OJSC MOSTOTREST

Condensed Interim Consolidated Financial Statements as at and for the six months ended 30 June 2011

Contents

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2011

Condensed Interim Consolidated Statement of Financial Position

Mln RUB	Note	30.06.2011	31.12.2010
ASSETS			
Non-current assets			
Goodwill		2,404	2,404
Intangible assets		1,067	1,846
Property, plant and equipment	12	13,863	13,099
Trade and other receivables		179	51
Investments in equity accounting investees		1,395	1,525
Other investments		295	316
Prepayments		358	-
Total non-current assets		**19,561**	**19,241**
Current assets			
Inventories		5,327	3,938
Income tax receivable		88	15
Trade and other receivables		7,806	6,144
Amounts due from customers on construction contracts	13	9,901	7,084
Prepayments		17,876	13,739
Other investments		934	869
Cash and cash equivalents		8,719	19,950
Total current assets		**50,651**	**51,739**
Total assets		**70,212**	**70,980**
EQUITY AND LIABILITIES			
Equity	14		
Share capital		136	131
Additional paid in capital		6,180	-
Reserve for available-for-sale financial assets		134	141
Prepaid shares reserve		-	6,185
Reserve for acquisition of own shares		(607)	(68)
Retained earnings		10,701	9,940
Total equity attributable to equity holders of the Company		**16,544**	**16,329**
Non-controlling interests		1	-
Total equity		**16,545**	**16,329**
Non-current liabilities			
Loans and borrowings	16	756	491
Non-controlling interest		577	1,076
Trade and other payables		150	-
Deferred income		45	85
Deferred tax liabilities		262	358
Total non-current liabilities		**1,790**	**2,010**
Current liabilities			
Loans and borrowings	16	2,556	6,184
Trade and other payables		13,924	16,394
Amounts due to customers on construction contracts	13	35,267	29,701
Other provisions		89	43
Deferred income		4	31
Current tax liabilities		37	288
Total current liabilities		**51,877**	**52,641**
Total liabilities		**53,667**	**54,651**
Total equity and liabilities		**70,212**	**70,980**

These condensed interim consolidated financial statements were approved by management on 23 September 2011 and were signed on its behalf by:

V.N.Vlasov	O.G.Tanana
General Director	*Deputy General Director for Economics and Finance*

The condensed interim consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the condensed interim consolidated financial statements set out on pages 7 to 22.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTHS ENDED 30 JUNE 2011

Condensed Interim Consolidated Statement of Comprehensive Income

Mln RUB	Note	Six months ended 30 June 2011	Six months ended 30 June 2010
Revenue	8	36,433	16,433
Cost of sales	9	(30,762)	(11,987)
Gross profit		**5,671**	**4,446**
Other income		161	70
Administrative expenses	10	(2,819)	(1,680)
Other expenses		(696)	(174)
Results from operating activities		**2,317**	**2,662**
Finance income	11	261	72
Finance costs	11	(326)	(638)
Net finance costs		**(65)**	**(566)**
Share of (loss)/profit of equity accounting investees, net of income tax		(119)	25
Profit before income tax		**2,133**	**2,121**
Income tax expense		(528)	(524)
Profit for the period		**1,605**	**1,597**
Other comprehensive income			
Net change in fair value of available-for-sale financial assets, net of income tax		(7)	(4)
Total comprehensive income		**1,598**	**1,593**
Profit attributable to:			
Owners of the parent		1,606	1,597
Non-controlling interests		(1)	-
Profit for the period		**1,605**	**1,597**
Total comprehensive income attributable to:			
Owners of the parent		1,599	1,593
Non-controlling interests		(1)	-
Total comprehensive income for the period		**1,598**	**1,593**
Earnings per share			-
Basic and diluted earnings per share (RUB)	15	5.71	6.43

The condensed interim consolidated statement of comprehensive income is to be read in conjunction with the notes to, and forming part of, the condensed interim consolidated financial statements set out on pages 7 to 22.

Condensed Interim Consolidated Statement of Changes in Equity

Mln RUB	Attributable to equity holders of the Company								
	Share capital	Additional paid-in capital	Reserve for available-for-sale financial assets	Prepaid shares reserve	Reserve for acquisition of own shares	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2010	**131**	**-**	**110**	**-**	**-**	**9,011**	**9,252**	**-**	**9,252**
Profit for the period	-	-	-	-	-	1,597	1,597	-	1,597
Net change in fair value of available-for-sale financial assets	-	-	(5)	-	-	-	(5)	-	(5)
Income tax on other comprehensive income	-	-	1	-	-	-	1	-	1
Total comprehensive income for the period	**-**	**-**	**(4)**	**-**	**-**	**1,597**	**1,593**	**-**	**1,593**
Balance at 30 June 2010	**131**	**-**	**106**	**-**	**-**	**10,608**	**10,845**	**-**	**10,845**
Balance at 1 January 2011	**131**	**-**	**141**	**6,185**	**(68)**	**9,940**	**16,329**	**-**	**16,329**
Profit for the period	-	-	-	-	-	1,606	1,606	(1)	1,605
Net change in fair value of available-for-sale financial assets	-	-	(8)	-	-	-	(8)	-	(8)
Income tax on other comprehensive income	-	-	1	-	-	-	1	-	1
Total comprehensive income for the period	**-**	**-**	**(7)**	**-**	**-**	**1,606**	**1,599**	**(1)**	**1,598**
Shares issued, net of related expenses (Note 14)	5	6,180	-	(6,185)	-	-	-	-	-
Treasury shares acquired (Note 14)	-	-	-	-	(539)	-	(539)	-	(539)
Dividends (Note 14)	-	-	-	-	-	(845)	(845)	-	(845)
Non-controlling interests arising on incorporation of a new subsidiary (Note 6)	-	-	-	-	-	-	-	2	2
Balance at 30 June 2011	**136**	**6,180**	**134**	**-**	**(607)**	**10,701**	**16,544**	**1**	**16,545**

The condensed interim consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the condensed interim consolidated financial statements set out on pages 7 to 22.

Condensed Interim Consolidated Statement of Cash Flows

Mln RUB	Six months ended 30 June 2011	Six months ended 30 June 2010
Cash flows from operating activities		
Profit for the period	1,605	1,597
Adjustments for:		
Depreciation and amortisation	2,011	819
Share of loss/(profit) of equity accounting investees	119	(25)
Change in non-controlling interest	(56)	121
Loss/(gain) on disposal of property, plant and equipment	59	(8)
Net finance costs	115	471
Allowance for doubtful loans given	110	-
Income tax expense	528	524
Cash from operating activities before changes in working capital and provisions	**4,491**	**3,499**
Increase in inventories	(1,230)	(695)
(Increase)/decrease in trade and other receivables	(1,750)	1,022
Increase in amounts due from customers on construction contracts	(2,817)	(5,250)
(Increase)/decrease in prepayments	(4,495)	2,452
Increase in other liabilities	46	3
Decrease in trade and other payables	(3,685)	(3,493)
Increase/(decrease) in amounts due to customers on construction contracts	5,566	(2,408)
Cash flows from operations before income taxes and interest paid	**(3,874)**	**(4,870)**
Income tax paid	(964)	(176)
Net cash used in operating activities	**(4,838)**	**(5,046)**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	15	60
Interest received	177	46
Dividends received	14	-
Loans given	(635)	(174)
Acquisition of property, plant and equipment	(1,369)	(589)
Acquisition of equity accounted investees	-	(63)
Withdrawal of bank deposits	200	-
Placement of funds on bank deposits	(250)	-
Acquisition of intangible assets	(31)	(43)
Repayment of the loans given	528	9
Net cash acquired/(disbursed) with/(for acquisition of) the subsidiaries	2	(1,142)
Net cash used in investing activities	**(1,349)**	**(1,896)**
Cash flows from financing activities		
Proceeds from loans and borrowings	3,685	15,140
Repayment of loans and borrowings	(7,446)	(9,072)
Payment of finance lease liabilities	(554)	(116)
Interest paid	(319)	(490)
Dividends paid to equity holders of the Company (Note 14)	(330)	-
Dividends paid to non-controlling interests	(80)	-
Net cash (used in)/from financing activities	**(5,044)**	**5,462**
Net decrease in cash and cash equivalents	(11,231)	(1,480)
Cash and cash equivalents at 1 January	19,950	4,861
Cash and cash equivalents at 30 June	**8,719**	**3,381**

The condensed interim consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the condensed interim consolidated financial statements set out on pages 7 to 22.

Notes to the Condensed Interim Consolidated Financial Statements

1 Background

(a) Organization and operations

OJSC Mostotrest (the "Company") and its subsidiaries (the "Group") comprise Russian open joint stock companies (OAO) and limited liability (OOO) companies as defined in the Civil Code of the Russian Federation. The Company was established as a state-owned enterprise in 1930. The Company was privatized as an open joint stock company in December 1992.

The Company's registered office is Russian Federation, 101990, Moscow, Myasnitskaya Street 24/7, Bld.3.

The Group's principal activity is the construction of transport infrastructure facilities, including railway, highway and city bridges, overpasses, interchanges, and other engineering structures for the state municipal entities. The Group's major customers are government agencies and other public bodies. The Group primarily operates in the European part of the Russian Federation.

The Company's shares are traded under MSTT symbol on the Russian Trading System (RTS) and Moscow Interbank Currency Exchange (MICEX) stock exchanges in Russia.

(b) Business environment

The Group's operations are primarily located in the Russian Federation. Consequently, the Group 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 consolidated financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

2 Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full set of annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2010 that are available upon request from the Company's registered office and at www.mostotrest.ru.

3 Significant accounting policies

Adoption of amended and revised IFRSs

The accounting policies applied by the Group in these condensed interim consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2010, except that the Group has adopted those amended/revised standards mandatory for financial annual periods beginning on 1 January 2011.

Standards	**Effective for annual periods beginning on or after**
IAS 1 (Amended) *Presentation of Financial Statements*	1 January 2011
IAS 24 (Revised) *Related Party Disclosure*	1 January 2011
IAS 27 (Amended) *Consolidated and Separate Financial Statements*	1 July 2010
IAS 32 (Amended) *Financial instruments: Presentation*	1 February 2010
IAS 34 (Amended) *Interim Financial Reporting*	1 January 2011
IFRS 3 (Amended) *Business Combinations*	1 July 2010
IFRS 7 (Amended) *Financial Instruments: Disclosures*	1 January 2011

Amended IAS 1 *Presentation of Financial Statements* clarifies that disaggregation of changes in each component of equity arising from transactions recognized in other comprehensive income is required to be presented, but may be presented either in the statement of changes in equity or in the notes.

Revised IAS 24 *Related Party Disclosures* provides a revised definition of a related party which includes new relationships. Revised IAS 24 became effective as at 1 January 2011 and requires retrospective application.

Amended IAS 27 *Consolidated and Separate Financial Statements* clarifies consequential amendments to other related International Financial Reporting Standards.

Amended IAS 32 *Financial Instruments: Presentation* incorporates changes in respect of the classification of rights issues and their accounting.

Amended IAS 34 *Interim Financial Reporting* provides additional examples to the list of events or transactions that require disclosure.

Amended IFRS 3 *Business Combinations* incorporates transitional requirements for contingent consideration from a business combination that occurred before the effective date of revised IFRS 3 and limited the accounting policy choice to measure non-controlling interest.

Amended IFRS 7 *Financial Instruments: Presentation* incorporates a number of clarifications to the existing disclosure requirements.

The above amendments and revisions did not have a significant effect on the Group's condensed interim consolidated financial statements.

New accounting pronouncements

A number of new Standards and amendments to Standards were not yet effective for the six-month period ended June 2011, and have not been applied in these condensed interim consolidated financial statements.

Standards	**Effective for annual periods beginning on or after**
IAS 1 (Amended) *Presentation of Financial Statements*	1 July 2012
IAS 12 (Amended) *Income Taxes*	1 January 2012
IAS 27 (Amended) *Consolidated and Separate Financial Statements*	1 January 2013
IAS 28 (Amended) *Investments in Associates and Joint Ventures*	1 January 2013
IFRS 9 *Financial Instruments*	1 January 2013
IFRS 10 *Consolidated Financial Statements*	1 January 2013
IFRS 12 *Disclosure of Interests in other entities*	1 January 2013
IFRS 13 *Fair Value Measurement*	1 January 2013

The adoption of the pronouncements listed above is not expected to have a significant impact on the Group's consolidated financial statements in future periods except for those discussed below.

Amended IAS 1 *Presentation of Financial Statements* requires a separate presentation of 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. Amended IAS 1 will be effective for annual periods beginning on or after 1 July 2012 and requires retrospective application.

IFRS 9 *Financial Instruments* will be effective for annual periods beginning on or after 1 January 2013. The new standard is to be issued in several phases and is intended to replace International Financial Reporting Standard IAS 39 *Financial Instruments: Recognition and Measurement.*

The first and second phases of IFRS 9 *Financial Instruments* were finalised in November 2009 and October 2010, respectively, and relate to the recognition and measurement of financial assets and liabilities. The Group recognises that the new standard introduces many changes to the accounting for financial instruments. The impact of these changes will be analysed during the course of the project as further phases of the standard are issued during 2011.

IFRS 13 *Fair Value Measurement* provides a revised definition of fair value, establishes a framework for measuring fair value and sets out expanded disclosure requirements for fair value measurements. IFRS 13 will be effective for annual periods beginning on or after 1 January 2013 and requires prospective application.

4 Use of estimates and judgments

The preparation of condensed interim consolidated financial statements 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.

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2010.

5 Seasonality

The Group's construction and overhaul of highways is, to some extent, affected by seasonality. During the period from November to April each year, construction of these projects in some regions of Russia is significantly impacted by snow cover and low temperatures, reducing the speed of construction or stopping construction completely. Most of the works on these projects are performed during the period from May to October each year and therefore, revenue from these projects is biased towards the second half of the year. Further, as customers for these projects are typically invoiced in arrears, cash flows from these projects also tend to be biased towards the second half of the year. This is primarily applicable to the highway construction and overhaul projects of ETS and TSM.

6 Incorporation of new subsidiary

On 17 May 2011, in conjunction with Kapsch TrafficCom Russia LLC and AEGROTUS Beteiligungsverwaltungs GmbH, the Company incorporated, by investing RUB 2 mln in exchange of 51% interest in United Toll Systems ("UTS"), a limited liability company, in Moscow, Russia. UTS is to engage in the organization of the toll road management systems and their operation on the territory of the Russian Federation.

7 Operating segments

In 2010 the Group was organized into 17 operating segments that included 15 branches and 2 newly acquired subsidiaries. These business units are managed separately as they are located in different regions, operated different construction projects and require different technology strategies.

Given the significant business expansion due to the acquisitions of ETS and TSM, the Group put in place a new structure in early 2011 to develop synergies across the Group, make commercial decisions more quickly and improve performance. Under the new structure, the Group conducts its business through 3 major strategic business units:

- Mostotrest (which combines 15 former operating segments) – construction of bridges
- ETS – engineering and principal contractor services
- TSM – construction of highways and airports

The Group also revised its internal management reports due to the changes in (1) key financial measures used to assess the operating performance of the units, and (2) accounting basis used to prepare such reports. Effective 1 January 2011, financial information for strategic business units is prepared in accordance with the same accounting standards as those used to prepare the Group's consolidated financial statements under IFRS. Financial information presented to the Group's CEO is derived from the internal management reports. The Group's CEO reviews operating performances of the three units on at least a quarterly basis and allocates resources on this basis.

Financial results of ETS and TSM for the comparative period include financial data from the dates on which the Company obtained control over these entities through 30 June 2010.

Financial measure / Segment	Mostotrest	ETS	TSM	Total segments	Eliminations	Consolidated
Six months ended 30 June	2011	2011	2011	2011	2011	2011
Revenue	**20,266**	**12,033**	**5,191**	**37,490**	**(1,057)**	**36,433**
revenue by type of activity - construction of:						
- bridges and highways	16,905	4,761	1,922	23,588	169	23,757
- railway infrastructure facilities	1,431	1,064	519	3,014	(959)	2,055
- airfields and airports	-	725	2,394	3,119	6	3,125
- ports and in-land water infrastructure facilities	-	2,275	-	2,275	-	2,275
- other infrastructure facilities	1,528	2	-	1,530	-	1,530
- other facilities	167	2,999	100	3,266	(74)	3,192
other revenue	235	207	256	698	(199)	499
revenue by type of contractor:						
-external revenue	20,209	11,872	3,534	35,615	818	36,433
-intersegment revenue	57	161	1,657	1,875	(1,875)	-
Cost of sales	**(16,128)**	**(11,290)**	**(4,015)**	**(31,433)**	**671**	**(30,762)**
including costs of:						
- services of subcontractors	(4,460)	(10,792)	(828)	(16,080)	1,478	(14,602)
- materials	(4,434)	(76)	(1,033)	(5,543)	44	(5,499)
- personnel expenses	(3,796)	-	(830)	(4,626)	-	(4,626)
- amortisation of intangible assets on construction contracts	-	-	-	-	(784)	(784)
- depreciation and amortisation	(669)	(45)	(318)	(1,032)	(101)	(1,133)
- machinery, equipment, transport, and labor services provided by third parties	(521)	-	(346)	(867)	-	(867)
- fuel	(407)	-	(168)	(575)	30	(545)
- services of principal contractors	(168)	(57)	(99)	(324)	-	(324)
- insurance	(189)	(183)	(71)	(443)	-	(443)
other	(1,484)	(137)	(322)	(1,943)	4	(1,939)
Gross profit	**4,138**	**743**	**1,176**	**6,057**	**(386)**	**5,671**
Other income and expenses, net	(200)	(217)	(105)	(522)	(13)	(535)
Administrative expenses	(2,095)	(457)	(263)	(2,815)	(4)	(2,819)
including depreciation and amortisation	(49)	(35)	(7)	(91)	(3)	(94)
Operating profit	**1,843**	**69**	**808**	**2,720**	**(403)**	**2,317**
Finance income and expenses, net	381	(553)	(444)	(616)	551	(65)
including dividends and non-controlling interest	-	(600)	(300)	(900)	956	56
Share of (loss)/profit of equity accounting investees, net of income tax	(119)	-	-	(119)	-	(119)
Profit before income tax	**2,105**	**(484)**	**364**	**1,985**	**148**	**2,133**
Income tax expense	(404)	(36)	(148)	(588)	60	(528)
Profit for the period	**1,701**	**(520)**	**216**	**1,397**	**208**	**1,605**
Capital expenditures	**1,448**	**183**	**569**	**2,200**	**-**	**2,200**

Financial measure / Segment	Mostotrest	ETS	TSM	Total segments	Eliminations	Consolidated
	30.06.2011	30.06.2011	30.06.2011	30.06.2011	30.06.2011	30.06.2011
Non-current assets	**16,049**	**842**	**2,469**	**19,360**	**201**	**19,561**
Current assets	**30,776**	**14,038**	**7,743**	**52,557**	**(1,906)**	**50,651**
including:						
Cash and cash equivalents	3,677	3,479	1,563	8,719	-	8,719
Other investments	204	-	-	204	730	934
Inventories	4,113	151	1,063	5,327	-	5,327
Trade and other receivables	22,697	9,689	5,057	37,443	(1,860)	35,583
Other current assets	85	719	60	864	(776)	88
Total assets	**46,825**	**14,880**	**10,212**	**71,917**	**(1,705)**	**70,212**
Non-current liabilities	**765**	**48**	**275**	**1,088**	**702**	**1,790**
including:						
Loans and borrowings	502	3	251	756	-	756
Non-controlling interest	-	-	-	-	577	577
Other non-current liabilities	263	45	24	332	125	457
Current liabilities	**28,954**	**14,708**	**10,381**	**54,043**	**(2,166)**	**51,877**
including:						
Loans and borrowings	2,184	2	370	2,556	-	2,556
Trade and other payables	26,764	14,630	9,997	51,391	(2,200)	49,191
Other current liabilities	6	76	14	96	34	130
Total liabilities	**29,719**	**14,756**	**10,656**	**55,131**	**(1,464)**	**53,667**
Non-controlling interest	**1**	**-**	**-**	**1**	**-**	**1**

Financial measure / Segment	Mostotrest	ETS	TSM	Total segments	Eliminations	Consolidated
Six months ended 30 June	**2010**	**2010**	**2010**	**2010**	**2010**	**2010**
Revenue	**14,311**	**-**	**2,167**	**16,478**	**(45)**	**16,433**
revenue by type of activity - construction of:						
- bridges and highways	7,967	-	836	8,803	(9)	8,794
- railway infrastructure facilities	5,108	-	171	5,279	92	5,371
- airfields and airports	-	-	643	643	194	837
- ports and in-land water infrastructure facilities	-	-	-	-	-	-
- other infrastructure facilities	692	-	-	692	-	692
- other facilities	174	-	282	456	(322)	134
other revenue	370	-	235	605	-	605
revenue by type of contractor:						
-external revenue	14,311	-	2,122	16,433	-	16,433
-intersegment revenue	-	-	45	45	(45)	-
Cost of sales	**(10,216)**	**-**	**(1,771)**	**(11,987)**	**-**	**(11,987)**
including costs of:						
- services of subcontractors	(1,878)	-	(135)	(2,013)	8	(2,005)
- materials	(2,960)	-	(733)	(3,693)	-	(3,693)
- personnel expenses	(2,547)	-	(176)	(2,723)	-	(2,723)
- amortisation of intangible assets on construction contracts	-	-	-	-	(36)	(36)
- depreciation and amortisation	(638)	-	(118)	(756)	-	(756)
- machinery, equipment, transport, and labor services provided by third parties	(368)	-	(392)	(760)	-	(760)
- fuel	(220)	-	(35)	(255)	-	(255)
- services of principal contractors	(166)	-	(79)	(245)	-	(245)
- insurance	(94)	-	(1)	(95)	-	(95)
other	(1,345)	-	(102)	(1,447)	28	(1,419)
Gross profit	**4,095**	**-**	**396**	**4,491**	**(45)**	**4,446**
Other income and expenses, net	(126)	-	11	(115)	11	(104)
Administrative expenses	(1,620)	-	(60)	(1,680)	-	(1,680)
including depreciation and amortisation	(22)	-	(5)	(27)	-	(27)
Operating profit	**2,349**	**-**	**347**	**2,696**	**(34)**	**2,662**
Finance income and expenses, net	(420)	-	(28)	(448)	(118)	(566)
including non-controlling interest	-	-	-	-	(121)	(121)
Share of (loss)/profit of equity accounting investees, net of income tax	25	-	-	25	-	25
Profit before income tax	**1,954**	**-**	**319**	**2,273**	**(152)**	**2,121**
Income tax expense	(456)	-	(89)	(545)	21	(524)
Profit for the period	**1,498**	**-**	**230**	**1,728**	**(131)**	**1,597**
Capital expenditures	**913**	**-**	**43**	**956**	**-**	**956**

Financial measure / Segment	Mostotrest	ETS	TSM	Total segments	Eliminations	Consolidated
	31.12.2010	31.12.2010	31.12.2010	31.12.2010	31.12.2010	31.12.2010
Non-current assets	**15,218**	**585**	**2,393**	**18,196**	**1,045**	**19,241**
Current assets	**36,774**	**11,958**	**3,532**	**52,264**	**(525)**	**51,739**
including:						
Cash and cash equivalents	15,394	4,444	112	19,950	-	19,950
Other investments	614	203	-	817	52	869
Inventories	3,153	71	714	3,938	-	3,938
Trade and other receivables	17,598	7,240	2,654	27,492	(525)	26,967
Other current assets	15	-	52	67	(52)	15
Total assets	**51,992**	**12,543**	**5,925**	**70,460**	**520**	**70,980**
Non-current liabilities	**583**	**89**	**136**	**808**	**1,202**	**2,010**
including:						
Loans and borrowings	367	4	136	507	(16)	491
Non-controlling interest	-	-	-	-	1,076	1,076
Other non-current liabilities	216	85	-	301	142	443
Current liabilities	**34,609**	**11,824**	**6,341**	**52,774**	**(133)**	**52,641**
including:						
Loans and borrowings	5,201	5	1,008	6,214	(30)	6,184
Trade and other payables	29,239	11,698	5,261	46,198	(103)	46,095
Other current liabilities	169	121	72	362	-	362
Total liabilities	**35,192**	**11,913**	**6,477**	**53,582**	**1,069**	**54,651**
Non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**

Major customers

During the six months ended 30 June 2011 revenue from two customers individually exceeded 10% of the Group’s total revenue (during the six months ended 30 June 2010: no revenue from any customer in excess of 10% of the Group’s total revenue were earned). Revenue from one of the customers accounted for RUB 4,838 mln (13% of the Group’s total revenue); from the other customer RUB 3,693 mln RUB (10% of the Group’s total revenue). Revenue from both customers is included in the Mostotrest segment.

8 Revenue

Mln RUB	**30.06.2011**	**30.06.2010**
Revenue from contracts for construction of:		
bridges and highways	23,757	8,794
airfields and airports	3,125	837
ports and in-land water infrastructure facilities	2,275	-
railway infrastructure facilities	2,055	5,371
other infrastructure facilities	1,530	692
other facilities	3,192	134
Total revenue from construction contracts	35,934	15,828
Other revenue	499	605
Total revenue	**36,433**	**16,433**

Below is the information on the geographical allocation of revenues from construction contracts. This allocation is made based on the geographical location of construction sites:

Mln RUB	**30.06.2011**	**30.06.2010**
Southerm Federal District	15,894	8,428
Central Federal District	12,661	4,777
Volga Federal District	2,767	970
Northwestern Federal District	2,077	641
Far Eastern Federal District	1,792	486
Siberian Federal District	743	526
Total revenue from construction contracts	**35,934**	**15,828**

9 Cost of sales

Mln RUB	30.06.2011	30.06.2010
Services of subcontractors	14,602	2,005
Materials	5,499	3,693
Personnel expenses	4,626	2,723
Depreciation and amortisation	1,917	756
Machinery, equipment, transport, and labor services provided by third parties	867	760
Fuel	545	255
Insurance	443	95
Services of principal contractors	324	245
Other	1,939	1,455
	30,762	**11,987**

10 Administrative expenses

Mln RUB	30.06.2011	30.06.2010
Personnel expenses	1,656	654
Consulting and audit services	207	153
Social expenses	117	101
Depreciation and amortisation	94	27
Taxes other than income tax	91	61
Rent expense	87	27
Materials	54	57
Bank fees	49	54
Insurance	35	60
Charity	8	28
Other administrative expenses	421	458
	2,819	**1,680**

11 Finance income and costs recognized in profit or loss for the period

Mln RUB	**30.06.2011**	**30.06.2010**
Recognised in profit or loss:		
Interest income on bank deposits	182	36
Change in non-controlling interest	56	-
Interest income on loans given	17	10
Other finance income	6	-
Foreign exchange gain	-	26
Total finance income	**261**	**72**
Interest expense on borrowings	(172)	(470)
Interest expense on finance leases	(148)	(47)
Foreign exchange loss	(6)	-
Change in non-controlling interest	-	(121)
Total finance costs	**(326)**	**(638)**
Net finance costs recognized in profit or loss	**(65)**	**(566)**

12 Property, plant and equipment

During the six months ended 30 June 2011 the Group acquired property, plant and equipment for a total amount of RUB 2 200 mln (six months ended 30 June 2010: RUB 956 mln).

The property, plant and equipment with the carrying amount of RUB 134 mln were disposed of by the Group during the six months ended 30 June 2011 (six months ended 30 June 2010: RUB 52 mln).

13 Construction contracts in progress

Mln RUB	**30.06.2011**	**31.12.2010**
Progress billings	131,499	105,412
Unbilled revenue	2,176	-
Billed in excess of contract revenue recognized	-	(1,905)
Contract revenue accumulated to the period end	133,675	103,507
Contract costs accumulated to the period end	(113,195)	(87,066)
Recognised profits less recognised losses	20,480	16,441
Contract revenue accumulated to the period end	133,675	103,507
Advances received and payments	(159,041)	(120,836)
Net receivables from/(payables to) customers of acquired subsidiaries	-	(5,288)
Net receivables from/(payables to) customers	(25,366)	(22,617)
Due from customers	9,901	7,084
Due to customers	(35,267)	(29,701)
	(25,366)	(22,617)
Retentions	808	558

14 Capital and reserves

(a) Share capital

During the period from 9 November to 9 December 2010 the Company issued 33,975,500 additional ordinary shares with the par value of RUB 0.14 per share for a consideration of RUB 193/USD 6.25 per share by way of an open subscription under the Russian law. The changes in the Company’s Charter relating to the additional issue of shares were registered in January 2011 resulting in an increase of the share capital by RUB 5 mln. The difference between the consideration received of RUB 6,185 mln and the par value of the shares issued of RUB 6,180 mln was recognized as additional paid-in capital during the six months ended 30 June 2011.

During the six months ended 30 June 2011 the minority shareholders of the Company exercised their rights to demand mandatory redemption of the shares by the Company as provided by the applicable Russian law. The Company redeemed 2,300,237 shares with nominal value of RUB 0.14 per share for RUB 234.59 per share (RUB 539 mln) subsequent to 30 June 2011. As at 30 June 2011 the liability to shareholders in the amount of RUB 539 mln was recorded in the condensed interim consolidated financial statements.

(b) Dividends

Dividends in the amount of RUB 845 mln, or RUB 3 per share were declared for payment on the 16 May 2011 (six months ended 30 June 2010: RUB 801 mln, or RUB 3.23 per share). Out of RUB 845 mln, RUB 330 mln dividends were paid before 30 June 2011 (six months ended 30 June 2010: RUB 0 mln).

15 Earnings per share

The calculation of basic earnings per share at 30 June 2011 was based on the profit attributable to the ordinary shareholders of RUB 1,606 mln (2010: RUB 1,597 mln), and a weighted-average number of outstanding ordinary shares in the amount of 281,402,482 (2010: 248,240,000), calculated as shown below. The Company does not have dilutive potential ordinary shares.

	30.06.2011	**30.06.2010**
Issued shares at 1 January	247,755,600	1,241,200
Effect of split shares in September 2010	-	246,998,800
Effect of share issue on 12 January 2011	33,975,500	-
Effect of redemption of own shares	(328,618)	-
Weighted-average number of shares for the period	281,402,482	248,240,000
Profit attributed to shareholders (mln RUB)	1,606	1,597
Basic and diluted earnings per share (RUB)	5.71	6.43

16 Loans and borrowings

Mln RUB	Currency	Face value	Carrying amount	Year of maturity
Balance at 1 January 2011		6,870	6,675	
New issues				
Unsecured bank loans	RUB	3,685	3,685	2011
Finance lease liabilities	RUB	1,025	958	2011-2014
Repayments, including interest				
Secured bank loans	RUB	(710)	(710)	2011
Unsecured bank loans	RUB	(6,906)	(6,906)	2011
Finance lease liabilities	RUB	(694)	(694)	2011-2014
Finance lease liabilities	EUR	(18)	(18)	2011
Finance lease liabilities	USD	(1)	(1)	2011
Other changes				
Interest expense		316	316	
Foreign exchange differences		7	7	
Balance at 30 June 2011		3,574	3,312	

During the reporting period the bank loans were attracted at the weighted-average interest rate of 7.9% per annum, the finance leases at 15.1% per annum.

Mln RUB	30.06.2011	31.12.2010
Current loans and borrowings		
Secured bank loans	-	700
Unsecured bank loans	1,851	4,914
Current portion of finance lease liabilities	705	570
	2,556	6,184
Non-current loans and borrowings		
Finance lease liabilities	756	491
	756	491
Total loans and borrowings	**3,312**	**6,675**

The bank loans are attracted in RUB under fixed and floating interest rates based primarily on the MosPrime 3M rate. The weighted-average effective interest rates at the reporting dates were as follows:

	30.06.2011	31.12.2010
Bank loans	7.1%	7.7%
Finance lease liabilities	19.4%	20.7%

17 Related party transactions

(a) Control relationships

During the six months ended 30 June 2011 there were no material changes in the Mostotrest's shareholder structure.

(i) Management remuneration

During the six months ended 30 June 2011 key management received remuneration in the amount of RUB 328 mln (six months ended 30 June 2010: RUB 82 mln) that is included in personnel costs.

(b) Transactions with other related parties

The Group's other related party transactions are disclosed below.

(i) Sales

Mln RUB	Transaction value		Outstanding balance	
	30.06.2011	30.06.2010	30.06.2011	31.12.2010
Sale of goods to:				
Investments in equity accounting investees	4	1	2	-
Other related parties	14	49	68	37
Services rendered to:				
Investments in equity accounting investees	79	164	195	177
Other related parties	674	193	176	1,949
	771	**407**	**441**	**2,163**

(ii) Purchases

Mln RUB	Transaction value		Outstanding balance	
	30.06.2011	30.06.2010	30.06.2011	31.12.2010
Purchase of goods from:				
Other related parties	260	20	(28)	39
Services received from:				
Investments in equity accounting investees	18	164	-	8
Other related parties	7,108	3,172	(840)	2,284
	7,386	**3,356**	**(868)**	**2,331**

Purchases of goods and services from related parties mainly consist of purchases from companies related to shareholders of the Group and minority participants of subsidiaries.

(iii) Loans

Mln RUB	Transaction value		Outstanding balance	
	30.06.2011	**30.06.2010**	**30.06.2011**	**31.12.2010**
Loans given:				
Other related parties	429	-	485	100
	429	**-**	**485**	**100**

The loans given to the related parties and outstanding as at 30 June 2011 are repayable in the second half of 2011. The loans bear interest at 7.8 - 13.0% per annum. Interest income on these loans amounted to RUB 5 mln for the six months ended 30 June 2011 (six months ended 30 June 2010: RUB 0 mln).

Mln RUB	Transaction value		Outstanding balance	
	30.06.2011	**30.06.2010**	**30.06.2011**	**31.12.2010**
Loans received:				
Other related parties	2,316	3,500	-	650
	2,316	**3,500**	**-**	**650**

The loans received from the related parties during the six months 2011 are repayable in the second half of 2011. The loans bear interest at 7.5 - 9.5% per annum. Interest expense on these loans amounted to RUB 30 mln for the six months ended 30 June 2011 (six months ended 30 June 2010: RUB 178 mln).

18 Events subsequent to the reporting date

Significant borrowings

Subsequent to 30 June 2011 the Group concluded a number of loan agreements with banks under which the Group can draw up to RUB 6.5 bln cash to replenish the working capital. The loans carry fixed interest rates. The loans are unsecured and mature in 2012-2013.

Purchase of additional office spaces

On 29 July 2011 the Group concluded an agreement to purchase additional office spaces for corporate headquarters in Moscow, Russia, for total amount of RUB 380 mln (including VAT).

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Independent Auditors' Report on Review of Condensed Interim Consolidated Financial Statements

Board of Directors

OJSC Mostotrest

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of OJSC Mostotrest and its subsidiaries (the "Group") as at 30 June 2011, and the related condensed interim consolidated statement of comprehensive income, changes in equity and cash flows for the six-month period then ended (the "condensed interim consolidated financial statements"). Management is responsible for the preparation and presentation of this condensed interim consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements as at 30 June 2011 and for the six-month period then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

ZAO KPMG

ZAO KPMG
23 September 2011