January – December 2012	For January – December 2011
	FOR REFERENCE			
	Revaluation of non-current assets, other than included in the period's net profit (loss)	2510	-	-
	Results of other operations, other than included in the period's net profit (loss)	2520	-	-
	Cumulative financial result of the period	2500	11 192	3 736
	Base profit (loss) per share	2900	-	-
	Diluted profit (loss) per share	2910	-	-

Director Lebedev, Aleksei Yevgenyevich

22 January 2013

Seal

Форма 3. Statement of change in equity

Statement of change in equity
for January – December 2012

Form as per OKUD
Date (day, month, year)
as per OKPO

Codes
31 | 12 | 2012
80274421

Organization **JSC "International Uranium Enrichment Center"**
Taxpayer identification number
Type of business **Production of nuclear materials**

INN
as per OKVED

3801091245
23.30

Organizational and legal form / form of ownership **Open Joint-Stock Company / Joint federal and foreign ownership**
Measurement unit: thousand rubles

as per OKOPF / OKFS
as per OKEI

47 | 31
384

1. Capital flow							
Indicator description	Code	Authorized capital	Own shares purchased from shareholders	Added capital	Reserve capital	Undistributed profit (uncovered loss)	Total
Value of capital as of 31 December 2010	3100	26 000	-	-	3 143	12 355	41 498
For 2011:							
Capital increase – total:	3210	-	-	-	-	3 736	3 736
including:							
net profit	3211	X	X	X	X	3 736	3 736
property revaluation	3212	X	X	-	X	-	-
profit relating directly to capital increase	3213	X	X	-	X	-	-
extra issue of shares	3214	-	-	-	X	X	-
increase in nominal value of shares	3215	-	-	-	X	-	X
entity reorganization	3216	-	-	-	-	-	-

Indicator description	Code	Authorized capital	Own shares purchased from shareholders	Added capital	Reserve capital	Undistributed profit (uncovered loss)	Total
Capital reduction – total:	3220	-	-	-	-	-	-
including:							
loss	3221	X	X		X		-
property revaluation	3222	X	X	X	X	-	-
expenditures relating directly by capital reduction	3223	X	X		X	-	-
reduction in nominal value of shares	3224	-	-	-	X	-	-
reduction in number of shares	3225	-	-	-	X	-	-
entity reorganization	3226	-	-	-	-	-	-
dividends	3227	X	X	X	X	-	-
Change in added capital	3230	X	X	-	-	-	X
Change in reserve capital	3240	X	X	X	-	757	X
Value of capital as of 31 December 2011	3200	26 000	-	-	3 900	15 003	44 903
For 2012							
Capital increase – total:	3310	-	-	-	-	11 192	11 192
including:							
net profit	3311	X	X	X	X	11 192	11 192
property revaluation	3312	X	X	-	X	-	-
profit relating directly to capital increase	3313	X	X	-	X	-	-
extra issue of shares	3314	-	-	-	X	X	-
increase in nominal value of shares	3315	-	-	-	X	-	X
entity reorganization	3316	-	-	-	-	-	-
Capital reduction – total:	3320	-	-	-	-	-	-
including:							
loss	3321	X	X	X	X	-	-
property revaluation	3322	X	X	-	X	-	-
expenditures relating directly to capital reduction	3323	X	X		X	-	-
reduction in nominal value of shares	3324	-	-	-	X	-	-
reduction in number of shares	3325	-	-	-	X	-	-
entity reorganization	3326	-	-	-	-	-	-
dividends	3327	X	X	X	X	-	-
Change in added capital	3330	X	X	-	-	-	X
Change in reserve capital	3340	X	X	X	-	-	X
Value of capital as of 31 December 2012	3300	26 000	-	-	3 900	26 195	56 095

3. Net assets				
Indicator description	Code	As of 31 December 2012	As of 31 December 2011	As of 31 December 2010
Net assets	3600	56 095	44 903	41 369

Director Lebedev, Aleksey Yevgenyevich
22 January 2013
Seal

Форма 4. Cash flow statement

Cash flow statement for January – December 2012

Form as per OKUD
Date (day, month, year) **31 12 2012**
Codes
8027421
Organization **JSC "International Uranium Enrichment Center"** as per OKPO
Taxpayer identification number **3801091245** INN
Type of business **Production of nuclear materials** as per OKVED
23.30
Organizational and legal form / form of ownership **Open Joint-Stock Company / Joint federal and foreign ownership** as per OKOPF / OKFS
47 31
Measurement unit: thousand rubles as per OKEI
384

Indicator description	Code	For January – December 2012	For January – December 2011
Cash flows from current operations			
Receipts – total	4110	610 530	418 045
including:			
from sale of products, goods, works and services	4111	514 872	399 985
rental charge, license payments, royalty, commission and similar payments	4112	-	-
from resale of financial investments	4113	-	-
	4114	-	-
other receipts	4119	95 658	18 060
Payments – total	4120	(600 420)	(312 384)
including:			
to suppliers (contractors), for feedstock, materials, works and services	4121	(451 916)	(257 353)
in connection with staff labor payment	4122	(42 649)	(37 418)
interest on debt liabilities	4123	-	(2 332)
income tax	4124	(3 498)	(5 395)
	4125	-	-
other payments	4129	(102 357)	(9 886)
Balance of cash flows from current operations	4100	10 110	105 661
Cash flows from investment operations			
Receipts – total	4210	524 436	25 142
including:			
from sale of noncurrent assets (except financial investments)	4211	-	-
from sale of shares (stakes) in other entities	4212	-	-
from repayment of granted loans, from sale of debt securities (rights of claims on cash flows to other persons)	4213	91 000	25 000
dividends, interest on debt financial investments and similar receipts from stakes in other entities	4214	2 576	142
receipts from repayment of deposited cash	4215	430 860	-
other receipts	4219	-	-
Payments – total	4220	(547 461)	(59 315)
including:			
in connection with acquisition, creation, modernization, reconstruction and preparation for use of noncurrent assets	4221	(193)	(315)
in connection with acquisition of shares (stakes) in other entities	4222	-	-
in connection with acquisition of debt securities (rights of claims on cash flows to other persons), loans to other persons	4223	(128 000)	(59 000)

Indicator description	Code	For January – December 2012	For January – December 2011
interest on debt obligations included in the cost of investment assets	4224	-	-
cash placed on fixed deposit	4225	(419 268)	-
other payments	4229	-	-
Balance of cash flows from investment operations	4200	(23 025)	(34 173)
Cash flows from financial operations			
Receipts – total	4310	-	14 000
including:			
receipt of credits and loans	4311	-	14 000
cash deposit of owners (stakeholders)	4312	-	-
from issue of shares and increase in stakes	4313	-	-
from issue of bonds, promissory notes and other debt securities, etc.	4314	-	-
	4315	-	-
other receipts	4319	-	-
Payments – total	4320	-	(69 000)
including:			
to owners (stakeholders) in connection with acquisition from them of shares (stakes) of the organization or their withdrawal from the number of stakeholders	4321	-	-
for payment of dividends and other payments in distribution of profit in favor of owners (stakeholders)	4322	-	-
in connection with repayment (purchase) of promissory notes and other debt securities, repayment of credits and loans	4323	-	(69 000)
	4324	-	-
other payments	4329	-	-
Balance of cash flows from financial operations	4300	-	(55 000)
Balance of cash flows for the reporting period	4400	(12 915)	16 488
Balance of cash and cash equivalents as of the beginning of the reporting period	4450	27 318	11 141
Balance of cash and cash equivalents as of the end of the reporting period	4500	3 946	27 318
Effects of exchange rate changes (against ruble)	4490	(10 457)	(311)

Director Lebedev, Aleksei Yevgenyevich

22 January 2013

Seal