

QUARTERLY REPORT

Interregional Distribution Grid Company of the South,

Joint Stock Company

Issuer's Code: 3 4 9 5 6 - E

for quarter IV, 2011

Location: 49 Bolshaya Sadovaya St., Rostov-on-Don, Russian Federation,
344002

Information contained in this quarterly report is subject to disclosure in
accordance with the legislation of the Russian Federation on securities

CEO of "IDGC of the South", JSC

Date: January 24, 2012

Chief Accountant of "IDGC of the South", JSC

Date: January 24, 2012

_____ Arkhipov S.A.
signature

_____ Savin G. G.
signature

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Introduction

Basis for the Issuer's obligations to disclose information in the form of quarterly report:

The Issuer had the securities Prospectus registered;

State registration of the Issuer's securities issue (additional issue) was made along with the security Prospectus registration; therewith, such securities were placed by open subscription or by closed subscription in a group of persons not exceeding 500.

Full company name of the Issuer in Russian: **Открытое акционерное общество "Межрегиональная распределительная сетевая компания Юга"**, in English: **"Interregional Distribution Grid Company of the South", Open Joint Stock Company.**

Short company name of the Issuer in Russian: **ОАО "МРСК Юга"**, in English: **"IDGC of the South", JSC.**

The Issuer's name is similar to those of other legal bodies – interregional distribution grid companies established in the reforming process of the electric power complex of Russia, including:

- Open Joint Stock Company "Interregional Distribution Grid Company of the Centre and Volga Region" ("IDGC of the Centre and Volga Region", JSC);
- Open Joint Stock Company "Interregional Distribution Grid Company of Urals" ("IDGC of Ural", JSC);
- Open Joint Stock Company "Interregional Distribution Grid Company of Volga" ("IDGC of Volga", JSC);
- Open Joint Stock Company "Interregional Distribution Grid Company of Centre" ("IDGC of Centre", JSC);
- Open Joint Stock Company "Interregional Distribution Grid Company of the Northern Caucasus" ("IDGC of the Northern Caucasus", JSC);
- Open Joint Stock Company "Interregional Distribution Grid Company of Siberia" ("IDGC of Siberia", JSC);
- Open Joint Stock Company "Interregional Distribution Grid Company of the Northwest" ("IDGC of the North-west", JSC).

In order not to confuse the names, special attention must be given to the contents of the full and short names of these entities specifying the regions of their location – the Centre, the Centre and Volga region, Urals, Volga, the Northern Caucasus, Siberia, the Northwest.

The report contains additional information to be disclosed according to requirements of Regulations on Information Policy of Open Joint Stock

Company “Interregional Distribution Grid Company of the South” approved by decision of Board of Directors of “IDGC of the South”, JSC on 30.08.2007 (Minutes No.2/2007 dated 03.09.2007).

At the disclosing of information in the form of the quarterly report the company does not restrain itself to disclosing information about important events in the life of the company for the reported period, but it also provides analytical references concerning the events mentioned which provides any person interested in them with full picture of the company’s opinion concerning the events and activities mentioned.

Complete text of Regulations on Information Policy of Open Joint Stock Company “Interregional Distribution Grid Company” can be reviewed at the Internet corporate website of “IDGC of the South”, JSC at: <http://en.mrsk-yuga.ru/management/regulations/>

This quarterly report contains the estimates and forecasts of the authorized management authorities of the Issuer concerning future events and/or actions, prospects of development of the economy sector in which the Issuer carries out the ordinary activity, and results of the Issuer’s activity, including plans of the Issuer, probability of occurrence of certain events and fulfillment of certain actions. Investors should not fully rely on estimates and forecasts of management authorities of the Issuer as actual results of the Issuer’s activity in future can differ from those predicted for many reasons. Acquisition of securities by the Issuer is connected with risks described in the present quarterly report.

I. Brief Data on the Persons Forming Management Authorities of the Issuer, Data on Bank Accounts, Auditor, Appraiser and Financial Adviser of the Issuer, as well as on Other Individuals Who Signed the Quarterly Report

1.1. Persons Forming Management Authorities of the Issuer

List of Board of Directors of the Issuer:

Surname, first name, patronymic	Year of birth
Perepyolkin Aleksey Yurievich (chairman)	1970
Arkhipov Sergey Aleksandrovich	1967
Branis Aleksandr Markovich	1977
Inozemtsev Vladimir Vyacheslavovich	1977
Likhov Khasan Mushtafaevich	1983
Mekhanoshin Boris Iosifovich	1950
Pankov Dmitry Leonidovich	1971
Sannikov Aleksey Valerievich	1965
Filkin Roman Alekseevich	1983
Shevchyuk Aleksandr Viktorovich	1983
Yurchyuk Sergey Evgenievich	1966

Sole Executive Body of the Issuer

Surname, first name, patronymic	Year of birth
Arkhipov Sergey Aleksandrovich	1967

The Structure of the Issuer's Collegiate Executive Body

Surname, first name, patronymic	Year of birth
Arkhipov Sergey Aleksandrovich (chairman)	1967
Akilin Pavel Evgenievich	1975

Alaev Timur Ulyumdzhevich	1971
Vashkevich Vladimir Frantishkovich	1972
Vosmirko Aleksandr Vladimirovich	1959
Goncharov Pavel Viktorovich	1966
Ivanov Vitaliy Valerievich	1970
Karpenko Vadim Vladimirovich	1959
Kuzhilin Aleksandr Vladimirovich	1969
Kalenyuk Yegor Vladimirovich	1970
Samarchenko Olga Petrovna	1960

1.2. Data on Bank Accounts of the Issuer

Data on Credit Organization

Full company name of the credit institution: Joint Stock Company “Alfa-Bank”, “Rostov” branch

Short company name of the credit institution: “Rostov” branch of “ALFA-BANK”, JSC

Location: 33 Voroshilovsky prospect, Rostov-on-Don, 344002

TIN: **7728168971**

RCBIC: **046015207**

Number of the bank account: **40 702 810 100 180 001 123**

Correspondent account number: **30 101 810 500 000 000 207**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: “Povolzhskiy” bank of Sberbank of Russia, Joint Stock Company, “Kamyshinskiy” bank branch **No.7125 of SB of RF**

Short company name of the credit institution: “Kamyshinskiy” branch No.7125 of Sberbank of Russia

Location: 101 Bazarova st, Kamyshin, Volgograd Area, 403876

TIN: **7707083893**

RCBIC: 041806647

Number of the bank account: **40 702 810 811 180 100 939**

Correspondent account number: **30101810100000000647**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: "Povolzhskiy" bank of Sberbank of Russia, Joint Stock Company, "Kamyshinskoe" bank branch **No.7125 of SB of RF**

Short company name of the credit institution: "Kamyshinskoe" bank branch No.7125 of Sberbank of Russia

Location: 101 Bazarova st, Kamyshinskoe, Volgograd Area, 403876

TIN: 7707083893

RCBIC: 041806647

Number of the bank account: **40 702 810 511 180 100 938**

Correspondent account number: **30101810100000000647**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: "Povolzhskiy" bank of Sberbank of Russia, Joint Stock Company, "Volzhskoe" bank branch **No.8553 of SB of RF**

Short company name of the credit institution: "Volzhskoe" bank branch No.8553 of Sberbank of Russia

Location: 71 Mira st, Volzhskiy, Volgograd Area, 404131

TIN: 7707083893

RCBIC: 041806647

Number of the bank account: **40 702 810 211 160 103 297**

Correspondent account number: **30101810100000000647**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: North-Caucasus bank of Sberbank of Russia, Joint Stock Company, "Kalmytskoe" bank branch

No.8579 of SB of RF

Short company name of the credit institution: “Kalmytskoe” bank branch
No.8579 of Sberbank of Russia Elista

Location: 29-A Alyokhins Br. st, Elista, Republic of Kalmykia

TIN: **7707083893**

RCBIC: **040707644**

Number of the bank account: **40 702 810 860 300 102 039**

Correspondent account number: **30101810100000000644**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: North-Caucasus bank of
Sberbank of Russia, Joint Stock Company, “Kalmytskoe” bank branch
No.8579 of SB of RF

Short company name of the credit institution: “Kalmytskoe” bank branch
No.8579 of Sberbank of Russia Elista

Location: 29-A Alyokhins Br.st, Elista, Republic of Kalmykia

TIN: **7707083893**

RCBIC: **040707644**

Number of the bank account: **40 702 810 560 300 102 038**

Correspondent account number: **30101810100000000644**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: North-Caucasus bank of
Sberbank of Russia, Joint Stock Company, “Kalmytskoe” bank branch
No.8579 of SB of RF

Short company name of the credit institution: “Kalmytskoe” bank branch
No.8579 of Sberbank of Russia Elista

Location: 29-A Alyokhins Br. str., Elista, Republic of Kalmykia

TIN: **7707083893**

RCBIC: **040707644**

Number of the bank account: **40 702 810 260 300 102 033**

Correspondent account number: **30101810100000000644**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **“Povolzhskiy” bank** of Sberbank of Russia, Joint Stock Company, “Uryupinskoe” bank branch **No.8579 of SB of RF**

Short company name of the credit institution: “Uryupinskoe” bank branch No. 4012 of Sberbank of Russia

Location: **1-a** L. haikina str., Uryupinsk, Volgograd region, 403110

TIN: **7707083893**

RCBIC: **041806647**

Number of the bank account: **40 702 810 711 100 100 886**

Correspondent account number: **30101810100000000647**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Branch of Gazprombank**, Joint Stock Company, Volgograd

Short company name of the credit institution: Branch of GPB, JSC, Volgograd

Location: **34-A** Kozlovskaya str., Volgograd, **400074**

TIN: **7744001497**

RCBIC: **041806779**

Number of the bank account: **40 702 810 700 100 101 311**

Correspondent account number: **30101810900000000779**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Branch of Gazprombank**, Joint Stock Company, Volgograd

Short company name of the credit institution: Branch of GPB, JSC,
Volgograd

Location: **34-A** Kozlovskaya st, Volgograd, **400074**

TIN: **7744001497**

RCBIC: **041806779**

Number of the bank account: **40 702 810 400 100 501 311**

Correspondent account number: **30101810900000000779**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Branch of** Gazprombank
Joint Stock Company, Volgograd

Short company name of the credit institution: Branch of GPB, JSC,
Volgograd

Location: **34-A** Kozlovskaya st, Volgograd, **400074**

TIN: **7744001497**

RCBIC: **041806779**

Number of the bank account: **40 702 810 500 100 301 311**

Correspondent account number: **30101810900000000779**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Branch of** Gazprombank
Joint Stock Company, Volgograd

Short company name of the credit institution: Branch of GPB, JSC,
Volgograd

Location: **34-A** Kozlovskaya st, Volgograd, **400074**

TIN: **7744001497**

RCBIC: **041806779**

Number of the bank account: **40 702 810 400 100 401 311**

Correspondent account number: **30101810900000000779**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Branch of Gazprombank Joint Stock Company, Volgograd**

Short company name of the credit institution: Branch of GPB, JSC, Volgograd

Location: **34-A Kozlovskaya st, Volgograd, 400074**

TIN: **7744001497**

RCBIC: **041806779**

Number of the bank account: **40 702 810 800 100 001 311**

Correspondent account number: **30101810900000000779**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Branch of Gazprombank Joint Stock Company, Volgograd**

Short company name of the credit institution: Branch of GPB, JSC, Volgograd

Location: **34-A Kozlovskaya str., Volgograd, 400074**

TIN: **7744001497**

RCBIC: **041806779**

Number of the bank account: **40 702 810 800 100 001 311**

Correspondent account number: **30101810900000000779**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **“Povolzhskiy” bank of Sberbank of Russia, Joint Stock Company, “Mikhaylovskoe” bank branch No.4006 of SB of RF**

Short company name of the credit institution: “Mikhaylovskoe” Bank branch No 4006 of Sberbank of Russia

Location: **1** Poperechnaya st, Mikhaylovka, Volgograd region, 403300

TIN: **7707083893**

RCBIC: **041806647**

Number of the bank account: **40 702 810 711 050 100 910**

Correspondent account number: **30101810100000000647**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **“Povolzhskiy Bank”** of Sberbank of Russia, Joint Stock Company, “Mikhailovskoe” bank branch **No.4006 of SB of RF**

Short company name of the credit institution: “Mikhailovskoe” Bank branch No 4006 of Sberbank of Russia

Location: **1** Poperechnaya str., Mikhaylovka, Volgograd region, 403300

TIN: **7707083893**

RCBIC: **041806647**

Number of the bank account: **40 702 810 011 050 100 911**

Correspondent account number: **30101810100000000647**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **“Povolzhskiy Bank”** of Sberbank of Russia, Open Joint Stock Company, “Volzhskoe” bank branch **No. 8553 of SB of RF**

Short company name: “Volzhskoe” Bank branch No. 8553 of Sberbank of Russia

Location: **71 Mira** str., Volzhsky, Volgograd region, 404131

TIN: **7707083893**

RCBIC: **041806647**

Number of the bank account: **40 702 810 911 160 103 296**

Correspondent account number: **30101810100000000647**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **“Kubanskiy” branch of “Raiffeisenbank” (Closed Joint Stock Company)**

Short company name: **“Kubanskiy” branch of “Raiffeisenbank” CJSC**

Location: **311 Severnaya str., Krasnodar, 350015**

TIN: **7744000302**

RCBIC: **040349556**

Number of the bank account: **40 702 810 126 100 411 402**

Correspondent account number: **30101810900000000556**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **South-western bank of Sberbank of Russia, Joint Stock Company, “Krasnodar” bank branch No.8619 of SB of RF**

Short company name: **Krasnodar bank branch No.8619, additional office No.8619/0134 of Sberbank of RF**

Location: **23 Rashpilevskaya str., Krasnodar, 350000**

TIN: **7707083893**

RCBIC: **040349602**

Number of the bank account: **40 702 810 130 000 101 073**

Correspondent account number: **30101810100000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **“Volgogradsky” branch (Open Joint-Stock Company) of “Alfa-Bank”**

Short company name: **“Volgograsky” branch of “Alfa-Bank” JSC**

Location: **71 Sovetskaya str., Volgograd, 400131**

TIN: **7728168971**

RCBIC: 041806857

Number of the bank account: **40 702 810 600 090 001 839**

Correspondent account number: **30101810100000000857**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **“Povolzhskiy” bank of Sberbank of Russia, Open Joint Stock Company, “Uryupinskoe” bank branch No.8579 of SB of RF**

Short company name of the credit institution: **“Uryupinskoe” bank branch No.4012 of Sberbank of Russia**

Location: 1-a L. Chaikina str., Uryupinsk, Volgograd region, 403110

TIN: 7707083893

RCBIC: 041806647

Number of the bank account: **40 702 810 411 100 100 885**

Correspondent account number: **30101810100000000647**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Southwestern bank of Sberbank of Russia, Joint Stock Company, Rostov-on-Don**

Short company name of the credit institution: **SWB of Sberbank of Russia, Rostov-on-Don**

Location: **116 Pushkinskaya str., Rostov-on-Don, 344006**

TIN: 7707083893

RCBIC: 046015602

Number of the bank account: **40 702 810 952 000 000 006**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Southwestern bank** of Sberbank of Russia, Joint Stock Company, Rostov-on-Don

Short company name of the credit institution: **SWB of Sberbank of Russia, Rostov-on-Don**

Location: **116 Pushkinskaya** str., Rostov-on-Don, 344006

TIN: **7707083893**

RCBIC: **046015602**

Number of the bank account: **40 702 810 552 000 000 008**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Southwestern bank** of Sberbank of Russia, Joint Stock Company, Rostov-on-Don

Short company name of the credit institution: **SWB of Sberbank of Russia, Rostov-on-Don**

Location: **116 Pushkinskaya** st, Rostov-on-Don, 344006

TIN: **7707083893**

RCBIC: **046015602**

Number of the bank account: **40 702 810 252 000 000 007**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Southwestern bank** of Sberbank of

Russia, Joint Stock Company, Rostov-on-Don

Short company name of the credit institution: **SWB of Sberbank of Russia, Rostov-on-Don**

Location: **116 Pushkinskaya** st, Rostov-on-Don, 344006

TIN: **7707083893**

RCBIC: **046015602**

Number of the bank account: **40 702 810 852 000 000 009**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Southwestern bank** of Sberbank of Russia, Joint Stock Company, Rostov-on-Don

Short company name of the credit institution: **SWB of Sberbank of Russia, Rostov-on-Don**

Location: **116 Pushkinskaya** st, Rostov-on-Don, 344006

TIN: **7707083893**

RCBIC: **046015602**

Number of the bank account: **40 702 810 252 000 000 010**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Southwestern bank** of Sberbank of Russia, Joint Stock Company, Rostov-on-Don

Short company name of the credit institution: **SWB of Sberbank of Russia, Rostov-on-Don**

Location: **116 Pushkinskaya** st, Rostov-on-Don, 344006

TIN: **7707083893**

RCBIC: **046015602**

Number of the bank account: **40 702 810 552 000 000 011**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Southwestern bank** of Sberbank of Russia, Joint Stock Company, Rostov-on-Don

Short company name of the credit institution: **SWB of Sberbank of**

Russia, Rostov-on-Don

Location: **116 Pushkinskaya** st, Rostov-on-Don, 344006

TIN: **7707083893**

RCBIC: **046015602**

Number of the bank account: **40 702 810 852 000 000 012**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Southwestern bank** of Sberbank of Russia, Joint Stock Company, Rostov-on-Don

Short company name of the credit institution: **SWB of Sberbank of Russia, Rostov-on-Don**

Location: **116 Pushkinskaya** st, Rostov-on-Don, 344006

TIN: **7707083893**

RCBIC: **046015602**

Number of the bank account: **40 702 810 152 000 000 013**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Southwestern bank** of Sberbank of Russia, Joint Stock Company, Rostov-on-Don

Short company name of the credit institution: **SWB of Sberbank of Russia, Rostov-on-Don**

Location: **116 Pushkinskaya** st, Rostov-on-Don, 344006

TIN: **7707083893**

RCBIC: **046015602**

Number of the bank account: **40 702 810 452 000 000 014**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Southwestern bank** of Sberbank of Russia, Joint Stock Company, Rostov-on-Don

Short company name of the credit institution: **SWB of Sberbank of Russia, Rostov-on-Don**

Location: **116 Pushkinskaya** st, Rostov-on-Don, 344006

TIN: **7707083893**

RCBIC: **046015602**

Number of the bank account: **40 702 810 752 000 000 015**

Correspondent account number: **30101810600000000570**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **“Alfa-Bank”**, Joint Stock Company, **“Rostovskiy” branch, “Krasnodarskiy” operational office**

Short company name of the credit institution: **“Krasnodarskiy” OO of “Rostovskiy” branch of JSC “Alfa-Bank”**

Location: **124 Krasnaya** st, Krasnodar, 350000

TIN: **7728168971**

RCBIC: **040349570**

Number of the bank account: **40 702 810 300 160 001 153**

Correspondent account number: **30101810300000000570**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **“Rostovskiy” branch of “Alfa-Bank”**, Open Joint Stock Company,

Short company name of the credit institution: **“Rostovskiy” branch of “Alfa-Bank” JSC**

Location: **33 Voroshilovskiy prospekt**, Rostov-on-Don, 344002

TIN: **7728168971**

RCBIC: **046015207**

Number of the bank account: **40 702 810 200 180 001 146**

Correspondent account number: **30101810300000000570**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Commercial bank “Center-Invest”, Joint Stock Company**

Short company name of the credit institution: **CB “Center-Invest”, JSC**

Location: **62 Sokolov prospekt, Rostov-on-Don, 344010**

TIN: **6163011391**

RCBIC: **046015762**

Number of the bank account: **40 702 810 500 000 012 605**

Correspondent account number: **30101810100000000762**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Commercial bank “Center-Invest”, Open Joint Stock Company**

Short company name of the credit institution: **CB “Center-Invest”, JSC**

Location: **62 Sokolov prospekt, Rostov-on-Don, 344010**

TIN: **6163011391**

RCBIC: **046015762**

Number of the bank account: **40 702 810 600 000 012 604**

Correspondent account number: **30101810100000000762**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Commercial bank “Center-Invest”, Open Joint Stock Company**

Short company name of the credit institution: **CB “Center-Invest”, JSC**

Location: **62 Sokolov prospekt, Rostov-on-Don, 344010**

TIN: **6163011391**

RCBIC: **046015762**

Number of the bank account: **40 702 810 600 000 012 603**

Correspondent account number: **30101810100000000762**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Commercial bank “Center-Invest”, Open Joint Stock Company**

Short company name of the credit institution: **CB “Center-Invest”, JSC**

Location: **62 Sokolov prospekt, Rostov-on-Don, 344010**

TIN: **6163011391**

RCBIC: **046015762**

Number of the bank account: **40 702 810 600 000 012 602**

Correspondent account number: **30101810100000000762**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **“Povolzhskiy” bank of Sberbank of Russia, Open Joint Stock Company, Astrakhan bank branch No.8625 of SB of RF**

Short company name of the credit institution: **Astrakhan bank branch of Sberbank of Russia No.8625**

Location: **41 Kirova st, Astrakhan, 414000**

TIN: **7707083893**

RCBIC: **041203602**

Number of the bank account: **40 702 810 205 000 003 019**

Correspondent account number: **30101810500000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **“Povolzhskiy” bank of Sberbank of Russia, Joint Stock Company, Astrakhan bank branch No.8625 of SB of RF**

Short company name of the credit institution: **Astrakhan bank branch of Sberbank of Russia No.8625**

Location: **41 Kirova st, Astrakhan, 414000**

TIN: **7707083893**

RCBIC: **041203602**

Number of the bank account: **40 702 810 605 000 003 020**

Correspondent account number: **30101810500000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **“Povolzhskiy” bank of Sberbank of Russia, Joint Stock Company, Astrakhan bank branch No.8625 of SB of RF**

Short company name of the credit institution: **Astrakhan bank branch of Sberbank of Russia No.8625**

Location: **41 Kirova st, Astrakhan, 414000**

TIN: **7707083893**

RCBIC: **041203602**

Number of the bank account: **40 702 810 905 000 003 021**

Correspondent account number: **30101810500000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **“Povolzhskiy” bank of Sberbank of Russia, Open Joint Stock Company, Astrakhan bank branch No.8625 of SB of RF**

Short company name of the credit institution: **Astrakhan bank branch of Sberbank of Russia No.8625**

Location: **41 Kirova str., Astrakhan, 414000**

TIN: **7707083893**

RCBIC: **041203602**

Number of the bank account: **40 702 810 905 000 003 515**

Correspondent account number: **30101810500000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name: **Southwestern bank** of Sberbank of Russia, Open Joint Stock Company, Salskoe bank branch No.625 of SB of RF”

Short company name of the credit institution: **Salskoe bank branch No.625 of Sberbank of Russia.**

Location: **5 Kirova st**, Salsk, Rostov region, **347630**

TIN: **7707083893**

RCBIC: **046015602**

Number of the bank account: **40 702 810 052 110 100 602**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name: **Branch No.6, Commercial bank “Center-Invest” Open Joint Stock Company**

Short company name of the credit institution: **Branch No.6 of JSC CB “Center-Invest”**

Location: **57/66 Tolstoi str. - Leningradskaya st**, Azov, Rostov region, **346780**

TIN: **6163011391**

RCBIC: **046015762**

Number of the bank account: **40 702 810 800 600 000 526**

Correspondent account number: **30101810100000000762**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name: **Southwestern bank** of Sberbank of Russia, Open Joint Stock Company, Taganrog bank branch No.1548 of SB of RF

Short company name: **Taganrog bank branch No.1548 of Sberbank of**

Russia

Location: **Petrovskaya str./pereulok, Taganrog, Rostov region, 347900**

TIN: **7707083893**

RCBIC: **046015602**

Number of the bank account: **40 702 810 152 230 000 016**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name of the credit institution: **Southwestern bank of Sberbank of Russia, Joint Stock Company, Millerovskoe bank branch No.275 of SB of RF**

Short company name of the credit institution: **Millerovvskoe bank branch No.275 of Sberbank of Russia**

Location: **5-a Gazetnyj lane, Millerovo settlement, Rostov region, 46130**

TIN: **7707083893**

RCBIC: **046015602**

Number of the bank account: **40 702 810 852 350 100 662**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name: **Southwestern bank of Sberbank of Russia, Open Joint Stock Company, Oktyabrskoe bank branch No. 5410 of SB of RF**

Short company name: **Oktyabrskoe bank branch No. 5410 of Sberbank of Russia**

Location: **121 Shevchenko str., Shakhty, Rostov region, 346500**

TIN: **7707083893**

RCBIC: **046015602**

Number of the bank account: **40 702 810 652 060 144 082**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name: **Branch No.3 of Commercial bank “Center-Invest, Open Joint Stock Company**

Short company name: **Branch No.3 of CB “Center-Invest”, JSC**

Location: **44 Ermak spusk, Novocherkassk, Rostov region, 346429**

TIN: **6163011391**

RCBIC: **046043903**

Number of the bank account: **40 702 810 701 900 001 378**

Correspondent account number: **30101810700000000903**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name: **Commercial bank “Center-Invest”, Open Joint Stock Company**

Short company name: **CB “Center-Invest”, JSC**

Location: **62 Sokolov prospect, Rostov-on-Don, 344010**

TIN: **6163011391**

RCBIC: **046015762**

Number of the bank account: **40 702 810 100 000 012 623**

Correspondent account number: **30101810100000000762**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name: **Southwestern bank of Sberbank of Russia, Open Joint Stock Company, Kamenskoye bank branch No.1801 of SB of RF**

Short company name: **Kamenskoye bank branch No.1801 of Sberbank of Russia**

Location: **49 Lenin str., Kamensk-Shakhtinskiy, Rostov region, 347800**

TIN: **7707083893**

RCBIC: 046015602

Number of the bank account: **40 702 810 052 030 000 002**

Correspondent account number: **30101810600000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name: **“Povolzhskiy” bank of Sberbank of Russia, Open Joint Stock Company, Astrakhan bank branch No.8625 of SB of RF**

Short company name: **Astrakhan bank branch of Sberbank of Russia No.8625**

Location: **41 Kirov str.**, Astrakhan, 414000

TIN: **7707083893**

RCBIC: 041203602

Number of the bank account: **40 702 810 105 000 003 326**

Correspondent account number: **30101810500000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name: **“Povolzhskiy” bank of Sberbank of Russia, Open Joint Stock Company, Astrakhan bank branch No.8625 of SB of RF**

Short company name: **Astrakhan bank branch of Sberbank of Russia No.8625**

Location: **41 Kirov str.**, Astrakhan, 414000

TIN: **7707083893**

RCBIC: 041203602

Number of the bank account: **40 702 810 205 000 003 514**

Correspondent account number: **30101810500000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name: **“Povolzhskiy” bank of Sberbank of Russia, Open**

Joint Stock Company, Astrakhan bank branch No.8625 of SB of RF

Short company name: **Astrakhan bank branch of Sberbank of Russia No.8625**

Location: **41 Kirov str.**, Astrakhan, 414000

TIN: **7707083893**

RCBIC: **041203602**

Number of the bank account: **40 702 810 205 000 003 516**

Correspondent account number: **30101810500000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name: **“Povolzhskiy” bank of Sberbank of Russia, Open Joint Stock Company, Astrakhan bank branch No.8625 of SB of RF**

Short company name: **Astrakhan bank branch of Sberbank of Russia No.8625**

Location: **41 Kirov str.**, Astrakhan, 414000

TIN: **7707083893**

RCBIC: **041203602**

Number of the bank account: **40 702 810 205 000 003 517**

Correspondent account number: **30101810500000000602**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name: Commercial bank **“Center-Invest”**, Open Joint Stock Company

Short company name: CB **“Center-Invest”**, JSC

Location: **62 Sokolov prospect**, Rostov-on-Don, 344010

TIN: **6163011391**

RCBIC: **046015762**

Number of the bank account: **40 702 810 100 000 013 068**

Correspondent account number: **30101810100000000762**

Type of the bank account: **settlement account**

Data on Credit Organization

Full company name: “Rostovskiyy” branch of “Alfa-Bank”, Open Joint Stock Company,

Short company name: “Rostovskiyy” branch of “Alfa-Bank” JSC

Location: 33 Voroshilovskiyy prospekt, Rostov-on-Don, 344002

TIN: 7728168971

RCBIC: 046015207

Number of the bank account: 40 702 810 600 180 001 157

Correspondent account number: 30101810300000000570

Type of the bank account: settlement account

Data on Credit Organization

Full company name: Southwestern bank of Sberbank of Russia, Open Joint Stock Company, Krasnodar branch No. 8619 of Sberbank of RF

Short company name: Krasnodar branch No. 8619, add. office No. 8619/0134 of Sberbank of Russia

Location: 23 Rashpilevskaya str., Krasnodar, 350000

TIN: 7707083893

RCBIC: 046015602

Number of the bank account: 40 702 430 000 001 116

Correspondent account number: 30101810600000000602

Type of the bank account: settlement account

Data on Credit Organization

Full company name: “Povolzhskiy” bank of Sberbank of Russia, Open Joint Stock Company, Astrakhan bank branch No.8625 of SB of RF

Short company name: Astrakhan bank branch of Sberbank of Russia No.8625

Location: 41 Kirov str., Astrakhan, 414000

TIN: 7707083893

RCBIC: 041203602

Number of the bank account: 40 702 810 205 000 003 518

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on Credit Organization

Full company name: Branch of Joint Stock Commercial Bank "Bank Societe Generale Vostok", Closed Joint Stock Company, Krasnodar

Short company name: Branch of "BSGV", CJSC, in Krasnodar

Location: 8/135/1 Olimpiyskaya st / Turgenev/Olympiyskaya str., Krasnodar, 350049

TIN: 7703023935

RCBIC: 040349744

Number of the bank account: 40 702 810 189 810 000 046

Correspondent account number: 30101810000000000744

Type of the bank account: settlement account

Data on Credit Organization

Full company name: Branch of Joint Stock Commercial Bank "Rosbank" in Krasnodar

Short company name: Branch of "Rosbank" in Krasnodar

Location: 8/135/1 Olimpiyskaya st / Turgenev/Olympiyskaya str., Krasnodar, 350049

TIN: 7703023935

RCBIC: 040349744

Number of the bank account: 40 702 810 189 810 000 341

Correspondent account number: 30101810000000000744

Type of the bank account: settlement account

Data on Credit Organization

Full company name: Branch No. 5, Commercial bank "Center-Invest", Open Joint Stock Company, Taganrog

Short company name: Branch No. 5, CB "Center-Invest", JSC, Taganrog

Location: Taganrog, Rostov region

TIN: 6163011391

RCBIC: 046013993

Number of the bank account: 40 702 810 200 000 001 343

Correspondent account number: 30101810700000000993

Type of the bank account: settlement account

Data on Credit Organization

Full company name: Branch of “Gazprombank”, Open Joint Stock Company, Rostov-on-Don

Short company name: Branch of GPB, JSC, Rostov-on-Don

Location: Rostov-on-Don

TIN: 7744001497

RCBIC: 046015968

Number of the bank account: 40 702 810 000 210 001 483

Correspondent account number: 30101810700000000968

Type of the bank account: settlement account

Data on Credit Organization

Full company name: Branch of “Gazprombank”, Open Joint Stock Company, Krasnodar

Short company name: “Gazprombank” Branch, JSC, Krasnoar

Location: 36, Dzerzhinsky str., Krasnodar, 350051

TIN: 7744001497

RCBIC: 040349781

Number of the bank account: 40 702 810 100 070 000 983

Correspondent account number: 30101810500000000781

Type of the bank account: settlement

Data on Credit Organization

Full company name: Southwestern Bank, the Branch of “Sberbank of Russia”, Open Joint-Stock Company, Volgodonsk branch No. 7931, Volgodonsk, Rostov Region

Short company name: The branch of “Sberbank of Russia”, Open Joint-Stock Company, Volgodonsk branch No. 7931

Location: Volgodonsk, Rostov region

TIN: 7707083893

RCBIC: 041203602

Number of the bank account: 40 702 810 552 160 050 377

Correspondent account number: 30101810500000000602

Type of the bank account: settlement account

Data on Credit Organization

Full company name: Southwestern Bank, Bataiskoe bank branch No. 5154, Add. office No. 5154/026, Azov, Rostov region, the Branch of “Sberbank of Russia”, Open Joint-Stock Company

Short company name: The Branch of “Sberbank of Russia”, Open Joint-Stock Company, Add. office No. 5154/026, Azov

Location: Azov, Rostov region

TIN: 7707083891

RCBIC: 046015602

Number of the bank account: 40 702 810 652 280 002 412

Correspondent account number: 30101810600000000602

Type of the bank account: settlement account

Data on Credit Organization

Full company name: Commercial Bank “Cetrer-Invest”, Open Joint-Stock Company, Additional office in Tsimlyansk

Short company name: Commercial Bank “Center-Invest”, JSC, Add. Office, Tsimlyansk

Location: Rostov-on-Don

TIN: 6163011393

RCBIC: 046015762

Number of the bank account: 40 702 810 000 000 012 943

Correspondent account number: 30101810100000000762

Type of the bank account: settlement account

Data on Credit Organization

Full company name: Rostov Branch of “NORDEA BANK”, Open Joint-

Stock Company

Short company name: Rostov Branch of “NORDEA BANK”, JSC

Location: Rostov-on-Don

TIN: 7744000398

RCBIC: 047026269

Number of the bank account: 40 702 810 900 900 000 036

Correspondent account number: 30101810800000000269

Type of the bank account: settlement account

Data on Credit Organization

Full company name: Volgo-Kaspiysky Joint-Stock Bank, Open Joint-Stock Company

Short company name: Volgo-Kaspiysky Joint-Stock Bank, JSC

Location: 20 Lenin str., Astrakhan

TIN: 3015011755

RCBIC: 041203729

Number of the bank account: 40 702 810 900 000 001 947

Correspondent account number: 30101810700000000729

Type of the bank account: settlement account

Data on Credit Organization

Full company name: Branch of “Gazprombank”, Open Joint Stock Company, Astrakhan

Short company name: “Gazprombank” Branch, JSC, Astrakhan

Location: 12/2 Vorobiev prospet, Astrakhan

TIN: 7744001497

RCBIC: 041203709

Number of the bank account: 40 702 810 400 130 000 129

Correspondent account number: 30101810500000000709

Type of the bank account: settlement account

Data on Credit Organization

Full company name: Volgograd Branch of “NORDEA BANK”, Open Joint-Stock Company

Short company name: Open Joint-Stock Company

Location: 46 Lenin prospect, Volgograd

TIN: 6164266561

RCBIC: 041806903

Number of the bank account: 40 702 810 200 010 000 540

Correspondent account number: 30101810200000000903

Type of the bank account: settlement account

Data on Credit Organization

Full company name: Rostov Branch of “NORDEA BANK”, Open Joint-Stock Company

Short company name: Rostov Branch of “NORDEA BANK”, JSC

Location: Rostov-on-Don

TIN: 7744000398

RCBIC: 047026269

Number of the bank account: 40 702 810 900 900 000 010

Correspondent account number: 30101810800000000269

Type of the bank account: settlement account

1.3. Data on Auditor (Auditors) of the Issuer

Auditor (auditors) that performs independent audit of financial statements and financial (accounting) reports of the Issuer on contractual basis, and auditor (auditors) approved (selected) for auditing annual financial (accounting) reports of the Issuer following the results of the current or completed fiscal year are as follows:

Full company name: Limited liability company “FinExpertiza”

Abbreviated name: “FinExpertiza” LLC

Legal address: building 1, 69 Mira St., Moscow, RF 129110

Location: building 1, 69 Mira St., Moscow, RF 129110

Postal address: post box 179, Moscow 129110

TIN: 7708096662

PSRN: 1027739127734
phone: +7 (495) 775 22 00, 775-22-02, 775-22-03
fax: +7 (495) 775 22 01
e-mail: info@finexpertiza.ru

Information on license for auditing activities

Body that issued the license: RF Ministry of Finances
Number: No.E002588
Date of issue: 06.11.2002
Validity end date: 06.11.2012

Information on membership of the auditor at self-regulating organizations of auditors

Full company name: Non-profit Partnership “Russian Audit Chamber”
Certificate dated 31.07.2009 with principal number of registration entry No. 4209

Location: building 3, 3rd Syromyatnicheskiy pereulok3/9, Moscow, 105120;
Phone/fax: (495) 781-24-79
e-mail: apr@aprussia.ru

Data on the Auditor’s Membership in Collegiate Bodies, Associations or other Professional Unions (Entities):

The Auditor is a member of the following organizations:

- Non-profit Partnership Russian Collegium of Auditors
- Russian Association of Banks
- Non-profit Partnership “Partnership ROO”
- Russian Association of Managers. – Russian Association of Banks

Financial year (years) for which the Auditor performed the independent audit of the Issuer’s accounts and financial statements:

Year
2011

Procedure for Selecting the Auditor for the Issuer

Tender procedure connected with auditor selection and the main terms:

The auditor company is chosen on the basis of results of open contest held by the Company according to Regulations on the procedure of scheduled purchases of goods, works and services to meet the needs of “IDGC of the South”, JSC (p.1.1.1, p.7.1.1) or by the Company’s authorized entity based on the Agreement concluded. The Company’s Auditor is approved by General Shareholders Meeting of the Company according to p.11 cl.10.2 of the Charter of “IDGC of the South”, JSC.

For participation in the Competition, auditor organizations should meet the following requirements:

- should not be in the process of liquidation;
- should not have the judgment concerning suspension of operations in accordance with the procedure stipulated by the Code of the Russian Federation on Administrative Offences as of the date of consideration of the Application Form for participation in the Competition;
- should not have debts under the accrued taxes, duties and other obligatory payments to the budgets of any level or the state unappropriated funds as of the last calendar year the amount of which exceeds twenty five percent of the balance sheet asset of the participant according to the accounting reports as of the last completed accounting period. Participant of the order placement is considered to meet the requirement in case it appeals against the debt in accordance with the legislation of the Russian Federation, and the decision on the appeal is not taken as for the date of application for the Competition is not taken
- should not fall under terms enlisted in clause 1 of article 12 of the Federal Law “On the Auditor’s Activity”.

Procedure of nomination of the auditor for probation by the shareholders’ (participants’) meeting, including the responsible management authority, is specified as follows:

According to articles 47, 48, 54 and 88 of the Federal Law on Joint Stock Companies; according to subclause 11 of cl.10.2 of article 10; cl.11.1 of article 11; cl.24.8 of article 24 of the Charter of “IDGC of the South”, JSC General Meeting of Shareholders annually approves the Auditor Company for audit and check of annual financial statements of the Company.

Federal Law “On Joint Stock Companies” does not fix any date or terms of nominating candidate auditors for entering them in the voting list on the issue of approbation as the Company’s auditor. The given law also doesn’t delegate shareholders the authority to nominate the candidate auditor.

The Company’s Board of Directors Audit Committee’s terms of reference cover

the selection of candidate auditors for the Company estimation of their qualification level, their work efficiency and their observation of independence, introduction of the auditor candidates for the Board of Directors consideration as well a conclusion making concerning auditor candidates introduced by the third persons.

In this connection, the candidate auditor for approbation at the annual general shareholders meeting is selected by the Board of Directors of the Company within the framework of solution of the issues of preparing and holding of the annual general shareholders meeting.

For the purpose of auditing financial statements and financial (accounting) reports for the year 2011 the Board of Directors of “IDGC of the South” JSC has recommended (Minutes No. 64/2011 dd. 29.04.2011) and appointed “FinExpertiza” LLC as the auditor of the Company on June 15, 2011 by the decision of the Annual General Meeting of Company Shareholders (Minutes No. 5 dd. June 17, 2011).

Information on the works conducted by the auditor with the frameworks of special auditor tasks:

such works were not conducted in the accounting period.

The procedure of estimation of remuneration to the Auditor is described, including the actual remuneration amount paid to the Auditor by the Company according to the results of each of five last completed financial years ended with social audit of financial and accounting statements of the Issuer.

Amount of fee of the issuer’s auditor is determined by the Issuer’s Board of Directors according to clause 24.9 of the article 24 of the Charter of “IDGC of the South”, JSC

Service cost and order of paying the auditor’s fee are specified by the agreement concluded between the Company and the auditor.

The amount of payment for the auditor’s services rendered to “IDGC of the South”, JSC as audit of Its 2011 financial statements (accounts) by “FinExpertiza” LLC, is determined by the decision of Board of Directors of “IDGC of the South”, JSC as amounting to 2 000 005 (two million and five) rubles 60 kopecks, including 18% VAT (Minutes No. 69/2011 dd. 01.08.2011).

Actual amount of the fee paid by the Issuer to the auditor for each accounting year when independent audit of the Issuer’s financial statements and financial (accounting) reports was carried out by the auditor is as follows:

Auditor name	Financial year	Subject of Agreement	Remuneration amount (including VAT), rbs
“Fineart-Audit”, LLC	2007	audit of financial (accounting) reports of the Issuer	354 000
“Fineart-Audit”, LLC	2008	audit of financial (accounting) reports	9 763 910
“Nexia Pacioli” LLC	2009	audit of financial (accounting) reports	2 973 600
“Auditinform”	2010	audit of financial (accounting) reports	2 600 000
“FinExpertiza” LLC	2011	audit of financial (accounting) reports	2 000 005

Information on deferred and overdue payments for auditor’s services: the Issuer does not have deferred and/or overdue payments for rendered by auditors services.

The auditor “FinExpertiza” LLC and the Issuer are (were) not involved in any close business relations. The Issuer did not extend any borrowings to abovementioned audit company (executives of the audit company). “FinExpertiza” LLC (its executives), the auditor, does not have (did not have) any stakes in authorized capital of the Issuer. The Issuer’s executives do not simultaneously occupy positions as executives of the abovementioned auditor and they are not relatives of the auditor.

1.4. Data on Appraiser of the Issuer

The Issuer did not engage any appraisers.

1.5. Data on Advisors of the Issuer

The Issuer did not engage any advisors.

1.6. Data on Other Individuals who Signed the Quarterly Report.

Other signatures are absent

II. Basic Information on Financial and Economic Condition of the Issuer

2.1. Financial and Economic Performance Indicators of the Issuer

Is not specified in the 4th quarterly report

2.2. Market Capitalization of the Issuer

Market capitalization is calculated by way of multiplying the corresponding category (class) shares amount by a share market price disclosed by Securities Market Maker and fixed in conformity with Order of fixing the market price of securities, cash price of securities as well as the limits of fluctuations of market prices of securities in purposes of Tax Code of RF approved by Order of Federal Market Service No. 10-65/ПЗ-Н dated 09.11.2010 (registered by Ministry of Justice of the Russian Federation on 29.11.2010, registration number 19062)

Indicator	4 th quarter 2011
Market capitalization, rubles	3 283 547 452.53

Information on Securities Market Maker providing data for market capitalization calculation, and other additional information on securities public circulation at the Issuer's discretion:

Calculation of capitalization was performed on the basis of information provided by securities trade organizer – Closed joint stock company “Stock Exchange MICEX” (MICEX)

Additional information on public circulation of securities, disclosed on issuer's decision:

Market capitalization as of the end date of the corresponding period

Period		RTS (USD) (classical market)	RTS (RUB) stock market	MICEX (RUB)
Year	Quarter	Capitalization	Capitalization	Capitalization
2008	III	567 846 495.00	11 954 663 055.36	14 011 861 322.80
	IV	99 622 192.00	8 999 370 725.88	2 485 573 693.59
2009	I	64 754 425.00	8 703 990 926.22	2 988 665 763.84
	II	214 187 713.10	8 467 886 330.88	6 062 010 390.98
	III	308 828 796.00	6 724 497 969.00	6 724 497 969.00

	IV	293 885 467.0	9 090 026 920.72	8 866 375 099.39
2010	I	318 791 015.00	8 886 797 648.78	10 405 537 967.7 0
	II	273 961 028.00	8 866 375 099.39	7 949 850 931.81
	III	273 961 028.00	8 965 997 292.00	8 183 963 083.31
	IV	288 904 357.00	8 970 978 401.00	8 831 507 332.14
2011	I	249 055 480.0	7 471 664 410.0	6 929 221 573.46
	II	219 168 823.0	7 471 664 410.0 5	5 879 701 779.39
	III	219168823.0	7471664410.0	4 049 642 110.0
	IV	174338836.0	3735832205.0	3283547452.53

2.3. Obligations of the Issuer

2.3.1. Accounts Payable

Is not specified in the 4th quarterly report

2.3.2. Credit History of the Issuer.

Issuer's performance of obligations on credit and/ or loan agreements valid in the course of the last 5 completed financial years or for each completed financial year if the Issuer has been operating less than 5 years, and on current agreements as of the end date of the accounting quarter, with principal debt amount of at least 5 percent of the Issuer's balance sheet assets as of the last completed reporting quarter date preceding the corresponding agreement date, and on other credit and/ or loan agreements essential for the Issuer.

In case the Issuer issues the bonds, then the obligations for each issue of Bonds, which nominal price is 5 and more percent of balance sheet assets of the issuer as of the end of the last quarter preceding the state registration of the report on the results of Bonds issue, should be determined, but if the placement of Bonds is not completed or the state registration of the issue was not registered by some reasons – as of the date of ending of the last completed quarter preceding the state registration of Bonds issue.

Liability	Creditor (loaner)	Amount of the loan	Currency	Credit (loan) term / maturity	Overdue obligation performance on principal debt and/ or fixed interest payment overdue time period, in days
Bonded loan	Floated via CJSC MICEX	4 557 678 000	RUB	5 years/ 26.08. 2014	no

Credit	SB of RF Astrakhan branch No. 8625	2 900 000 000	RUB	3 years/ 19.11 2012	no
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2.3.3. The Issuer's Obligations from Collateral Provided to Third Parties

in rubles

indicator	2011
Total amount of the Issuer's liabilities from the provision provided	2 320 913.11
including total amount of third parties' liabilities secured by the Issuer (including pledge or surety)	2 320 913.11

Obligations of the issuer from the provision provided during the period from the start date of the current financial year and till the end of the reporting quarter to third parties, including in from of loan or guarantee, composing at least 5% from balance sheet assets of the issuer as of the date of ending of last completed financial period preceding the provision.

Specified liabilities did not arise in this accounting period

2.3.4. Other Obligations of the Issuer

Other obligations, which were not shown in the balance sheet and seriously influence financial status of the Issuer, its cash position sources of financing and terms of their use performance of the Issuer, are absent.

2.4. Purposes of Issue and Lines for Application of Finances Obtained as a Result of Issue Securities Placement

The Issuer did not place issue securities by force of subscription in the quarter reported.

2.5. Risks Connected with Purchase of Equity Securities Placed or in the Process of Placement.

Issuer's Policy in the Sphere of Risk Management:

Policy of "IDGC of the South", JSC in the sphere of risk management involves timely identification and preventing of possible risks with the purpose of financial and other loss reduction.

Risk management is an integral part of corporate management system of OJSC "IDGC of the South". It makes it possible for the authorities of the Company to make economically efficient decisions it is closely connected with the process of strategy and operating planning and presupposes active participation of all the structures of the Company in risks revelation and evaluation.

The order of managerial decisions made in financial and economical activities of the Company and the system of executive powers accountability reduce the risks of discrepancy in managers' and shareholders' interests.

“IDGC of the South” JSC recognizes the importance of timely external menace revelation. The company regularly observes and analyses information, characteristic of external and inner risk factors capable of negative influence on stated goals achievement. Thus, the Company proceeds on broadening its spheres of investigation.

In “IDGC of the South”, JSC, a number of domestic standardized documents are in force; the documents providing for prevention of risk incurrence and reduction include the following:

- Regulation about Procedures of Internal Control within “IDGC of the South”, JSC, determining internal control as that aimed at preventing risks in the Issuer’s activity and timely measures to minimize (terminate) the risks.
- The Concept of Corporate Security of “IDGC of the South”, JSC, determining unified algorithm for proving economical, personnel, industrial and technological, information, physical and environmental security of the Issuer for the sake of Its maximum protection against external and internal threats.

Now “IDGC of the South” JSC is introducing the integrated management system for risks management and internal control.

The aim of such system is surety in reaching the goals, assistance in sustainable development of the issue, increase of efficiency in resources management, investment attractiveness and market capitalization of the issuer. For these purposes were made the following steps:

1. The company organized a working group for introduction of integrated management system, the group consists of: representatives of departments of internal control and audit, quality management and functional departments of the issuer.

2. Policy of risks management and Internal control policy were approved (minutes of meeting of Company’s BoD dated 11.06.2010 No. 49/2010).

3. The company carried out primary identification and assessment of strategic risks, formed the list of issuer’s risks, described the activities of departments responsible for the implementation.

4. Analysis “as is” of main business-processes of the issuer “Commercial accounting and selling services on electric energy distribution”, “Purchasing activity”, “Technological connection”, “Investment activity”, “Operation activity” for the issue of detecting risks at process of 2nd and 3rd level, testing the

existing checking procedures covering the revealed risks and assessments of efficiency of control environment. Material risks revealed in the results of analysis of business –processes are to be included in the list of issuer’s risks during its updating.

Global economy problems have impact on business activity results of “IDGC of the South” JSC. Some impact factors are of macroeconomic nature and the Issuer is unable to control them in full.

As the Company at present operates only at the internal market of the Russian Federation and does not plan to expand abroad, the risks specified further are characterized singularly from the point of view of the domestic market.

2.5.1. Industry Risks

Risk of Possible Situation Deterioration in the Issuer’s Industry as that
Influencing on the Issuer’s Activity and Fulfillment of Its Obligations under
Securities

“IDGC of the South” JSC is a large interregional distribution grid company operating on territory of Astrakhan, Volgograd, Rostov regions and Kalmykia Republic. The Company does not export goods, works or services. In this connection industry risks of the Company are regarded for domestic market only.

The Issuer carries out its activity in power industry.

To boost the service sales the Company invests considerable funds in upgrading grids and creating new points of connection to power facilities under construction.

According to the Issuer there is a risk connected with decline in the efficiency of electric power industry management following distribution of regulatory functions and resulting from deregulation of wholesale and retail markets. There is increase in purchase of electric energy losses which results in increase of the Company’s costs not included in the tariff. The Company is exposed to this risk to the same extent as the rest of the participants of electric power industry market.

Operational Risks

Deterioration of the Company’s fixed assets may result in negative change in the industrial sector such as loss of power supply reliability. To reduce the risks mentioned the Company reconstructs operating and constructs new power grids as well as technical re-equipment of fixed assets.

Technical Industrial Risks

From this group of risks the following ones can be distinguished:

- the risk of switching to operation with forced (emergency) power flow;
- the risk of sharp non-recurrent off-schedule load increase in connection with natural disasters;
- technical risks connected with equipment operation, caused by such factors as operation with limit deviations from normative technical requirements,
- operating employees' mistakes;
- violation of dispatch schedule and misconduct.

The Company's activities on risks reduction are as follows:

- analyzing the probable risk situations to predict the risk in the process of operation schedule fulfillment and taking protective actions against the risks impact;
- commercial insurance of property, dangerous industrial facilities, transport means, civil responsibility, personnel accident and sickness insurance;
- carrying out measures on power system reliability improvement, which includes measures carried out for account of steady replenishment of fuel, spares and materials.

Risks Connected with Potential Change in Prices for Raw Materials, Services the Issuer Uses in Its Activity (Separately Domestically and in Foreign Markets) and Their Impact on the Issuer's Activity and Its Performance of Obligations under the Securities

Electricity transmission in networks that do not belong to Unified Federal Power System and line voltage of which does not exceed 220 kV, is among key activities of the Issuer.

Carrying out of the activity is connected with the necessity of materials and equipment purchasing, using outsourced services for repair works, running maintenance and construction of own grids.

Probability of price escalation is basically connected with inflationary development. Apparent escalation in prices for materials and equipment, outsourced services will require updating planned expenditure and alterations made to plans for investment programs implementation.

To reduce the specified risks, the Issuer purchases materials and equipment,

selects service providers by means of competitive and regulated procurement of materials, equipment, input and other services.

Risks Connected with Potential Change in Prices for the Issuer's Output and/or Services (Separately Domestically and in Foreign Markets) and their Impact on the Issuer's Activity and Its Performance of Obligations under the Securities

The Issuer's principal income is connected with receiving of funds for service of electric power transmission and technological connection.

The Company's activity as that of a natural monopoly holder is fraught with the risk of improper state tariff regulation. At the present time executive bodies responsible for tariff regulation (Regional Tariffs Service) do not enter some expenses into tariff designs of "IDGC of the South" JSC or enter them incompletely.

To minimize the risks specified the Issuer carries out constant work with regional tariff bodies in order to establish reasonable level of tariffs and to introduce advanced rate-making methods. Nevertheless, the Issuer's sphere of influence on decisions made by federal and regional executive authorities is limited, and the Issuer cannot ensure the situation improvement owing to measures aimed at coping with the emerged negative changes.

Three branches of the Company except "Volgogradenergo" branch (switching to the return on invested capital method is scheduled for 2012) apply return on invested capital method (RAB). Application of RAB-regulation must contribute to attracting long-term investments to the industry, as well as aid to reducing subjective factor influence on tariff decision taking.

The risk of increased cost of commodities, works and services used by the Company in its activity rises in the period of economic instability connected with the global economic crisis. To minimize influence of that risk, "IDGC of the South", JSC plans the following actions:

- to use its position of a large-scale consumer to get democratic costs;
- to use possibility of purchasing goods, works and services at the competitive market;
- to optimize consuming goods, works, and services of the external organizations

Influence of risks connected with possible change in prices for raw materials and services used by the Issuer in its internal market activity, on carrying out securities commitment is estimated as moderate, because the Issuer will take measures, mentioned in this point.

Risks of Increasing Accounts Receivable Connected with Payment Discipline

Having broken out in 2008, the economic crisis and following decline in production and general deterioration in economic environment in RF, have conditioned the reducing of consumption of electric power and, as a consequence, increase of non-payment. In such situation, the Issuer is affected to the risk of accounts receivable increase. At the present time, the Issuer has a significant quantity of buyers who have overdue accounts receivable, which brings to necessity to attract significant credit funds. Risk of further increase of the accounts receivable is considered as significant and could bring to reducing of liquidity indices and financial stability of the Issuer.

In order to reduce a possibility of the given risk and minimize consequences of its realization, the Issuer effects financial management to control the accounts receivable aimed at optimization of its amount and debts return. Also the Issuer performs an active claim-related work to collect debts; policy is realized for conclusion of direct contracts with consumers of electric power.

Risks of Planning Volumes for Transmission Service Rendering

Impossibility of establishing limiting volumes of service rendering during planning are conditioned by the following factors:

- absence of plans for economic development with notification of electric power consumption dynamics for a certain period in some subjects of the Russian Federation and municipal entities;
- reducing electric power consumption by enterprises as the result of the economic crisis;
- presence of uncertainty in realization of mechanism of «the last mile»;
- reducing consumption in relation with adopting the Federal Law «On energy saving and on increasing energy effectiveness and on bringing changes in separate legislative acts of RF» (dated 23.11.2009 No 261-FL).

Specified conditions may lead to reduction of profit element of the Issuer in long-term perspective.

Minimization of the risk is achieved through the following measures:

- work with governmental bodies of the subjects of RF and organs of local government on forming plans of economic development of the region in medium-term and long-term perspective;
- protection in the governmental bodies on tariff regulation for transmission of

electric power with consideration of investment component, aimed at development of capacity of the Issuer with consideration of regional economic development forecast;

- realization of strategy of integration of the grid assets, including grids in the regions including ownerless grids in the regions;
- participation of the Issuer in development of new normative acts and changes to the existing normative legal act, having priority value for organization of distribution grid complex, including introduced changes to the existing legislation of RF in a part of possibility of prolongation for “the last mile” contracts up to 2014 and approval of the rules for commercial control of electric power and capacity.

2.5.2. Country and Regional Risks

Risks Connected with Political and Economic Situation in the Country and the Region where the Issuer is registered as a Taxpayer and/ or Carries out Its Ordinary Activity

Political and economic risks are considered principal country risks.

Russian economy stability definitely depends on current economic reforms development in legal, taxation and administrative infrastructure as well as on efficiency of measures taken by the Government of Russian Federation in the sphere of financial and money-and-credit policy.

Risk factors influencing “IDGC of the South”, JSC are the deterioration of economic situation in the country and regions of the Company and thus, negative impact of it on the Company’s purchase consumer power as resulting from negative effect of the world economic crisis.

The Company is registered in Rostov-on-Don and carries out Its operating activity on the territory of Astrakhan, Volgograd and Rostov region regions as well as in the Republic of Kalmykia. Specified regions are politically stable and risk of military conflicts and emergency situation is practically absent there. Nevertheless, there is a risk of terrorist attack and the Company makes security measures supporting industrial safety.

Social environment in the regions mentioned can be characterized as quiet, without pronounced ethnic conflicts, religious extremism. It enables to fulfill economic operations at minimum social and political risks.

Expected actions of the Issuer in case of negative impact of the changed situation in the country (countries) and region on the Company’s operation could be specified as follows:

In case political or economic situation in Russia or in a certain region

destabilizes, the Company will take a number of measures of anti-crisis management with the purpose of maximum decrease of the negative impact of the situation on “IDGC of the South”, JSC including cutting costs and other expenditures, reducing investment plans.

Risks Connected with Possible Military Conflicts Imposing Emergency Rule and Strikes in the Country and the Region where the Issuer is Registered as a Taxpayer and/ or Carries out Its Primary Activity

Military conflicts and emergency rule imposing in the Issuer’s operating country and regions is highly improbable. If military conflicts occur, the Issuer bears the risks of the fixed assets deactivating.

Risks Connected with Geographic Features of the Country and the Region where the Issuer is Registered as a Taxpayer and/ or Carries out Its Primary Activity, Including the Heightened Danger of Natural Disasters, Possible Discontinuance of Transportation Owing to Remoteness and/ or Inaccessibility

Risk of losses subsequent to adverse weather conditions may be referred to risks resulted from geographical features of the region the Issuer carries out Its activity in. The Issuer’s actions on reducing the influence of these factors consist in designing electric power transmission lines with regard to regional climate peculiarities, as well as in insurance against corresponding risks.

There is a short risk probability related to danger of natural disasters and negative impact of nature-and-climatic conditions likely to result in damage to property of the population, objects of housing and communal services, social facilities, traffic, warm and power supply of consumers. In order to compensate potential loss resulted from emergency state connected with natural disasters, the Company has made property insurance treaties, takes preparatory measures, accumulates emergency reserve of material and equipment trains emergency response and restoration teams and develops special bailout programs.

The Issuer’s operating regions have well developed transport infrastructure and are not exposed to risks connected with transportation discontinuance because of remoteness and/ or inaccessibility.

2.5.3. Financial Risks

Risks Caused by Interest Rates, Exchange Rate Variation in Connection with the Issuer’s Operation or Hedging Practiced by the Issuer for Mitigation of Negative Consequences of the Specified Risks’ Effects

In the course of carrying out its primary activity, the Issuer uses borrowed funds, which makes the Issuer subject to risks connected with credit and loan interest

rate changes. But the Issuer, on account of constant analysis of the own financial condition, floating interest rate behavior, considers the risk to be insignificant.

To reduce debt portfolio service costs, the Company aims at using credits and loans with fixed interest rate, selecting financial institutions to render financial services through open single stage tender or open auction held in compliance with the procedures established by Russian Federation legislation, persistent monitoring of debt capital market and debt restructuring when applicable.

The Issuer does not resort to hedging as a tool of financial risk management in its activity.

The Issuer fulfills the ordinary activities on the territory of the Russian Federation, does not have investments to foreign companies the cost of whose net assets is at risk of exchange rate shift, has no receipts or expenditure expressed in foreign currency. Risks based on minor exchange rate variations do not have direct influence on the Issuer's financial and economic performance and are estimated by the Issuer as unimportant.

Susceptibility of the Issuer's Financial State, Liquidity, Sources of Finance, Performance Results etc to Shifts in Exchange Rate (Exchange Risks)

Assets and liabilities of the Issuer are expressed in national currency. In this connection the Issuer's financial state, sources of finance, performance results are almost independent on the exchange rate shift. Besides, the Issuer now carries out the activity only domestically and does not plan to operate on the foreign market that is why the effect of national currency exchange rate to foreign currencies (US dollar, euro) variations on the Issuer's financial state is estimated as inconspicuous.

A liquidity risk is a possibility of diseconomies over money shortage in terms demanded and as a result, inability of the Company to implement its commitment. Such a risky event occurrence may result in fines and penalty fee, detriment of business reputation of "IDGC of the South", JSC, etc.

Liquidity risk management is performed by "IDGC of the South" by way of cash flow planning, analysis of planned and factual cash flow of "IDGC of the South" as a whole as well as in its branch offices. Arising problems with ultimate liquidity are solved by means of credit and loans as well as by way of payments priority stating.

Expected Actions of the Issuer in Case of Negative Impact of Exchange and Interest Rate Shifts on the Issuer's Activity

The Issuer is subject to risk of interest rate change. Along with interest rate

growth, the commercial bank credit interest payments increase, and the Company's profit falls.

If significant negative changes of interest rates take place, the Issuer will aim at making short term external borrowings, the Company's investment program will be modified.

In case of negative influence of exchange rate shift on financial and economic activity, the Issuer plans to analyze risks and take proper decision in each separate case.

Influence of Inflation on Security Interest Payments Inflation Levels Considered Critical by the Issuer, and the Issuer's Expected Actions on the Specified Risk's Mitigation

Present inflation rate does not bear significant influence on the Issuer's condition. Inflation values as they are predicted must not have critical influence on the Issuer's solvency, including security interest payments.

The risk of inflation influence is likely to arise in case when money income of "IDGC of the South", JSC lose their real purchase power value faster than it grows nominally. Rise in inflation may result in the Company's expenditure growth (for account of fixed assets, materials, works and services of foreign organizations cost rise), followed by Company profit fall, its profitability reduction as well as by rise in prices of loans resulting in shortage of floating assets.

In case of impetuous inflation rise the Company is intended to devote special attention to rise of working capital turnover, first at the account of supply, as well as to review current contractual relationship with consumers to shorten loan portfolio turnover.

Financial Reporting Indicators which Are Most of All Exposed to Change under the Influence of Specified Financial Risks. Risks, their Probability and Pattern of Change in the Report

Accounts receivable indicator of the Issuer's reporting is most of all subject to the risks specified, it occurs as a result of contractors' economic incapacity to pay for the Issuer's services. Probability of occurrence of the risk is low and originates from overall situation in the country, inflation, exchange rate alterations, and the effect of these factors on Russia's economy in general. Deterioration of the national operating environment can cause electric power transmission via the Issuer's grid expense growth, which (on retention of the present schedule charge) will lead to reduction in profits.

2.5.4. Legal Risks

Legal Risks Connected with the Issuer's Operations on Internal Market

Legal risks management is based on improving the process of legal documents implementation and the Company's operation legal support. To reduce legal risks, any business processes of the Company exposed to risk are subject to obligatory legal examination.

The Issuer (along with all the other Joint Stock companies operating on the territory of the Russian Federation) is at risk of changes to legislation (Federal Laws and subordinate legislation) on corporate relationship.

Risks Connected with Currency Legislation Changes

Risks connected with currency legislation changes will have but slight influence on the Issuer's activity, as the Issuer does not operate and does not intend to operate outside the Russian Federation.

Risks Connected with Tax Law Changes

Tax risks may have a number of manifestations like possibility of introducing new types of taxes and fees, probability of current tax rates increase, extending tax basis, change of terms and procedure of tax payment as well as of tax reporting.

Changing tax law in its part of tax rate increase or alteration of procedure and terms of tax (fees) calculation and payment may result in the Issuer's net profit decrease, which in its turn may lead to decrease in amount of dividends paid.

Alongside with that possibility of negative change in tax legislation of RF is estimated by the Issuer as a remote one, since Government of the Russian Federation plans to change the tax rates downward and in some cases – to abolish some taxes and fees, which, according to the Issuer, must have positive effect on the Company's activity results.

To minimize the risks of improper tax assessment and/ or payment caused by ambiguous treatment of tax legislation, the Company continuously works on optimizing the patterns of taxation base calculation in strict adherence to the current legislation of the Russian Federation.

Risks Connected with Changes in the Rules of Customs Control and Duties:

Changes in the rules of customs control and duties do not put the Issuer's operation at risk since the Issuer does not plan to export services outside the Russian Federation.

Risks Connected with Change of Requirements for the Issuer's Ordinary Activity Licensing or Licensing of Rights for Use of Facilities with Limited Recourse (Including Natural Resources)

Change of requirements on the Issuer's ordinary activity can lead to longer terms of document preparation for license renewal, as well as the necessity to conform to the given requirements. Nevertheless, the risk should in general be viewed as insignificant, except for the cases when license renewal or carrying out licensed activity will presuppose requirements that are inappropriate for the Company or will be connected with excess expenditure, which can incite termination of this kind of activity.

If the license regulation changes, the Company will conform to the principles of new legislation

Risks Connected with Changes in Judiciary Law on Matters that Concern the Issuer's Activity (Including License Regulation) which Can Have Negative Impact on the Issuer's Performance, as well as the Results of the Current Litigations of the Issuer

Although law of practice is not applied in Russian legislation, court practice is valid for the law enforcement. Any pleas not delegating law system in direct way, presuppose in specific cases, call for legal norm interpretation, subject to application. For judicial bodies obligatory for application are the following:

- Resolutions of the Supreme Court Plenum (art. 126 of RF Constitution, art. 56 of RSFSR Law "On RSFSR Judicial System", art. 19 of federal constitutional law dd. 31.12.1996 No. 1-ΦK3 "On Judicial System of Russian Federation");
- Resolutions of the RF Highest Arbitration Court (art. 127 RF Constitution, art. 9,10 of FLS "About Arbitration Courts in RF");
- Constitutional Court Decisions (art. 6 of FLS "About RF Constitutional Court").

Judicial acts are used for legal norms to be interpreted and applied in the correct way.

2.5.5. Risks Connected with the Issuer' Activity

Labour Protection Risks

Specific of Company's activity presupposes serious professional training of the staff including labour protection spheres.

Accidents at the manufacture endanger life and health of the staff and may cause

suspension in work as well as property damage. To reduce the risk of staff injury the Company follows the principles of corporate “Policy in the sphere of labour protection and industrial safety” approved by the Board of Directors of OJSC “IDGC of the South”.

The Company carries on work on its staff training and professional development as well as that of specialists in labour protection. Briefings and training on safe techniques and methods of work are carried on by the Company. Data and requirements on labour safety are constantly revised. Ant-damage and fire-prevention training as well as duplication and other forms of work with the staff are carried on as regulated by current legislation. Studies of advanced domestic and foreign experience in labour protection improvement, its implementation in the branches of OJSC “IDGC of the South” alongside with obligatory forms of work with the staff are carried on.

In order to implement obligations in the sphere of labour protection taken by the Company, it follows principals and requirements of international standard OHSAS-18001-2007 “Labour Protection Management” as well as the requirements of local standardized documents, which are in force at the “IDGC of the South”:

- Policy in the sphere of health and labour protection;
- “Identification of Danger and Risk Assessment in the Sphere of Health and Labour Protection” standard of the Company;
- “Planning in the Sphere of Health and Labour Protection” standard of organization.

Yearly the Board of Directors approves the programme of staff traumatism risk reduction for the current year. The programme compiles principal measures including cost-based, aimed at staff traumatism prevention in the OJSC “IDGC of the South”. One of the traumatism risks is that of direct contact of the technical staff with the conducting grid parts (high-voltage lines).

Risks Connected with the Current Litigations of the Issuer

At present, the Issuer takes part in a number of juridical disputes connected with contestation of the so called “last mile” lease contracts, among them contracts on the use of electric power grid facilities included on the Unified National (all-Russia) Electric Grid (UNEG). Unfavourable legal decisions taken are fraught for the Issuer with shortfall in income the amount of which can significantly affect the Issuer’s financial and economic performance. Besides, rescission of grid facilities lease contract or recognition of the contract ceased to have its effect makes the consumers initiate proceeding to recover sums paid for services rendered in the relevant period as unjust enrichment. Unfavorable outcome of such proceedings bears a risk of further losses with the Issuer.

Risks Connected with Impossibility of the Issuer's License Renewal for a Certain Kind of Activity or Use of Facilities with Limited Recourse (Including Natural Resources)

Risks connected with impossibility to give further effect to the Issuer's license to carry out this or that type of activity or to use facilities of limited presence in circulation (including natural resources) are not traced now, except cases creating requirements the Issuer will not be able to meet although being in necessity of licence renewal or business activity subject to licensing.

Thus, risks connected with re-issuance of licenses are estimated as insignificant.

Risks Connected with Possible Responsibility of the Issuer under the Debts of Third Parties, Including the Issuer's Subsidiaries:

At present, the Issuer is not exposed to liability under debts of the third parties.

Liability for debts of subsidiary companies falls due in case the Issuer leads such companies to losses or bankruptcy through the Issuer's binding orders. But the Issuer makes all efforts to debar such a situation as long as this will go against the main aim of the Company which is profit earning.

Risks connected with possible responsibility of the Issuer under the debts of third parties are estimated by the Issuer's management as unimportant.

Liability for debts of "Kubanenergo" JSC, powers of the sole executive body of which were delegated to "IDGC of the South" JSC (agreement on transfer of sole executive functions of "Kubanenergo" JSC ceased to have effect in quarter IV, 2010), can occur only on the basis and in the order provided by the current legislation of the RF, namely Article 71 of Federal Law "On Joint Stock Companies" No. 208-Ф3 dd 26.12.1995. Moreover, indispensable condition of prosecuting "IDGC of the South", JSC consists in presence of guilty actions (failure to act). Considering abovementioned probability of such risks occurrence is low.

Risks Connected with Possibility to Lose Customers Turnover with who Makes at least 10 percent of Total Product (Works, Services) Sales Revenue of the Issuer

Existing risk is connected with opportunity for at-large consumers to switch to service provided by "UES Federal Grid Company" JSC.

According to Federal Law “On Electric Power Industry” No.35-Φ3 dd. 26.03.2003 management organization for the unified national (All-Russian) electricity grid (“UES FGC” JSC) is entitled to lease power grid facilities to regional grid companies by agreement with federal authorized executive bodies. “IDGC of the South”, JSC is a holder of a number of grid facilities in the Unified National Electricity Grid by virtue of treaties for the use of transmission facilities concluded with “UES FGC” JSC.

In case of termination of the treaties specified there might be a risk of transmission volume decrease and regional tariff increase.

As long as third-party companies have neither equipment nor craft labor (to maintain and repair the equipment) the specified risk may be estimated as an insignificant one.

Present item contains only the risks which are fundamental, according to the Issuer. There are likely other risks which have not been covered by the present section, those are risks the issuer has no conception of or the risks which are presently considered as nonessential and may exert negative influence onto the Issuer’s economic activity but implicitly.

III. Detailed Information on the Issuer

3.1. Incorporation History and Development of the Issuer

3.1.1. Data on Company Name (Name) of the Issuer

Full company name of the Issuer: Open Joint Stock Company “Interregional Distribution Grid Company of the South”

Short company name of the Issuer: “IDGC of the South”, JSC

The Issuer’s full or short company name (for a non-commercial entity - name) is similar to that of another juridical body

Name of such juridical bodies: “IDGC of the South” JSC

Explanations for preventing confusion of the specified company names:

In order not to confuse the Issuer’s short company name with that of the other company, it is necessary to pay attention to the company’s full name (Open Joint Stock Company “Interbank Regional Insurance Company”)

All previous company names of the Issuer throughout the Company’s lifetime

The Issuer’s company name has not changed throughout the Company’s lifetime.

3.1.2. Data on State Registration of the Issuer

Primary State Registration Number of juridical entity: 1076164009096

Date of registration: 28.06.2007

Name of registering authority: Federal Tax Service Office in Leninskiy district, Rostov-on-Don

3.1.3. Data on the Issuer’s Incorporation and Development

The Issuer’s lifetime from the date of state registration, and the term of the Issuer’s existence in case it was established for a certain term and for certain purpose:

The Issuer’s lifetime from state registration date till the end of the accounting period: 4 (four) years and 6 (six) months.

The Issuer was established without restriction to a time-limit.

Brief description of establishment and development history of the Issuer, goals of establishment mission (if any), and other information on the Issuer’s activity which is important for taking decision on the Issuer’s securities acquisition:

Reorganization process in the electric power industry began in 2000 with the elaboration of the strategy of reforming by RAO “UES of Russia”, JSC.

Goals and objectives of reorganization in electric power industry were determined by Executive order of the Government of the Russian Federation No.526 dated 11.07.2001 “On Reforming Electric Power System of the Russian Federation”. The goals and objectives with reference to subsequent changes in the regulatory environment were further specified in “Strategic Framework of JSC RAO “UES of Russia” for 2005-2008 “5+5” approved by Board of Directors of JSC RAO “UES of Russia” (Minutes No.143 dd 23.05.2003).

Strategic objective of Reorganization consists in turning electric power industry to steady growth on the basis of advanced technologies and market approach to performance, and thus providing reliable, economically effective satisfaction of payable demand for electric and thermal power both in the short-term and long-term perspectives.

Electric power enterprises efficiency enhancement and creating conditions for the industry’s development on the basis of private investment were considered to be key goals of industry’s Reorganization.

In April of 2007 Board of Directors of RAO “UES of Russia” (Minutes No. 250 dd 27.04.2007) decided to approve the configuration of Interregional Distributive Grid Companies (IDGCs), determined structure of Distributive Grid Companies (DGCs) forming IDGC configuration and the contribution of RAO “UES of Russia”, JSC in three newly established IDGCs, including “IDGC of the South”, JSC.

On June 28, 2007 “IDGC of the South”, JSC was registered on the basis of decision of sole founder –RAO “UES of Russia”, JSC (Executive order of RAO “UES of Russia”, JSC No.192p dd 22.06.2007).

Following the decision of Board of Directors of RAO “UES of Russia”, JSC (Minutes No.250 dd 27.04.2007), RAO “UES of Russia”, JSC and “FGC UES” (“Federal Grid Company Unified Energy Systems), JSC issued joint Executive order No.203p/217p dd 29.06.2007 on assignment of responsibility to CEOs of IDGCs for operation of subordinate juridical bodies.

In compliance with the decision specified, Gavrilov A.I., Chief Executive Officer of “IDGC of the South”, JSC was assigned responsibility of operation of the following DGCs: JSC “Astrakhanenergo”, JSC “Volgogradenergo”, JSC “Kubanenergo”, JSC “Rostovenergo”, JSC “Kalmenergo”.

In August and September of 2007, aiming at management efficiency improvement in the abovementioned DGCs, ensuing decisions of Extraordinary General Shareholders Meetings, “IDGC of the South”, JSC was delegated functions of the DGCs’ sole executive authorities.

On December 25, 2007 Management Board of RAO “UES of Russia”, JSC delegated functions of Extraordinary General Shareholders Meeting of “IDGC of the South”, JSC (Minutes No.1795пп/6), made the following decision: to reorganize “IDGC of the South”, JSC by affiliation of JSC “Astrakhanenergo”, JSC “Volgogradenergo”, JSC “Kubanenergo”, JSC “Rostovenergo”, JSC “Kalmenergo”; to approve the agreement on affiliating JSC “Astrakhanenergo”, JSC “Volgogradenergo”, JSC “Kubanenergo”, JSC “Rostovenergo”, JSC “Kalmenergo” to “IDGC of the South”, JSC; to increase authorized capital of “IDGC of the South”, JSC by placing supplement ordinary 80 789 200 000 shares with nominal value 10 kopecks each for total amount of 8 078 920 000 rubles at nominal value, placement method – conversion of DGC to shares of “IDGC of the South”, JSC.

On January 18, 2008, Extraordinary General Shareholders Meetings of five stated DGCs approved reorganization of the companies in the form of affiliation to “IDGC of the South”, JSC.

On March 31, 2008, reorganization of “IDGC of the South”, JSC in the form of affiliation of JSC “Volgogradenergo”, JSC “Kalmenergo”, JSC “Rostovenergo”, JSC “Astrakhanenergo” was completed; records were made in the Unified State Register of Legal Entities on termination of activities of affiliated Companies.

Since March 31, 2008, “IDGC of the South”, JSC began to conduct the business as a united operating company.

Reorganization of JSC “Kubanenergo” was suspended.

On March 06, 2008, “Нефт-Актив”, LLC, a shareholder of “Kubanenergo” brought a lawsuit against JSC “Kubanenergo”, the registrar “CMD” (“Central Moscow Depository”), JSC and “IDGC of the South”, JSC.

By the decision of Moscow Arbitration Court as of 11.06.2008 approved by higher courts decisions, a number of documents were nullified, namely: the decision of the extraordinary General Shareholders Meeting of “IDGC of the South”, JSC dated January 18, 2008, agreement dated December 03, 2007 regarding affiliation of “Kubanenergo”, JSC to “IDGC of the South”, JSC and transfer act on devolution of rights and obligations to “IDGC of the South”, JSC by “Kubanenergo”, JSC dated 03.12.2007.

From 14.09.2007 the Company was performing functions of a sole executive body of “Kubanenergo” JSC by virtue of the agreement.

By the decision of Board of Directors of “IDGC of the South” JSC (Minutes No. 55/2010 dd. 29.10.2010) termination of contract No. 407/30-1143/26 dd. 14.09.2007 about delegation of authorities of the sole executive body of “Kubanenergo” JSC to “IDGC of the South” JSC, the managing company was recognized as useful since 01.12.2010.

Since December 1, 2010 Astrakhan region, Volgograd region, Rostov region and Republic of Kalmykia are the Company's operation areas.

At the present time "IDGC of the South" JSC is in the group of companies, which are parts of "IDGC Holding" JSC, one of the biggest infrastructure companies of Russia controlling about 80% of distribution grid complex of the country, and takes dominant position in the transport service market of Southern Federal District.

"IDGC of the South" JSC aims at gaining leading positions in the industry, and for this purpose, the company has determined Its Mission, Values and Strategic Goals for the period preceding 2016.

The Mission of "IDGC of the South" JSC

- We are a fold, professionals, making a base for stable development of economy in regions of the South of Russia and basing ourselves upon consolidation of energetic assets and improvement of efficiency of power supply as well as upon successful experience of every employee of the Company and of our partners.
- We are taking care of faster growth of the grids and providing availability of electric power for the consumers while trying to make it possible for them to use electricity where, when and in the volume the consumers need.
- We endeavour to create favourable conditions for activity of each of ours employees doing for opportunity to unlock their potential and maintain their health.

Vision Statement of "IDGC of the South" JSC

- By 2016 "IDGC of the South" JSC will have become an up-to-date distribution grid company representing a team of professionals, sharing a common goal, managing unified high-tech grids with low depreciation percentage.
- "IDGC of the South" JSC is an attractive employer at high level of social responsibility. Efficient structure provides for optimal balance in sharing functions of structural subdivisions between the Company's management levels.
- Quality of our services makes it possible for us to take leading positions among distribution grid companies of Eastern Europe and expand our regular customers' base.

- The financial status provides for accumulation of assets for the further stable development of not only our company but Southern Federal District of Russia as well.

Values of “IDGC of the South” JSC

- Reliability (reducing time of shortfalls);
- Responsibility (such subjective attitude of the Company’s employees to their work, when they realize importance of the task and are responsible for their performance).
- Customer centricity (reflects the place of client interests in priority system of the Company as efforts of the Company’s executives to meet the customers’ requirements);
- Leadership (a character feature of a personality enabling board and mid-level managers of the Company to form a team and take up the running).
- Professionalism (an ability to achieve the best results in the professional field for the good of the Company at a minimum input).
- Social responsibility (board level managers realizing their responsibility to society, consumers, personnel, shareholders and future generations, recognizing their influence and endeavouring to minimize negative impact on the matters specified).
- Steadiness (ability of the Company to work for a long period without sharp negative changes within Its internal environment developing and introducing up-to-date technologies at the same time).

Integrated management system has been developed, introduced and certified at “IDGC of the South” JSC. The system has been working effectively and in a worthwhile manner as a system meeting international standards ISO 9001:2008 “Quality Management Systems. Requirements”, ISO 14001:2004 “Environmental Management Systems. Requirements and Implementation Guidance”, OHAS 18001:2007 “System of Occupational Safety and Health Management”.

In December of 2010 the first compliance audit by SGS certification authorities was successfully gone through by “IDGC of the South” JSC, which confirms certificates of compliance with international standards for the period preceding 2012.

In present-day environment strategic goals of “IDGC of the South” JSC are as follows:

- improvement of reliability and quality of services provided by the Company, including reduction of depreciation of the Company's electric grid facilities;
- improvement of operational efficiency, including:
 - reducing transaction costs and electricity loss level;
 - improving the Company's rate of return;
- increase of investment attractiveness of securities of "IDGC of the South" JSC, including increase of the Company's capital authorization, and switching to RAB-regulation;
- improvement of power efficiency of electric grid facilities, buildings and constructions as well as providing the Company's upgrading;
- improvement of availability of electric grid infrastructure, including:
 - satisfying demand and making electric power reserve in the volume outpacing economic growth for 3 – 5 years;
 - growth of share of electricity service market within the territories supplied;
- human capital asset development.

To improve the level of customer satisfaction with the Company's services by way of enhancing the service, as of September 30, 2011 there are 17 front-offices and 109 groups of technological connection and services, among which:

in "Astrakhanenergo" branch of "IDGC of the South" – 1 front-office and 15 groups of technological connection and services

- 1) Central front-office in Astrakhan;
- 2) groups of technological connection and services in Akhtubinsk;
- 3) groups of technological connection and services at Enotaevskiy Distribution Zone, Enotaevka village;
- 4) groups of technological connection and services at Kharabalinskiy Distribution Zone, Kharabali;
- 5) groups of technological connection and services at Ikryaninskiy Distribution Zone, Ikryanoe village;

- 6) groups of technological connection and services at Pravoberezhnyi Distribution Zone, Solyanka village;
- 7) groups of technological connection and services at Volodarskiy Distribution Zone, Volodarskiy settlement;
- 8) groups of technological connection and services at Chernoyarskiy Distribution Zone, Chernyi Yar village;
- 9) groups of technological connection and services at Krasnoyarskiy Distribution Zone, Krasnyi Yar village;
- 10) groups of technological connection and services at Limanskiy Distribution Zone, Liman worker's settlement;
- 11) groups of technological connection and services at Privolzhskiy Distribution Zone, Nachalovo village;
- 12) groups of technological connection and services at Kamyzyakskiy Distribution Zone, Kamyzyak,
- 13) groups of technological connection and services and central distribution zone in Znamensk
- 14) groups of technological connection and services of Chernoyarskiy distribution zone, Cherniy Yar villga
- 15) groups of technological connection and services in Trusovskiy distribution zone, Astrakhan
- 16) groups of technological connection and services in Zaboldinskiy distribution zone, Astrakhan.

6 Customer Service Centers and 36 groups of technological connection and services at “Volgogradenergo” branch of “IDGC of the South” JSC:

- 17) Customer Service Center of “Volgograd Electric Grids”, Operating Department, Volgograd;
- 18) Dubovskiy Customer Service Office at “Volgograd Electric Grids” Operating Department of the Distribution Zone, Dubovka;
- 19) Gorodischenskiy Customer Service Office at “Volgograd Electric Grids” Operating Department of the Distribution Zone, Gorodische worker's settlement;

- 20) Customer Service Center of “Pravoberezhnye Electric Grids” Operating Department, Volgograd;
- 21) Kotelnikovskiy Customer Service Office at “Pravoberezhnye Electric Grids” Operating Department of the Distribution Zone, Kotelnikovo;
- 22) Customer Service Center of “Levoberezhnye Electric Grids” Operating Department, Volzhsky;
- 23) Pallasovsky Customer Service Office at “Levoberezhnye Electric Grids” Operating Department of the Distribution Zone, Volzhsky;
- 24) Sredneakhtubinskiy Customer Service Office at “Levoberezhnye Electric Grids” Operating Department of the Distribution Zone, Srednyaya Akhtuba worker’s settlement;
- 25) Customer Service Center of “Uryupinskie Electric Grids” Operating Department, Uryupinsk;
- 26) Customer Service Center of “Kamyshinskie Electric Grids” Operating Department, Kamyshin;
- 27) Elansky Customer Service Office at “Kamyshinskie Electric Grids” Operating Department of the Distribution Zone, Elan worker’s settlement;
- 28) Customer Service Center of “Mikhailovskie Electric Grids” Operating Department, Mikhailovka;
- 29) Logovsky Customer Service Office at “Mikhailovskie Electric Grids” Operating Department of the Distribution Zone, Log urban village,
- 30) Front office “Volgograd electric grids”, Volgograd
- 31) groups of technological connection and services at Dubrovskiy distribution zone, Dubrovka
- 32) groups of technological connection and services at Gorodischenskiy distribution zone, Gorodische district
- 33) groups of technological connection and services at Gorodskoy distribution zone, Volgograd
- 34) groups of technological connection and services at Kalachaevskiy distribution zone, Kalach-on-Don
- 35) groups of technological connection and services at Krasnoarmeiskiy distribution zone, Volgograd

- 36) groups of technological connection and services at Parkhomenskiy distribution zone, Parkhomenko village
- 37) front office “Kamyshenskiye electric grids”, Kamyshin
- 38) groups of technological connection and services at Petropavlovskiy distribution zone, Petrov Val
- 39) groups of technological connection and services at Olkhovskiy distribution zone, Olkhovka village
- 40) groups of technological connection and services at Krasnoyarskiy distribution zone, Krasniy Yar village
- 41) groups of technological connection and services at Kotovskiy distribution zone, Kotovo
- 42) groups of technological connection and services at Danilovskiy distribution zone, Danilovka village
- 43) groups of technological connection and services at Rudnyanskiy distribution zone, village Rudnya
- 44) groups of technological connection and services at Elanskiy distribution zone, Yelan village
- 45) front office “Mikhailovskiye electric grids”, Mikhailovka
- 46) groups of technological connection and services at Mikhailovskiy distribution zone, Mikhailovka
- 47) groups of technological connection and services at Kumylzhenskiy distribution zone, Kumylzhenskaya village
- 48) groups of technological connection and services at Logovskiy distribution zone, Log village
- 49) groups of technological connection and services at Serafimovichskiy distribution zone, Serafimovich
- 50) groups of technological connection and services at Kletskiy distribution zone, Kletskaya village
- 51) groups of technological connection and services at Frolovskiy distribution zone, Frolovo
- 52) front office “Uryupinskiye electric grids”, Uryupinsk

- 53) groups of technological connection and services at Uryupinskiy distribution zone, Uryupinsk
- 54) groups of technological connection and services at Novoanninskiy distribution zone, Novoanninskiy
- 55) groups of technological connection and services at Nekhaevskiy distribution zone, Nekhaevskaya village
- 56) groups of technological connection and services at Alekseevskiy distribution zone, Alekseevskaya village
- 57) groups of technological connection and services at Novonikolaevskiy distribution zone, Novonikolaevskiy village
- 58) groups of technological connection and services at Kikvidzenskiy distribution zone, Preobrazhenskaya village

“Rostovenergo” branch of “IDGC of the South” JSC - 9 front offices and 45 groups of technological connection and services:

- 59) Central front office in Rostov-on-Don;
- 60) Front Office in Novocherkassk;
- 61) Front Office in Shakhty;
- 62) Front Office in Tsimlyansk;
- 63) Front Office in Azov;
- 64) Front Office in Kamensk-Shakhtinskiy;
- 65) Front Office in Taganrog;
- 66) Front Office in Salsk;
- 67) Front Office in Millerovo;
- 68) Groups of technological connection and services in Aksaiskiy distribution zone, Aksai;
- 69) Groups of technological connection and services in Bagaevskiy distribution zone, Bagaevskaya village;
- 70) Groups of technological connection and services in Veselovskiy distribution zone, Vesoyliy village;
- 71) Groups of technological connection and services in Semikarakorskiy distribution zone, Semikarakorsk;
- 72) Groups of technological connection and services in Krasno-Sulinskiy distribution zone, Krasniy Sulin;
- 73) Groups of technological connection and services in Oktyabrskiy distribution zone, Kamenolomny;
- 74) Groups of technological connection and services in Rodionovo-

- Nesvetaiskiy distribution zone, Rodionovo-Nesvetaiskaya village;
- 75) Groups of technological connection and services in Ust-Donetskiy distribution zone, Aparinskiy village;
- 76) Groups of technological connection and services in Volgogradskiy distribution zone, Romanovskaya village;
- 77) Groups of technological connection and services in Dubovskiy distribution zone, Dubovskoye village;
- 78) Groups of technological connection and services in Konstantinovskiy distribution zone, Konstantinovsk;
- 79) Groups of technological connection and services in Martynovskiy distribution zone, Martynovka village;
- 80) Groups of technological connection and services in Zimovnikovskiy distribution zone, Zimovnikovskiy village;
- 81) Groups of technological connection and services in Zavetinskiy distribution zone, Zavetinskoye village;
- 82) Groups of technological connection and services in Tsimlyanskiy distribution zone, Tsimlyansk;
- 83) Groups of technological connection and services in Remontnenskiy distribution zone, Remontnoye village;
- 84) Groups of technological connection and services in Azovskiy distribution zone, Azov;
- 85) Groups of technological connection and services in Zernogradskiy distribution zone, Zernograd;
- 86) Groups of technological connection and services in Kagalnitskiy distribution zone, Kagalnitskaya village;
- 87) Groups of technological connection and services in Yegorlytskiy distribution zone, Yegorlytskaya village;
- 88) Groups of technological connection and services in Taganrogskiy distribution zone, Taganrog;
- 89) Groups of technological connection and services in Matveyevo-Kurganinskiy distribution zone, Matveyevo-Kurgan village;
- 90) Groups of technological connection and services in Kuibyshevskiy distribution zone, Kuibyshevo village;
- 91) Groups of technological connection and services in Neklinovskiy distribution zone, Troitskoye village;
- 92) Groups of technological connection and services in Miysskiy distribution zone, Russkiy Kolodets village;
- 93) Groups of technological connection and services in Chaltyrskiy distribution zone, Chaltyr village;
- 94) Groups of technological connection and services in Tarasovskiy distribution zone, Tarasovskiy village;

- 95) Groups of technological connection and services in Kamenskiy distribution zone, Stanitsa village;
- 96) Groups of technological connection and services in Belokalitvenskiy distribution zone, Belaya Kalitva;
- 97) Groups of technological connection and services in Tatsinskiy distribution zone, Tatsinskaya village;
- 98) Groups of technological connection and services in Morozovski distribution zone, Morozovsk;
- 99) Groups of technological connection and services in Milyutinskiy distribution zone, N.Kuznetsov village;
- 100) Groups of technological connection and services in Oblivskiy distribution zone, Oblivskaya village;
- 101) Groups of technological connection and services in Sovetskiy distribution zone, Sovetskaya village;
- 102) Groups of technological connection and services in Orlovskiy distribution zone, Orlovskiy village;
- 103) Groups of technological connection and services in Peschanokopskiy distribution zone, Peschanokopskoye village;
- 104) Groups of technological connection and services in Proletarskiy distribution zone, Proletarsk;
- 105) Groups of technological connection and services in Salskiy distribution zones, Salsks;
- 106) Groups of technological connection and services in Tselinskiy distribution zone, Tselina village;
- 107) Groups of technological connection and services in Millerovski distribution zone, Millerovo;
- 108) Groups of technological connection and services in Kasharskiy distribution zone, Kashary village;
- 109) Groups of technological connection and services in Chertkovskiy distribution zone, Chertkovo village;
- 110) Groups of technological connection and services in Bokovski distribution zone, Bokovskaya village;
- 111) Groups of technological connection and services in Verkhnedonskiy distribution zone, Kazanskaya village;
- 112) Groups of technological connection and services in Sholokhovskiy distribution zone, Veshenskaya village;

in “Kalmnenergo” branch of “IDGC of the South” JSC: 1 office and 13 Groups of technological connection and services:

- 113) Central front office in Elista;
- 114) Groups of technological connection and services in Laganskiy distribution

zone, Lagan;

115) Groups of technological connection and services in Chernozemelskiy distribution zone, Komsomolskiy village;

116) Groups of technological connection and services in Sarpinskiy distribution zone, Sadovoye village;

117) Groups of technological connection and services in Ketchenerovskiy distribution zone – Ketchenery village;

118) Groups of technological connection and services in Yustinskiy distribution zone – Tsygan-Aman village;

119) Groups of technological connection and services in Oktyabskiy distribution zone – Bolshoy Tsygan village;

120) Groups of technological connection and services in Maloderbetovskiy distribution zone – Malye Derbety village;

121) Groups of technological connection and services in Gorodovikovskiy distribution zone – Gorodovikovsk;

122) Groups of technological connection and services in Yashaltinskiy distribution zone – Yashalta village;

123) Groups of technological connection and services in Yashkulskiy distribution zone – Yashkul village;

124) Groups of technological connection and services in Priyutnenskiy distribution zone – Priyutnie village;

125) Groups of technological connection and services in Troitskiy distribution zone – Troitskiy village;

126) Groups of technological connection and services in Iki-Burulskiy distribution zone – Iki-Burul village

In 2011 “Customer-Centric Policy of “IDGC of the South” JSC was approved by Order of the Company’s CEO No. 56, dd. 07.02.2011.

Claiming Its responsibility to the society as a whole and all the parties interested (nonworking pensioners, personnel, shareholders, service consumers, contractors, public commercial and non-commercial organizations, state authorities and local authorities, the state, mass media, future generations) the Company’s top management is planning works on conformation of social responsibility system with the requirements of international standard “Social Responsibility” SA 8000.

3.1.4. Contact Information

Location: 49 Bolshaya Sadovaya st., Rostov-on-Don, Russia, 344002

Location of permanent executive body

49 Bolshaya Sadovaya st, Rostov-on-Don, Russia, 344002

Postal address

327 Severnaya st, Krasnodar, Russian Federation, 350015

Telephone: (861)279-88-08

Fax: (861)279-88-09

E-mail: office@mrsk-yuga.ru

Internet website address (addresses) for information disclosure on the Issuer, the securities issued and/ or in the process of issuance: www.mrsk-yuga.ru.

Name of the Issuer's specialized division for shareholders and investors: Securities and shareholders division of the Corporate Management Department of "IDGC of the South", JSC.

Location of the division: Room 627, 327 Severnaya st, Krasnodar, Russian Federation, 350015

Telephone: (861)279-85-38

Fax: (861)279-85-86

E-mail: yurchenkoai@mrsk-yuga.ru

Internet website address: www.mrsk-yuga.ru

3.1.5. Taxpayer Identification Number

6164266561

3.1.6. Branches and Regional Offices of the Issuer

In the reporting quarter directors of the branches of "IDGC of the South" JSC were given letters of attorney with validity terms specified:

- Goncharov Pavel Viktorovich, director of "Astrakhanenergo" branch of "IDGC of the South" JSC; validity term of attorney – 26.12.2011 to 31.12.2012
- Kalnyuk Yegor Vladimirovich, director of "Volgogradenergo" branch of

“IDGC of the South” JSC; validity term of attorney – 26.12.2011 to 31.12.2012

- Alaev Timur Ulyumdzhevich, director of “Kalmenergo” branch of “IDGC of the South” JSC; validity term of attorney – 26.12.2011 to 31.12.2012
- Fyodorov Nikolay Vladimirovich, acting director of “Rostovenergo” branch of “IDGC of the South” JSC; validity term of attorney – 26.12.2011 to 31.12.2012

On 07.12.2011 the Company’s BoD has proposed Kuzhilin Aleksandr Vladimirovich, deputy director general – chief of staff of “IDGC of the South” JSC, for the position of director of “Kubanenergo” branch of “IDGC of the South” JSC.

Starting from 01.01.2012 Kuzhilin Aleksandr Vladimirovich occupies the position of director of “Kubanenergo” branch of “IDGC of the South” JSC.

3.2. Ordinary Economic Activity of the Issuer

3.2.1. Company’s Industry of the Issuer

OKVED codes
40.10.2
40.10.3
40.10.5
74.14
74.15.2
64.20.11

3.2.2. Principal Economic Activity of the Issuer

The information is not provided in the 4th quarterly report

3.2.3. Materials, Goods (Raw Materials) and Suppliers of the Issuer

The information is not provided in the 4th quarterly report

3.2.4. Commodity Markets of Products (Works, Services) of the Issuer

Basic Markets of the Issuer’s Operation:

“IDGC of the South” JSC brings together distribution grid complexes of 4

constituent entities of the Russian Federation: Republic of Kalmykia, Astrakhan region, Volgograd region and Rostov region.

Issuer's ordinary activity is rendering services of electric power transmission and technological connection of power receivers (electric power installations) owned by legal persons and individuals to electric power grids.

The Issuer carries out its ordinary activity in conditions of natural monopoly, state regulated as to setting tariffs for rendering services of electric power transmission and technological connection of the customers to the electric grid. With regard to growing demand for electric power in the configuration areas, the Issuer pays special attention to development, restructuring and enhancing transmission capacity of the electric grid facilities, expecting increase in electric power transmission service volumes.

Electric power transmission services provided by the branches of "IDGC of the South", JSC are consumed by participants of wholesale and retail electric power markets. According to accounting data of quarter IV of 2011, 8 guarantee suppliers, 21 independent power supply companies, 53 "direct" consumers and 8 associated grid entities were registered.

To ensure customer base expansion "IDGC of the South", JSC enters into direct contracts with customers for rendering transport services.

Factors of Possible Negative Impact on the Issuer's Product (Works, Services)
Sales and Probable Actions of the Issuer on Mitigation of Such Impact:

General changes to legislation basis and absence of regional development programmes can possibly have a negative impact on the volume and quality of services on technological connection of power receivers (electric power plants).

To reduce the impact of these factors, the Issuer shall agree its development plans upon development plans in the regions of the service area.

3.2.5. Data on the Issuer' Licenses

License issuing authority: Subsurface Management Department in Volgograd region

Number: БЖГ No. 01550 БЭ

Name of activity (activities): Abstraction of underground water for domestic and industrial needs, watering planted land of "Danilovka" Substation

Date of issue: 26.05.2008

Valid until: 01.01.2034

License issuing authority: Federal Technical Regulation and Metrology Agency

Number: 004288-P

Name of activity (activities): License to repair instrumentation

Date of issue: 24.01.2008

Valid until: 24.01.2013

License issuing authority: Volgograd Area Office for Subsurface Use

Number: БЖГ No. 01549 БЭ

Name of activity (activities): Extraction of underground water for domestic and industrial needs, irrigation of green spaces at Kalinin substation in Sredneakhtubinskiy district.

Date of issue: 26.05.2008

Valid until: 30.06.2011

License issuing authority: Volgograd Area Office for Subsurface Use

Number: БЖГ No. 01549 БЭ

Name of activity (activities): Extraction of underground water for domestic and industrial needs, irrigation of green spaces at Log worker's settlement, Ilovliipskiy district

Date of issue: 16.05.2008

Valid until: 01.01.2033

License issuing authority: Federal Agency for Subsoil Use, Department of Mineral Resources of the Southern Federal District

Number: PCT 01958

Name of activity (activities): Extraction of groundwater for process water supply of industrial facility from the hole in Novokuznetsov hamlet, Milyutinsky district of Rostov region

Date of issue: 29.12.2008

Valid until: 30.09.2012

License issuing authority: Federal Agency for Subsoil Use, Department of Mineral Resources of the Southern Federal District

Number: PCT 01952

Name of activity (activities): Extraction of underground drinking waters for process water supply of the industrial facility from the hole in Volgodonsk, Rostov region

Date of issue: 29.12.2008

Valid until: 28.12.2013

License issuing authority: Federal Agency for Subsoil Use, Department of Mineral Resources of the Southern Federal District

Number: PCT 01962

Name of activity (activities): Extraction of technical groundwater for process water supply of the industrial facility from the hole in Kalitvenskaya village, Kamenskiy district of Rostov region

Date of issue: 29.12.2008

Valid until: 31.10.2012

License issuing authority: Federal Agency for Subsoil Use, Department of Mineral Resources of the Southern Federal District

Number: PCT 01957

Name of activity (activities): Extraction of technical groundwater for process water supply of the industrial facility from the hole in Staraya Stanitsa hamlet, Kamenskiy district of Rostov region

Date of issue: 29.12.2008

Valid until: 30.09.2012

License issuing authority: Federal Agency for Subsoil Use, Department of

Mineral Resources of the Southern Federal District

Number: PCT 01961

Name of activity (activities): Extraction of technical groundwater for process water supply of the industrial facility from the hole in Golubinka hamlet, Belokalitvinsky district of Rostov region

Date of issue: 29.12.2008

Valid until: 31.10.2012

License issuing authority: Federal Agency for Subsoil Use, Department of Mineral Resources of the Southern Federal District

Number: PCT 01960

Name of activity (activities): Extraction of technical groundwater for process water supply of the industrial facility from the hole in Kolushkino hamlet, Tarasovsky district of Rostov region

Date of issue: 29.12.2008

Valid until: 30.09.2012

License issuing authority: Federal Agency for Subsoil Use, Department of Mineral Resources of the Southern Federal District

Number: PCT 01959

Name of activity (activities): Extraction of technical groundwater for process water supply of the industrial facility from the hole in Tatsinskaya village, Tatsinsky district of Rostov region

Date of issue: 29.12.2008

Valid until: 30.09.2012

License issuing authority: Federal Service for Supervision in the Sphere of Communications, Information Technology and Mass Communications

Number: 68956

Name of activity (activities): Services of local telephone communication, except

for services of local telephone communication via pay telephones and electronic-sharing capabilities

Date of issue: 06.08.2009

Valid until: 06.08.2014

License issuing authority: Federal Service for Supervision in the Sphere of Communications, Information Technology and Mass Communications

Number: 68957

Name of activity (activities): Providing services on communication channels lease in Volgograd region

Date of issue: 06.08.2009

Valid until: 06.08.2014

License issuing authority: Federal Service for Supervision in the Sphere of Communications, Information Technology and Mass Communications

Number: 68958

Name of activity (activities): Providing services on communication channels lease in Rostov Area

Date of issue: 06.08.2009

Valid until: 06.08.2014

License issuing authority: "Energostroy" NPO, Self-Regulatory Organization

Number: 0265.01-2010-6164266561-C-060

Name of activity (activities): Admission to a particular kind or kinds of works that have (has) an impact on the security of capital construction projects

Date of issue: 08.09.2010

Perpetual licence

License issuing authority: Federal Service for Environmental, Technological and Nuclear Supervision

Number: No. БИ-29-001130

Name of activity (activities): Operation and maintenance of explosion and fire hazardous facilities

Date of issue: 15.01.2010

Valid until: 15.01.2015

License issuing authority: “Energoproekt” NPO, Self-Regulatory Organization

Number: П-0251-01-2010-0262

Name of activity (activities): Admission to works on front end engineering design of capital construction projects

Date of issue: 14.04.2010

Perpetual licence

According to provisions listed in cl. 8 of The Regulations on Licensing of the Activities of Companies, Institutions and Organizations against Handling of Services Related to Information Classified as State Secret, approved by Russian Federation Government resolution No.33 dd. 15.04.1995; under supervision of Federal Security Service Directorate of Russian Federation (FSB of Russia) in Krasnodar Region “IDGS of the South”, JSC has obtained a temporary authorization against handling of services related to information classified as State Secret.

In the fourth quarter of 2011 the Company concluded contracts for acquisition of licenses for the following software:

1. Right to use certain licensed software of Microsoft.
2. Right to use SAP software.
3. Software mySAP Business Suite.
4. License to use data cryptographic protection facilities “КриптоПро CSP 3.6” for 2 working places 2 (digital signature).
5. License to use software system GrandSmeta - 1 (one) additional working place.

The total cost of software purchased in quarter IV, 2011 made up **77 997 010.64** rubles, exclusive of VAT according to item 2, article 149, Tax Code of RF.

The Issuer has all the licenses necessary for carrying out its economic activity. The licenses mostly are subject to withdrawal in case of failure to fulfill license requirements, if taxes and duties are not paid in time, if regular failure to submit information takes place or any other obligations stipulated by the licenses are not observed.

The Issuer fulfills license requirements, takes all the necessary actions to obtain, keep in force and renew licenses, as well as minimize the probability of license suspension, change or withdrawal. Consequently, the Issuer does not expect any complications in license renewal related with the Issuer's activities.

3.2.6. Joint Activity of the Issuer

As of 31.12.211, long-term investments to joint activity amounted 23 563 thous. rbs, including:

- according to contract No.28 dd 15.09.1993 with RAO "UES", JSC – legal successor of "IDGC Holding", JSC - (construction and maintenance of Elistinskaya Gas and Steam Turbine Power Station) – 15 725 thous. rbs;
- according to contract No.29 dd 15.09.1993 with "Irganayskaya Hydroelectric Power Station", JSC – legal successor of "RusHydro", JSC (construction and operation of Kalmytskaya Wind Power Station) – 7 838 thous. rbs.

Joint activity participant	Amount of investment as of 30.06.2011, thous. rbs	Investment purpose (profit gaining, other purposes)	Financial result of the accounting quarter
RusHydro, JSC	7 838	Construction of generating capacities – experimental 22 MV Kalmytskaya Wind Power Station; Providing the Republic of Kalmykia with own power capacities; Using innovative renewable energy sources; Electric power energy production and gaining profit (income) from the sales.	Construction was not completed
IDGC Holding JSC	15 725	Construction of generating capacities – experimental Elistinskaya Gas and Steam Turbine power station with 320 MW capacity; Electric power energy production and gaining profit (income) from the sales	Construction was not completed

Financial result gained: construction of Elistinskaya Gas and Steam Turbine Power Station and Kalmytskaya Wind Power Station was not completed, and therefore the Issuer gained no profit in the accounting period.

3.3. Plans for Future Activity of the Issuer

“IDGC of the South” JSC is one of the biggest energy companies and the “youngest” one within the territory of Southern Federal District of Russian Federation; the Company occupies a dominant position in transport services market.

Plans for the future activity of “IDGC of the South”, JSC are determined by goals and objectives of reforming of the Russian Federation grid complex.

Strategic Aims of “IDGC of the South” JSC for the Period Preceding 2016

- To lower deterioration of equipment from 78.8% as of 01.01.2010 to 64% by 01.01.2016.
- To expand fund raising from 75% as of 01.01.2010 to 100 as of 01.01.2016.
- To come to net profit ratio complying with RAS, that is from negative profit amounted 1.1 bln rbs as of 01.01.2010 to 5 bln rbs profit by 01.01.2016.
- To increase the Company’s capitalization from 8.9 bln rbs as of 01.01.2010 to 30 bln rbs by 01.01.2016.
- To extend regional grids (thorough integration with subordinate electric grid companies).
- To enhance earning level from 24000 rbs as of 01.01.2010 to 35000 rbs by 01.01.2016.

Basic Goals in Improving the Company’s Transport Service Quality

- Development and selection of up-to-date software product to form the volume of transport service with an opportunity for information exchange with retail companies.
- Development and application of unified procedure for forming volume of services rendered to residential users when the services are not paid for and check-out reading is not taken; elaboration of proposals on alterations to current legislation in order to fix univocal conditions for selecting the

tariff and value of power applied for; negotiating conditions of the procedures in question when concluding contracts with retail companies.

- Arrangement and updating of instrumental metering according to Federal Law “On Energy Saving, Improving Power Efficiency and Alterations to Several Enactments of Russian Federation” No. 261-ФЗ dd. 23.11.2009, including:
 - provision of extra services (in installation, replacement and maintenance of consumer accounting devices and systems etc.);
 - disposal of the issue of appropriation of budgetary funds for equipping service connections with energy accounting meters, with the authorities in constituent entities of the Russian Federation and local authorities.
- Initiation of amendments to legislation of RF on the following issues:
 - contributing to approval of efficient methods for calculating energy consumption standards;
 - approving Rules on Electric Power Usage;
 - approving Rules on Revenue Metering.

Basic Goals in Improving Efficiency of Consumer Supply and Availability of Electric Grid Infrastructure

In order to provide uninterrupted and reliable operation of electric grids of “IDGC of the South” JSC and possibility to connect to electric grids new consumers the Company need to improve technical and economic factors.

Thanks to numerous reconstruction projects and technical re-equipment the grids efficiency will be increased. Along with it, new technical solutions should constitute the projects of modernization of facilities.

Basic Goals in Improving Efficiency of Electric Grid Facilities, Buildings and Constructions and in Ensuring Innovative Development of the Company

Basic activities in the sphere of increasing energy efficiency of facilities, buildings and constructions:

In 2011 energy audit at electric grids facilities, administrative and production buildings was performed. The meeting of Company BoD had approved the Program of energy saving and increasing energy efficiency for 2011 with prognosis up to 2015, the Program presupposes the reduction of use of resources

for domestic purposes as well as reduction of energy losses due to leveling the 6-110kV grids load, transferring to reserve the unloaded transformers, load shedding of overloaded sectors of transmission lines, application of self-supporting insulated conductor, detecting and eliminating imbalance of electric energy, etc; the increase of grids capacity due to activities on reactive power control.

In 2011 “IDGC of the South” JSC has worked out a Program of Company’s innovation-based development that included R&D works and also introduction of innovation-based developments.

In the result of the activities performed under the Program of innovation-based development the new equipment and technologies will be implemented and introduced.

Information on key services of “IDGC of the South” JSC

Organization of new production, development of new products, changing of issuer’s key activity is not planned.

Development of electric grid complex is performed in accordance with the project of perspective development of electric grids and requirements conditioned by technical state of technological connection of consumers to Company’s electric grids.

Information on technological connection of new consumers

This activity is aimed to meet the growing demand of economy of South of Russia for larger capacities. It is also planned to switch to unified system of forming and accepting the payment for technological connection and to come into agreement with customers while fixing the price of technological connection.

The Company connects not only large industrial facilities but also socially important ones.

This year “Rostovenergo” branch of the Company plans to implement two large projects: construction of 35KV Dugino substation and modernization of 110kV P-29 substation. The total amount of capital investments exceeds 100 million rubles.

IDGC of the South branches also connect such facilities as schools, housing blocks, warehouses, production bases, pumping stations.

IDGC of the South also participates in development of agriculture of the regions, for instance “Volgogradenergo” and “Rostovenergo” have concluded agreements on technological connection of the following facilities:

- Plant for agriculture products storing and processing (Geteks LLC);
- Farm “Broiler chicken fattening” (16 tons of meat per year), production building (Krasnodonskoye JSC);
- Greenhouse centre “Rostovskiy”;
- Cheese factory (cheese factory “Semikarakorskiy” JSC);

“Astrakhanenergo” branch has fulfilled the contract on technological connection of Musical Theatre in Astrakhan, the demanded capacity is 3200kW.

“Volgogradenergo” and “Gazprom transgaz Volgograd” have concluded an agreement on technological connection of culture and sport centre in Voroshilovskiy district of Volgograd, which will be put into operation in 2013, total capacity is 1000kW.

“Astrakhanenergo” has fulfilled its obligations on contract on technological connection of generating facility – gas-turbine plant 11kV at Astrakhan regional power station (GRES) (customer – Lukoil-Astrakhanenergo LLC).

Modernization (replacement of outdated equipment) of Astrakhan regional power station allowed not only the increase of output power to grids but also to provide stability in energy supply housing block and plants, and this would defiantly have positive impact on economy of the region.

As for Lukoil-Astrakhanenergo LLC the sky is the only limit, the company plans to conclude in 2013 another contract with “Astrakhanenergo” on connection to the grids the generating equipment of gas-turbine installation PGU-235 at “Tsentralnaya” boiler station in Astrakhan.

Cooperation of “IDGC of the South” JSC and RZhD JSC (Russian Railways) was strengthened by concluding contracts, one of which is technological connection to electric grids of “Rostovenergo” 110kV “Remontnaya” railroad substation with two transformers of 40MVA.

- 110 kV OPS 3 Substation;
- 110 kV OPS 2 Substation.

Apart from it, in the third quarter “Kalmenergo” branch of “IDGC of the South” JSC and “Stroynovatsiya” LLC have concluded a contract on technological connection and energy supply to construction site within the project of modernization of pumping station “Komsomolskaya”.

Within the framework of investment program of “IDGC of the South” JSC, volumes of investments for the construction of substations, overhaul and development of operating substations, replacement of supply transformers, construction and overhaul of high voltage lines were approved as related to each of the branches of “IDGC of the South” JSC.

Scheduled investment volume of “IDGC of the South”, JSC for 2012 - 2017 is estimated follows:

branch of IDGC of the South	Investments, mln rbs						
	2012	2013	2014	2015	2016	2017	2012-2017

Executive office	46.311	48.178	51.227	54.975	63.528	264.22	46.311
Astrakhanenergo	866.15 3	921.66	891.20 5	1022.0 53	1121.609	4 822.68	866.153
Volgogradenergo	513.04 9	930.29 7	828.78 2	826.91 6	885.497	3 984.54	513.049
Kalmenergo	69.91	93.084	73.203	86.354	149.983	472.53	69.91
Rostovenergo	2565.8 77	3753.2 77	4831.4 1	2375.4 63	2551.446	16 077.47	2565.877
IDGC of the South total	4061.3	5746.4 96	6675.8 27	4365.7 61	4772.063	25 621.45	4061.3

The programmes should be carried out according to the technical policy adopted by “IDGC Holding”, JSC. Relating to power grids the policy is determined by key strategic development goals of the Unified National Energy System which are as follows:

- creating grid and technological infrastructures to enable efficient functioning of the competitive electric power market within the Russian Federation and ensuring international power market integration;
- overcoming deterioration of fixed assets and electric grids and grid facilities through scaling-up their overhaul and retrofitting (re-equipment of substations, retrofitting of high-voltage power transmission lines, upgrade and development of information infrastructure).

Information on the investment projects:

The Investment programme of “IDGC of the South” for 2012 – 2017 (hereafter – the Programme) is elaborated in accordance with conditions specified by the Holding IDGC and with regard of estimated changes in tariff and balance decisions.

The Programme is worked out on the principle of including in it the facilities of construction-in-progress of 2011, facilities chosen by target programmes of the Company, as well as facilities specified in administrative documents of Holding IDGC, FGC UES, to the extent of financial possibilities of “IDGC of the South” JSC determined by the results of tariff campaign. Apart from it, the Programme includes investment projects specified by the “Regulations on technical policy in the distribution grid complex”.

According to the long-term investment programme about 3400 km of power lines are to be modernized and 500 km – to be installed during the period of 2012-2017. Among almost 4000 km of lines for modernization and construction 2327 km are located in Rostov region, 1003 km – in Volgograd region, 400 km – in Astrakhan region, 121 km – in Republic of Kalmykiya.

The most important projects of the Programme include construction of substations and power lines for energy supply of the facilities of Caspian

pipeline consortium in Republic of Kalmykiya, as well as the construction of “Sportivnaya” substation in Rostov region in 2016 and “Levoberezhnaya” in 2017, the total estimates – approximately 3.5 billion rubles. Moreover, the 2012 Investment programme of “IDGC of the South” includes the essential investment project – “The off-site power supply to mine Bystryanskysya 1.2 Rostov Coal Company. Modernization of 110kV "Б-3-Б-12" power line (fiber line, Automatic system for commercial accounting of power consumption, radio-relay link, carrier-current communication)” with capital investments of 2012 amounting to 33.367 million rubles.

3.4. Participation of the Issuer in Industrial, Bank and Financial Groups, Holdings, Concerns and Associations

Name of group, holding, concern or association: The Issuer is part of the group of companies headed by “IDGC Holding”, JSC.

Beginning of participation: 2008

Role (place) and functions of the Issuer in the organization:

Place of the Issuer in the structure of group of companies: subsidiary of “IDGC Holding”, JSC.

Functions of the Issuer in the group of companies:

- implementation of unified energy policy on the regional level;
- providing performance reliability of power grid complex in responsibility area;
- fulfillment of long-term investment programmes in electric power industry.

3.5. The Issuer’s Subsidiaries and Affiliated Companies

Full company name:

**in Russian: Открытое акционерное общество
“Астраханьэлектросетьремонт”;**

in English: Open Joint Stock Company “Astrakhanelektrosetremont”

Short Company name:

in Russian: ОАО “Астраханьэлектросетьремонт”;

in English: “Astrakhanelektrosetremont”, JSC

Location

204 Kramatorskaya street, Astrakhan, Russia 414032

TIN: 3015003313

PSRN: 1043001301606

Subsidiary: Yes

Affiliate: Yes

Basis for the Company's recognition as the Issuer's subsidiary or affiliate: Due to Its prevailing participation in the authorized capital of JSC "Astrakhanelektrosetremont", "IDGC of the South", JSC has opportunity to determine decisions made by "Astrakhanelektrosetremont", JSC.

Stake held by the Issuer in the authorized capital of the Company, %: 100

Percentage of ordinary shares of the Company owned by the Issuer, %: 100

Stake held by the subsidiary in the authorized capital of the Issuer, %: 0

Percentage of ordinary shares of the Issuer owned by the subsidiary, %: 0

Company's Main Activity Description

The company's importance for the Issuer's activity can be specified as follows: Equipment rebuilding and routine maintenance of the equipment, overhaul and maintenance of transfer devices, buildings and facilities, retrofitting, upgrade and grid maintenance.

The Company has a right to perform other activities not prohibited by the law.

At present moment the only activity of Open Joint Stock Company "Astrakhanelektrosetremont" is property lease

Structure of the Company's Board of Directors (Supervision Board)

Surname, name, patronymics	Year of birth	Stake of the person's participation in the Issuer's authorized capital, %	Stake of the Issuer's ordinary shares held by the person, %
Ivanov Vitaly Valerievich (chairman)	1970	0	0
Goncharov Pavel Victorovich	1966	0	0
Babeshko Pavel Nikolaevich	1965	0	0
Yeryomina Yelena Petrovna	1985	0	0

Matveeva Svetlana Mikhailovna	1971	0	0
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Sole Executive Authority of the Company

Surname, name, patronymics	Year of Birth	Stake of the person's participation in the Issuer's authorized capital, %	Stake of the Issuer's ordinary shares held by the person, %
Matveeva Svetlana Mikhailovna	1971	0	0

The Structure of the Company's Collegial Executive Body

Collegial executive body is not stipulated by the structure.

Full company name: **in Russian: Открытое акционерное общество "Волгоградсетремонт";**

in English: Open Joint Stock Company "Volgogradsetremont"

Short company name: in Russian: ОАО "Волгоградсетремонт"; in English: "Volgogradsetremont", JSC

Location

1a Granovitaya st, Volgograd, Russia, 400066

TIN: 3445067291

PSRN: 1043400418984

Subsidiary: Yes

Affiliated company: Yes

Basis for company's recognition as the Issuer's subsidiary or affiliated company: Due to prevailing participation in the authorized capital of JSC "Volgogradsetremont" "IDGC of the South", JSC has a possibility to determine

the decisions made by “Volgogradsetremont”, JSC

Stake held by the Issuer in the authorized capital of the company, %: 100

Percentage of ordinary shares of the company owned by the Issuer, %: 100

Stake held by the subsidiary in the authorized capital of the Issuer, %: 0

Percentage of ordinary shares of the Issuer owned by the subsidiary, %: 0

The Company’s Main Activity Description. The Company’s Importance for the Issuer’s Activity:

Activities on capital and routine maintenance of the equipment, transfer devices, buildings and facilities, modernization, reconstruction and power grids maintenance.

The company has a right to fulfill other activities not prohibited by law.

At present moment the only activity of Open Joint Stock Company “Volgogradsetremont” is property lease

Structure of the Company’s (Supervision) Board

Surname, name, patronymics	Year of birth	Stake of the person’s participation in the Issuer’s authorized capital, %	Stake of the Issuer’s ordinary shares held by the person, %
Ivanov Vitaly Valerievich	1970	0	0
Kalenyuk Egor Vladimirovich	1970	0	0
Brizhan Vitaly Vasilievich	1974	0	0
Zverev Yuriy Ivanovich	1956	0	0
Serebryakov Konstantin Sergeevich	1981	0	0

Sole Executive Authority of the Company

Surname, name, patronymics	Year of birth	Stake of the person’s participation in	Stake of the Issuer’s ordinary
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		the Issuer's authorized capital, %	shares held by the person, %
Musinov Oleg Valerievich	1972	0	0

Structure of collegial executive authority of the company

Structure of collegial executive authority is not stipulated

Full company name: **“Agricultural Enterprise n.a. A.A. Grechko”, Open Joint Stock Company**

Short company name: **“Grechko A.A. Agricultural Enterprise”, JSC**

Location

21 Teatralnaya st, village Kuibyshevo, Kuibyshevo district, Rostov region, Russia, 346940

TIN: 6117010611

PSRN: 1036117000798

Subsidiary: Yes

Affiliate: Yes

Basis for company's recognition as the Issuer's subsidiary or affiliated company: Due to Its prevailing participation in the authorized capital of “Grechko A.A. Agricultural Enterprise”, JSC, “IDGC of the South”, JSC has an opportunity to determine the decisions made by “Grechko A.A. Agricultural Enterprise”, JSC

Stake held by the Issuer in the authorized capital of the company, %: 100

Percentage of ordinary shares of the company owned by the Issuer, %: 100

Stake held by the subsidiary in the authorized capital of the Issuer, %: 0

Percentage of ordinary shares of the Issuer owned by the subsidiary, %: 0

Company's main activity description follows. Description of the Company's importance for the Issuer's activity:

Manufacturing, processing and selling of own agricultural products (crop production and livestock breeding).

The company has a right to fulfill other activities not prohibited by law.

Structure of the Company's Board of Directors (Supervision Board)

Surname, name, patronymics	Year of birth	Stake of the person's participation in the Issuer's authorized capital, %	Stake of the Issuer's ordinary shares held by the person, %
Tregubov Aleksandr Nikolaevich (chairman)	1955	0	0
Brizhan Vitaliy Vasilievich	1974	0	0
Kaplunov Nikolay Alekseevich	1959	0	0
Kuryshkin Konstantin Mikhailovich	1980	0	0
Fadeev Mikhail Yuryevich	1974	0	0

Sole Executive Authority of the Company

Surname, name, patronymics	Year of birth	Stake of the person's participation in the Issuer's authorized capital, %	Stake of the Issuer's ordinary shares held by the person, %
Kaplunov Nikolay Alekseevich	1959	0	0

The Structure of the Company's Collegial Executive Body

Collegial executive body is not stipulated by the structure.

Full company name: **“Sokolovskoye Agricultural Enterprise”, Open Joint Stock Company**

Short company name: **“Sokolovskoye Agricultural Enterprise”, JSC**

Location

32 Kurskaya street, Sokolvo-Kunduychenskiy settlement, Novoshakhtinsk, Russia 346930

TIN: 6151011887

PSRN: 1036151002667

Subsidiary: Yes

Affiliate: Yes

Basis for the company’s recognition as the Issuer’s subsidiary or affiliated company: Due to prevailing participation in the authorized capital of JSC “Sokolovskoye Agricultural Enterprise” “IDGC of the South”, JSC has an opportunity to determine the decisions made by “Sokolovskoye Agricultural Enterprise”, JSC

Stake held by the Issuer in the authorized capital of the company, %: 100

Percentage of ordinary shares of the company owned by the Issuer, %: 100

Stake held by the subsidiary in the authorized capital of the Issuer, %: 0

Percentage of ordinary shares of the Issuer owned by the subsidiary, %: 0

Description the Company’s Main Activity

The company’s importance for the Issuer’s activity is specified as follows:

Manufacturing, processing and selling of own agricultural products.

The company has a right to fulfill other activities not prohibited by law.

Structure of the Company’s Board of Directors (Supervision Board)

Surname, name, patronymics	Year of birth	Stake of the person’s participation in the Issuer’s	Stake of the Issuer’s ordinary shares held by
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		authorized capital, %	the person, %
Romek Ekaterina Georgievna (chairman)	1975	0	0
Brizhan Vitaliy Vasilievich	1974	0	0
Belobokova Galina Igorevna	1960	0	0
Permyakov Dmitriy Yurievich	1976	0	0
Serebryakov Konstantin Sergeevich	1981	0	0

Sole Executive Authority of the Company

Surname, name, patronymics	Year of birth	Stake of the person's participation in the Issuer's authorized capital, %	Stake of the Issuer's ordinary shares held by the person, %
Vasilyev Vladimir Vasilievich	1957	0	0

The Structure of the Company's Collegial Executive Body

Collegial executive body is not stipulated by the structure.

Full company name: "Energetik" Recreation Centre", Open Joint Stock Company

Short company name: "Energetik" Recreation Centre", JSC

Location

3 Shkolnaya street, Shepsi village, Tuapsinskiy district, Krasnodar region, Russia, 352815

TIN: 2355016847

PSRN: 1032330762463

Subsidiary: Yes

Affiliate: Yes

Basis for company's recognition as the Issuer's subsidiary or affiliated company: Due to prevailing participation in the authorized capital of "Energetik" Recreation Centre" JSC, "IDGC of the South", JSC has an opportunity to determine the decisions made by "Energetik" Recreation Centre", JSC

Stake held by the Issuer in the authorized capital of the company, %: 100

Percentage of ordinary shares of the company owned by the Issuer, %: 100

Stake held by the subsidiary in the authorized capital of the Issuer, %: 0

Percentage of ordinary shares of the Issuer owned by the subsidiary, %: 0

Description the company's main activity. Description of the company's importance for the Issuer's activity:

Activities of the health resort on treatment and rehabilitation (recreation) of adults, parents with children (5 year old and upward) and groups of school-aged children, rendering of personal services, sightseeing and touring services, cultural and entertaining services of the health resort.

the Company's activity is of seasonal type (summer season). During other seasons the main source of Company's income is selling of fresh water to citizens and legal entities.

The company has a right to fulfill other activities not prohibited by law.

Structure of the Company's Board of Directors (Supervision Board)

Surname, name, patronymics	Year of birth	Stake of the person's participation in the Issuer's authorized capital, %	Stake of the Issuer's ordinary shares held by the person, %
Kopanev Vladimir Nikolaevich (chairman)	1954	0	0
Ren Elena Viktorovna	1982	0	0
Fadeev Mikhail Yuryevich	1974	0	0

Permyakov Dmitry Yurievich	1973	0	0
Laparev Vadim Igorevich	1980	0	0

Sole Executive Authority of the Company

Surname, name, patronymics	Year of birth	Stake of the person's participation in the Issuer's authorized capital, %	Stake of the Issuer's ordinary shares held by the person, %
Berzina Lyudmila Ivanovna, acting Director General since 02.05.2011	1957	0	0

The Structure of the Company's Collegial Executive Body

Collegial executive body is not stipulated by the structure.

Full company name in Russian: Открытое акционерное общество “Энергосервис Юга”, in English: “Energoservis Yuga” Joint-Stock Company.

Short company name in Russian: ОАО “Энергосервис Юга”, in English: “Energoservis Yuga” JSC.

Location

49 Bolshaya Sadovaya, Rostov-on-Don, Russian Federation, Russia 344002

TIN: 6164301167

PSRN: 1106164005750

Subsidiary: Yes

Affiliate: Yes

Basis for the company's recognition as the Issuer's subsidiary or affiliate are as follows: Due to Its prevailing participation in the authorized capital of “Energoservis Yuga” JSC, “IDGC of the South”, JSC has an opportunity to determine the decisions made by “Energoservis Yuga” JSC.

Stake held by the Issuer in the authorized capital of the company, %: 100

Percentage of ordinary shares of the company owned by the Issuer, %: 100

Stake held by the subsidiary in the authorized capital of the Issuer, %: 0

Percentage of ordinary shares of the Issuer owned by the subsidiary, %: 0

Description the Company's Main Activity

Description of the company's importance for the Issuer's activity is as follows:

Design, construction and installation operations at units of electricity metering, heat and cold water supply, as well as providing efficiency of electric and heat grids.

At the present moment the main type of company's activity is energy audit

The company has a right to fulfill other activities not prohibited by law.

Structure of the Company's Board of Directors (Supervision Board)

Surname, name, patronymics	Year of birth	Stake of the person's participation in the Issuer's authorized capital, %	Stake of the Issuer's ordinary shares held by the person, %
Permyakov Dmitriy Yurievich (Chairman)	1973	0	0
Bulavintsev Aleksey Sergeevich	1976	0	0
Stepanova Maria Dmitrievna	1982	0	0
Ivanov Vitaliy Valerievich	1970	0	0
Nischyuk Oleg Fyodorovich	1978	0	0
Samarchenko Olga Petrovna	1960	0	0
Trunin Vitaliy Nikolaevich	1976	0	0

Sole Executive Authority of the Company

Surname, name, patronymics	Year of birth	Stake of the person's participation in	Stake of the Issuer's ordinary
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		the Issuer's authorized capital, %	shares held by the person, %
Trunin Vitaliy Nikolaevich	1976	0	0

The Structure of the Company's Collegial Executive Body

Collegial executive body is not stipulated by the structure.

3.6. Composition, Structure and Value of the Issuer's Fixed Assets, Data on Plans for Acquisition, Replacement, Retirement of Fixed Assets, as well as all the Facts of Encumbrance of the Issuer's Fixed Assets.

3.6.1. Fixed Assets

The information is not provided in the 4th quarterly report

IV. Data on Financial and Economic Activities of the Issuer

4.1. Results of Financial and Economic Activities of the Issuer

4.1.1. Profit and Loss

The information is not provided in the 4th quarterly report

4.1.2. Factors that Had Impact on Change of the Issuer' Sales, Product, Work and Service Proceeding and on Change of the Issuer's Income (Loss) from Operations

The information is not provided in the 4th quarterly report

4.2. Issuer's Liquidity, Capital and Current Assets Adequacy

The information is not provided in the 4th quarterly report

4.3. Issuer's Capital and Current Assets Amount and Structure

4.3.1. Issuer's Capital and Current Assets Amount and Structure

The information is not provided in the 4th quarterly report

4.3.2. Financial Investments of the Issuer

The information is not provided in the 4th quarterly report

4.3.3. Intangible Assets of the Issuer

The information is not provided in the 4th quarterly report

4.4. Data on Policy and Expenditures of the Issuer in the Field of Scientific and Technical Development, Concerning Licenses and Patents, New Development and Research

In the reporting quarter the BoD of "IDGC of the South" the meeting on 29.07.2011 has approved the Program of innovation-based development of the Company for 2011-2016 (minutes of meeting No.69/2011 dated 01.08.2011).

The major directions of the innovation-based development are:

- regulatory base;
- developing human capital;
- planning and implementation of scientific projects (R&D);
- introduction of innovations;
- sophistication of company's business-processes;

- IT development;
- increase of energy efficiency

R&D in “IDGC of the South”, JSC includes:

- increase of safety and reliability energy supply to the consumers;
- optimization of management system, increase of financial and economic efficiency, operational and repair activity (elaboration of perspective solutions and events for advancing the maintenance systems at grids facilities);
- increase of energy efficiency (energy conservation equipment, systems of light and heat control, decrease of energy losses, cost optimization)
- sophistication of procedural framework and technical basis;
- sophistication of procedural framework and technical basis;
- trial operation of modern types of electric equipment;
- development and introduction of new methods for making the diagnostics of facilities at electric grid complex;
- corporate and technical events aimed to increase stability of company’s activity in cases of emergency situations;
- increase of environmental and informational safety

The Program of innovation-based development also includes schedule of R&D activity for 2011.

Schedule of R&D activities for was approved as the part of the Programme.

In total in 2011the Company planned to conclude contracts in the sphere of R&D for the total amount of 1128 million rubles.

As of 31.12.2011 the Company has concluded 8 contracts for performing of research and development works (total cost 62.7 million rubles), goods were purchased for 9th R&D project for the amount of 33 million rubles.

On 10th R&D project (cost 17.1 million rubles) the purchase is performed by Holding IDGC.

After all the purchases are performed the preparation to introduction of new equipment and technologies will commence.

In the 4th quarter of 2011:

- patent search is completed, application for RF patent on system of monitoring ice-formation was filed, technical standard for the device is worked out;

- patent search is completed, algorithm of operation of device of temporary ground short circuit in 6-10kV grid is determined, technical standard for the device is worked out, the device was installed at “Kamyshenskiye Power Station”, full level testing is done, the report on testing is discussed at the meeting of Science and Engineering Board of Holding IDGC on 14.12.2011;

- a project of digest of estimate standard norms on repair of equipment is worked out, project on methods on determining value appreciation indexes is worked out.

Thus the contract for performing scientific and research works “Testing of device of temporary ground short circuit in 6-10kV grid for the needs of “Volgogradenergo” branch of “IDGC of the South” JSC” concluded by “IDGC of the South” JSC and “Tavrida Electric” CJSC was fulfilled and paid to full extent (total cost 3 142 222 rubles).

In the reporting quarter patents (certificates) were not issued.

Total expenditures on R&D projects amounted 27.9 million rubles in the 4th quarter of 2011.

4.5. Analysis of Development Trends Related to the Issuer’s Ordinary Activity

At the present time there are three operating levels of grid companies in electric power industry of Russia, generated by technological and administrative-territorial grounds:

Level 1. Federal Grid Company (“FGC UES” JSC) is the organization managing Unified National (Russian) Electric Grid (UNEG), owning 220 kV and above Grids operating on the territory of Russian Federation (having branches in all regions of Russia).

Level 2. Interregional Distribution Grid Companies (IDGC), formed in the result of AO-energo reorganization as distinguished on the basis of their activity types and subsequent association of Regional Grid Companies.

IDGCs own 110-0.4 kV grids, provide services for the transmission and distribution of electric energy on the territory of Russian Federation Subdivisions the Regional Grid Companies of which are their constituents.

Level 3. Local Grid Companies formed as municipal enterprises (serving customers of one and the same municipal entity) owning mostly 10-0.4 kV grids.

The process of reorganization resulted in association of enterprises of this level: local Grid Companies serve consumers of several municipal districts and some of the Companies serve consumers of the entire Russian Federation subdivision territory.

Presently, “IDGC of the South” JSC is an Interregional Distribution Grid Company of the second Level, technologically connected to UNEG and dominating in transmission service market of Southern Federal District of the Russian Federation.

Meanwhile any other grid company located on the territory of “IDGC of the South” service is considered subordinate and to operate in 2008 was to conclude a service contract for the transfer of electricity with “IDGC of the South (this concerns organizations of the third level, having technological connection to electric grids of “IDGC of the South”).

The consumers of the Company’s service are mostly power supply companies, consumers are participants in the wholesale- and retail electricity markets as well as local grid organizations.

Considerable portion of electricity, supplied to the consumers on the service territory of “IDGC of the South”, is transmitted by electric grids of the Company.

Providing direct technological connection of electricity consumers to UNEG, “IDGC of the South” JSC made lease agreements with the owner of grid equipment, UNEG (“Federal Grid Company of the Unified Energy System” JSC), called “last mile agreement”, and thus acquired right to provide such consumers with electricity transmission services.

Key factors of influence on the industry condition can be specified as follows:

1. Terms of preparing and carrying out of stage programs of the industry reforming;
2. Cooperation with federal and regional government authorities, including the issues of preparing, approving and execution of legal and normative base of the industry reforming;
3. Level and adequacy of state regulation of the industry (concerning implemented taxation policy, along with other issues);
4. Business environment on internal and world markets of energy commodities;
5. Financial sources availability for the basic industrial funds of the industry’s enterprises renewal and development;
6. Solvency level of key consumers.

The abovementioned information is quoted in accordance with views expressed by Issuer’s management body.

Members of Board of Directors and Management Board of the Issuer have no special opinion related to the data represented.

4.5.1. Analysis of Factors and Conditions Influencing the Issuer's Activity

As of 31.12.2011, "IDGC of the South", JSC is a large power company of the Southern Federal District.

Development of infrastructure in regions of the Company's service area and construction of various facilities are followed by electricity consumption growth.

Situation arises when substantial risks of consumers reliability supply emerge; safe and stable operation of the power system is endangered by transmission lines and transformers overload in normal and post emergency conditions. Power equipment deterioration makes the situation more complicated as well.

In the framework of performing the state regulated activity, state regulation of tariff becomes the basic Issuer's operation influencing factor.

The most significant factors influencing the Issuer's activity and the results are as follows: changes in the industry legal basis and in the RF in general, and plans for regional economic development of Russia worked out by the Government of the RF and the Ministry of economic development and trade of the RF for the accounting year, the following years and the perspective of 3, 5 and 10 years.

Forecast Concerning the Mentioned Factors and Conditions' Duration

In response to of the Issuer's monopolistic business activity (rendering the services in electric power transmission), in the nearest future no changes are expected as concerns to authority for electric power transmission tariff regulation. Regarding the index of limit levels of power transmission tariff, the Issuer does not predict acute fluctuations of this index to either side in the next while.

Significant events/ factors which can improve the results of the Issuers' performance:

- Electric energy consumption increase in the Company's service areas;
- Switching to RAB-regulation of tariffs at "Volgogradenergo" branch of "IDGC of the South" JSC;
- Investment program assimilation that enables operational efficiency enhancement.
- integration of electric grid complexes

Significant events/ factors which can have the utmost negative effect on the Issuer's future possibility to show similar or better results compared to the last accounting period can be described as follows:

- Decrease in electric power consumption because of production recession and, correspondingly, incurrence of Issuer's income deficiency;
- Power equipment deterioration;
- Increase of inflation rate (when actual growth exceeds the predicted level);
- Change of tariffs for rendering the services in electric power transmission;
- Opportunity of consumers connection to sources of power supply through higher voltage transmission lines (for example, from MV-1 to HV), which will cause the change of productive output structure and decrease in transmission proceeds;
- Rival power grid companies emerging, disaggregating electric grid utility (emerging of a great number of small grid companies instead of several large ones);
- Occurrence of uncovered expenditures for translation of electric power purchase or loss price;
- Risk of cancelling of "FGC UES", JSC equipment sublease agreements ("last mile" agreements);
- Risk of subjective tariff-rating decisions taken by Ministry of Energy, Federal Tariff Service of Russia, Regional Tariffs Service of Russia, including decisions on electric power losses norm;
- Rise in price of credit resources in case of the global "second wave" financial crisis.

Methods implemented by the Issuer and methods the Issuer plans to implement in the future in order to reduce the negative impact of factors and conditions influencing the Issuer's activity can be specified as follows:

- Optimization of the structure of operational expenditures;
- Reconstruction the existing power grids and construction of new grids;
- Technical re-equipment of fixed assets;
- Elaboration and implementation of medium-term investment program;

- Implementation of medium-term leasing programs;
- Elaboration and implementation of medium-term programs to decrease technological loss in the Company's grid
- Adoption of new management methods based on IT technologies' development
- Initiating the process of forming tariff decisions on the basis of parity ratio of federal and regional parameters
- Switching to tariff regulation based on invested capital profitability estimate (RAB management).

It's also worth mentioning that in the period of technological connection of new applicants the power deficiency in supplying stations that leads to the necessity of their reconstruction or new construction; in case of incompetence of tariff approved by Regulatory Body, the grid Company is forced to use banks' borrowed funds for technological connection of the Applicants' facilities.

Economic climate in the region is significant issue as well. Economic crisis and increasing interest on credit are followed by risk of default on contract obligations on the part of Applicants, and thus, in investment targets' funding shortfall. The Grid Company has to raise additional borrowed funds in order to fulfill Its obligations.

Summarizing it may be added that the investment program implementation would have a positive impact on perspectives of infrastructure development of regional power grids, make it possible to increase reliability of power supply of consumers.

In perspective power grids branches development will offer the opportunity to connect a number of investment and socially important facilities that will be the opportunity to receive some extra branch revenues from energy sales for future projects fulfillment.

4.5.2. Business Competitors of the Issuer.

The Company performs its principal activity in the natural monopoly regulated by the State in terms of setting of transmission tariffs and taxes on technological connection fixing as well as ensuring non-discriminatory access of consumers to the grids.

“IDGC of the South” JSC is the biggest power subject providing transmission services to consumers located on the territory of the Southern Federal District of Russia.

Basic factors providing the competitive market position of the Company are as follows:

- regional market configuration defining the pattern of contract relations and settling between the participants of power market (is defined by Regional Tariff Service, the state regulation authority);
- price (tariff) for power transmission services and electricity purchase in order to compensate power losses in distribution companies (is defined by Regional Tariff Service, the state regulation authority,);
- distribution of cross-subsidies in the tariff (is defined by Regional Tariff Service, the state regulation authority,);
- the degree of the electricity market liberalization as defining the portion of electricity (including losses) which is bought at free and regulated prices.

There is no competition in the abovementioned type of activity over impossibility of selecting a service provider for electricity consumer as long as connection to the grid organization is conditioned only by geographical location of the power facility.

Strategy of “IDGC of the South” JSC is aimed at further integration of the grid complex through acquisitions of allied grid organizations based on priority of stability in transmission service payment, of reduction of excessive losses and improve of reliability of electric power transmission to the final consumer.

Competitive ability of the Company is based on the following factors:

- many years of experience in cooperation with regional supply and generating enterprises;
- qualified personnel;
- well-known brand of the Company supported by guarantee of reliable and high-quality consumer power supply.

In order to support the Company’s positive development trend and strengthen competitive abilities, the Company carries out the following activities:

- persistent monitoring of the regional electric power and capacity markets which consists in forecasting and analyzing the factors influencing the Company’s operation, as well as working out procedures for mitigation of negative impact on the Company’s performance results;
- cooperation with FTS (Federal Tariff Service) of Russia, Ministry of Energy of Russia, local administrations of the Russian Federation, RTS

(Regional Tariffs Service), “SO UES”, JSC (System operator UES), “FGC UES”, JSC (Federal Grid Company of Unified Energy Systems), “IDGC Holding”, JSC, territorial grid organizations, power selling and power supply organizations on issues of tariff balance regulation and regional power and capacity markets’ operation.

To minimize financial and other types of losses “IDGC of the South” JSC timely identifies and prevents risks. In the sphere of electricity transmission to such risks refer the following ones: risks of power supply companies insolvency to pay electricity transmission services. The Company takes measures to normalize settlements with power supply companies: that is transition to direct transmission service contract with consumers, settlement of differences in the contracting, invitation of administrative and regulatory bodies to collaboration.

V. Detailed Data on Members of Management Authorities of the Issuer, Authorities of the Issuer Undertaking Control over Financial and Economic Activities, and Brief Data on the Staff (Employees) of the Issuer

5.1. Data on Structure and Competence of the Issuer's Management Authorities

Full description of structure and competence of the Issuer's management authorities in conformance with the Charter (constituent documents) of the Issuer:

The Issuer's management authorities include:

1. General Shareholders Meeting;
2. Board of Directors;
3. Management Board;
4. CEO.

General Meeting of Shareholders is the supreme management body of the Company.

According to paragraph 10.2 of clause 10 of the Charter of JSC "IDGC of the South, the following items are within the scope of the General Shareholders Meeting competence:

1. introducing alterations and amendments to the Charter or approving the revised Charter;
2. reorganization of the Company;
3. liquidation of the Company; appointing liquidation commission and the approving the interim and final liquidation balances;
4. determining the quantity, nominal value, category (type) of the declared shares and the rights provided on them;
5. increase in the authorized capital of the Company by way of increasing nominal value of the shares or through additional placements;
6. decrease in the authorized capital of the Company by way of decreasing nominal value of the shares, through acquiring part of shares with the purpose to reduce their total amount, and by retirement of acquired or bought shares;
7. fractioning and consolidation of the Company's shares;

8. taking decision on the Company's placing bonds convertible to shares, other issue securities convertible to shares;
9. determining quantitative structure of the Board of Directors, electing members and early termination of their powers;
10. electing members of Auditing Committee of the Company and early termination of their powers;
11. approving Auditor of the Company;
12. taking decision on transfer of powers of sole executive body of the Company to the managing organization (managing director) and on early termination of his powers;
13. approval of annual reports, annual accounting balances, including the reports on profit and loss (accounts of profit and loss) of the Company, and distribution of its profits (including payment (statement) of dividends, except for the profit distributed as dividends at the end of quarter I, year half, nine months of financial year) and loss of the Company at the end of financial year;
14. payment (statement) of dividends at the end of quarter I, year half, nine months of the financial year;
15. determination of the procedure of General Shareholders Meeting of the of the Company;
16. taking decision on approval of deals in cases envisaged by Article 83 of Federal Law "On Joint Stock Companies";
17. taking decision on approval of large deals in cases envisaged by Article 79 of Federal Law "On Joint Stock Companies";
18. taking decision on participation in financial and industrial groups, associations and other unions of commercial organizations;
19. approving internal documents regulating activity of the bodies of the Company;
20. taking decision to pay remunerations and (or) compensations to the members of the Auditing committee of the Company;
21. taking decision to pay remunerations and (or) compensations to the members of the Board of Directors of the Company;
22. solving other problems envisaged by Federal Law "On Joint Stock Companies".

Issues of General Shareholders Meeting's competence cannot be delegated to Board of Directors, Management Board or CEO of the Company.

General Shareholders Meeting has no right to discuss items or take decisions on the items outside its competence as stated by Federal Law "On Joint Stock Companies".

General management of the Company's activities is carried out by the Board of Directors.

In conformance with paragraph 15.1 of article 15 of the Charter of JSC "IDGC of the South", the following items are included on the competence of the Company:

1. singling out priority areas of the Company's activity;
2. convocation of the annual and extraordinary General Shareholders Meetings of the Company, except for the cases stipulated by item 14.8 of clause 14 of JSC "IDGC of the South" Charter, and announcing the date of the next shareholders meeting instead of a meeting that was called off on the reason of absence of quorum;
3. approving the Company General Shareholders Meeting agenda;
4. electing of the Secretary of the Company General Shareholders Meeting;
5. determining the date of drawing up the list of persons entitled to participate in the Company General Shareholders Meeting, and solving other issues connected with preparation and carrying out of the Company General Shareholders Meeting;
6. introducing issues envisaged by subpoint 2,5,7,8,12-20 of point 10.2 of Clause 10 of the Charter for the decision of General Shareholders Meeting of the of the Company, as well as on the reduction of the authorized capital of the Company through the decrease in nominal value of shares;
7. placement of bonds and other issue securities by the Company, except for cases stipulated by the legislation of the Russian Federation and the Charter;
8. approving decision on the issue of securities, prospect of securities and the report on the results of the securities issue, approving reports on the results of acquisition of the Company's shares from the shareholders, reports on retirement of shares, reports on the results of demands by the shareholders of the Company on retirement of the shares owned by them;
9. determining the price (monetary value) of property, price of placement and acquisition of issue securities in cases envisaged by Federal Law "On Joint

Stock Companies”, as well as while solving issues stipulated in subpoints 11, 21, 22, 38 of point 15.1 of clause 15 of JSC “IDGC of the South” Charter;

10. acquisition of shares, bonds and other securities placed by the Company in cases envisaged by Federal Law “On Joint-Stock Companies”;
11. alienation (sale) of the shares of the Company acquired by the Company as a result of their purchase or retirement from the shareholders of the Company, as well as in other cases envisaged by Federal Law “On Joint Stock Companies”;
12. election of CEO of the Company and early termination of his/her powers (including decisions on early termination of the labour contract with him/her);
13. determining quantitative structure of Management Board of the Company, election of members of Management Board, setting remunerations and compensations paid to them, early termination of their powers (including early termination of labour contracts with them);
14. recommendations to General Meeting of Company Shareholders on the amount of remunerations and compensations paid to the members of Auditing Committee and determination the fee size for Auditor’s services;
15. recommendations on the amount of dividend on the shares and payment order;
16. approving internal documents of the Company determining the procedure for the formation and use of the Company’s funds;
17. taking decision on the use of the Company’s funds, approving cost estimates for the use of special purpose funds and consideration of cost estimates implementation results for the use of special purpose funds;
18. approving internal documents of the Company, with the exception of internal documents which are to be approved by General Shareholders Meeting, and other internal documents approval of which is the competence of the Company’s executive authorities;
19. approving business-plan (revised business plan), including the investment programme and report on results of its execution, as well as approving (revising) key indicators of the Company’s cash flows;
20. creating branches and opening representative offices of the Company, liquidating them, as well as amending the Charter of the Company in connection with creating branches, opening representative offices of the Company (including change of the data on names and locations of

- branches and representative offices of the Company) and their liquidation;
21. taking decision on participation of the Company in other entities (on incorporation to an operating entity or creation of a new entity, including coordination of the foundation documents), as well as (in view of provisions of subpoint 22 of point 15.1 of clause 15 of the Charter) on purchase, alienation and encumbrance of shares and stakes in the authorized capitals of organizations in which the Company participates, change of the stake of participation in the authorized capital of the corresponding entity, and termination of participation of the Company in other entities;
 22. taking decision on one or several associated deals of the Company on alienation, pledging or other encumbrance of shares and stakes of SACs (subsidiaries and affiliated companies) which are not engaged in production, transmission, dispatching, distribution and sales of electric and thermal power in case if the market value of shares or stakes under the transaction determined according to the report of the independent appraiser, exceeds 30 million Rubles and in other cases (amounts) determined by separate decisions of the Company's Board of Directors;
 23. determination of the credit policy of the Company as to providing loans by the Company, making credit and loan contracts, issuing guarantees, acquisition of liabilities on bills (issuing ordinary and transfer bill), pledging property and making decisions on the above mentioned transactions of the Company in cases when the procedure is not determined by the credit policy of the Company as well as decision making in the order envisaged by the credit policy of the Company on bringing the debt situation of the Company to the limits determined by the credit policy of the Company;
 24. approving large deals in cases envisaged by Chapter X of Federal Law "On Joint Stock Companies";
 25. approving transactions envisaged by Chapter XI of Federal Law "On Joint Stock Companies";
 26. approving the Company's Registrar, terms of the agreement with him, as well as termination of the agreement;
 27. electing Chairman of Board of Directors and early termination of his powers;
 28. electing Deputy Chairman of Board of Directors and early termination of his powers;
 29. electing Corporate secretary of the Company and early termination of his

powers;

30. preliminary approval of decisions on the Company's transactions connected with the gratuitous transfer of property of the Company or property rights (requirements) to itself or the third party, transactions connected with liberation from property liabilities to itself or the third party, transactions connected with the gratuitous provision of services by the Company (carrying out works) for the third party, in cases (amounts) determined by separate decisions of Board of Directors of the Company, and decision-making on the stated transactions by the Company in cases when the above-mentioned cases (amounts) are not determined;
31. taking decision on suspension of powers of the managing entity (manager);
32. taking decision on appointing Acting Chief Executive Officer of the Company, as well as calling him to disciplinary responsibility;
33. calling General Director and members of Board of Directors to disciplinary responsibility and their remuneration according to the labour legislation of the Russian Federation;
34. considering the reports of CEO on the activity of the Company (including the report on carrying out of his/her functions), on the implementation of the decisions of the General meeting of the Company and its Board of Directors;
35. approving of the procedure for interaction of the Company with entities in which the Company participates;
36. determining the Company's position (position of the Company's representatives), including the assignment to take or not to take part in voting on the agenda items, to vote under draft decisions "for", "against" or "abstained", on the following items of the agenda of General Shareholders (participants) Meetings of subsidiaries and affiliated companies (further on referred to as SACs) (except for cases when functions of the SACs of General Shareholders Meetings are carried out by Board of Directors of the Company), and meetings of SACs' Board of Directors (except for the item on approval of agenda of General Shareholders Meetings of SACs when functions of SACs' General Shareholders Meetings are carried out by Board of Directors of the Company):
 - a) on determining agenda of the General Shareholders (participants) Meeting of SAC;
 - b) on reorganizing, liquidation of SAC;
 - c) on determination of quantitative structure of SAC's Board of Directors,

nominating and electing its members and early termination of their powers, on nomination and election of sole executive body of SAC and early termination of its powers;

d) on determination of amount, nominal value, category (type) of announced shares of SAC and rights on the shares;

e) on increasing the SAC's authorized capital by increasing nominal value of shares or additional share placements;

f) on placement of SAC's securities convertible to ordinary shares;

g) on fractioning, consolidating SAC shares;

h) on approving large transactions of SAC;

i) on participation of SAC in other entities (on incorporating to an existing entity or creating a new entity), and on acquiring, alienating and charging shares and authorized capital stakes of entities where the SAC participates, change of stake in the authorized capital of the corresponding entity;

j) on making transactions by SAC (including several associated transactions) connected with alienation or possibility of alienation of property which is part of fixed assets, intangible assets, construction-in-process objects used for the purpose of electric and thermal power production, transmission, dispatching, distribution in cases (amounts) determined by the procedure of the Company's cooperation with entities it participates in and approved by the Company's Board of Directors;

k) on amending and revising SAC's constituent documents;

l) on determining the procedure of paying remuneration to Board of Directors and Auditing committee of the SAC;

m) on determining target values of key efficiency indicators (revised target values of key efficiency indicators);

n) on approving report on implementation of planned values of annual and quarter key efficiency indicators;

o) on approving business-plan (revised business-plan) including investment program and on approving of quarterly report on the results of implementation of business plan and investment program;

p) on approval (consideration) of report on business-plan implementation;

q) on approval of profit and loss distribution at financial year end;

r) on recommendations concerning amount of share dividend and

payment order;

s) on payment (declaration) of dividends at the end of quarter I, year half, nine months of financial year, and at financial year end;

t) on consideration of investment program including amendments made to it;

u) on approving (considering) the report on implementation of investment program;

1. determining the Company's position (position of the Company's representatives) on the following items of agenda of SAC's Board of Directors meetings (including the assignment to take or not to take part in voting on the agenda items, to vote under draft decisions "for", "against" or "abstained"):

a) on determining position of SAC's representatives on the agenda items of General Shareholders (participants) Meetings and meetings of Board of Directors of subsidiary and affiliated companies of SAC concerning making (approving) transactions (including several associated transactions) connected with alienation or possibility of alienation of property which is part of fixed assets, intangible assets, construction-in-process-objects used with the purpose of electric and thermal energy production, transmission, dispatching and distribution in cases (amounts) determined by the procedures of the Company's cooperation with entities the Company participates in and approved by the Company's Board of Directors;

b) on determining position of SAC representatives on issues of agendas of General Shareholders (participants) Meetings and meetings of Board of Directors of subsidiary and affiliated companies of SAC carrying out production, transmission, dispatching, distribution and sales of electric and thermal energy, on reorganizing, liquidation, increasing authorized capital of such companies by way of increasing nominal value of shares or through additional share placement, placement of securities convertible to ordinary shares;

2. preliminary approval of the following Company's transactions:

a) transactions with the Company's noncurrent assets in the amount exceeding 10 percent of the balance sheet value of the Company's assets according to the accounts as of the last accounting date;

b) transactions (including several associated transactions) connected with alienation or possibility of alienation of property which is part of fixed assets, intangible assets, construction-in-process objects for the purpose of

electric or thermal power production, transmission, dispatching, distribution in cases (amounts) determined by special decisions of the Company's Board of Directors;

c) transactions (including several associated transactions) connected with alienation or possibility of alienation of property which is part of fixed assets, intangible assets, construction-in-process objects not for the purpose of electric or thermal power production, transmission, dispatching, distribution in cases (amounts) determined by special decisions of the Company's Board of Directors;

d) preliminary approval of transactions with the Company's immovable assets, including land plots and objects of construction-in-process in cases determined by special decisions of the Company's Board of Directors (for example, by stating the size and/or listing), and any of the specified transactions with immovable assets, including land plots and construction-in-process objects if such cases (sizes, list) are not determined;

3. nominating candidates by the Company for election to the position of sole executive authority, other management authorities, auditing authorities, and candidates of auditor for entities where the Company participates, performing production, transmission, dispatching, distribution and sales of electric and heat power, as well as repairs and service;
4. singling out activity sectors for providing insurance protection of the Company, including approval of the Company's Insurer;
5. approving structure of the Company's executive office and introduction of alterations into it;
6. approval of candidates for certain positions in the executive office of the Company as those determined by the Company's Board of Directors;
7. approval of regulation concerning material encouragement of the Chief Executive Officer, regulation on material encouragement of top managers of the Company, approval of top managers list;
8. preliminary approval of the collective agreement and contracts concluded by the Company as part of regulation of social and labor relations, as well as approval of documents related to non-state pension provision of the Company's employees;
9. creating committees of the Company's Board of Directors, electing members of Committees of the Board of Directors and early termination of their powers, election and early termination of powers of Chairmen of the Board of Directors Committees;

10. approving candidacy for the role of independent appraiser (appraisers) for pricing shares, property and other assets of the Company in cases envisaged by Federal Law “On Joint Stock Companies”, the Charter, and special decisions of the Company’s Board of Directors;
11. approving the candidacy for the role of financial adviser involved for cooperation in conformance with Federal Law “On Securities Market”, and candidates for the positions of securities issue organizers and advisers on transactions closely related to attraction of funds in the form of public loans;
12. preliminary approval of transactions which can cause occurrence of liabilities expressed in foreign currency (or liabilities with value related to foreign currencies) in cases and in amount determined by special decisions of the Company’s Board of Directors, and if the mentioned cases (amounts) are not specified by the Board of Directors;
13. determination of the Company’s purchasing policy, including approval of Regulations on the Procedure for Carrying out Specified Purchases of Goods, Works and Services, approving the head of the Central Purchasing Unit of the Company and its members, and approving annual comprehensive program of purchases as well as taking other decisions on other items in accordance with approved documents on regulating the purchasing activity of the Company;
14. taking decision on nominating CEO of the Company for granting state decorations;
15. approving target values of key indicators of the Company’s efficiency (KIE) and reports on their implementation;
16. determining the Company’s policy aimed at efficiency growth of electric distribution complex and that of other electric grid facilities, including approval of the Company’s strategic programs for increase of electric grid complex efficiency, electric grid complex development and safety;
17. determining the Company’s housing policy in part of granting corporate support to the employees in improving their dwelling conditions in the form of subsidies, expense compensation, interest free loans and taking decision on granting the specified support by the Company in cases when the order of granting support is not determined by the Company;
18. other items referring to the competence of Board of Directors by Federal Law “On Joint Stock Companies” and the Charter of JSC “IDGC of the South”.

Items referring to the competence of the Board of Directors can not be

delegated for decision-taking to CEO or Management Board.

Management of the Company's current activity is performed by sole executive authority – CEO and the Collegial authority - Management Board of the Company.

In accordance with item 22.2 of clause 20 of JSC “IDGC of the South” Charter, the following issues refer to the competence of Management Board:

1. working out the Company's development strategy and submitting it for consideration of Board of Directors;
2. preparing annual (quarterly) business-plan, including investment programme and report on the results of their implementation, and approving (revision) of cash flows (budget) of the Company;
3. preparing annual report on financial and economic activity of the Company, on fulfilling the decisions of the General Shareholders Meeting by Management Board;
4. considering reports of Deputy CEOs, heads of separate structural subdivisions of the Company on the results of implementing the approved plans, programmes, instructions, considering reports, documents and other information about activity of the Company and its subsidiary and affiliated units;
5. taking decisions on issues included on the competence of top management of economic entities with 100 (one hundred) percent of the authorized capital owned by the Company (with regard to subpoints 36,37 of point 15.1 (clause 15)) of the Charter of JSC “IDGC of the South”;
6. preparing reports on financial and economic activity of economic entities with 100 (one hundred) percent of the authorized capital owned by the Company and submitting the reports to consideration of Board of Directors;
7. making decisions on transactions with property, works and services the cost of which is from 1 to 25 percent of the balance sheet assets of the Company as of the date of taking decision about concluding the transaction (except for the cases envisaged by subpoint 38 of point 15.1 of JSC “IDGC of the South” Charter);
8. solving other current management issues in accordance with decisions of General Shareholders Meeting submitted for consideration of Management Board by the Company's CEO.

Competence of CEO of the Company includes all the issues of managing the Company's current activity, except for the items of competence of the General Shareholders Meeting, Board of Directors and Management Board of the Company.

In accordance with items 23.2, 23.3 of clause 20 of JSC "IDGC of the South" Charter, the Company's CEO:

- ensures accomplishment of the Company's performance plan necessary for meeting the objectives;
- organizes accounting and accounting in the Company;
- disposes of the Company's property, closes transactions on behalf of the Company, issues powers of attorney, opens the Company's settlement and other accounts in banks, other credit organizations (and, where the law permits, in entities who are professional participant of securities market);
- issues orders, approves (adopts) instruction, local regulative acts and other internal documents of the Company within the scope of his competence, gives binding directions to all employees of the Company;
- approves regulation on branches and representative offices of the Company;
- in accordance with organizational structure of the executive office, approves staff schedule and position salaries of the Company's employees;
- exercises in respect to the Company's employees the rights and responsibilities of the employer envisaged by the labour legislation;
- fulfills functions of the Chairman of the Company's Management Board;
- distributes responsibilities among Deputy CEOs;
- submits reports on financial and economic activity of subsidiary and affiliated entities whose shares (stakes) the Company holds for consideration of Board of Directors, as well as information on other entities in which the Company participates, except for the cases envisaged by subpoint 6 of point 22.2 of JSC "IDGC of the South" Charter;
- not later than 45 (forty-five) days prior to the date of the annual General Shareholders Meeting, submits annual report, annual accounting, the Company's profit and loss account, the Company's profit and loss distribution for consideration of Board of Directors;
- resolves other issues of the current activity of the Company, except for the

items included on the competence of General Shareholders Meeting and Management Board.

The Issuer approved corporate code of conduct or other similar document.

Data on corporate conduct code or similar document are as follows:

Corporate Management Code of Open Joint Stock Company “Interregional Distribution Grid Company of the South” (a new edition), approved by the decision of the Board of Directors of “IDGC of the South” JSC, 19.08.2009 (Minutes No. 32/2009 dated 21.08.2009).

Full text of the document is available on the Company’s website in the Internet at: <http://en.mrsk-yuga.ru/management/regulations/>

Internet website address where full text of the current edition of the Issuer’s Charter and internal documents regulating activity of the Issuer’s units is available for free access: <http://en.mrskyuga.ru/management/regulations/>

5.2. Data on Members of the Issuer's Management Authorities

5.2.1. Structure of the Board of Directors (Supervisory Body) of the Issuer

Surname, name, patronymics: **Perepyolkin Aleksey Yurievich**

Year of birth: 1970

Education:

Moscow State Technical University named after Bauman N.E., speciality “Optical devices and systems”;

Moscow State Law Academy, speciality “Jurisprudence”

Period		Entity name	Position
From	up to		
2006	2007	Federal Tax Service of Russia	Head of analytical department
2007	2009	Ministry of Defence of the Russian Federation	Minister’s adviser, head of Chief Legal administration
2009	2009	IDGC Holding, JSC	Director in charge of corporate policy
2009	present	IDGC Holding, JSC	Member of Management

	day		Board, Deputy director general on corporate management and property
2009	2010	IDGC of the South, JSC	Board of Directors Member
2010	2011	IDGC of North-West, UES settlement centre	Board of Directors Member
2010	present day	IDGC of Centre and Volga region, JSC; IDGC of Centre, JSC	Board of Directors Member
2011	present day	IDGC of Volga, JSC; “VOLS-VL Management”	Board of Directors Member

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Arkhipov Sergey Aleksandrovich**

Year of birth: 1967

Education:

Alma-Ata Power Engineering Institute with a specialization in “Electric Systems and Power Grids”

Extended education: Occupational retraining at the Academy of National Economy under the Government of the Russian Federation, after the training program “Company’s Development Control”

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Name of entity	Position
from	to		
2006	2007	“Energosbyt Rostovenergo” JSC	Executive Director, General Director
2007	2007	“Rostovenergo” JSC	Managing Director
2007	2007	“Rostovenergo” JSC	Deputy CEO, Managing Director
2007	2007	“TGK-8 - Southern Generating Company”	Acting First Deputy Chief Executive Officer for Economy and Finance
2008	2008	“Smolenskenergo” JSC, “IDGC of Center” JSC	Executive Director
2008	2008	“Smolenskenergo” branch of ‘IDGC of Center’ JSC	Deputy CEO, Director of the Branch
2008	2010	Executive Office of “IDGC of Center” JSC	First Deputy CEO
2010	Now	“IDGC of the South” JSC	Chief Executive Officer
2010	Now	“IDGC of the South” JSC	Management Board Chairman

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment

fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Branis Aleksandr Markovich**

Year of birth: 1977

Education: Russian Presidential Academy of National Economy and Public Administration (ANE), Bachelor of Management

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity	Position
from	up to		
2005	present day	Prosperity Capital Management Ltd (RF)	Director
2006	present day	Representative Office of Prosperity Capital Management Ltd (RF)	Chief Investment Officer
2005	2008	Prosperity Capital Management Ltd	Specialist for management of assets of non-state pension funds

2005	present day	“Territorial generating company - 6” JSC	Board of Directors Member
2006	2007	“Energy selling company of Yaroslavl” JSC	Board of Directors Member
2006	2007	“Forth generating company of wholesale market of electric energy” JSC	Board of Directors Member
2006	2008	“Dalkhimfarm” JSC	Board of Directors Member
2006	2009	Representative Offices of Prosperity Capital Management Ltd (RF)	Head of Analytical department
2007	2008	JSC of power industry and electrification “Kalugaenergo”	Board of Directors Member
2007	2008	“Yuzhtruboprovodstroy” JSC	Board of Directors Member
2007	2008	“Sevzapelektorsetstroy” JSC	Board of Directors Member
2007	2008	“Saranskabel” plant” JSC	Board of Directors Member
2007	present day	IDGC of Centre, JSC	Board of Directors Member
2007	present day	“Bashkirenergo” JSC	Board of Directors Member
2007	present day	“Prokatmontazh” JSC	Board of Directors Member
2008	2008	“Novaya ERA” JSC	Board of Directors Member
2008	2009	Prosperity Capital Management Ltd	Director general
2008	2009	“Energy selling company of Novgorod” JSC	Board of Directors Member
2008	present day	“Territorial generating company - 6” JSC	Board of Directors Chairman
2009	2011	Prosperity Capital Management Ltd	Chairman of liquidation committee
2011	present day	IDGC of Centre and Volga region, JSC	Board of Directors Member

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment

fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Inozemtsev Vladimir Vyacheslavovich**

Year of birth: 1977

Education:

State Technical University of Omsk, speciality “Energy supply of industrial facilities”

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity Name	Position
from	Up to		
2005	2006	“Omskenergo” JSC	Head of Department for transport of electric energy
2006	2008	FGC UES, JSC	Head of Directorate for transport of electric energy and reducing losses
2008	2010	IDGC Holding, JSC	Head of Department for

			transport of electric energy and interaction with clients
2008	2011	IDGC of Centre and Volga region, JSC	Board of Directors Member
2009	2010	IDGC of Volga, JSC	Board of Directors Member
2010	present day	IDGC Holding, JSC	Head of Department for transport of electric energy and energy saving
2010	present day	IDGC of North-West JSC; "Tyumenenergo" JSC	Board of Directors Member

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Likhov Khasan Mushtafaevich**

Year of birth: 1983

Education: Higher. Academy of economic security attached to Ministry of Internal Affairs of the Russian Federation

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity Name	Position
from	Up to		
2006	2007	“Southern Oil Company (YuNK)” LLC	Director general
2007	2008	Administration of RF ministry of justice for Central federal region	Advisor
2008	now	RF Ministry of Energy	Head of sector for implementation of federal targeted investment program, deputy head of Department of economic regulation and property relations in Fuel and Energy Complex
2010	now	“Kubanenergo” JSC	Member of BoD

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal

responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Mekhanoshin Boris Iosifovich**

Year of birth: 1950

Education:

Moscow Power Engineering Institute

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity Name	Position
from	Up to		
1993	2010	OPTEN Holding	Director general Member of Board of Directors
2010	Now	“IDGC Holding”	Deputy director general – technical director
2011	Now	“IDGC of Centre and Volga region”, “IDGC of Ural” JSC	Member of Board of Directors
2011	Now	“IDGC of the South” JSC	Member of the Audit Committee attached to BoD

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Pankov Dmitry Leonidovich**

Year of birth: 1971

Education:

Ivanov State Power Engineering University, specialization "Energy systems and networks"

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity Name	Position
from	Up to		
2005	2007	“IDGC of Centre and North Caucasus” JSC	Deputy technical director – head of Department for grids operation management
2007	2011	“IDGC of Centre” JSC	Director in charge of operation and repair
2011	now	“Holding IDGC” JSC	Director in charge of strategy, development and innovations
2011	now	“IDGC of the South” JSC	Member of the Audit Committee attached to Board of Directors

2011	now	“IDGC of the South” JSC	Member of the Committee for Reliability attached to BoD
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The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Sannikov Aleksey Valerievich**

Year of birth: 1965

Education:

Academy of economic security at Ministry of Internal Affairs of the Russian Federation

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period	Entity	Position
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from	up to		
2005	2007	Federal Tariff Service of Russia	Director of department for pricing regulation in electric energy sector
2007	2008	“Atomenergoprom” JSC	Director of department for generation and reforming of electric energy market
2009	present day	IDGC Holding, JSC	Deputy director general members of Management Board
2009	present day	“Tyumenenergo” JSC	Board of Directors Member
2009	present day	Non-profit Partnership “Energostroy”	President, member of Partnership Board
2010	present day	“Kubanenergo” JSC	Board of Directors Member

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Filkin Roman Alekseevich**

Year of birth: 1983

Education: Finance Academy under the Government of the Russian Federation, speciality “Finance and Credit

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Name of the entity	Position
from	to		
2008	2009	Prosperity Capital Management LLC	Supervisor
2008	2009	Moscow representative office of Prosperity Capital Management Limited	Director
2008	2009	Representative office of Prosperity Capital Management (RF) LTD	Deputy director
2009	2009	“Bank “Southern Region” JSC, “Spetssetstroy” JSC (construction of HVLs and substations)	Member of BoD
2009	2010	“Krasniy Kotelschik” JSC, “Kurskenergosbyt” JSC, “Severtruboprovodstroy” JSC, “Voronezh Aircraft manufacturer” JSC, “Voronezh energy selling company” JSC, “Yaroslavl energy selling company” JSC, “Arkhangelsk energy selling company” JSC	Member of BoD
2009	2011	“Bashkirenergo” JSC, “Dagestan energy selling company” JSC, “Dalenergomontazh” JSC, “Energospetsmontazh” JSC, “Novgorodsetstroy” JSC, “Novaya Era” JSC, “Novgorodoblkommunelektro” JSC, “Sevzapelektrosetstroy” JSC, “Smolensk company for repair in the sphere of power industry” JSC, “Urengoytruboprovodstroy” JSC, “Magadanenergo” JSC	Member of BoD
2009	now	Representative office of Prosperity Capital Management (RF) LTD	Co-director, power

			industry, engineering
2009	now	“IDGC of Centre and Volga region” JSC, “Penza company for repair in the sphere of power industry” JSC, “Territorial generating company No.6” JSC, “Tver company for repair in the sphere of power industry” JSC	Member of BoD
2010	2011	Open joint stock company for construction of transfer pipeline in the South of Russia “Yuzhtruboprovodstroy”, “Tambov energy selling company” JSC	Member of BoD
2011	now	“IDGC of North-West” JSC, “IDGC of Centre” JSC	Member of BoD
2011	now	“IDGC of the South” JSC	Member of Audit committee
2011	now	“IDGC of the South” JSC	Member of Committee for strategy, development, investments and reforming

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes

against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Shevchuk Aleksandr Viktorovich**

Year of birth: 1983

Education: Financial University under the Government of the Russian Federation, faculty of Finance and Crediting

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity	Position
from	up to		
2004	present day	Non-profit Partnership "Association for protection of investors' rights	Deputy acting director general
2006	2011	“Dalsvayz” JSC	Board of Directors Member
2007	2008	“Centretelecom” JSC	Board of Directors Member
2007	2009	IDGC of North Caucasus JSC	Board of Directors Member
2009	2010	NCC, CJSC	Board of Directors Member
2010	2011	“Centretelecom” JSC	Board of Directors Member
2010	2011	Southern Telecommunications Company JSC	Board of Directors Member
2010	2011	Sibirtelecom JSC	Board of Directors Member
2011	present day	IDGC of Centre, JSC	Board of Directors Member
2011	present day	IDGC of North Caucasus JSC	Board of Directors Member
2011	present day	“Volgogradgorgaz” JSC	Board of Directors Member

2011	present day	“Urengoytruboprovodstroy” JSC	Board of Directors Member
2011	present day	"IDGC of the South" JSC	Member of Audit Committee, Personnel and Remuneration Committee, Committee for Strategy, Development, Investments and Reforming

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Yurchuk Sergey Evgenievich**

Year of birth: 1966

Education: Lomonosov Moscow State University, speciality “Economist”

All positions held by the person at the Issuer Company and other entities within

the last five years and now, including part-time job

Period		Entity	Position
from	up to		
2005	2008	Shipbuilding plant “Severnaya verf” JSC	Director for Economy and Finance
2008	2009	“Almaz Press” JSC	Deputy director general in charge of economy and finances
2009	present day	IDGC Holding, JSC	Director for Finance
2010	present day	“Lenenergo” JSC	Board of Directors Member
2010	present day	“MOESK” JSC	Board of Directors Member
2010	present day	IDGC of the South, JSC	Board of Directors Member, Chairman of Committee for audit, Committee for strategy, development, investments and reforming
2011	present day	IDGC of Ural JSC	Board of Directors Member

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Additional Data Disclosed in Accordance with Regulation

on Information Policy of “IDGC of the South”, JSC

Information on transactions concluded by the issuer and persons included in management bodies:

All members of “IDGC of the South” BoD are RF citizens.

Data on Board of Directors’ members training at the Company’s expense: no members of the Board of Directors of the Company were trained at Company’s expense in IV quarter, 2011.

Data on the Company’s Board of Directors Nominating Process, Procedure of Items Submission to the Company’s Board of Directors

Procedures of Nominating Candidates to the Board of Directors of the Company

Shareholders (shareholder) of the Company owning at least 2 (two) percents of the Company’s voting shares in total are entitled to contribute issues to the agenda of Annual General Meeting of Shareholders and to nominate candidates to the Board of Directors and Audit Committee of the Company within 60 (sixty) days after the end of fiscal year. Number of candidates should not exceed quantity of the corresponding body.

Proposal to contribute issues to the agenda of General Meeting of Shareholders as well as proposal to nominate candidates are accepted in the written form with names of shareholders (shareholder) contributing; quantity and categories (types) of shares owned should be indicated by the shareholders (shareholder).

Proposal to contribute items to the agenda of General Meeting of Shareholders should contain wording of each of the item contributed, and proposal to nominate candidates should contain name and data of the identity document (series and (or) number, date and place of issue, the authority which issued the document) of each of the nominated candidates, name of the body the candidate is nominated to be elected in.

Board of directors of the Company should consider contributed proposals and take decision either on their inclusion in the agenda of General Meeting of Shareholders or on refusal to include them in this agenda within 5 (five) days after the end of the terms, indicated in point 13.1 of article 13 of the Company Charter.

Board of Directors of the Company may refuse to include items contributed to the agenda by shareholder (shareholders) as well as to enlist nominees for election to the appropriate body of the Company on the grounds provided by the Federal Law “On Joint Stock Companies” and other legal acts of the Russian Federation.

Reasoned Decision of the Board of Directors on the Company’s refusal to include the item in the agenda of the General Meeting of Shareholders of the Company or to include a candidate in the list of nominees for election to the appropriate body of the Company should be sent to the shareholder (shareholders) contributed the item or nominating the candidate within the next 3 days after the moment of the contribution.

The Board of Directors of the Company does not have the right to make any changes in the wording of items proposed for inclusion in the agenda of General Meeting of Shareholders and (in case there are such) in wording of decisions on such issues.

Apart from the questions proposed by shareholders for inclusion in the agenda of General Meeting of Shareholders as well as in case of absence of such proposals, absence or lack of candidates, nominated by shareholders to form the proper unit, the Board of Directors of the Company has right to include items into the agenda of General Meeting of Shareholders or names of candidates into the list of nominees as they see fit.

Procedures of Items Submitting to the Board of Directors of the Company

Order of items submitting to the Board of Directors of “IDGC of the South”, JSC is defined by the Regulation “On the Procedure for Convening and Holding Meetings of the Board of Directors of “IDGC of the South”, new edition approved by Company BoD (Minutes No. 5 dated 17.06.2011).

In accordance with sub point No.5.3.3 point 5.3 of article 5 in regulation “On the Procedure for Convening and Holding Meetings of the Board of Directors of “IDGC of the South”, schedule of the Board of Directors is formed on the basis of proposals of the Chairman and Members of the Board of Directors, Audit Commission, Chief Executive Officer of the Company and Company Auditor.

Indicated proposals are submitted to the Chairman of Board of Directors in written form and their copies are simultaneously sent by fax to Corporate Secretary.

Summary of Decisions Taken at Meetings of the Board of Directors of “IDGC of the South”, JSC

In the 4th quarter of 2011 “IDGC of the South” JSC Board of Directors convened 7 meetings (6 – in absentee voting and 1 – in presentia and via questionnaire).

“IDGC of the South” JSC Board of Directors 18.10.2011 (Minutes No. 73/2011 dd 21.10.2011):

- the corrected business plan (including the investment programme) of the Company was approved for 2011.
- KPI of “IDGC of the South” JSC for 2011 were approved.
- Corrected Programme on energy saving and increasing energy efficiency of “IDGC of the South” JSC for 2011-2015 was approved.
- Report of director general on the process of implementation of Company’s investment programme was taken into consideration.

“IDGC of the South” JSC Board of Directors 19.10.2011 (Minutes No. 74/2011 dd 21.10.2011):

- Consolidation of grid facilities was determined as priority activity of the Company. Programme of Consolidation of grid facilities of “IDGC of the South” JSC for the period of 2011-2015 was approved.
- Obligatory energy audit of production and grid facilities was determined as priority activity of the Company. Schedule of activities on performing the audit in 2011-2012 was approved.
- Introduction of system of monitoring the process of construction of important investment projects was determined as priority activity of the Company.
- Proprietary standard of “IDGC of the South” JSC “System of centralized services” was approved.
- Termination of Company’s membership at Non-profit Partnership INVEL was approved.
- Positions of “IDGC of the South” JSC on the agenda items of meetings at Company’s affiliated and subsidiary companies were determined.
- Credit plan of “IDGC of the South” JSC for the 4th quarter of 2011 was approved.
- Candidature of Karpenko Vadim Vladimirovich was approved for the position of deputy director general in charge of corporate management at “IDGC of the South” JSC.
- Reports presented by director general of “IDGC of the South” JSC on implementation of BoD decisions dated 30.05.2011 (minutes of meeting dated 01.06.2011 No.65/2011), on the process of implementation of activities on carrying out negotiations with executive authorities of territorial subjects of RF on sources of funding and implementing the

Programme of perspective development of energy metering systems at retail market of electric energy in 2011 and onwards, as well as on observance of Regulation on information policy of “IDGC of the South” JSC.

- Agreement on division and migration databases of software in shared usage of “IDGC of the South” JSC and “Kubanenergo” JSC was determined as transaction of interest.
- Contracts on energy audit concluded by “IDGC of the South” JSC and “Energoservis Yuga” JSC, Recreation Center “Energetik” JSC as transaction of interest.

“IDGC of the South” JSC Board of Directors 15.11.2011 (Minutes No.75/2011 dd 18.11.2011):

- Cash flow indicators in the 4th quarter of 2011 were approved.
- Report on implementation of Company’s business plan (including investment programme) in the 2nd quarter of 2011 was approved.
- Report of director general of IDGC of the south on purchase of energy facilities that do not require the approval of BoD for the 2nd quarter of 2011, report on management at subsidiary and affiliated companies performing non-core activities as well as report on the process of selling non-core assets in the 2nd quarter of 2011 were taken into consideration.
- Opinion of IDGC of the South on agenda items of meetings of subsidiary and affiliated companies was determined.
- Rent contracts concluded by IDGC of the South and “Astrakhanelektrosetremont”, “Volgogradsetremont” were approved as transaction of interest.
- Decision on concluding transaction related to purchase of property constituting fixed assets used for dispatching, production, transmission and distribution possessed by municipal enterprise “Elektroseti” of municipal unit “Closed administrative and territory unit Znamensk, Astrakhan region” was approved. Одобрено решение о совершении.
- Decision on concluding transaction related to purchase of property constituting fixed assets used for dispatching, production, transmission and distribution possessed by Komsomolskiy municipal unit, Kalmykiya Republic.

“IDGC of the South” JSC Board of Directors 07.12.2011 (Minutes No. 76/2011 dd 09.12.2011):

- Candidatures of Kuzhilin Aleksandr Vladimirovich for the position of director of the branch of IDGC of the South - “Kubanenergo” and candidature of Mukhamediyarov Rinat Rachitovich for the position of head of department for inventory and logistics at IDGC of the South were approved.
- Proprietary Standard on Technical policy on metering and accounting

electric energy in distribution grid complex of IDGC of the South was approved.

- The corrected programme of Company's activity on registering property rights for immovable property, registering/re-registering rights for usage of land plots for the period of 2011-2014.
- Schedule of activities on reducing accounts receivable for services of energy transmission and settlement of disputes occurred as of 01.10.2011 was approved.
- Results of implementation of KPI in the 2nd quarter of 2011 were approved.
- Opinion of IDGC of the South on agenda items of extraordinary meeting of subsidiary and affiliated companies was determined.
- Contracts concluded by "IDGC of the South" and "Southern Centre of Power Engineering", "Astrakhanelektrosetremont", "PSKh Sokolovskoye" were approved as transactions of interest.

"IDGC of the South" JSC Board of Directors 23.12.2011 (Minutes No. 77/2011 dd 26.12.2011):

- Authorities of Savin Gregory Grigorievich as member of Management Board were terminated and Karpenko Vadim Vladimirovich was elected to Management Board.
- Authorities of Reshetnikov Mikhail Yurievich as member of Committee for technological connection to electric grids were early terminated. Karpenko Vadim Vladimirovich was elected Committee for technological connection to electric grids.
- Reports of director general on credit policy of IDGC of the south on the 3rd quarter of 2011, on results of preparedness to autumn-winter season of 2011-2012, on the process of implementation of Programme of innovation-based development of the Company, on the process of implementation of Programme perspective development of energy metering systems, on the process of implementation of Programme on energy saving and increasing energy efficiency were taken into consideration.
- Company's opinion on agenda item of meeting of Recreation Centre "Energetik" BoD "On electing director general of Recreation Centre "Energetik" was determined.
- Contracts concluded by "IDGC of the South" and "Southern Centre of Power Engineering", "Kalmenergosbyt" were approved as transactions of interest.
- Additional agreement No.1 to Contract No.СДУ-2/2010/49 dated 01.02.2011 on collaboration of "IDGC of the South" JSC and "SO UES" JSC for the purpose of providing reliably operation of UES of Russia was approved as transaction of interest.

5.2.2. Information on Sole Executive Body of the Issuer

Surname, name, patronymics: **Arkhipov Sergey Aleksandrovich**

Year of birth: 1967

Education:

Alma-Ata Power Engineering Institute with a specialization in “Electric Systems and Power Grids”

Extended education: Occupational retraining at the Academy of National Economy under the Government of the Russian Federation, after the training program “Company’s Development Control”

“Institution of Further Training for Executives and Specialists of Fuel and Energy Complex” Federal state educational institution for continuing professional education, related subject: “Protection of State Secrets”.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Name of entity	Position
from	to		
2006	2007	“Energosbyt Rostovenergo” JSC	Executive Director, General Director
2007	2007	“Rostovenergo” JSC	Managing Director
2007	2007	“Rostovenergo” JSC	Deputy CEO, Managing Director
2007	2007	“TGK-8 - Southern Generating Company”	Acting First Deputy Chief Executive Officer for Economy and Finance
2008	2008	“Smolenskenergo” JSC, “IDGC of Center” JSC	Executive Director
2008	2008	“Smolenskenergo” branch of ‘IDGC of Center’ JSC	Deputy CEO, Director of the Branch
2008	2010	Executive Office of “IDGC of Center” JSC	First Deputy CEO
2010	Now	“IDGC of the South” JSC	Chief Executive Officer
2010	Now	“IDGC of the South” JSC	Management Board Chairman

The person has no participation shares/ordinary shares in authorized capital of

the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: the issue did not issue options

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

5.2.3. Structure of Collegiate Executive Body of the Issuer

Surname, name, patronymics: **Arkhipov Sergey Aleksandrovich**
(Chairman)

Year of birth: 1967

Education:

Alma-ata Institute for Energetics; qualifications: Electric-power Systems and Grids.

Extended education: Occupational retraining at the Academy of National Economy under the Government of the Russian Federation, after the training program “Company’s Development Control”

“Institution of Further Training for Executives and Specialists of Fuel and Energy Complex” Federal state educational institution for continuing

professional education, related subject: “Protection of State Secrets”.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Name of entity	Position
from	to		
2006	2007	“Energosbyt Rostovenergo” JSC	Executive Director, General Director
2007	2007	“Rostovenergo” JSC	Managing Director
2007	2007	“Rostovenergo” JSC	Deputy CEO, Managing Director
2007	2007	“TGK-8 - Southern Generating Company”	Acting First Deputy Chief Executive Officer for Economy and Finance
2008	2008	“Smolenskenergo” JSC, “IDGC of Center” JSC	Executive Director
2008	2008	“Smolenskenergo” branch of ‘IDGC of Center’ JSC	Deputy CEO, Director of the Branch
2008	2010	Executive Office of “IDGC of Center” JSC	First Deputy CEO
2010	Now	“IDGC of the South” JSC	Chief Executive Officer
2010	Now	“IDGC of the South” JSC	Management Board Chairman

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: the issue did not issue options

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Akilin Pavel Evgenievich**

Year of birth: 1975

Education:

Higher education, Izhevsk State Technical University, with specialization in “Economics and Company Management”

Additional education: The State University of Management, specialization «Company Management”, additional qualification “Master of Business Administration”

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity name	Position
From	up to		
2005	2005	“Udmurtenergo” JSC	Deputy CEO in charge of Economics
2005	2005	Verkhnevolzhsk branch of “IDGC of the Center and North Caucasus” JSC	Deputy Director in charge of Economics
2005	2006	Verkhnevolzhsk branch of “IDGC of the Center and North Caucasus” JSC	Deputy Director in charge of Economics and Finance
2006	2008	“Lenenergo” JSC in Power and Electrification	Deputy Director General in charge of Economics

2008	2009	“Pavlovoenergo” LLC	Deputy Director General in charge of Economics
2009	2010	“Tverenergo” branch of “IDGC of the Center” JSC	Deputy Director in charge of Economics and Finance
2010	2010	“IDGC of the Center” JSC	Director of Economic Affairs
2010	now	“IDGC of the South” JSC	Deputy CEO in charge of Economics and Finance”
2010	now	“IDGC of the South” JSC	Member of the Management Board

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: the issue did not issue options

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Alaev Timur Ulyumdzhevich**

Year of birth: 1971

Education:

Novocherkassk Polytechnic Institute in honor of Order of the Red Banner of Labour named after Sergo Ordzhonikidze, speciality “Automated control of electric energy systems”, qualification “Electrical engineer”.

Additional education:

1. State academy of professional retraining and advanced training for managers and specialists of investment sphere, program “Provision by managers and specialists of management system the environmental safety”;
2. Institute of professional retraining and advanced training for managers and specialists at Plekhanov Russian Academy of Economics, federal program “Management”, specialization “Strategic management”.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity name	Position
From	Up to		
2006	2007	“Kalmenergo” JSC	First deputy of managing director – chief engineer
2007	2008	“Kalmenergo” JSC	Deputy director general on technical issues – technical director
2008	Now	Branch of “IDGC of the South” JSC – “Kalmenergo”	Deputy director general – director of the branch
2009	2010	“IDGC of the South” JSC	Member of Management Board
2011	Now	“IDGC of the South” JSC	Member of Management Board

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: the issuer did not issue options

Participation shares of the person in authorized (share) capital (unit investment

fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Ivanov Vitaliy Valerievich**

Year of birth: 1970

Education:

Higher education, Omsk Institute of Railway Engineers, with specialization in “Railway Automation, Telemechanics and Communications”;

The Academy of National Economy of the Russian Federation Government, with specialization in “Corporate Development Management”

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity name	Position
From	Up to		
2004	2005	“Northern Electric Grids” structural subdivision of “Grid Enterprise” branch of “Omskenergo” JSC Inc.	Technical Director
2005	2006	“Omskenergo” JSC Inc.	Deputy Technical Director

2006	2010	“IDGC of Siberia” JSC	Deputy CEO in charge of Engineering, Engineering Manager
2010	2010	“IDGC Holding” JSC	Advisor of the CEO Executive Office
2010	now	“IDGC of the South” JSC	Deputy CEO in charge of Engineering, Engineering Manager
2010	now	“IDGC of the South” JSC	Member of the Management Board
2010	now	“Astrakhanelektrosetremont” JSC, “Volgogradsetremont”, JSC	Chairman of Board of Directors

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: the issue did not issue options

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Vosmirko Aleksandr Vladimirovich**

Year of birth: 1959

Education:

Military Policy Institution for Border Officers under KGB of the USSR n. a. Voroshilov K.E. with specialization in “Military Policy, General Forces”; qualification “Military Officer of Higher Military and Political Education”;

Military Policy Academy n. a. Lenin V.I., awarded Lenin and October Revolution Orders, Red Banner, with specialization in “Military Policy”, qualification “Military Officer of Higher Military Education, Teacher of History”;

“North Caucasus Academy of State Service” (CKAFC) State Educational Institution of Military Law Education with specialization in “Jurisprudence”; qualification: lawyer.

Extended Education: Occupational retraining at “North Caucasus Academy of State Service” with specialization in “Jurisprudence with Right to Perform Professional Activity in the Sphere of Criminal Law Relations”

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity name	Position
From	Up to		
2005	2009	“Rosoboronexport” Representative Office of the Federal State Unitary Enterprise in Krasnodar region	Chief Expert, Representative
2009	2010	“Rostekhnologii” State Corporation in Krasnodar Region	Head of the Representative Office
2010	2010	“IDGC of the South” JSC	Acting Deputy CEO in charge of Security and Controlling
2010	now	“IDGC of the South” JSC	Deputy CEO in charge of Security and Controlling
2010	now	“IDGC of the South” JSC	Member of the Management Board

2011	now	“IDGC of the South” JSC	Deputy director general in charge of security
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The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: the issue did not issue options

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Vashkevich Vladimir Frantishkovich**

Year of birth: 1972

Education:

Leningrad higher Military and Political Academy n.a. Andropov Yu.V., speciality: “Command, tactical air defense”; State University of Saint-Petersburg, speciality “Law”

Additional education: 1997-1998 – Saint-Petersburg Financial and Economical College, speciality: “Finances”, qualification: lawyer;

2010 – present day – Kuban State Technical University, speciality: “Energy supply”.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity Name	Position
form	up to		
2007	2007	“Gazkomplektimpex” LLC	Deputy head of department for steel and building materials
2007	2009	“Gazavtomatika” LLC	Head of sales and marketing department; Head of department for contract projects management
2009	2009	“Elektrogaz” LLC	Deputy director general in charge of inventory and technical resources, acting director general
2009	2010	“Elektrogaz” LLC	Deputy director general in charge of inventory
2010	2011	“Elektrogaz” LLC	Deputy director general in charge of business affairs
2011	2011	“IDGC of the South” JSC	Acting deputy director general
2011	now	“IDGC of the South” JSC	Deputy director general in charge of capital construction

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: the issue did not issue options

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Goncharov Pavel Viktorovich**

Year of birth: 1966

Education:

Industrial Institute of Pavlodar, speciality “Electric systems”, qualification “Electrical engineer”

Additional education:

1. Volgograd Academy of State service, retraining on “State and municipal management”,
2. Institute for advanced retraining of managers and specialists of power industry, program “Protection of commercial secret”,
3. Professional retraining at State university of management, program “Management of energy companies in market economy” with right to perform activity in the sphere of economy and management in energy industry.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity Name	Position
From	Up to		
2006	2007	“Energobalans - Astrakhan” JSC	Director general
2007	2007	“Astrakhanenergo” JSC	Technical director
2007	2008	“Astrakhanenergo” JSC	First deputy director general– chief engineer
2008	2010	Branch of “IDGC of the South” JSC - “Astrakhanenergo”	Deputy director general of technical issues – chief engineer
2010	Now	Branch of “IDGC of the	Deputy director general– director

		South” JSC - “Astrakhanenergo”	of the branch
2010	2010	“IDGC of the South” JSC	Member of Management Board
2011	Now	“IDGC of the South” JSC	Member of Management Board
2011	Now	“Astrakhanelektrosetremon t” JSC	Member of Board of Directors

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: the issue did not issue options

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Karpenko Vadim Vladimirovich**

Year of birth: 1959

Education:

Petrozavodsk forestry engineering college, specialization “Equipment of timber procurement enterprises and forestry”.

Leningrad Institute of Finances and Economics named after Voznesenskiy N.A. of Order of the Red Banner of Labour, specialization “National planning”

Additional education:

Professional retraining at Academy of National Economy under the Government of the Russian Federation on program “Management and marketing” , qualification “Top manager”.

Short-term courses at “Corporate educational and scientific centre of UES” on program “Managemnt of technological processes in electric grids and systems”.

Degree: Ph.D. in Economics

Positions held in issuing company and other entities in chronological order within the last 5 years and now:

Period		Name of entity	Position
from	to		
2005	2009	Russian Television and Radio Broadcasting Network (RTRS)	Head of land and property resources department
2009	2011	Holding IDGC, JSC	Head of property management department
2011	now	“IDGC of the South”, JSC	Deputy director general in charge of corporate management
2011	now	“IDGC of the South”, JSC	Member of management Board
2011	now	“IDGC of the South”, JSC	Member of Committee for technological connection to electric grids attached to BoD

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: the issue did not issue options

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Kuzhilin Aleksandr Vladimirovich**

Year of birth: 1969

Education: 1. Moscow higher combined-arm command academy in honor of Supreme Soviet of the RSFSR, specialization “Command and tactics of motorized rifle troops”;

2. Military academy named after Frunze M.V., specialization “Military and administrative management”;

3. Samara State University of Economics, specialization “Jurisprudence”.

Additional education:

1. Russian Academy of Public Administration under the President of the Russian Federation (RAPA), “Anti-corruption mechanisms in the sphere of state administration”;

2. “Corporate education and scientific centre of UES”, “Control of technological processes of electric grids and systems”.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Name of Entity	Position
From	Up to		
2007	2009	Federal Service for Defense Contracts of the Russian Federation (Rosoboronzakaz)	Office director, advisor
2009	2009	“IDGC Holding” JSC	Deputy head of office
2009	2010	“IDGC Holding” JSC	Head of organization department
2010	2011	“IDGC Holding” JSC	Deputy head of office – head of organization department
2011	Now	“IDGC of the South” JSC	Deputy director general – Chief of Staff at “IDGC of the South” JSC
2011	Now	“IDGC of the South” JSC	Member of Management Board

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: the issue did not issue options

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the

Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Kalenyuk Yegor Vladimirovich**

Year of birth: 1970

Education: 1. Khabarovsk Polytechnic Institute, speciality “Economy and management in mechanic engineering”, qualification “Engineer-economist”;
2. Far Eastern National University of transport routes, speciality “Energy systems and networks”, qualification “Engineer”.

Additional education:

1. Academy of National Economy of the Russian Federation Government , program “Management in power industry”;
2. “Institute of management” at RAO UES of Russia, program “Preparation of reserve of administrators at energy enterprises in conditions of restructuring of management system: directors, chief engineers, deputies”;
3. Institute of economy, management and social relations, program “Debt management in housing and public utilities system: new legal acts and methods of debts collection” ;
4. Institute for advanced training for power engineers, program “Increase of efficiency of energy selling activity”;
5. Non-profit partnership “Corporate educational centre of UES”, program “Development, introduction and monitoring of quality management system”;
6. International seminar in Belgium - Netherland, program “Organization of effective marketing and commercial activity of energy enterprise”;
7. State educational institution for professional education “Polytechnic institute of Tomsk”, program “Heat electric stations”;
8. Short-term course on federal law “On energy safety and increase of energy efficiency: practice”;
9. Non-state non-profit partnership “Educational centre “Kubanenergo”, program “Model of leadership”

Positions held in issuing company and other entities in chronological order within the last 5 years and now:

Period		Name of entity	Position
from	to		
2006	2007	“Khabarovskenergo” JSC	Deputy director general on selling electric and heat energy
2007	2010	“Generating Company of Far East” JSC	Deputy director general
2010	2010	Branch of “IDGC of the South” JSC –	Acting deputy director general – director of branch

		“Volgogradenergo”	
2010	Now	Branch of “IDGC of the South” JSC – “Volgogradenergo”	Deputy director general–director of branch
2011	Now	“IDGC of the South” JSC	Member of Management Board

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: the issue did not issue options

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Samarchenko Olga Petrovna**

Year of birth: 1960

Education: Krasnodar Polytechnic Institute in honor of Order of the Red Banner of Labour, speciality “Fat technology”, qualification “Industrial engineer”.

Additional education:

1. Professional retraining at Bauman Moscow State Technical University, specialization “Enterprise management” with right to professional activity in the sphere of “Enterprise controlling”.

2. Advanced training at the Institute of advanced training for power industry specialists, specialization “Competitive bidding of electric energy”

Positions held in issuing company and other entities in chronological order within the last 5 years and now:

Period		Name of entity	Position
from	to		
2004	2007	Branch of “Independent energy selling company of Krasnodar region” JSC - “Krasnodar electric grids”	Head of service for energy selling
2007	2008	“Energobalans - Kuban” LLC	Head of clients relation sector, Head of service for commercial metering
2008	2011	“IDGC of the South” JSC	Head of department for transport of electric energy
2010	2011	“IDGC of the South” JSC	Acting deputy director general on development and selling of services (positions overlapping)
2011	Now	“IDGC of the South” JSC	Deputy director general on development and selling of services
2011	Now	“IDGC of the South” JSC	Member of Management Board
2011	Now	“Energoservis Yuga” JSC	Member of Board of Directors

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: the issue did not issue options

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law

related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Members of Management Board of “IDGC of the South”, JSC were elected by the decision of Board of Directors of “IDGC of the South”, JSC on May 19, 2008 (Minutes of Meeting No.13/2008 dd. 22.05.2008) with changes as of November 28, 2008 (Minutes of Meeting No.20/2008 dd. 01.12.2008), February 9, 2009 (Minutes of Meeting No.22/2009 dd. 11.02.2009), May 8, 2009 (Minutes of Meeting No.26/2009 dd. 08.05.2009), December 23 (Minutes of Meeting No.38/2009 dd. 25.12.2009), February 03, 2010 (Minutes No. 39/2010 dd. 05.02.2010), 26.04.2010 (Minutes No. 44/2010 dd. 28.04.2010), 25.06.2010 (Minutes No. 49/2010 dd. 28.06.2010), 08.07.2010 (Minutes No.50/2010 dd. 08.07.2010), 31.08.2010 (Minutes No. 53 dd. 01.09.2010), 22.12.2010 (minutes of meeting No. 57/2010 dd. 24.12.2010) and 30.05.2011 (Minutes No.65/2011 dd.01.06.2011), 29.08.2011 (Minutes No. 71/2011 dd 30.08.2011), 16.09.2011 (Minutes No. 72/2011 dd 19.09.2011 and 23.12.2011 (Minutes No. 77/2011 dd 26.12.2011).

All members of “IDGC of the South” JSC Management Board are citizens of Russian Federation.

5.3. Data on Amount of Remuneration, Benefits and/ or Reimbursement of Expenses of Each Management Authority of the Issuer

Data on the amount of remuneration to each management authority of the Issuer (except for the physical person functioning as sole executive authority of the Issuer): All kinds of remuneration are specified, including wages, bonuses, awards, benefits and (or) reimbursement of expenses and other property advancements discharged by the Issuer for the last completed financial year:

Unit of measurement: rub

Board of Directors

Remuneration,	7 081 960
Wages	5 754 788
Bonuses	0

Awards	0
Benefits	0
Reimbursement for expenses	363 196
Other property advancements	0
Other	0
TOTAL	13 199 944

Data on current agreements about such payments in the financial year:

Payment of remunerations and compensations to members of Board of Directors is made in accordance with Regulations on Payments to Members of Board of Directors of Open Joint Stock Company “Interregional Distribution Grid Company of the South” of Remunerations and Compensations (new revision) approved by decision of Annual General Shareholders Meeting of “IDGC of the South”, JSC (Minutes No.1 dd. 04.06.2008).

According to p. 4.1 of the Regulations, for participation in meeting by correspondence (by way of filling in a questionnaire), a member of Board of Directors is paid the remuneration equivalent to eight minimum tariff rates of 1st category worker established by the sectorial tariff agreement of the RF electric energy complex (further referred to as Agreement) as of the date of Board of Directors meeting, indexed in conformity with the Agreement, within one month from the date of Board of Directors meeting.

For participating in Board of Directors meeting in the form of joint presence, a member of the Company’s Board of Directors is paid the remuneration equivalent to ten minimum tariff rates of 1st category worker fixed in the sectorial tariff agreement of the RF electric energy complex (further referred to as Agreement) as of the date of Board of Directors meeting, indexed in conformity with the Agreement, within one month from the date of Board of Directors meeting.

Amount of remuneration paid in accordance with p. 4.1 of the Regulations to the Chairman (Deputy Chairman) for each meeting where he fulfilled functions of Chairman of Board of Directors is increased by 50%.

According to p. 4.2 of the Regulations, members of Board of Directors of “IDGC of the South”, JSC are paid extra remunerations for net profit indicator of the Company on the annual balance sheet approved by the Company’s General Shareholders Meeting.

The amount of remuneration to hereinabove body following performance results for the last completed financial year, set (approved) by the Issuer’s authorized management body but not actually paid as of the end of the accounting period:

Facts specified are absent

Collegiate executive authority:

Remuneration	2 148 385
Wages	49 270 598
Bonuses	0
Awards	0
Benefits	0
Reimbursement for expenses	0
Other property advancements	0
Other	0
TOTAL	51 418 983

Data on current agreements about such payments in the financial year:

On the basis of decision adopted by “IDGC of the South” JSC Board of Directors (minutes dd 22.05.2008 No.13/2008, minutes dd 01.12.2008 No.20/2008, minutes dd 11.02.2009 No.22/2009, minutes dd 25.12.2009 No.38/2009, minutes dd 05.02.2010 No. 39/2010, minutes dd 28.04.2010 No. 44/2010, minutes dd 28.06.2010 No. 49/2010, minutes dd 08.07.2010 No. 50/2010, minutes dd 01.09.2010 No.53/2010, minutes dd 29.10.2010 No. 55/2010, minutes dd 24.12.2010 No. 57/2010, minutes dd 01.06.2011 No.65/2011, minutes dd 30.08.2011 No. 71/2011 и minutes dd 19.09.2011 No. 72/2011) on determining the amount of members of Management Board and on electing members to the Board, as well as in accordance with article 21 of the Company Charter and articles 15 and 57 of RF Labour Code additional agreements to the labour contracts are concluded with members of the Management Board of the Company on exercising powers of members of the Collegiate Executive Body of the Company - Management Board.

Members of the Management Board belong to the category of top managers of the Company.

In conformance with labour contracts concluded between the Company and members of the Management Board, remuneration to the member of the Management Board is paid in amount and in order specified by Regulations "On Material Motivation of Top Managers of JSC “IDGC of the South" (new revision) approved by the decision of the Board of Directors on 14.06.2011 (Minutes No.67/2011 dd 16.06.2011).

Members of the Management Board are motivated by:

- by making, in accordance with order of Company Director general, bonus payments in amount up to 15% from the fixed salary of top manager;
- paying quarterly and annual remuneration to members of the Management Board as top managers for achieving target values of key performance indicators

Starting from 01.09.2011 members of Management Board receive monthly payments in amount of 11% from fixed top manager's salary for exercising their authorities.

The amount of remunerations paid to members of the Management Board in the third quarter is 528 040 rubles.

Amount of remuneration to the body following performance results for the last completed financial year, set (approved) by the Issuer's authorized management body but not actually paid as of the end of the accounting period:

Facts specified are absent

Additional Information:

Remuneration of the Issuer's Chief Executive Officer:

Material incentives issues of the Issuer's Chief Executive Officer are determined according to conditions of his labour contract, also according to Regulations on Material Incentives of Chief Executive Officer of "IDGC of the South", JSC approved by decision of Company's Board of Directors (Minutes of Meeting No.67/2011 dd 16.06.2011).

5.4. Data on Structure and Competence of Authorities Undertaking Control over the Issuer's Financial and Economic Activities

Full description of structure and competence of authorities undertaking control over the Issuer's business activity is provided according to the Charter (constituent documents) of the Issuer:

For auditing financial and economic activity of the Company, Auditing Committee of the Company is elected by General Shareholders Meeting of "IDGC of the South", JSC for the period until the following Annual General Shareholders Meeting.

Should Auditing Committee is elected by Extraordinary General Shareholders Meeting, members of Auditing Committee are considered to be elected for the period until the date of Annual General Shareholders Meeting of the Company.

Quantitative structure of Auditing Committee of the Company includes 5 (five) persons.

By decision of General Shareholders Meeting, powers of all or several members of Auditing Committee of the Company can be subject to early termination.

According to p.24.3 of clause 24 of the Company's Charter, Auditing Committee's competence includes the following:

- confirmation of reliability of data contained in the annual report, annual accounting statements, profit-and-loss account of the Company;
- analysis of financial condition of the Company, revelation of reserves improving the financial condition of the Company and working-out of recommendations for the Company's management bodies;
- development and implementation of a check (audit) of financial and economic activity of the Company, namely:
- check (audit) of the financial, accounting, payment-and-calculation and other documents of the Company related to execution of the Company's finance and business activities concerning the compliance to the legislation of the Russian Federation, the Charter, internal and other documents of the Company;
- control over safety and handling of fixed assets;
- control over observing of the established order of writing-off debts of insolvent debtors on the Company's losses;
- control over expenditure of monetary assets of the Company, according to the approved business plan and the Company's budget;
- control over developing and utilizing reserve and other special funds of the Company;
- check of accuracy and timeliness of distribution and payments of dividends on Company's equity issues, percentage on bonds and income under other securities;
- check of existing instructions fulfillment on elimination of violations and drawbacks revealed during previous checks (audits);
- other actions (activities) regarding check of the Company's financial and economic activities.

Order of the Auditing Committee proceedings is determined by Regulations on the Audit Committee of Open Joint Stock Company "Interregional Distribution Grid Company of the South" approved by decision of General Shareholders Meeting of "IDGC of the South", JSC – Management Board of RAO "UES of Russia", JSC (Minutes No.1751pp/4 dd. 05.10.2007).

Auditing Committee according to the check (audit) decision has a right to involve specialists of the corresponding branches of legislation, economy, finance, accounting, management, economic security and others, including specialized entities.

Check (audit) of the Issuer's financial and economic activity is divided into scheduled and unscheduled. Scheduled check of the Company's financial and

economic activity is held according to approved Annual Activity plan of Auditing Committee. Unscheduled check of the Company's financial and economic activity may be performed at any time following the initiative of Auditing Committee of the Issuer, decision of General Shareholders Meeting, Board of Directors of the Issuer or upon demand of a shareholder (shareholders) of the Issuer owning in aggregate at least ten percent of the Issuer's voting shares.

Text of Regulations on Auditing Committee of "IDGC of the South", JSC is available on website at: <http://en.mrsk-yuga.ru/management/regulations/>.

On the basis of check results of the Company's financial and economic activity, Auditing Committee is making a report that shall include:

- confirmation of reliability of the information contained in reports and other financial documents of the Company;
- information on facts of the Company's violation of accounting order and financial reporting stated in the legal acts of the Russian Federation, and also violation of legal acts of the Russian Federation on performing the Company's financial and economic activity.

Order and terms of drawing up of conclusion based on Company's financial and economic activity check results are defined by legal acts of the Russian Federation and internal documents of the Company.

The Issuer has established Internal Audit Service

Operation term of internal audit/ internal control service and the key specialists:

For the purpose of effective functioning of the internal control system in 2008 the Department of Internal Control and Audit has been established in the Company which consists of Internal Audit Service, the Internal Control Section and Methodology and Risks Section.

According to the decision of "IDGC of the South", JSC Board of Directors dated 05.08.2010 (minutes No.52/2010 dd 06.08.2010) in the third quarter of 2010 the structure of Department of internal control and audit has changed: the Department was given as new name (Department of internal control and risks management), also instead of three sectors two sectors were formed (sector for internal audit and sector for internal control and risks management).

According to new structure the Department of internal control and risks management is directly subordinated to Company's Director general.

Head of Department of internal control and risks management – Shmakov Igor Vladimirovich,

Deputy head of Department of internal control and risks management -head of sector for internal audit – Romanenko Anna Vladimirovna.

The specialists of the Department fulfill their duties in accordance with job description. The specialists of the department are independent from executive

authorities of the issuer and management of the branches they are inspecting.

Basic functions of Internal Audit Service; subordination of Internal Audit Service, cooperation with the Issuer's executive management authorities and Board of Directors (supervisory board) of the Issuer:

Basic functions of Internal Audit Service:

- planning, arrangement and conducting checks (full-scope, audit, limited scope audit, etc) with the purpose of conformance control of financial and economic operations to the Company's interests;
- analysis of certain business processes as for conformance to the current Company policies and regulations, requirements of regulatory documents;
- selective checks of validity, completeness and timeliness of economic and financial facts' representation in financial statements and reports, as well as the reliability of disclosing financial and management information to users;
- control and efficiency estimate of the existing internal control system, processes and procedures of internal control;
- auditing security and effective use of assets, cash flows
- independent estimation and analysis of financial situation of the Company and the subsidiaries and dependent entities;
- carrying out of special investigations of certain cases of malversation, authority abuse etc;
- participation in the working process of the Company's Auditing Committees, subsidiaries and dependent entities as committee members and involved specialists
- monitoring and effective control over activities schedule on eliminating the violations following the audit check results;
- cooperation with outside auditors, representatives of tax and other controlling authorities
- consulting the corresponding services and sections on the issues of legislation conformance regarding accounting and reporting regulation, taxation and other issues of DICA competence

Cooperation with executive bodies of the Issuer's management and Board of Directors (supervisory board) of the Issuer: cooperation is carried out according to current Issuer's Regulations on Department of Internal Control and Audit and Regulation on Internal Control Procedures in "IDGC of the South" JSC. Apart from that, Internal Control Policy of "IDGC of the South" JSC and Risk Management Policy of "IDGC of the South" JSC (Minutes No. 47/2010 dated 11.06.2010) were approved by decisions of Board of Directors of "IDGC of the South" JSC in the accounting quarter.

Since December 1, 2009 Audit Committee at the Board of Directors of “IDGC of the South” JSC is acting in the Company. Main goal of the Committee is to provide efficient work of the Board of Directors solving problems regarded to its competence. Working out and submission of recommendations (decisions) to the Board of Directors of the Company in the sphere of Audit and Accounts of the Company are objectives of the Company.

Coordination of Internal Audit Service and outside Auditor of the Issuer: not stipulated by the Issuer’s internal documents.

The Issuer has adopted (approved) internal document regulating rules of preventing service (insider’s) information use.

Data on documents preventing service (insider’s) information use:

Control of insider information use is fulfilled in the Company on the basis of Regulations of Insider’s Information of “IDGC of the South”, JSC approved by decision of Board of Directors of “IDGC of the South”, JSC.

Internet website where full text of Regulations on Insider’s Information of Open Joint Stock Company “Interregional Distribution Grid Company” (current revision) is available in free access: <http://en.mrsk-yuga.ru/management/regulations/>

5.5. Data on Members of Authorities Undertaking Control over the Issuer’s Financial and Economic Activities

Name of authority controlling Issuer’s financial and economic activities: Auditing Committee of “IDGC of the South”, JSC elected by decision of Annual General Shareholders Meeting of “IDGC of the South”, JSC on 15.06.2010 (minutes No.5 dd. 17.06.2011).

Surname, name, patronymics: **Alimuradova Izumrud Aligadzhievna**

Year of birth: 1971

Education: Lenin State University of Dagestan, specialty: “Economics”, qualification: “Economist”.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity name	Position
form	up to		

2003	2009	“Energokonsalting” JSC	Development Director
2009	now	“IDGC Holding”, JSC	Head of Internal Audit Department

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Arkhipov Vladimir Nikolaevich**

Year of birth: 1956

Education:

Novosibirsk Electronic Technical Institute of Communication, Telecommunications Engineer

All positions held by the person at the Issuer Company and other entities within

the last five years and now, including part-time job

Period		Entity name	Position
from	up to		
2006	2009	“Rustel” CJSC	Director General
2009	now	“IDGC Holding”, JSC	First Deputy Head of Security Department

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Bogachyov Igor Yurievich**

Year of birth: 1959

Education:

Moscow Engineering Institute, speciality “Engineer”

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity name	Position
from	up to		
2007	2010	“MOESK” JSC	Chief Expert of Department for internal control
2010	now	“IDGC Holding”, JSC	Leading expert of sector for organizing and carrying out audit at Department of internal control and risks management

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Kormushkina Lyudmila Dmitrievna**

Year of birth: 1956

Education: Far-East State Academy of Economics and Management, speciality accounting and audit

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity name	Position
from	up to		
2004	2008	RAO UES of Russia	Chief expert
2008	now	“IDGC Holding” JSC	Head of sector internal audit, inspections and certifications at Department of internal control and risks management

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Philippova Irina Aleksandrovna**

Year of birth: 1958

Education: Ryazan Agricultural Institute named after professor Kostychev, specialty: "Accounting".

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity	Position
from	up to		
2006	2009	"Energokonsalting" JSC	Examiner-in-Chief, Main Specialist
2009	now	"IDGC Holding" JSC	Examiner-in-Chief of the Section for Audit Conducting at the Department of Internal Audit

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

5.6. Data on Amount of Remuneration, Benefits and/ or Reimbursement of Expenses of Authority Undertaking Control over the Issuer’s Financial and Economic Activities

All kinds of remuneration are specified, including wages, bonuses, awards, benefits and (or) reimbursement of expenses, and other property advancements discharged by the Issuer for the last completed financial year:

Unit of measurement: rub

Name of the authority undertaking control over the Issuer’s financial and economic activity:

Auditing Committee of “IDGC of the South”, JSC elected by decision of Annual General Shareholders Meeting of the Issuer on 15.06.2010 (Minutes No.4 dd. 16.06.2010)

Remuneration	120 093
Wages	0
Bonuses	0
Awards	0
Benefits	0
Reimbursement for expenses	0
Other property advancements	0
Other	0
TOTAL	120 093

Data on current agreements about such payments in the financial year:

Payment of remuneration to members of Auditing Committee of the Issuer is carried out according to the revised Regulations on Payment of Remuneration and Compensation to Members of Auditing Committee of Open Joint Stock Company “IDGC of the South” approved by decision of Annual General Shareholders Meeting of “IDGC of the South”, JSC (Minutes No.1 dd. 4.06.2008).

According to cl. 3.1 of the Regulations, for participation in financial and economic activity check (audit), a member of Auditing Committee of the

Company receives lump sum remuneration in the amount equivalent to five minimum monthly tariff rates of the first category worker established by the sectoral tariff agreement in electric energy complex of the Russian Federation (further on referred to as Agreement) for the period of carrying out the check (audit), indexed in conformity with the Agreement. Payment of the compensation specified in cl. 3.1 of the Regulations should be made within one week term after drawing up the report following the results of the check (audit) held. According to clause 3.3 of the Regulations, the amount of remunerations paid to Chairman of Audit Committee increases by 50 %.

According to clause 3.2 of the Regulations, extra fee can to be paid for each financial and economic activity check in amount not exceeding twenty minimum monthly tariff rates of the first category worker, indexed in conformity with the Agreement. The procedure and terms of such payment are defined by Board of Directors of the Company.

According to clause 2.1 of the Regulations, charges related to participation in the Company's Auditing Committee meeting and carrying out of a check are compensated to members of the Company's Audit Committee according to norms of compensation of travelling and living expenses of the Company actual by the moment of carrying out the meeting or the check,.

In accord with the Charter of "IDGC of the South" JSC, decisions on payment of remuneration and (or) reimbursement are taken by the General Shareholders Meeting of "IDGC of the South" JSC taking into account recommendations of the Board of Directors concerning the amount of such remunerations and (or) reimbursement. Volume and order of the payment are determined by the abovementioned Regulation.

Besides, members of Auditing Committee of "IDGC of the South", JSC holding staff positions in the Company at the same time are paid wages according to their positions in the staff schedule and Regulations on Payment for Labour.

Members of the Company's auditing Committee were paid 120 093 rubles in the third quarter of 2011.

Amount of remuneration to hereinabove mentioned authority following performance indicators for the last completed financial year stated (approved) by the authorized management body of the Issuer but not actually paid as of the end of the accounting period:

Facts specified are absent

Additional information

Short review of "IDGC of the South", JSC Auditing Committee activity

In the 4th quarter of 2011 Audit committee held one meeting and adopted the following decision: to carry out audit of particular issues of business activity of "Volgogradenergo" branch; approved terms of performing the audit. It was

decided to attract experts for such audit.

Minutes of meetings of the Audit Committee for the whole period of its activity are available at corporate website at:

<http://en.mrskyuga.ru/management/auditing/>

5.7. Data on Headcount and Generalized Data on Education and Structure of the Issuer's Employees (Staff Members), and also on Headcount Change of the Issuer

Is not specified in the report for 4th quarter

5.8. Data on any Obligations of the Issuer to Employees (Staff Members) Concerning Possibility of their Participation in the Authorized (Share) Capital (Share Fund) of the Issuer

The Issuer has no obligations to employees (staff members) concerning possibility of their participation in the authorized (share) capital (share fund) of the Issuer

VI. Data on Participants (Shareholders) of the Issuer and on the Issuer's Interested Parties Transactions

6.1. Data on the Total Amount of Shareholders (Participants) of the Issuer

Total number of persons indicated in the register of shareholders of the Issuer as of the expiration date of the last accounting quarter: 9 978

Total number of nominee shareholders of the Issuer: 10

6.2. Data on Participants (Shareholders) of the Issuer Holding at least 5 percent of Authorized (Share) Capital (Share Fund) or at least 5 percent of Ordinary Shares, as well as Data on Participants (Shareholders) of the Bodies Holding at least 20 percent of Authorized (Share) Capital (Share Fund) or at least 20 percent of Ordinary Shares

Participants (shareholders) of the Issuer holding at least 5 percent of the Issuer's authorized (share) capital (share fund) or at least 5 percent of ordinary shares

Nominee holder

Information on nominee holder:

Full company name: **“Depository and Corporate Technologies” Limited Liability Company**

Short company name: **“DCT”, LLC**

Location

Building 1, 4 Stromynka St., Moscow, RF 107014

TIN: 7729520219

PSRN: 1057746181272

Telephone: (495) 641-3031

Fax: (495) 641-3031

E-mail address: dkd@depotech.ru

Data on license of professional participant of the securities market

Number: 177-11151-000100

Date of issue: 03.04.2008

Valid until:

Without limitation of validity period

License issuing authority: FSEC (FFMS) of Russia

Number of ordinary shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: 25 730 843 051

Number of preferred shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: 0

Nominee holder

Information on nominee holder:

Full company name: "ING BANK (EURASIA) ZAO" (Closed joint Stock Company)

Short company name: "ING BANK (EURASIA) ZAO"

Location

36 Krasnoproletarskaya St., Moscow, Russia, 127473

TIN: 77120114310

PSRN: 1027739329375

Telephone: (495) 755-5400

Fax: (495) 755-5499

E-mail address: mail.russia@ingbank.com

Data on license of professional participant of the securities market

Number: 177-03728-000100

Date of issue: 07.12.2000

Valid until:

Without limitation of validity period

License issuing authority: FSEC (FFMS) of Russia

Number of ordinary shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: **9 991 386 814**

Number of preferred shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: 0

Nominee holder

Information on nominee holder:

Full company name: **Closed Joint Stock Company “Depository and Clearing Company”**

Short company name: **“DCC”, CJSC**

Location

Building Б, 31 Shabolovka st, Moscow, 115162

TIN: 7710021150

PSRN: 1027739143497

Telephone: (495) 956-0999

Fax: (495) 232-6804

E-mail: dcc@dcc.ru

Data on license of professional participant of the securities market

Number: 177-06236-000100

Date of issue: 09.10.2002

Valid until:

Without limitation of validity period

License issuing authority: FSEC (FFMS) of Russia

Number of ordinary shares of the Issuer registered in the Issuer’s list of shareholders under the name of the nominal holder: **3 787 904 032**

Number of preferred shares of the Issuer registered in the Issuer’s list of shareholders under the name of the nominal holder: 0

Nominee holder

Information on nominee holder:

Full company name: **Non-profit Partnership “National Depository Centre”**

Short company name: **“NDC”, CJSC**

Location

Building 4, 1/13 Sredniy Kislovskiy per, Moscow, Russia, 125009

TIN: 7706131216

PSRN: 1027739097011

Telephone: (495) 234-4865

Fax: (495) 956-0938

E-mail address: dc@ndc.ru

Data on license of professional participant of the securities market

Number: 177-03431-000100

Date of issue: 04.12.2000

Valid until:

Without limitation of validity period

License issuing authority: FSEC (FFMS) of Russia

Number of ordinary shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: **7 200 322 562**

Number of preferred shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: 0

6.3. Data on State or Municipal Unit Stake in Authorized (Share) Capital (Share Fund) of the Issuer, Availability of Special Right ("golden share")

Stake of the Issuer's authorized (share) capital (fund) in federal ownership, %: 0.142

Person managing the stake

Full company name: Federal Agency for Management of Federal Property (0.139%) and State Tax Inspection in Taganrog (0.003%)

Stake of the Issuer's authorized (share) capital (fund) owned by subjects of the Russian Federation:

Specified stake is absent

Stake of the Issuer's authorized (share) capital (fund) in municipal ownership:

Specified stake is absent

Special right for participation of the Russian Federation, subjects of the Russian Federation, municipal units in management of the Issuer (Joint Stock Company) ("golden share"):

Specified right is not stipulated

6.4. Data on Restrictions to Participation in the Authorized (Share) Capital (Share Fund) of the Issuer

There are restrictions to participation in authorized (share) capital (share fund) of the Issuer.

6.5. Data on Changes in Composition and Amount of Participation of Shareholders (Participants) of the Issuer Holding at least 5 percent of

Authorized (Share) Capital (Share Fund) or at least 5 percent of Ordinary Shares

Structure of the Issuer's shareholders (participants) who held at least 5 percent of the Issuer's authorized (share) capital (at least 5 percent of the Issuer's ordinary shares – for Issuers representing joint stock companies) as of the date of drawing up the list of the persons entitled to participate in each General Shareholders Meeting for the 5 latest completed financial years prior to the termination date of the accounting period, or for each completed financial year preceding the termination date of the accounting period in case the Issuer has been functioning less than 5 years; and for the last quarter according to the list of the persons who had a right to participate in each of such meetings.

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: 05.10.2007

List of shareholders (participants)

Full company name: **Russian Joint Stock Company of power and electrification "UES of Russia"**

Short company name: **RAO "UES of Russia", JSC**

Stake of the person in the Issuer's authorized capital, %: 100

Stake of the Issuer's ordinary shares held by the person, %: 100

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **25.12.2007**

List of shareholders (participants)

Full company name: **Russian Joint Stock Company of power and electrification "UES of Russia"**

Short company name: **RAO "UES of Russia", JSC**

Stake of the person in the Issuer's authorized capital, %: 100

Stake of the Issuer's ordinary shares held by the person, %: 100

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **28.02.2008**

List of shareholders (participants)

Full company name: **Russian Joint Stock Company of power and electrification "UES of Russia"**

Short company name: **RAO “UES of Russia”, JSC**

Stake of the person in the Issuer’s authorized capital, %: 100

Stake of the Issuer’s ordinary shares held by the person, %: 100

Date of drawing up the list of persons who are entitled to participate in the Issuer’s Shareholders (participants) Meeting: **18.04.2008**

List of shareholders (participants)

Full company name: **Russian Joint Stock Company of power and electrification “UES of Russia”**

Short company name: **RAO “UES of Russia”, JSC**

Stake of the person in the Issuer’s authorized capital, %: 51.66

Stake of the Issuer’s ordinary shares held by the person, %: 51.66

Full company name: **Closed Joint Stock Company “Promregion Holding”**

Short company name: **“Promregion Holding”, CJSC**

Stake of the person in the Issuer’s authorized capital, %: 16.21

Stake of the Issuer’s ordinary shares held by the person, %: 16.21

Full company name: **Renaissance Securities (Cyprus) Limited**

Short company name: the Issuer does not have information

Stake of the person in the Issuer’s authorized capital, %: 5.22

Stake of the Issuer’s ordinary shares held by the person, %: 5.22

Date of drawing up the list of persons who are entitled to participate in the Issuer’s Shareholders (participants) Meeting: **08.05.2009**

List of shareholders (participants)

Full company name: **Open Joint Stock Company “Holding of Interregional Distribution Grid Companies”**

Short company name: **“IDGC Holding”, JSC**

Stake of the person in the Issuer’s authorized capital, %: 51.66

Stake of the Issuer’s ordinary shares held by the person, %: 51.66

Full company name: **Oflamenta Trading Limited**

Short company name: the Issuer does not have information

Stake of the person in the Issuer's authorized capital, %: 21.15

Stake of the Issuer's ordinary shares held by the person, %: 21.15

Full company name: **Renaissance Securities (Cyprus) Limited**

Short company name: the Issuer does not have information

Stake of the person in the Issuer's authorized capital, %: 5.05

Stake of the Issuer's ordinary shares held by the person, %: 5.05

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **03.07.2009**

List of shareholders (participants)

Full company name: **Open Joint Stock Company "Holding of Interregional Distribution Grid Companies"**

Short company name: **"IDGC Holding", JSC**

Stake of the person in the Issuer's authorized capital, %: 51.66

Stake of the Issuer's ordinary shares held by the person, %: 51.66

Full company name: **Limited liability company "Management - Consulting" ("Trust Management") (performing trust management of mutual investment fund "Closed Mutual Investment Fund of Shares "Resource")**

Short company name: **"Management - Consulting", LLC**

Stake of the person in the Issuer's authorized capital, %: 21.15

Stake of the Issuer's ordinary shares held by the person, %: 21.15

Full company name: **Limited Liability Company "Managing Company "AGANA" Trust management. Closed blend share fund "Strategic assets" managed by LLC "Managing Company "AGANA"**

Short company name: **"Managing Company "AGANA", LLC**

Stake of the person in the Issuer's authorized capital, %: 5.15

Stake of the Issuer's ordinary shares held by the person, %: 5.12

Full company name: **Renaissance Securities (Cyprus) Limited**

Short company name: the Issuer does not have information

Stake of the person in the Issuer's authorized capital, %: 5.08

Stake of the Issuer's ordinary shares held by the person, %: 5.08

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **07.05.2010**

List of shareholders (participants)

Full company name: **Open Joint Stock Company "Holding of Interregional Distribution Grid Companies"**

Short company name: **"IDGC Holding", JSC**

Stake of the person in the Issuer's authorized capital, %: 51.66

Stake of the Issuer's ordinary shares held by the person, %: 51.66

Full company name: **Limited liability company "Management - Consulting" ("Trust Management") (performing trust management of mutual investment fund "Closed Mutual Investment Fund of Shares "Resource")**

Short company name: **"Management - Consulting", LLC**

Stake of the person in the Issuer's authorized capital, %: 21.36

Stake of the Issuer's ordinary shares held by the person, %: 21.36

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: 20.04.2011

List of shareholders (participants)

Full company name: **Open Joint Stock Company "Holding of Interregional Distribution Grid Companies"**

Short company name: **"IDGC Holding", JSC**

Stake of the person in the Issuer's authorized capital, %: 51.66

Stake of the Issuer's ordinary shares held by the person, %: 51.66

Full company name: **Lancrenan Investment limited**

Short company name: **no information**

Stake of the person in the Issuer's authorized capital, %: 9.18

Stake of the Issuer's ordinary shares held by the person, %: 9.18

Full company name: Protsvetanie Holding Limited Company

Short company name: **no information**

Stake of the person in the Issuer's authorized capital, %: 6.8

Stake of the Issuer's ordinary shares held by the person, %:6.8

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: 06.05.2011

List of shareholders (participants)

Full company name: **Open Joint Stock Company "Holding of Interregional Distribution Grid Companies"**

Short company name: **"IDGC Holding", JSC**

Stake of the person in the Issuer's authorized capital, %: 51.66

Stake of the Issuer's ordinary shares held by the person, %: 51.66

Full company name: **Lancrenan Investment limited**

Short company name: **no information**

Stake of the person in the Issuer's authorized capital, %: 9.25

Stake of the Issuer's ordinary shares held by the person, %: 9.25

Full company name: Protsvetanie Holding Limited Company

Short company name: **no information**

Stake of the person in the Issuer's authorized capital, %: 6.85

Stake of the Issuer's ordinary shares held by the person, %:6.85

6.6. Data on the Issuer's Interested parties Transactions

Data on number and monetary volume of the Issuer's transactions considered to be transactions of interest which required approval by the authorized management body of the Issuer according to legislation of the Russian Federation and concluded in the last accounting period.

Unit of measurement: rub

Item description	Total number	Total volume in monetary terms
Interested parties transactions which required approval by the authorized management body of the Issuer	16	82 831 651
Interested parties transactions concluded in the accounting period and approved by General Meeting of participants (shareholders)	0	0
Interested parties transactions concluded for the accounting period and approved by Board of Directors (supervisory board) of the Issuer	16	82 831 651
Interested parties transactions for the accounting period which required approval yet were not approved by the authorized management body of the Issuer	0	0

Data on transactions (groups of associated transactions) concluded by the Issuer in the accounting period making of at least 5 (five) percent of the balance sheet cost of the Issuer's funds as of the last accounting date before the transaction

such transactions were not made

Total amount (in money terms) of transactions of interest in the last accounting quarter, rub: **82 831 651**

Data on interested parties transactions (a group of associated transactions) decision on approval of which was not taken by Board of Directors (supervisory board) or the Issuer's General Shareholders (participants) Meeting if such approval is obligatory according to the legislation of the Russian Federation

such transactions were not made

Additional Information

Quarterly Review of Interested Party Transactions Closed by “IDGC of the South”, JSC

	Document attributes	Contractor	Sum of transaction , rubles	Content
1.	Sale and purchase contract No.804 dd 28.10.2011	Recreation Centre “Energetik” JSC	5 500 000	The vendor sells and the Customer buys voucher trips of Recreation Centre “Energetik” in amount and of types specified in customers’ applications
2.	Contract for design and survey works No.7624/81 8 dd 03.10.2011	Southern Centre of Power Engineering, JSC	16 032 500	The Contractor is obliged according to specification the Customer to perform design and survey works for project: “Modernization of 110/35/6 kV “Dubovskaya” and “Zhukovskaya” substations; construction of 110 kV “Zhukovskaya – Remontnaya tyagovaya” line and “Dubovskaya – Remontnaya tyagovaya” line for energy supply of new 110/27.5/10kV “Remontanay tyagovaya” substation
3.	Additional agreement No.1/820 dd 11.11.2011 to Ret contract No.738 dd 20.09.2011	FGC UES, JSC	9 507 953	The subject of the agreement is changings in appendixes to the contract. Apart from it, the parties have fixed the rent fee for usage of facilities.
4.	Contract for design and survey works No.824 dd 24.10.2011	Southern Centre of Power Engineering, JSC	10 670 000	Design and engineering documentation on reconstruction of building located in Aksaiskiy distribution zone – production department “TseS Rostovenergo”, modernization of Semikarakorskiy distribution zone – production department “TseS Rostovenergo”, installation of fire alarm system at recreation centre “Iskra”, modernization of dispatch unit of Taganrogskiy distribution zone, modernization of 6kV distribution substation

5.	Field supervision contract No.855 dd 24.11.2011	Southern Centre of Power Engineering, JSC	1 692 410	Field supervision for controlling the observance of decisions contained in engineering documentation elaborated in accordance with the contract dated April 23, 2010 No. 239 titled "Construction of 110/10 kV "HIC-2" substation with 110kV power line approaches and modernization of adjoined 110kV line
6.	Contract for design and survey works No.891/762 6 dd 01.11.2011	Southern Centre of Power Engineering, JSC	3 903 440	Design and engineering documentation on the project "Modernization of distribution grids 0.4-10kV of Kuibyshevo village, Kuibyshev district" for "Rostovenergo" branch of IDGC of the South
7.	Contract for design and survey works No.892/762 5 dd 01.11.2011	Southern Centre of Power Engineering, JSC	1 617 694	Design and engineering documentation on the project "Enlargement of 35/10 kV "Kuibyshevo-1" substation"; installation of 10 kB lines from 35/10 kV "Kuibyshevo-1" substation to the border of land plot of the Customer (Customs of Taganrog) for "Rostovenergo" branch of IDGC of the South
8.	Contract for energy audit No.903 dd 25.11.2011	"Energoservis Yuga" JSC	27 501 585.71	Energy audit of equipment of distribution grid complex, administration and productions buildings and units, preparation of energy performance certificate of "IDGC of the South" JSC, preparation of list of recommendations on energy saving and energy efficiency.
9.	Contract for design and survey works No.2011/30/921 dd 07.12.2011	Southern Centre of Power Engineering, JSC	584 100	Amendment of design and technical documentation on project: "Modernization of oil facility of A20 substation"
10.	Service contract No.927 dd 14.12.2011	"Volgogradsetremont" JSC	48 000	Services on information and technical support of customer in the sphere of information technologies and systems
11.	Field supervision	Southern Centre of Power Engineering,	4 213 030	Field supervision for controlling the observance of decisions contained in

	contract No.928 dd 14.12.2011	JSC		engineering documentation elaborated in accordance with the contract dated April 23, 2010 titled "Construction of 110/10kV "HIIC-3" substation with 110kV feed lines and modernization of adjoined 110kV line
12.	Contract No.033.11.0 9/932 dd 08.12.2011	Southern Centre of Power Engineering, JSC	352 745.66	Certification of metrological service of "Rostovenergo" branch of "IDGC of the South" JSC as the Base organization of metrological service
14	Rent contract No. 05-80-669/ 49-12-225 dd 21.12.2011	"Astrakhanelektrose tremont" JSC	339 368.28	Provision for temporary possession and use of premises located at 204 Kramatorskaya St., Astrakhan, total square 740.30 m2.
15	Rent contract 05-80-577/ 49-12-224 dd 16.11.2011	"Astrakhanelektrose tremont" JSC	765 341.91	Provision for temporary possession and use of premises located at: 204 Kramatorskaya St., Astrakhan, total square 3 533 m2; 18 Franko St., Akhtubinsk, Astrakhan region, total square 195.5 m2; 143 Lenin St., Kharabali, Astrakhan region, total square 555.7 m2.
16	Contract No. 49-12-213/05 -80-380/2011	SO UES, JSC	103 483.28	Provision of property for temporary possession and use
Total:				82 831 651

**6.7. Data on the Amount of Accounts Receivable
as of the end of the reporting period**

Is not specified in the report for this period

VII. Accounting Reports of the Issuer and Other Financial Information

7.1. Annual Accounting Reports of the Issuer

Is not specified in the report for this period

7.2. Quarterly Financial Statements of the Issuer as of the Last Completed Accounting Quarter

Is not specified in the report for this period

7.3. Summary Accounting Reports of the Issuer for the Last Completed Financial Year

Is not specified in the report for this period

7.4. Data on the Issuer's Accounting Policy

Regulation on accounting policy for the purposes of accounting of "IDGC of the South", JSC (hereinafter referred to as Regulations) is approved by Order of CEO of "IDGC of the South", JSC No.487 dd 30.12.2010.

Regulation "On Accounting Policy for the Purposes of Accounting of "IDGC of the South" JSC" was drawn up in compliance with requirements specified by regulations on accounting due regard being had to requirements of tax and civil legislation in Russian Federation.

In the accounting quarter there were no alterations made to accounting policy of the Company adopted in the current financial year.

Regulation on Accounting Policy for the Purposes of Accounting of "IDGC of the South" JSC for 2011 is available at the corporate website at: <http://www.mrsk-yuga.ru/stock/finance/>.

7.5. Data on Total Export Amount and on Export Share in Total Amount of Sales

The issuer does not undertake export of products (goods, works, and services).

7.6. Data on Value of Real Estate of the Issuer and Essential Alterations made in Structure of Property of the Issuer After the End Date of the Last Completed Financial Year

Total cost of real estate as on date of the end of the accounting quarter, rbs:
11 360 521 730

Value of amortization accumulated as on end date of the accounting quarter, rbs: **2 296 968 452**

Data on essential alterations in structure of the Issuer's real estate made within 12 months prior to the end date of the accounting quarter:

There were no essential alterations in structure of the real estate within 12 months prior to the date of the end of the accounting quarter.

Data on any acquisition or retirement of any other property of the issuer for any reason in case balance sheet value of the property exceeds 5 per cent of the issuer's balance sheet asset value as well as data on any other alterations essential for the issuer which were made within the structure of other property of the issuer after the date of the end of the last completed financial year prior to the date of the end of the accounting quarter:

There were no specified alterations.

7.7. Data on the Issuer's Participation in Litigations if such Participation Can Have a Significant Impact on the Issuer's Financial and Economic Activities

1) "Volgogradenergosbyt", JSC made a claim against "IDGC of the South" for recovering losses of electric energy from grids of the Issuer: 1 060 486 008. 21 rub.

The claim was not settled by the decision of Arbitrage of Volgograd dated 05.11.2009. At the present moment the case is still under consideration of 12th Court of Appeal. The proceedings have been suspended because of the arbitration scheduled. In instances Resolution on vacating the decision of the first appearance court is adopted and the claim of "Volgogradenergosbyt" JSC is sustained, the decision of the court shall take legal effect and shall be enforced. Execution of this judicial act may have a significant impact on financial and economic activity of the issuer.

2) "Khimprom", JSC brought a suit to "Volgogradenergosbyt", JSC on collection of cost of electric energy consumed during the period of absence of restrictions in regime of energy supply, the amount of collection - 264 453 445.61 rubles.

By the decision of Arbitrage court of Volgograd region dated 24.01.2011 the claim was satisfied without changes by the resolution of Twelfth arbitration court of appeal dated 12.04.2011. The fulfillment of the mentioned judicial action may have significant impact on issuer's business activity.

3) "Nizhnovatomenergosbyt" JSC produced a claim on collecting from the Company 567 445 284.14 rubles.

The claim is based on invalidity of transaction – contract on rendering services on transmission of electric energy, the transaction was claimed as invalid by the court in the result of solving the dispute on rent contract so-called "final mile" (contract on using energy facilities included in unified national energy system). The claim is considered by court of original jurisdiction. The fulfillment of the mentioned judicial action may have significant impact on issuer's business activity.

VIII. Additional Data on the Issuer and Equity Securities Placed by the Issuer

8.1. Additional Data on the Issuer

8.1.1. Data on Amount and Structure of the Issuer's Authorized (Share) Capital (Share Fund)

Amount of the Issuer's authorized (share) capital (share fund) as of termination date of the last accounting quarter, rub: **4 981 109 606.4**

Ordinary shares

Total nominal value: **4 981 109 606.4**

Stake in authorized capital, %: **100**

Preferred

Total nominal value: **0**

Stake in authorized capital, %: **0**

8.1.2. Data on Adjustment of the Amount of the Issuer's Authorized (Share) Capital (Share Fund)

Data on adjustment of the amount of the issuer's authorized (share) capital (share fund) for the last 5 completed financial years prior to termination date of the last accounting quarter, and for the current accounting quarter:

Date of the amount adjustment: **22.05.2008**

Authorized capital amount before the adjustment, rub: **10 000 000**

Authorized Capital Structure before the Adjustment

Ordinary shares

Total nominal value: **10 000 000**

Stake in authorized capital, %: **100**

Preferred

Total nominal value: **0**

Stake in authorized capital, %: **0**

Stake in the Authorized Capital after the Adjustment, rub: 4 981 109 606.4

Name of the Issuer's management authority responsible for the decision on adjustment of the amount of the issuer's authorized (share) capital (share fund): **Management Board of RAO "UES of Russia", JSC fulfilling functions of General Shareholders meeting before 31.03.2008.**

Date of drawing up minutes of meeting (proceedings) of the Issuer's management authority where the decision on adjustment of the amount of the issuer's authorized (share) capital (share fund) was taken: **25.12.2007**

Minutes of the Meeting number: **No.1795 np/6**

8.1.3. Data on Formation and Use of Reserve and other Funds of the Issuer

In the Accounting Quarter

Data on formation and use of reserve fund and other funds of the Issuer accumulated from the net profit:

Name of the fund: **Reserve Fund**

Amount of the fund according to constituent documents: 5 (five) percent of the Company's authorized capital (paragraph 8.1, clause 8 of the Charter of "IDGC of the South", JSC).

Amount of the fund in monetary terms as of termination date of the accounting period, rub: **142 867 437**

Amount of the fund in percent of the authorized (share) capital (share fund): **2.87**

Amount of deductions to the fund within the accounting period: 0

Amount of the fund assets used within the accounting period: 0

Uses of the assets:

the fund assets were not used during the corresponding accounting period.

8.1.4. Data on Order of Convening and Holding the Meeting of the Supreme Management Body of the Issuer

Name of the Issuer's supreme management body: General Shareholders Meeting.

Procedure for informing the shareholders (participants) about the meeting of the Issuer's supreme management body:

According to p. 11.5, clause 11 of the Charter of "IDGC of the South", JSC the message on General Shareholders Meeting is published by the Company in the

newspaper “Novye Izvestiya” and placed on the corporate Internet website no later than 30 (thirty) days prior to the date of the shareholders meeting.

According to p. 11.6 of item 11 of the Charter of “IDGC of the South”, JSC the voting ballots on the agenda of the meeting are sent via registered letter to the addresses from the list of persons entitled for participating in General Shareholders Meeting not later than 20 (twenty) days prior to the date of holding the General Shareholders Meeting.

Persons (bodies) authorized to convene (demand) the Extraordinary General Shareholders Meeting, and the order of submitting such applications:

According to pp. 14.2, 14.3, 14.4, 14.5 of clause 14 of the Charter of “IDGC of the South”, JSC the Extraordinary General Shareholders Meeting shall be held on decision of Board of Directors (by the own initiative), by demand of the Company’s Auditing Committee, the Company’s Auditor, and a shareholder (shareholders) of the Company who holds at least 10 (ten) percent of the voting shares as of the date of the application.

Such General Shareholders Meeting shall be held within 40 (forty) days from the date of claim for holding Extraordinary General Shareholders Meeting of the Company, except for the case specified in p. 14.9 of clause 14 of the Company’s Charter.

Items subject to including on the agenda of the meeting must be presented in the claim for holding Extraordinary General Shareholders Meeting.

Persons (a person) claiming for Extraordinary General Shareholders Meeting are entitled to introduce a project of the decision of Extraordinary General Shareholders Meeting, a suggestion on the form of holding the General Shareholders Meeting. In case the convocation proposal of Extraordinary General Shareholders Meeting contain a suggestion of candidates nomination, such a proposal is subject to the regulations of clause 13 of the Charter “IDGC of the South” JSC.

The Company’s Board of Directors is not entitled to change the wording of agenda items, decisions on the items, to alter the suggested form of holding the Extraordinary General Shareholders Meeting convened on the proposal of the Company’s Audit Committee, the Company’s Auditor or a shareholder (shareholders) owning at least 10 (ten) percent of the Company’s voting shares.

Should the demand about convocation of the Company’s Extraordinary General Shareholders Meeting come from a shareholder (shareholders), it must contain the name of the shareholder (shareholders) demanding convocation of the Meeting and indication of quantity, category (type) of the Company shares they hold.

The demand on convening the Company's Extraordinary General Shareholders Meeting shall be signed by the person (persons) demanding convocation of Extraordinary General Shareholders Meeting of the Company.

On April 13, 2011 "IDGC of the South" JSC received a claim from the companies "Lancrenan Investments Limited" and "Protsvetaniye Holdings Limited" for convening extraordinary General Meeting of Shareholders of "IDGC of the South" JSC and for including several items among agenda items of the extraordinary General Meeting of Shareholders; the items being as follows: early termination of powers of members of Board of Directors of "IDGC of the South", JSC and electing Board of Directors of the Company with candidacies nominated by "Lancrenan Investments Limited" and "Protsvetaniye Holdings Limited".

"Lancrenan Investments Limited" and "Protsvetaniye Holdings Limited" hold totally more than 10 % of the Company's voting shares.

According to p. 1, clause 55 of Federal Law "On Joint Stock Companies" No. 208-Φ3 dd. 26.12.1995 and p. 14.2, clause 14 of the Charter of "IDGC of the South" JSC, on the basis of initiative from the shareholder holding at least 10 % (ten) of the Company's shares as on the date of the claim submission, Board of Directors of "IDGC of the South", JSC (minutes No. 63/2011, dd. 19.04.2011) took decision on convening Extraordinary General Meeting of Shareholders in form of co presence on 04.07.2011.

Procedure for terminating the date of the meeting of the Supreme Management Body of the Issuer:

According to clauses 11 and 14 of "IDGC of the South", JSC Charter, Annual General Shareholders Meeting of the Company shall be held not earlier than two months prior to and not later than six months after the end of the financial year.

Extraordinary General Shareholders Meeting is conveyed upon demand of the Company's Auditing Committee, the Company's Auditor or shareholder(s) who own at least 10 (ten) percent of the Company's shares shall be held within 40 (forty) days from the moment of submitting demand on carrying out the Extraordinary General Shareholders Meeting of the Company.

According to p.2, clause 55 of Federal Law "On Joint Stock Companies", should the proposed agenda of Extraordinary General Shareholders Meeting contains item on election of members of the Company's Board of Directors, General Shareholders Meeting shall be held within 70 (seventy) days from the moment of submitting demand for carrying out the Extraordinary General Shareholders Meeting.

Persons entitled to submit proposals to the agenda of the Issuer's Supreme Management Body Meeting (proceedings), and submission procedure for such proposals:

According to clause 13 of the Charter of "IDGC of the South", JSC shareholders (shareholder) of the Company owing in aggregate at least 2 (two) percent of the Company's voting shares in the term not later than 60 (sixty) days after termination of the financial year are entitled to propose items for the agenda of Annual General Shareholders Meeting and to nominate candidates for Board of Directors and Auditing Committee of the Company, whereas the number of candidates must not exceed the quantitative structure of the corresponding authority.

Proposal to contribute items to agenda of the General Meeting of Shareholders and proposal on nomination should be made in written form with name(s) of shareholder(s) recommending the nominees, quantity and category (type) of shares they hold indicated and should be signed by the shareholder(s).

Proposal to contribute items to agenda of General Meeting of Shareholders should contain wording of each of the items, and proposal on nomination should contain name and data of personal identification document (series and (or) number of the document, date and place of the issue, name of entity issuing the document) of each of the proposed candidates, name of body the person is nominated for.

The Company's Board of Directors is obliged to consider the received proposals and to make the decision on their inclusion on the agenda of General Shareholders Meeting of the Company or on refusal to include them on the specified agenda not later than 5 (five) days after termination of the term specified in p. 13.1 of clause 13 of the Company's Charter.

Board of Directors of the Company is entitled to refuse including the items proposed by the shareholder (shareholders) on the agenda of General Shareholders Meeting and also to refuse including the proposed candidates on the list of nominees for voting at election to the corresponding body of the Company on the bases stipulated by Federal Law "On Joint Stock Companies" and other legal statements of the Russian Federation.

Motivated decision of Board of Directors of the Company on refusal to include an item on the agenda of General Shareholders Meeting of the Company or to include a candidate on the list of nominees for voting at election to the corresponding body of the Company shall be sent to the shareholder (shareholders) who proposed the item or the nominee not later than 3 (three) days from the moment the decision was adopted.

The Company's Board of Directors is not be entitled to change the wording of the items proposed for inclusion in the agenda of General Shareholders Meeting,

and the wording of decisions on such items (if available).

In addition to items proposed for inclusion to the agenda of General Shareholders Meeting by shareholders, and also in case of absence of such proposals, absence or insufficient quantity of the candidates proposed by shareholders for forming the respective body, Board of Directors of the Company is entitled to include items or candidates for the list of nominees on the agenda of General Shareholders Meeting at their own discretion.

Persons entitled to examine information (materials) provided for preparation and carrying out the meeting (proceedings) of the Supreme Management Body of the Issuer, and also the procedure of examination of such information (materials):

According to p. 11.7 of clause 11 of Charter of “IDGC of the South” JSC, the information (materials) on the agenda items of General Shareholders Meeting should be available to the persons entitled to participate in General Shareholders Meeting within 20 (twenty) days prior to, and in case of carrying out General Shareholders Meeting with agenda on reorganization of the Company – within 30 (thirty) days prior to carrying out General Shareholders Meeting, for examination in the office of the Company’s Executive Body and other places the addresses of which are specified in the message on carrying out General Shareholders Meeting. The specified information (materials) should be available during the meeting for the persons taking part General Shareholders Meeting.

Procedure for announcement (bringing to notice of shareholders (participants) information on the decisions taken by the Supreme management body of the Issuer, and the results of voting:

If the results of voting and decisions taken by the Company’s General Shareholders Meeting were not announced at the General Meeting, then not later than 10 days after drawing up the minutes of meeting of voting results the decisions taken by the Company’s General Shareholders Meeting as well as the voting results are brought to the notice of persons included on the list of persons entitled to participate in General Shareholders Meeting, in accordance with the procedure stipulated by the Charter of the Company for informing shareholders on carrying out General Shareholders Meeting unless otherwise specified by the Company Charter.

8.1.5. Data on Commercial Entities in which the Issuer Holds at Least 5 Percent of Authorized (Share) Capital (Share Fund) or at least 5 Percent of Common Shares

The list of commercial entities in which the Issuer holds at least 5 percent of

authorized (share) capital (share fund) or at least 5 percent of common shares:

Full company name in Russian: Открытое акционерное общество “Астраханьэлектросетьремонт”; in English: **“Astrakhanelektrosetremont” Open Joint Stock Company**

Short company name in Russian: ОАО “Астраханьэлектросетьремонт”; in English: **“Astrakhanelektrosetremont”, JSC**

Location:

204 Kramatorskaya str., Astrakhan, Russian Federation, 414032

TIN: 3015003313

PSRN: 1043001301606

Issuer’s stake in the authorized capital, %: 100

Issuer’s stake of the ordinary shares, %: 100

Stake of the commercial entity in the Issuer’s authorized capital, %: 0

Stake of the Issuer’s ordinary shares held by the commercial entity, %: 0

Full company name in Russian: **Открытое акционерное общество “Волгоградсетремонт”**; in English: **“Volgogradsetremont” Open Joint Stock Company**

Short company name: in Russian: ОАО “Волгоградсетремонт”; in English: **“Volgogradsetremont”, JSC**

Location:

1a Granovitaya str., Volgograd, Russia, 400066

TIN: 3445067291

PSRN: 1043400418984

Issuer’s stake in the authorized capital, %: 100

Issuer’s stake of the ordinary shares, %: 100

Stake of the commercial entity in the Issuer’s authorized capital, %: 0

Stake of the Issuer’s ordinary shares held by the commercial entity, %: 0

Full company name: **“Agricultural Enterprise n. a. Grechko A.A.” Open Joint Stock Company**

Short company name: **“Agricultural Enterprise n. a. Grechko A.A.”, JSC**

Location:

21 Teatralnaya str., Kuibyshevo village, Kuibyshevskiy district, Rostov region, Russia, 346940

TIN: 6117010611

PSRN: 1036117000798

Issuer's stake in the authorized capital, %: 100

Issuer's stake of the ordinary shares, %: 100

Stake of the commercial entity in the Issuer's authorized capital, %: 0

Stake of the Issuer's ordinary shares held by the commercial entity, %: 0

Full company name: **“Sokolovskoye Agricultural Enterprise” Open Joint Stock Company**

Short company name: **“Sokolovskoye Agricultural Enterprise” JSC**

Location:

32 Kurskaya str., Sokolovo-Kurduchenskiy settlement, Novoshakhtinsk, Russia, 346930

TIN: 6151011887

PSRN: 1036151002667

Issuer's stake in the authorized capital, %: 100

Issuer's stake of the ordinary shares, %: 100

Stake of the commercial entity in the Issuer's authorized capital, %: 0

Stake of the Issuer's ordinary shares held by the commercial entity, %: 0

Full company name: **“Energetik” Recreation Facility” Open Joint Stock Company;**

Short company name: **“Energetik” Recreation Facility” JSC**

Location:

3 Shkolnaya str., Shepsi village, Tuapsinskiy district, Krasnodar region, Russia, 352815

TIN: 2355016847

PSRN: 1032330762463

Issuer’s stake in the authorized capital, %: 100

Issuer’s stake of the ordinary shares, %: 100

Stake of the commercial entity in the Issuer’s authorized capital, %: 0

Stake of the Issuer’s ordinary shares held by the commercial entity, %: 0

Full company name in Russian: Открытое акционерное общество **“Энергосервис Юга”**; in English: **“Energoservis yuga” Open Joint Stock Company**

Short company name in Russian: **“Energoservis yuga” JSC**; in English: **“Energoservis yuga” JSC**

Location:

49 Bolshaya Sadovaya str., Rostov-on-Don, Russian Federation, Russia, 344002

TIN: 6164301167

PSRN: 1106164005750

Issuer’s stake in the authorized capital, %: 100

Issuer’s stake of the ordinary shares, %: 100

Stake of the commercial entity in the Issuer’s authorized capital, %: 0

Stake of the Issuer’s ordinary shares held by the commercial entity, %: 0

8.1.6. Data on Major Transactions Closed by the Issuer

In the accounting quarter:

The specified transactions were not closed within this period.

8.1.7. Data on Credit Ratings of the Issuer

There are no credit ratings the issuer would now about.

8.2. Data on each Category (Type) of the Issuer's Shares

Category of shares: common

Share denomination (rbs): **0.1**

Number of shares in circulation (amount of shares which are not redeemed or cancelled): **49 811 096 064**

Number of additional shares in the process of placement (number of shares of additional issue, the report on the results of the issue on which has not been registered by state authorities): **0**

Number of declared shares: **49 811 096 064**

Number of shares on the Issuer's balance: **0**

Number of additional shares which can be placed after converting placed securities to shares or as the result of executing liabilities on the Issuer's options: **0**

Issues of shares of the category (kind):

Date of state registration	Registration Number
20.09.2007	No.1-01-34956-E
20.03.2008	No.1-01-34956-E-001D
20.03.2008	No.1-01-34956-E-002D
20.03.2008	No.1-01-34956-E-003D
20.03.2008	No.1-01-34956-E-004D
20.03.2008	No.1-01-34956-E-005D
20.03.2008	No.1-01-34956-E-006D

Shareholders rights on the shares:

According to clause 6 of the Charter of "IDGC of the South" JSC, a shareholder of the Company is a person who holds the Company's shares on the principles provided by legislation of the Russian Federation and the Company's Charter. Each ordinary registered share of the Company gives equal rights to the

shareholder (the owner).

Shareholders-owners of ordinary registered shares of the Company have the following rights:

- to participate personally or through representatives in General Shareholders Meeting of the Company with a vote on all issues of his/ her competence;
- to enter proposals to General Meeting's agenda in the order stipulated by legislation of the Russian Federation and the Charter;
- to get information on the Company's activity and study the Company's documents according to article 91 of Federal Law "On Joint Stock Companies", other regulatory acts and the Charter;
- to get dividends declared by the Company;
- primary acquisition of additional shares placed by means of subscription and issue securities converted to shares in the number proportional to the number of ordinary shares belonging to them, in cases provided in legislation of the Russian Federation;
- in case of the Company's liquidation, to receive part of the property;
- to carry out other rights provided by legislation of the Russian Federation and the Company's Charter.

The Company did not issue preferred shares.

The Issuer's shares cross-held by subsidiaries and (or) affiliated companies: the Issuer's subsidiaries and affiliates do not hold the Company's shares.

Other data on shares provided by the Issuer at his discretion:

According to notification from FFMS of Russia as of 12.08.2008 No.08-EK - 03/17099, individual numbers (codes) were cancelled: 001D state registration number 1-01-34956-E-001D dd 20.03.2008, 002D state registration number 1-01-34956-E-002D dd 20.03.2008, 003D state registration number 1-01-34956-E-003D dd 20.03.2008, 004D state registration number 1-01-34956-E-004D dd 20.03.2008, 005D state registration number 1-01-34956-E-005D dd 20.03.2008, 006D state registration number 1-01-34956-E-006D dd 20.03.2008

8.3. Data on Previous Issues of Securities of the Issuer except for Shares

8.3.1. Data on Issues all Securities of which Were Repaid (Cancelled)

Specified issues are absent

8.3.2. Data on Issues Securities of which Are in Circulation

Type of the security: bonds

Form of the security: certificated, bearer

Series: 02

documentary interest-bearing inconvertible bonds of mandatory central storage

For securities of the issue mandatory central storage is stipulated

Data on depository carrying out central storage of securities of the issue

Full company name in Russian: Небанковская кредитная организация
Закрытое акционерное общество "Национальный расчетный депозитарий",
in English: Non-Bank Credit Company "National Settlement Depository",
Closed Joint Stock Company

Short company name in Russian: НКО ЗАО "НПД", in English: Non-Bank
Credit Company "NDC", CJSC

Location: Building 8, 1/13 Sredniy Kislovskiy LN, Moscow, Russia, 125009

Data on license for depository activity:

Number: 177-012042-000100

Date of issue: 19.02.2009

Valid until:

Without limitation of validity term

License issuing authority: FSEC (FFMS) of Russia

Number of issue securities: 6 000 000

Nominal value per issue security, rub: 1 000

Issue volume at nominal value: 6 000 000 000

State registration number of the issue: 4-02-34956-E

Date of state registration of the issue: 16.12.2008

State registering authority of the issue: FSEC of Russia

State registration of report on issue results was not performed since the issuer took the privilege to submit notification on results of securities issue to the registering authority on simultaneous occurrence of the following conditions:

- a) rendering service of securities placement by the broker on the basis of agreement with the Issuer;
- b) placement of securities by public offering;
- c) carrying out listing of placed securities.

Notification on results of securities issue. Non-convertible interest-bearing certificated Bonds with obligatory centralized deposit, 02 series, in amount of 6 000 000 (Six million) units, with nominal value of 1 000 (One thousand) rubles

per unit, maturity on 1820th (One thousand eight hundred and twentieth) day from the date of placement beginning, placed y way of open subscription, registration number 4-02-34956-E dated 16.12.2008) was submitted to FFMS of Russia on 08.09.2009.

Additional securities issues were performed: No

Rights on each security of the issue:

A Bond holder has the following rights:

- right to receive nominal value of Bonds at redemption, in terms stipulated for the bond and in order fixed by Decision on Securities Issue and the Prospectus;
- right to receive coupon income (interest on Bond nominal value) at the end of each coupon period, procedure of coupon income valuation and payment is specified in Decision on Issue and the Prospectus;
- right to demand early bond redemption in cases and on terms stipulated by Decision on Securities Issue and the Prospectus;
- right to claim bond acquisition by the Issuer in cases and on terms stipulated by Decision on Securities Issue and the Prospectus;
- right to claim valuation of coupon amount and procedure for valuation of coupon amount by the Issuer in the form of formula with variables with values changeable at the Issuer's discretion, on coupon periods where coupon amount is to be fixed by the Issuer after state registration of Report on results of securities issue by Federal Financial Markets Service (further referred to as FFMS) or submission of Notification on results of securities issue to FFMS if bonds issue is performed without state registration of Report on results of securities issue in conformance with Federal Law "On Securities Market" or other federal laws, if the Issuer fails to value coupon amount within the period fixed in item 9.3 of Decision on Securities Issue and item 9.1.2 of the Prospectus;
- right to receive accumulated coupon income (further referred to as ACI) on Bonds, procedure of valuating is stipulated by item 15 of Decision on Securities Issue and item 10.10 of the Prospectus;
- right to sell bonds without limitation or alienate them in any other way after state registration of Report on results of securities issue by Federal Financial Markets Service (further referred to as FFMS) or submission of Notification on results of securities issue to FFMS if bonds issue is performed without state registration of Report on results of securities issue in conformance with Federal Law "On Securities Market" or other federal laws;
- right to submit corresponding claims to the person providing securities on the bond issue in case of nonperformance/ improper performance of

liabilities by the Issuer on payment of Bond nominal value at redemption and/ or Bond coupon income payment. Open Joint Stock Company “Grechko A.A. Agriculture Enterprise” is the person providing security for the purpose of bond issue (further referred to as Guarantor). Data on Guarantor on Bond issue, including procedure of submitting claims to the Guarantor, is described in item 12 of Decision on Securities Issue and item 9.1.2 of the Prospectus. Secured bond gives all the inherent rights to the holder, according to conditions of guarantee specified in item 12.2 of decision on Securities Issue and Item 9.1.2 of the Prospectus.

- right to apply to the court or arbitration court in order specified by items 9.7 and 12.2 of Decision on Securities Issue and item 9.1.2 of the Prospectus, to the Issuer and/ or Guarantor with claim on execution of liabilities by he Issuer;
- right to demand redemption of investment funds from the Issuer in case the issue is acknowledged to be inconsistent or invalid, and in other cases stipulated by legislation of the Russian Federation, normative legal acts of federal executive authority in the sphere of securities market and point 9.11 of the Prospectus.

Bond holder is entitled to discharge other rights stipulated by legislation of the Russian Federation and normative legal acts of federal executive authority in the sphere of securities market.

The Issuer shall be obliged to provide rights of bond holders at their conformance with order stipulated by legislation of the Russian Federation. A Bond gives all the rights to bond holder originating from bond provision.

When bond rights are transferred to a new holder (purchaser), all the rights inherent to bond provision are transferred as well.

Transfer of rights originating from bond security shall be invalid without transfer of bond rights.

Should non-execution or improper execution of bond liabilities by the Issuer bond holders are entitled to apply to “Agricultural Enterprise n. a. Grechko A.A.” JSC, (“the Guarantor”) who provided security on bonds of the Issue according to Offer Conditions on provision of security in the form of guarantee for the purpose of bond issue.

Complete text of Decision on Securities Issue and the Prospectus are available at corporate website of “IDGC of the South”, JSC [http://www.mrsk-uga.ru/rus/stockholders/release action/oblig/](http://www.mrsk-uga.ru/rus/stockholders/release%20action/oblig/).

Securities of the issue are placed: No

Terms and Procedures for Redemption of Securities of the Issue

Form of redemption of the securities:

Bond redemption and income payment are performed by transfer agent on behalf and at the expense of the Issuer by non-cash transfer in monetary terms in rubles of the Russian Federation. Bond redemption in other forms is not stipulated.

Bond holders' choice of redemption form is not stipulated.

Date of bond redemption:

Bonds are subject to redemption by way of payment bond nominal value on 1 820th (One thousand eight hundred twentieth) day from the date of Bond placement beginning (further referred to as Bond Redemption Date).

Beginning and termination Dates of Bond Redemption coincide.

If Bond Redemption Date falls on day of (no matter if it is a state holiday or day off for ruble settlements), Bond redemption is performed on the first working day following the day off. Bond holder is not entitled to claim interest accrual for utilizing other person's cash assets or enforcement of any other responsibility for such payment deferral.

Date (procedure of fixing the date) of drawing up the list of bond holders for the purpose of bond redemption:

Bond redemption and bond income payment are fulfilled by Transfer agent at the expense and on behalf of the Issuer on the basis of List of bond holders and nominee holders (further referred to as List of bond holders and/ or nominee holders for redemption) drawn up as of the end of operating day of NDC prior to the 6th (sixth) working day before the date of bond redemption (further referred to as Date of drawing up list of bond holders and/ or nominee holders for redemption). Data on transfer agent on bond issue are presented in item 9.6 of Decision on Securities Issue and item 9.1.2 (д) of the Prospectus.

If bond holder is not NDC depositor, he can (but is not obliged to) authorize nominee bond holder (NDC depositor) to receive cost of bond redemption. In case if bond holder did not authorize NDC depositor to receive money amount for redemption on his behalf, redemption is made directly to bond holder. It is to be summarized that nominee bond holders that are NDC depositors are authorized to receive cost of bond redemption. NDC depositor, who is not authorized by the clients, shall submit list of bond holders with all requisites specified in the List of bond holders and/ or nominee holders for redemption not later than the 5th (fifth) day before bond redemption date to NDC. In case if bond holder rights are taken into consideration by nominee bond holder, and nominee bond is authorized to receive cost of bond redemption, nominee bond holder is considered to be the person entitled to receive bond redemption cost.

In case if bond holder rights are not taken into consideration by nominee bond holder, and nominee bond is not authorized to receive cost of bond redemption,

bond holder is considered to be the person entitled to receive bond redemption cost. Not later than the 3rd (third) working day before the Date of bond redemption, NDC draws up List of bond holders and/ or nominee holders for redemption for giving it out to the Issuer and/ or Transfer agent. The List shall include the following data:

- Full name (company name) or surname, name and patronymics of the person entitled to receive cost of bond redemption.
- Number of bonds registered on the security account of the person entitled to receive cost of bond redemption.
- Location (place of residence) and postal address (including zip code) of the person entitled to receive cost of bond redemption.
- Bank account requisites of the person entitled to receive cost of bond redemption:
 - Account number;
 - Name of bank where the account is opened;
 - Bank correspondence account;
 - Bank identification code.
- Taxpayer identification number (TIN) of the person entitled to receive cost of bond redemption (if any).
- Tax status of the person of the person entitled to receive cost of bond redemption (resident, nonresident with permanent establishment in the Russian Federation, nonresident without permanent establishment in the Russian Federation etc, for physical persons – tax resident/ nonresident).
- Tax registration reason code (TRRC) entitled to receive cost of bond redemption.

In addition to the data specified, nominee bond holder is obliged to submit the following information to NDC (it must be entered on NDC List of bond holders and/ or nominee holders for redemption) on physical and juridical persons – nonresidents of the Russian Federation owning bonds, no matter if nominee holder is authorized or not to receive cost of bond redemption:

- Full name/ surname, name, patronymics of bond holder;
- Number of shares owned by the holder;
- Full name of the person entitled to receive cost of bond redemption;
- Location (or registration – for physical persons) and postal address, including zip code of bond holder;
- Bank account requisites of the person authorized to receive cost of bond redemption;
- Taxpayer Identification Number (TIN) of bond holder;

- Tax status of bond holder;

a) should the bond holder is juridical person-nonresident, the following data is specified additionally:

- foreign company code (FCC) – if it exists;

b) should the bond holder is physical person, the following data is specified additionally:

- person identification document kind, number, date and place of issue, name of issuing authority;

- date, month and year of bond holder's birth;

- state pension insurance number of the holder (if exists);

In case bond holders, persons authorized by them (including nominee bond holders – NDC depositors) do not submit required data on tax status of nonresident authorized to receive bond redemption cost, the Issuer has corresponding tax amount deducted at maximum rate fixed in tax legislation of the Russian Federation. Bond holders, their authorized persons including nominee bond holders – NDC depositors) shall submit data required to NDC in due time, ensure completeness and validity of bank account requisites and other data submitted to NDC, and are responsible for risk of consequences if such obligations are not executed. The Issuer transfers cash assets required for bond redemption to Transfer agent's account in terms and order stipulated by Agreement between the Issuer and Transfer agent. Based on the List of bond holders and/ or nominee holders for redemption, Transfer agent calculates cash amounts to pay to each person on the List of bond holders and/ or nominee holders for redemption. On bond redemption date, Transfer agent transfers cash assets required to accounts of persons authorized to receive cost of bond redemption, for bond holders and persons on the List of bond holders and/ or nominee holders for redemption.

In case if person is authorized to receive cost of bond redemption is authorized to receive cost of bond redemption by several bond holders, such person has total cost of bond redemption transferred, without specification of bond holders. Execution of bond redemption liability on bond holder or and/ or nominee bond holder included on the list of bond holders and/ or nominee bond holders for redemption is considered to be proper, including cases of bond alienation after the date of drawing up the list of bond holder and/ or nominee bond holders for redemption. If information necessary for the Issuer's bond liabilities execution is not submitted (not submitted in due time) to NDC, such liability is discharged to the claimant on bond liabilities execution and registered as bond holder as of the date of application. In this situation the Issuer performs liabilities based on NDC data. In cases envisaged by NDC contract, the Issuer is entitled to demand such data confirmation by data on registration of bond rights. On this condition liability discharge to the claimant who holds bonds is considered to be proper.

If bank account requisites of the person authorized to receive cost of bond redemption and other information required for the Issuer's execution of bond redemption liabilities (submitted by bond holder, bond nominee holder-NDC depositor or registered in NDC) does not enable Transfer agent to transfer cash assets in due time, Bond holder is not entitled to claim interest accrual for utilizing other person's cash assets or enforcement of any other responsibility for such payment deferral.

Writing off bonds from securities accounts at redemption is performed after discharging all Issuer's liabilities to bond holders on bond income and nominal value payment.

Writing off bonds from securities accounts of bond holders or nominee bond holders is made after discharge of liabilities by Transfer agent on payment of all bonds nominal value and coupon. Bond certificate redemption is performed after writing off all bonds from securities accounts of bond holders or nominee bond holders in NDC. Information on payment of bond redemption is disclosed by the Issuer in accordance with requirements of Federal Law "On Securities Market", normative legal acts of federal executive authority on securities market and order of information disclosure specified in item 11 of Decision on Securities Issue and item 2.9 of the Prospectus.

Detailed description of procedure on bond redemption is given in Decision on Securities Issue and the Prospectus on the Internet corporate website of "IDGC of the South", JSC at:

http://www.mrskyuga.ru/rus/stockholders/release_action/oblig/index.shtml.

Amount of interest (coupon) income on bonds, payment order and terms:

Interest rate on coupon 1 (C1) can be determined as follows:

A) during the Stock Exchange Contest among prospective bond buyers on the date of bond placement beginning.

Contest procedure is specified in item 8.3 of Decision on Securities Issue and item 2.7 of the Prospectus. Information on amount of interest rate on the 1st coupon is disclosed by the Issuer according to the procedure of information on corporate actions disclosure in conformance with normative legal acts of federal executive authority on securities market and order of information disclosure specified in item 11 of Decision on Securities Issue and item 2.9 of the Prospectus.

Information on amount of interest rate on the 1st coupon set by the Issuer's authorized body following Contest for valuating first coupon rate results is disclosed by the Issuer in the form of corporate action statement concerning "data on accrued and/ or paid income on the Issuer's securities" and "data on terms of Issuer's liability discharge to the Issuer's securities holders" in the

following terms from the date of drawing up minutes (date of termination of the period set by legislation of the Russian Federation for drawing up minutes) of the meeting (proceedings) of the Issuer's authorized management body where decision was adopted on fixing first coupon interest rate or from the date of taking such decision by the Issuer's authorized body if minutes drawing up is not necessary:

- News line of "AK&M" or "Interfax" – not later than within 1 (one) day;
- On the internet website at www.mrsk-yuga.ru not later than within 2 (two) days.

Disclosure of corporate action statements "data on accrued and/ or paid income on the Issuer's securities" and "data on terms of Issuer's liability discharge to the Issuer's securities holders" in the Internet at www.mrsk-yuga.ru is made after publishing the statement in news lines of information agencies "AK&M" or "Interfax".

Texts of corporate action statements "data on accrued and/ or paid income on the Issuer's securities" and "data on terms of Issuer's liability discharge to the Issuer's securities holders" shall be available at the Internet website at www.mrsk-yuga.ru for at least 6 (six) months from the date of publishing of the statement in the Internet.

Corporate action statements "data on accrued and/ or paid income on the Issuer's securities" and "data on terms of Issuer's liability discharge to the Issuer's securities holders" shall be sent by the Issuer to FFMS of Russia not later than 5 (five) days from the moment of occurrence of corporate actions involving data on decisions about fixing first coupon rate amount.

Prior to disclosure of information on first coupon rate, the Issuer shall inform "SE MICEX", CJSC on amount of first coupon rate.

After to disclosure of information on first coupon rate, the Issuer shall inform Organizer on amount of first coupon rate.

Organizer shall inform trade participants on amount of first coupon rate by way of e-mail transmission via CJSC "MICEX" trading system.

B) by the Issuer's authorized body not later than one day prior to bond placement beginning.

Information on first coupon interest rate is disclosed in order stipulated in item 11 of Decision on Securities Issue and item 2.9 of the Prospectus.

For both cases specified the following data is applicable:

<p>Beginning date of bond placement is considered to be beginning date of the first coupon period</p>	<p>182nd (one hundred and eighty-second) day from beginning date of bond placement is considered to termination date of the first coupon period</p>	<p>Calculation of first coupon payment amount per bond shall be made according to the formula: $CI = C1 * Nom * (D1 - D0) / (365 * 100\%)$, where Coupon Income – amount of coupon income per bond; Nom – nominal bond value; C1 – amount of first coupon interest rate, annual interest; D0 – first coupon period beginning date; D1 – first coupon period termination date.</p> <p>Amount of accumulated coupon income per bond is calculated up to one kopeck (rounding is made as per rules of mathematical rounding, namely: in case if the third symbol after comma is more than 5 or equal to 5, the second symbol after comma is increased by 1, in case if the third symbol after comma is less than 5, the second symbol after comma is not changed).</p>
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2. Coupon: interest rate on the second coupon (C2) is determined in conformance with procedure stipulated in item 9.3 of Decision on Securities Issue and item 9.1.2 of the Prospectus

<p>182nd (one hundred and eighty-second) day from the beginning date of bond placement is considered to be beginning date of the first coupon period</p>	<p>364th (three hundred and sixty-fourth) day from beginning date of bond placement is considered to termination date of the second coupon period</p>	<p>Calculation of second coupon payment amount per bond shall be made according to the formula: $CI = C2 * Nom * (D2 - D1) / (365 * 100\%)$, where Coupon Income – amount of coupon income per bond; Nom – nominal bond value; C2 – amount of first coupon interest rate, annual interest; D1 – second coupon period beginning date;</p>
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		<p>D2 – first coupon period termination date.</p> <p>Amount of accumulated coupon income per bond is calculated up to one kopeck (rounding is made as per rules of mathematical rounding, namely: in case if the third symbol after comma is more than 5 or equal to 5, the second symbol after comma is increased by 1, in case if the third symbol after comma is less than 5, the second symbol after comma is not changed).</p>
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3. Coupon: interest rate on the third coupon (C3) is determined in conformance with procedure stipulated in item 9.3 of Decision on Securities Issue and item 9.1.2 of the Prospectus.

<p>364th (three hundred and sixty-fourth) day from beginning date of bond placement is considered to beginning date of the third coupon period</p>	<p>546th (five hundred and forty-sixth) day from beginning date of bond placement is considered to termination date of the third coupon period</p>	<p>Calculation of third coupon payment amount per bond shall be made according to the formula:</p> $CI = C3 * Nom * (D3 - D2) / (365 * 100\%),$ <p>where</p> <p>Coupon Income – amount of coupon income per bond;</p> <p>Nom – nominal bond value;</p> <p>C3 – amount of first coupon interest rate, annual interest;</p> <p>D2 – third coupon period beginning date;</p> <p>D3 – third coupon period termination date.</p> <p>Amount of accumulated coupon income per bond is calculated up to one kopeck (rounding is made as per rules of mathematical rounding, namely: in case if the third symbol after comma is more than 5 or equal to 5, the second symbol after comma is increased by 1, in case if the third symbol after comma is less than 5, the second symbol after comma</p>
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		is not changed).
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4. Coupon: interest rate on the fourth coupon (C4) is determined in conformance with procedure stipulated in item 9.3 of Decision on Securities Issue and item 9.1.2 of the Prospectus.

<p>546th (five hundred and forty-sixth) day from beginning date of bond placement is considered to beginning date of the fourth coupon period</p>	<p>728th (seven hundred and twenty-eight) day from beginning date of bond placement is considered to be termination date of the fourth coupon period</p>	<p>Calculation of fourth coupon payment amount per bond shall be made according to the formula: $CI = C4 * Nom * (D4 - D3) / (365 * 100\%)$, where Coupon Income – amount of coupon income per bond; Nom – nominal bond value; C4 – amount of fourth coupon interest rate, annual interest; D3 – fourth coupon period beginning date; D4 – fourth coupon period termination date.</p> <p>Amount of accumulated coupon income per bond is calculated up to one kopeck (rounding is made as per rules of mathematical rounding, namely: in case if the third symbol after comma is more than 5 or equal to 5, the second symbol after comma is increased by 1, in case if the third symbol after comma is less than 5, the second symbol after comma is not changed).</p>
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5. Coupon: interest rate on the fifth coupon (C5) is determined in conformance with procedure stipulated in item 9.3 of Decision on Securities Issue and item 9.1.2 of the Prospectus

<p>728th (seven hundred and twenty-eight) day from beginning date of bond placement is</p>	<p>910th (nine hundred and tenth) day from beginning date of bond placement is considered to</p>	<p>Calculation of fifth coupon payment amount per bond shall be made according to the formula: $CI = C5 * Nom * (D5 - D4) / (365 * 100\%)$,</p>
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<p>considered to be beginning date of the fifth coupon period.</p>	<p>be termination date of the fifth coupon period</p>	<p>where</p> <p>Coupon Income – amount of coupon income per bond;</p> <p>Nom – nominal bond value;</p> <p>C5 – amount of fifth coupon interest rate, annual interest;</p> <p>D4 – fifth coupon period beginning date;</p> <p>D5 – fifth coupon period termination date.</p> <p>Amount of accumulated coupon income per bond is calculated up to one kopeck (rounding is made as per rules of mathematical rounding, namely: in case if the third symbol after comma is more than 5 or equal to 5, the second symbol after comma is increased by 1, in case if the third symbol after comma is less than 5, the second symbol after comma is not changed).</p>
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6. Coupon: interest rate on the sixth coupon (C6) is determined in conformance with procedure stipulated in item 9.3 of Decision on Securities Issue and item 9.1.2 of the Prospectus

<p>910th (nine hundred and tenth) day from beginning date of bond placement is considered to be beginning date of the sixth coupon period</p>	<p>1092nd (one thousand and ninety-second) day from beginning date of bond placement is considered to be termination date of the sixth coupon period</p>	<p>Calculation of sixth coupon payment amount per bond shall be made according to the formula:</p> $CI = C6 * Nom * (D6 - D5) / (365 * 100\%),$ <p>where</p> <p>Coupon Income – amount of coupon income per bond;</p> <p>Nom – nominal bond value;</p> <p>C6 – amount of sixth coupon interest rate, annual interest;</p> <p>D5 – sixth coupon period beginning date;</p>
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		<p>D6 – sixth coupon period termination date.</p> <p>Amount of accumulated coupon income per bond is calculated up to one kopeck (rounding is made as per rules of mathematical rounding, namely: in case if the third symbol after comma is more than 5 or equal to 5, the second symbol after comma is increased by 1, in case if the third symbol after comma is less than 5, the second symbol after comma is not changed).</p>
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7. Coupon: interest rate on the seventh coupon (C7) is determined in conformance with procedure stipulated in item 9.3 of Decision on Securities Issue and item 9.1.2 of the Prospectus

<p>1092nd (one thousand and ninety-second) day from beginning date of bond placement is considered to be beginning date of the seventh coupon period</p>	<p>1274th (one thousand two hundred and seventy-fourth) day from beginning date of bond placement is considered to be termination date of the seventh coupon period</p>	<p>Calculation of seventh coupon payment amount per bond shall be made according to the formula:</p> $CI = C7 * Nom * (D7 - D6) / (365 * 100\%),$ <p>where</p> <p>Coupon Income – amount of coupon income per bond;</p> <p>Nom – nominal bond value;</p> <p>C7 – amount of seventh coupon interest rate, annual interest;</p> <p>D6 – seventh coupon period beginning date;</p> <p>D7 – seventh coupon period termination date.</p> <p>Amount of accumulated coupon income per bond is calculated up to one kopeck (rounding is made as per rules of mathematical rounding, namely: in case if the third symbol after comma is more than 5 or equal to 5, the second symbol after comma is increased by 1, in case if the third symbol after comma is less than 5, the second symbol after comma</p>
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		is not changed).
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8. Coupon: interest rate on the eighth coupon (C8) is determined in conformance with procedure stipulated in item 9.3 of Decision on Securities Issue and item 9.1.2 of the Prospectus

<p>1274th (one thousand two hundred and seventy-fourth) day from beginning date of bond placement is considered to be beginning date of the eighth coupon period.</p>	<p>1456th (one thousand four hundred and fifty sixth) day from beginning date of bond placement is considered to be termination date of the eighth coupon period.</p>	<p>Calculation of eighth coupon payment amount per bond shall be made according to the formula: $CI = C8 * Nom * (D8 - D7) / (365 * 100\%)$, where Coupon Income – amount of coupon income per bond; Nom – nominal bond value; C8 – amount of eighth coupon interest rate, annual interest; D7 – eighth coupon period beginning date; D8 – eighth coupon period termination date.</p> <p>Amount of accumulated coupon income per bond is calculated up to one kopeck (rounding is made as per rules of mathematical rounding, namely: in case if the third symbol after comma is more than 5 or equal to 5, the second symbol after comma is increased by 1, in case if the third symbol after comma is less than 5, the second symbol after comma is not changed).</p>
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9. Coupon: interest rate on the ninth coupon (C9) is determined in conformance with procedure stipulated in item 9.3 of Decision on Securities Issue and item 9.1.2 of the Prospectus

<p>1456th (one thousand four hundred and fifty sixth) day from beginning date of</p>	<p>1638th (one thousand six hundred and thirty eighth) day from beginning</p>	<p>Calculation of ninth coupon payment amount per bond shall be made according to the formula: $CI = C9 * Nom * (D9 - D8) / (365 * 100\%)$,</p>
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<p>bond placement is considered to be beginning date of the ninth coupon period</p>	<p>date of bond placement is considered to be termination date of the ninth coupon period</p>	<p>where</p> <p>Coupon Income – amount of coupon income per bond;</p> <p>Nom – nominal bond value;</p> <p>C9 – amount of ninth coupon interest rate, annual interest;</p> <p>D8 – ninth coupon period beginning date;</p> <p>D9 – ninth coupon period termination date.</p> <p>Amount of accumulated coupon income per bond is calculated up to one kopeck (rounding is made as per rules of mathematical rounding, namely: in case if the third symbol after comma is more than 5 or equal to 5, the second symbol after comma is increased by 1, in case if the third symbol after comma is less than 5, the second symbol after comma is not changed).</p>
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10. Coupon: interest rate on the tenth coupon (C10) is determined in conformance with procedure stipulated in item 9.3 of Decision on Securities Issue and item 9.1.2 of the Prospectus

<p>1638th (one thousand six hundred and thirty eighth) day from beginning date of bond placement is considered to be beginning date of the tenth coupon period</p>	<p>1820th (one thousand eight hundred and twentieth) day from beginning date of bond placement is considered to be termination date of the tenth coupon period</p>	<p>Calculation of ninth coupon payment amount per bond shall be made according to the formula:</p> $CI = C10 * Nom * (D10 - D9) / (365 * 100\%)$ <p>where</p> <p>Coupon Income – amount of coupon income per bond;</p> <p>Nom – nominal bond value;</p> <p>C10 – amount of tenth coupon interest rate, annual interest;</p> <p>D9 – tenth coupon period beginning date;</p> <p>D10 – tenth coupon period termination date.</p>
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		Amount of accumulated coupon income per bond is calculated up to one kopeck (rounding is made as per rules of mathematical rounding, namely: in case if the third symbol after comma is more than 5 or equal to 5, the second symbol after comma is increased by 1, in case if the third symbol after comma is less than 5, the second symbol after comma is not changed).
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If bond income payment on any of ten coupon periods falls on day off (no matter if it is a state holiday or day off for ruble settlements), required payment is performed on the first working day following the day off. Bond holder is not entitled to claim interest accrual for utilizing other person's cash assets or enforcement of any other responsibility for such payment deferral.

Order of fixing the interest rate from the second to the tenth coupon periods:

a) At the moment of fixing bond placement date, the Issuer can take decision to set rates of coupons from the second to the tenth one as equal to the first coupon interest rate

At the moment of fixing beginning of bond placement date, the Issuer can adopt decision on repurchase of bonds from the holders within the last 10 (Ten) days of the j-th coupon period ($j=1, \dots, 9$). In case if such decision is taken, interest rates on all bond coupons with ordinal number less than value of j or equal to value of j are fixed as equal to first coupon interest rate.

Information specified, including ordinal numbers of coupons with interest rate equal to first coupon bond interest rate, and ordinal number of coupon period (j) when bond holders are entitled acquisition of bonds by the Issuer is to be disclosed not later than 1 (one) calendar day before the date of bond placement beginning and in the following terms from the date of drawing up minutes of meeting (proceedings) of the Issuer's authorized body responsible for decision on fixing interest rate (rates) on coupon (coupons) and on bond acquisition, or from the date of adopting such decision by the Issuer's authorized body if drawing up minutes is not required:

- In news line of information agencies "AK&M" or "Interfax" – not later than within 1 (one) day;
- On the Internet website at www.mrsk-yuga.ru - not later than within 2 (two) days.

The Issuer sends message on fixing interest rate (rates) and on bond acquisition to federal executive authority on securities market not later than 5 days after the date of taking correspondent decision in accordance with current Decision on Securities Issue and the Prospectus.

In case the Issuer does not fix second and further coupon interest rates at the moment of setting bond placement beginning date and does not take decision on bond acquisition from the holders, the second coupon interest rate is fixed by the Issuer in numerical terms after state registration of report on securities issue results or submission of notification on bond issue results to the corresponding authority if bond issue is carried out without state registration of report on securities issue results according to Federal Law “On Securities Market” or other federal laws, on the date of fixing second coupon (not later than 14 (fourteen) calendar days from the date of first coupon payment. The Issuer is entitled to fix any number of further coupons’ amount on the date of second coupon setting.

In this case the Issuer shall ensure the right of holders to claim bond acquisition by the Issuer at the price equal to 100 (one hundred) percent of nominal value without accumulated coupon income as per the date of coupon income receipt (when bond seller is paid more than acquisition price set) within 10 (ten) days of the first coupon period.

b) If amount (procedure of fixing amount) is not set by the Issuer in accordance with the previous sub clause ($i=(j+1), \dots, 10$), interest rate on coupons is fixed by the Issuer in numerical terms after state registration of report on securities issue results or submission of notification on bond issue results to the corresponding authority if bond issue is carried out without state registration of report on securities issue results in conformance with Federal Law “On Securities Market” or other federal laws, on the date of fixing second coupon (not later than 14 (fourteen) calendar days from the date of $(i-1)$ coupon payment. The Issuer is entitled to fix any number of further coupons’ amount on the date of i coupon setting.

In this case the Issuer shall ensure the right of holders to claim bond acquisition by the Issuer at the price equal to 100 (one hundred) percent of nominal value without accumulated coupon income as per the date of coupon income receipt (when bond seller is paid more than acquisition price set) within 10 (ten) days of i coupon period.

c) In case if on coupon rates announcement (according to previous sub clauses) at least one further bond coupon rate is not fixed, the Issuer shall simultaneously with notification on i coupon ($i=(j+1), \dots, 10$) and other rates determined, ensure the right of holders to claim bond acquisition by the Issuer at the price equal to 100 (one hundred) percent of nominal value without accumulated coupon income as of the date of coupon income receipt (when bond seller is paid more than acquisition price set) within 10 (ten) days of k (k is the last coupon period number with fixed rate) coupon period (if the Issuer only fixes the rate of i coupon, $i=k$).

d) In case if at the moment of setting bond placement beginning date the Issuer does not fix the date of the second and further coupon periods and does not take

decision on bond acquisition from the holders, procedure of information disclosure on coupon interest rates shall be as follows:

Information on certain bond coupon rates, from the second coupon period on, is presented to perspective purchasers by way of disclosure in the form of corporate action statements in the following terms from the date of drawing up minutes (date of termination of the period set by legislation of the Russian Federation for drawing up minutes) of the meeting (proceedings) of the Issuer's authorized management body where decision was adopted on fixing first coupon interest rate or from the date of taking such decision by the Issuer's authorized body if minutes drawing up is not necessary:

- News line of "AK&M" or "Interfax" – not later than within 1 (one) day;
- On the internet website at www.mrsk-yuga.ru not later than within 2 (two) days.

The Issuer sends message on fixing interest rate (rates) and on bond acquisition to federal executive authority on securities market not later than 5 days after the date of taking correspondent decision in accordance with current Decision on Securities Issue and the Prospectus.

The Issuer informs Stock Exchange on decisions adopted, including certain rates, not later than 5 days before the date of (i-1)th coupon period termination (period with interest rate fixed as in j and further coupons).

Data on the security provided:

Way of ensuring bond liabilities performance: guarantee.

Person providing security on bond liabilities: "Agricultural Enterprise n. a. Grechko A.A."

Open Joint Stock Company

Way of ensuring bond liabilities performance: guarantee.

Amount of bond liability performance security: 6 000 000 000 (six billion) rubles and accumulated bond income.

8.3.3. Data on Issues in which the Issuer did not Fulfill Obligations on the Securities (Default)

Issues specified are absent

8.4. Information about the Person (Persons) Security for the Issued Bonds was Provided by

State registration number of bond issue: 4-02-34956-E

Data on the person who provided security

Full company name: “Agricultural Enterprise n. a. Grechko A.A.” Open Joint Stock Company

Short company name: “Agricultural Enterprise n. a. Grechko A.A.” JSC

Location

21 Teatralnaya str., village Kuybyshevo, Kuybyshevskiy district, Rostov Area, Russia, 344000

TIN: 6117010611

PSRN: 1036117000798

8.5. Terms of Security for Fulfillment of Bonded Obligations of the Issue

Way of ensuring bond liabilities performance: guarantee.

Person providing security on bond liabilities: “Agricultural Enterprise n. a. Grechko A.A.” Open Joint Stock Company

Amount of bond liability performance security: 6 000 000 000 (Six billion) rubles and accumulated bond income.

Bond liabilities ensured by providing security of bond nominal value (principal debt amount), required interest (coupon income) payment to bond holders, bond acquisition as agreed with bond holders and their request, and on performing the Issuer’s liabilities in case of early bond redemption in terms and order stipulated by Decision on Securities Issue and the Prospectus.

Amount of the Issuer’s net assets value as of the last accounting date before security provision makes up 20 914 784 thousand rubles.

Amount of net assets value of the juridical person providing security as of the last accounting date before security provision makes up 79 933 thousand rubles.

Amount of net assets value of the juridical person providing security as of the termination date of the accounting period makes up 81 837 thousand rubles.

8.6. Information about Organizations Registering the Rights to Equity Securities of the Issuer.

Person keeping the register of the Issuer’s bearer securities holders: Registrar

Information on the Registrar

Full company name: “R.O.S.T Registrar” Open Joint Stock Company

Short company name: “R.O.S.T Registrar” JSC

Location: 18/13, Stromynka str., Moscow, 107996

TIN: 7726030449

PSRN: 1027739216757

Data on the license for keeping the register of securities holders

Number: 10-000-1-00264

Issuing date: 13.12.2002

License validity term:

Without limitation of the period of validity

License issuing authority: FCSM (FFMS) of Russia

Date of commencement of keeping the register of the Issuer's bearer securities holders by the Registrar: 18.12.2010

The Issuer's certificated securities subject to compulsory centralized storage are in circulation.

Depositories

Full company name in Russian: Закрытое акционерное общество "Национальный расчетный депозитарий"; in English: **“National Settlement Depository” Closed Joint Stock Company**

Sort company name in Russian: НКО ЗАО «НРД»; in English: “NSD” CJSC

Location: Building 8, 1/13 Sredniy Kislovskiy LN, Moscow, Russia 125009

TIN: 7702165310

PSRN: 1027739132563

Data on the license to carry out the depository activity in the securities market

Number: 177-10042-000100

Issuing date: 19.02.2009

License validity term:

Without limitation of the validity term

Name of the license issuing authority: FCSM (FFMS) of Russia

Data on the Transfer Agents of the Registrar Working with the Company's Shareholders

1. Full company name	Transfer-agent “Registrar R.O.S.T.” in Astrakhan - branch “Deposit-Akhtuba” of “Professional registry centre” CJSC
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Location of transfer-agent	94/1a Sofia Perovskaya St., Astrakhan 414004
Other information on maintenance of the Issuer's share register disclosed at the Issuer's sole discretion	Executive head: Chernichenko Galina Alekseevna; telephone number: (8512) 49-69-12, email address: astrakhan@profr.ru
2. Full company name	Separate subdivision of "R.O.S.T. Registrar" JSC in Volgograd
Location of the department	floor 3, 9 Bogomoltsa street, Volgograd, 400033
Other information on maintenance of the Issuer's share register disclosed at the Issuer's sole discretion	Executive head: Rudenko Aleksandr Alekseevich, phone (8442) 79-82-80, e-mail: volgograd@mail.rrost.ru
3. Full company name	Krasnodar branch of "R.O.S.T. Registrar" JSC
Location of the branch	176 Krasnaya St., (4th floor) Krasnodar 350020
Other information on maintenance of the Issuer's share register disclosed at the Issuer's sole discretion	Executive head: Cherniy Valeriy Pavlovich, phone (861) 255-21-01, e-mail: pan_krasnodar@mail.ru.

Information on the amount of remuneration paid to the registrar of the Company in the last financial year

In 2010 "CMD" JSC has received 1 749 604.23 rubles, precisely:

680 661.94 rubles for rendering services on keeping and storing the register of securities holders;

13 280.65 rubles for providing information via website;

937 861.64 rubles for services of preparing and holding annual General Meeting of Shareholders;

117 800 rubles – expenditures for transferring information on registry of securities holders to a new registrar

Information on existing agreements on such payments in current year:

In accordance with terms of service contracts on keeping the registry of securities holders, the remuneration paid to the Registrar for services on keeping and storing the register of securities holders in hard copy and electronic form amount to 134 520 (one hundred thirty four thousand five hundred and twenty) rubles per year, including VAT on rate set by the RF legislation. The services are paid quarterly in amount of 33 630 (thirty three thousand six hundred thirty) rubles, including VAT on rate set by the RF legislation.

In accordance with terms of service contracts on preparing and holding annual

and extraordinary General meetings of shareholders and performing functions of counting commission at general meetings the total cost of such services amounts to 974 455 (nine hundred seventy four thousand four hundred fifty five) rubles 80 kopecks, including VAT – for annual General meeting and 821 327 (eight hundred twenty one thousand three hundred twenty seven) rubles 20 kopecks, including VAT – for extraordinary General meeting of shareholders.

In 2011 the Company's registrar "Registrar R.O.S.T." was paid a remuneration in amount of 1 906 020.96 rubles, of which:

134 520 rubles for services of keeping share register;

974 455,80 rubles for services of preparation and holding the General meeting of shareholders;

797 045.16 rubles for services of preparation and holding the extraordinary General meeting of shareholders.

8.7. Data on Statutes Regulating Matters of Import and Export of Capital which May Affect Payment of Dividends, Interests and other Payments to Nonresidents

The main legislation acts regulating issues of capital import and export are as follows:

- Federal Law "On Currency Regulation and Currency Control" (as amended) No. 173-Φ3 dd. 10.12.2003;
- Federal Law "On Foreign Investments in the Russian Federation" (as amended) No. 160-Φ3 dd. 09.07.1999;
- Federal Law "On Investing in the Form of Capital Expenditure within the Russian Federation" (as amended) No. 39-Φ3 dd. 25.02.1999;

Besides:

- Tax Code of the Russian Federation (part I)" (as amended on 01.01.2009) No. 146-Φ3 dd. 31.07.1998;
- Tax Code of the Russian Federation (part II)" No. 117-Φ3 dd. 05.08.2000;
- Federal Law "On Securities Market" No. 39-Φ3 dd. 22.04.1996;
- Federal Law "On the Central Bank of the Russian Federation (Bank of Russia)" (as amended on 10.01.2009) No. 86-Φ3 dd. 10.07.02;
- Federal Law "On Counteraction of Legitimization (Laundering) Proceeds of Crime and Financing of Terrorism" No. 115-Φ3 dd. 07.08.2001;
- Instruction of the Central Bank of the Russian Federation "On the Order of Document and Information Presentation by Residents and Nonresidents to the Entitled Banks in the Course of Currency Operations, on the Order of Currency Operations Reporting and Drawing-Up Transaction

Certificates by the Entitled Banks” (as amended) No. 117-И dd. 15.06.2004.

- Letter of the Ministry for Taxes and Charges of the Russian Federation “On Taxation of Dividends” No. CA-6-04/942 dd. 04.09.2003;
- Letter of the Ministry for Taxes and Charges of the Russian Federation “On Procedure for Applying Article “Dividends” to Certain Agreements for the Avoidance of Double Taxation” No.ПД-6-23/664 dd. 16.06.2003;
- International agreements of the Russian Federation for avoidance of double taxation;
- Other regulatory legal acts of the Russian Federation.

8.8. Description of the Scheme of Taxation of Income from Placed Mass-Issue Securities of the Issuer and the Securities in the Process of Placement

I. Taxation of Personal Income from Placed Securities in the Form of Dividends

No.	Categories of security holders	
	Physical persons – RF tax residents	Physical persons who gain income from sources situated in RF and are not RF tax residents
Name of the income on the placed securities	Dividends	
Name of the securities income tax	Tax on income of physical persons	
Tax rate	9%	15% (from 01.01.08)
Order and terms of tax payment	<p>The duty to subtract the sum of the tax from the income of the tax bearer and to discharge it to the corresponding budget is imposed to a Russian organization which is a source of income of the tax bearer in the form of dividends (tax agent).</p> <p>The accrued sum of the tax is subtracted directly from the income of the tax bearer at their actual payment. Tax agents are obliged to list the sums of the calculated and retained tax not later than the day of actual receipt of cash money resources in the bank for income payment, and also the day of the income transfer from the accounts of tax agents in bank into the accounts of the tax bearer or, under the commission, into the accounts of the third parties in banks.</p>	
Peculiarities of taxation	Total sum of the tax	Elimination of the double

order for this category of security holders	is calculated as product of the tax rate and the difference between the sums of dividends that are subject to distribution between shareholders - residents, and the sum of the dividends received by the tax agent for the accounting period. In case the received difference is negative, the tax may not be paid, and there is no compensation from the budget. The sum of the tax which is subject to deduction from incomes of the tax bearer - recipient of dividend – is calculated on the basis of the total sum of the tax and the part of each tax bearer’s dividend in the total sum of dividends.	taxation. For remission of tax payment, carrying out offset, reception of tax deductions or other tax benefits, the tax bearer should submit official documents to the tax bodies of the Russian Federation that show that he/she is a resident of the state with which during the corresponding tax period (or the parts) the Russian Federation concluded a contract (agreement) on avoidance of double taxation, and also the document on the received income and on payment of the tax by him/her outside of the Russian Federation approved by the tax body of the corresponding foreign state. Such documents may be presented both before tax payment and within one year after the termination of the tax period by the results of which the tax bearer applies for remission of the taxation, tax deductions or benefits.
Legal and standard acts that stipulate the taxation order of this income	Tax Code of the Russian Federation, chapter 23 Tax on income of physical persons (revised and amended).	

II Taxation of Personal Income from the Sale of Placed Securities

No.	Categories of security holders	
	Physical persons – RF tax residents	Physical persons who gain income from sources situated in RF and are not RF tax residents

Name of the income on the placed securities	Income (loss) from securities conversion calculated as a difference between the sums received from securities conversion and costs for acquisition, use and storage of securities made by the tax bearer and presented in the documents.	
Name of the securities income tax	Taxes on incomes of physical persons	
Tax rate	13%	30%
Order and terms of tax payment	Total sum of the tax to be paid in the budget is calculated on the basis of the tax declaration and paid to the residential place of the tax bearer no later than 15 July of the year following the past tax period	
Peculiarities of taxation order for this category of security holders	Elimination of the double taxation. For remission of tax payment, carrying out offset, reception of tax deductions or other tax benefits, the tax bearer should submit official documents to the tax bodies of the Russian Federation that show that he/she is a resident of the state with which during the corresponding tax period (or the parts) the Russian Federation concluded a contract (agreement) on avoidance of double taxation, and also the document on the received income and on payment of the tax by him/her outside of the Russian Federation approved by the tax body of the corresponding foreign state. Such documents may be presented both before tax payment and within one year after the termination of the tax period by the results of which the tax bearer applies for remission of the taxation, tax deductions or benefits.	
Legal and standard acts that stipulate the taxation order of this income	Tax Code of the Russian Federation Chapter 23 “Tax on income of physical persons”.	

III Taxation of Corporate Income from Placed Securities as Dividends

No.	Categories of security holders	
	Juridical bodies – tax residents of the RF	Foreign juridical bodies who gain income from sources situated in RF and are not RF tax residents
Name of the income on the placed securities	Dividends	
Name of the securities income tax	Income tax	
Tax rate	9% or 0% (on conforming to conditions of c.3 art.284of the Tax Code of the RF)	15%
Order and terms of tax payment	Taxes from income in the form of dividends are collected from the source of this income and transferred to the budget by the tax agent who performed payment within ten days from the day of the income payment	
Peculiarities of taxation order for this category of security holders	Total sum of the tax is calculated as product of the tax rate and the difference between the sums of dividends that are subject to distribution between shareholders - residents, and the sum of the dividends received by the tax agent for the accounting period. In case the received difference is negative, the tax may not be paid, and there is no compensation from the budget. The sum of the tax which is	In case Russian organization - tax agent pays dividends to the foreign organization and (or) to a physical person who is not a resident of the Russian Federation, the tax base of the tax bearer - recipient of dividend on each such payment is calculated as the sum of the paid dividends, and a rate set accordingly by subitem 2 of item 3 of section 284 (15 %) or item 3 section 224(15 %) of the Tax Code of the Russian Federation is applied to it. Elimination of double taxation. At submitting documents by the foreign organization to the tax agent that prove that this foreign organization has permanent establishment in the state with which Russian Federation has international contracts regulating

	subject to deduction from incomes of the tax bearer - recipient of dividend - is calculate on the basis of the total sum of the tax and the part of each tax bearer's dividend in the total sum of dividends.	issues of taxation concerning income on which the international contract provides a preferential mode of taxation in the Russian Federation, before the date of the income payment, the source of payment is remitted from tax deduction or tax is deduced under lowered rates.
Legal and standard acts that stipulate the taxation order of this income	Tax Code of the Russian Federation, chapter 25 "Tax on income of organizations"	

IV Taxation of Corporate Income from the Sale of Placed Securities

No.	Categories of security holders	
	Juridical bodies – tax residents of the RF	Foreign juridical bodies who gain income from sources situated in RF and are not RF tax residents
1. Name of the income on the placed securities	Income from security conversion operations	Income from sale of shares of Russian organizations, more than 50% of whose assets consist of real estate situated on the territory of the RF
2. Name of the securities income tax	Income tax	
3. Tax rate	20%	20%
4. Order and terms of tax payment	Sum of the tax by the results of the tax period is calculated by the tax bearer independently. The tax that is subject to payment after the tax period is paid not later than March 28 of the year following the expired tax period. Quarterly advance payments are paid no later than	The obligation of determining the sum of the tax, deduction of this sum from the incomes of the tax bearer and tax transfer in the budget is imposed to a Russian organization or a foreign organization that performs activity in the Russian Federation through permanent establishment and pays the specified income to the tax bearer.

	<p>28 days from the date of termination of the quarter. Monthly advance payments are paid in time no later than the 28th day of each month of this accounting period. Tax bearers who pay monthly advance payments on actually received profit pay advance payments no later than the 28th day of the month following the month by results of which tax calculation is made. According to the results of the accounting period, sums of monthly advance payments are set off at payment of quarterly advance payments. Quarterly payments are set off on account of payment of the tax according the results of the tax period.</p>	
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5. Peculiarities of taxation order for this category of security holders		At submitting documents by the foreign organization to the tax agent that prove that this foreign organization has permanent establishment in the state with which Russian Federation has international contracts regulating issues of taxation concerning income on which the international contract provides a preferential mode of taxation in the Russian Federation, before the date of the income payment, the source of payment is remitted from tax deduction or tax is deduced under lowered rates.
6. Legal and standard acts that stipulate the taxation order of this income	Tax Code of the Russian Federation, chapter 25 “Tax on income of organizations”	

8.9. Data on Stated (Accrued) and Paid Dividend upon the Issuer’s Shares and on Yield of the Issuer’s Bonds

8.9.1. Data on Stated (Accrued) and Paid Dividend upon the Issuer’s Shares for the Last 5 Completed Financial Years or for Every Completed Financial Year if the Issuer has been Conducting Its Business for Less than 5 Years.

There were no decisions on paying dividend taken by the issuer within the specified period.

8.9.2. Issues of Bonds, on which the Yield has been Paid for the Last 5 Completed Financial Years Preceding the End Date of the Last Accounting Quarter, and if the Issuer has been Conducting Its Business for Less than 5 Years, Issues of Bonds, on which the Yield was Paid for Each Completed Financial Year Preceding the End Date of the Last Accounting Quarter.

Type of securities: **bonds**

Form of securities: **documentary bearer bonds**

Series: **02**

nonconvertible interest bearing certified bonds with obligatory centralized storage

State registration number of issue: **4-02-34956-E**

Date of state registration: **16.12.2008**

Registering body: **FFMS of Russia**

State registration of report on the results of the issue is not performed because the issuer applied the right to produce to the registering body the notification on the results of securities issue with the following terms observed: a) broker's services on placing securities on the basis of concluded agreement; b) placing securities by public offering; c) listing of securities. Notification on the results of issue of Bonds nonconvertible interest bearing certified with obligatory centralized storage of series 02 in amount of 6 000 000 (six million) pieces with nominal price 1 000 (one thousand) rubles each with redemption date at 1820th day from the moment of placement, registration number 4-02-34956-E dated 16.12.2008, produced to FFMS of Russia on September 8, 2009.

Amount of bonds in the issue: **6 000 000**

Nominal price of each bond, rubles: **1 000**

Volume of issue in nominal price: **6 000 000 000**

Income from bonds

Coupon period for bonds of series 02 is 182 days.

Interest rate on coupon income on coupons 1-4 is 17.5% per annum. Coupon income obligatory for payment for the 3rd coupon period was transferred to bond holders in amount of 523 560 thousand rubles by payment agent of the Company (Alfa Bank JSC).

In August 2011 rate of coupon for the 5th coupon period was set in amount of 8.1% per annum on issuer's bonds of series 02 (nonconvertible interest bearing certified bonds with obligatory centralized storage). Rates of 6th, 7th, 8th, 9th and 10th coupons are equal to the 5th coupon period.

At the day of offer, September 1, 2011, during filing tenders for sale of bonds, 2 112 589 bonds for the total sum of 2 112 589 000 rubles were presented and bought at MICEX Stock Exchange.

Amount of bonds at holders as of December 31, 2011 is 4 557 678 pieces.

8.10. Other Data

Data Disclosed Additionally According to Regulation on Information Policy of
"IDGC of the South" JSC

Information on Committees attached to BoD , on the Activity of Committees

To examine issues from the Board of Directors competence were organized and approved committees of "IDGC of the South", JSC by the decision of Board of Directors (minutes No. 22/2009 dd. 11.02.2009; minutes No. 23/2009 dd. 02.03.2009, minutes No. 37/2009 dd. 04.12.2009):

- 1) Committee for Technological Connection to Electric Grids;
- 2) Audit Committee;
- 3) Committee for Personnel and Remuneration
- 4) Reliability Committee
- 5) Committee for Strategy, Development, Investments and Reforming

According to the approved regulations on committees the members of committees are elected for the period of Board of Directors reelection.

Authorities of any member of Committee could be early terminated by the decision of Board of Directors adopted by majority of votes of Company's Board of Directors.

According to regulations about the Committees, functions of Secretaries of the Committees are performed by Corporate Secretary, if decisions of committees do not stipulate any other cases.

- The following meetings took place in the accounting quarter:
 - Committee for technological connection to electric grids attached to "IDGC of the South", JSC Board of Directors - 1 meeting (absentee voting);
 - Audit Committee attached to "IDGC of the South", JSC Board of Directors – 3 meetings (absentee voting);
 - Personnel and Remuneration Committee attached to "IDGC of the South", JSC Board of Directors - 3 meetings (absentee voting);
 - Reliability Committee attached to "IDGC of the South", JSC Board of Directors – 2 meetings (absentee voting);
 - Committee for Strategy, Development, Investments and Reforming attached to Board of Directors of "IDGC of the South", JSC, - 7 meetings (5 absentee voting and 2 in joint presence).

Committee for Technological Connection to Electric Grids attached to Board of Directors of "IDGC of the South", JSC

The main purpose of Committee for Technological Connection to Electric Grids attached to Board of Directors of "IDGC of the South", JSC is provision of transparency of activity and nondiscrimination access to services of technological connection of consumers to electric grids of the Company.

Personnel of the Committee elected at the Meeting of Board of Directors of "IDGC of the South" JSC on 27.07.2011 (Minutes No. 69/2011 dd. 01.08.2011) with changes dated 23.12.2011 (Minutes No. 77/2011 dd. 26.12.2011)

Full name of the Committee member	Position
Spirin Denis Aleksandrovich, Chairman of the Committee	Director in charge of corporate management at Representative office of "Prosperity Capital Management (RF) Ltd"
Samarchenko Olga Petrovna, deputy Chairman	Deputy director general in charge of development and promotion of services of "IDGC of the South" JSC
Karpenko Vadim Valdimirovich (from 26.12.2011)	Deputy director general in charge of corporate management of "IDGC of the South" JSC
Pokrovskiy Sergey Vladimirovich	Expert at Association for protection of investors' rights
Pyatigor Aleksandr Mikhailovich	Head of department for perspective development and technological connection at "IDGC Holding" JSC

At the meeting of "IDGC of the South" JSC Board of Directors (minutes No. 77/2011 dated 26.12.2011) authorities of Reshetnikov Mikhail Yurievich, member of Committee for technological connection to electric grids, were early terminated. Karpenko Vadim Valdimirovich, Deputy director general in charge of corporate management of "IDGC of the South" JSC, was elected to the Committee for technological connection to electric grids.

Summary of decisions adopted at the meetings of the Committee for technological connection to electric grids in 4th quarter of 2011:

- 1 28.12.2011, Absentee voting**
(Minutes of meeting No. 6 dd 28.12.2011)
- The results of monitoring of activity on technological connection of consumers to electric grids, including work with contracts and statistics of technological connections were approved.
 - Propositions on the volume of budget of the Committee for 2012 were provided.

Audit Committee attached to Board of Directors of “IDGC of the South”, JSC

The main purpose of Audit Committee is provision of effective work of Board of Directors in solving issues. The Committee works out and presents recommendations (conclusions) to Company’s Boards of Directors in the sphere of audit and reports of the Company.

Personnel of the Committee elected at the Meeting of Board of Directors of “IDGC of the South” JSC on 29.07.2011 (Minutes No. 69/2010 dd. 01.08.2011)

Full name of the Committee member	Position
Yurchuk Sergey Evgenievich Chairman of the Committee,	Director for Finance at "IDGC Holding" JSC, member of “IDGC of the South” BoD
Mekhanoshin Boris Iosifovich, deputy Chairman	Deputy director general - Technical director of "IDGC Holding" JSC, member of “IDGC of the South” BoD
Pankov Dmitriy Leonidovich	Director for strategy, development and innovations at "IDGC Holding" JSC, member of “IDGC of the South” BoD
Filkin Roman Alekseevich	Co-director of representative office of Prosperity Capital Management Ltd (RF), member of “IDGC of the South” BoD
Shevchyuk Aleksandr Viktorovich	Deputy acting director general of Non-profit Partnership "Association for protection of investors' rights

Review of decisions adopted by Audit Committee attached to Board of Directors of “IDGC of the South”, JSC, in quarter 4, 2011:

- 1 31.10.2011, absentee voting**
(minutes No. 11 dd 02.11.2011)
- Report on activity of Department of internal audit and risks management for the 3rd quarter of 2011 was taken into consideration.
 - Information on implementing documents aimed at sophistication and development of internal control, audit and risks management in the 3rd quarter of 2011.
 - Report on significant risks in the 3rd quarter of 2011 was taken into consideration.

- 2 10.11.2011, absentee voting**
(minutes No. 12 dd 14.11.2011)
- Financial (accounting) report of the Company made in accordance with RAS for 9 months of 2011 was taken into consideration.
 - Financial (accounting) report of the Company made in accordance with IFRS for 6 months of 2011 was taken into consideration.
- 3 09.12.2011, absentee voting**
(minutes No. 13 dd 13.12.2011)
- Regulation on insider information of the Company was approved in restated version. BoD was given recommendation to approve Regulation on insider information of the Company in restated version Одобрено and to regard the Regulation on insider information of the Company approved by BoD on 03.09.2007 (minutes of meeting No.2/2007) as invalid.
 - Changes in schedule of work Department of internal audit and risks management for the 2nd half of 2011 were approved
 - Proposition on the volume of budget of the Audit Committee for 2012 was made.

Personnel and Remuneration Committee attached to Board of Directors of “IDGC of the South” JSC

Personnel and Remuneration Committee is an advisory committee providing effective implementation functions of Company’s Board of Directors on administrative issues. The task of the Committee is to work out recommendations (conclusions) to Board of Directors on the following activities:

1. Elaboration of principals and criteria of remunerations to Members of Board of Directors, Members of Collegiate Body and CEO;
2. elaboration of principals and criteria on determining the amount of remuneration to Board of Directors members, members of collegiate executive body carrying out functions of sole executive body of the Company;
3. elaborations of offers on determining essential terms of contracts with Board of Directors members, members of collegiate body carrying out functions of sole executive body of the Company;
4. determining criteria of choosing candidates for members of Board of

Directors, members of collegiate body carrying out functions of sole executive body of the Company, as well as estimation of the candidates;

5. regular evaluation of person carrying out functions of sole executive body (managing company, director) and members of collegiate body, preparation of offers on possibilities of their reappointment for Board of Directors.

Members of Personnel and Remuneration Committee elected at Meeting of Board of Directors of “IDCG of the South”, JSC on 29.07.2011 (Minutes No.69/2010 dd. 01.08.2011)

Full name of the Committee member	Position
Lutskovich Viktor Evgenievich, Chairman of the Committee	Deputy Head of Staff Management Department , Head of Labour Remuneration and motivation Sector of “IDGC Holding”, JSC
Erpsheer Natalia Ilynichna, deputy Chairman	Head of Organizational Development Department of “IDGC Holding”, JSC
Grachyova Irina Anatolievna	Head of sector for securities at Department of corporate management and interaction with shareholders at "IDGC Holding" JSC
Masalova Svetlana Nikolaevna	Leading expert at Directorate of organization development at "IDGC Holding" JSC
Spirin Denis Aleksandrovich	Director in charge of corporate management at Representative office of “Prosperity Capital Management (RF) Ltd”
Shevchyuk Aleksandr Viktorovich	Deputy acting director general of Non-profit Partnership "Association for protection of investors' rights", member of “IDGC of the South” BoD

Review of decisions adopted at the meeting of Personnel and Remuneration Committee at Board of Directors of “IDGC of the South” JSC in quarter 4 of 2011:

- 1 **03.10.2011, absentee voting** (Minutes No. 25 dd 04.10.2011)
 - Company BoD was given a recommendation to approve the candidature of Karpenko Vadim Vladimirovich for the position of deputy director general in charge of corporate management at “IDGC of the South” JSC.

- 2 11.11.2011, absentee voting**
(Minutes No. 26 dd 11.11.2011)
- Candidature of Larin Vladimir Nikolaevich was approved for the position of deputy director – chief of staff at “Astrakhanenergo” branch of IDGC of the South.
 - Composition of candidates pool of young specialists of IDGC of the South was approved. Director general was recommended to produce the list of young specialists of the Company to Holding IDGC for consideration of the issue and inclusion of employees from the list to the list of candidates pool of young specialists of Holding IGDC.
 - Company BoD was given a recommendation to approve candidature of Kuzhilin Aleksandr Vladimirovich for the position of director of the branch of IDGC of the South - “Kubanenergo” and candidature of Mukhamediyarov Rinat Rachitovich for the position of head of department for inventory and logistics at IDGC of the South.
- 3 20.12.2011, absentee voting**
(Minutes No. 27 dd 21.12.2011)
- Candidature of Serebrennikov Sergey Leonidovich was approved for the position of deputy director in charge of development and selling of services of “Astrakhanenergo” branch of IDGC of the South
 - Candidature of Volodin Vladimir Ivanovich was approved for the position of deputy director on capital construction at “Rostovenergo” branch of IDGC of the South.
 - Proposition on volume of budget of Personnel and Remuneration Committee for 2012 was formed.
 - Company BoD was given recommendations to terminate authorities of Savin Gregory Grigorievich as member of Management Board and to elect Karpenko Vadim Vladimirovich as member of Management Board.
 - Results of activity of Kalenyuk Yegor Vladimirovich deputy director general – director of the branch of IDGC of the South and Ivanov Vitaliy Valerievich, deputy director general – chief engineer at IDGC of the South, were taken into consideration.

Reliability Committee attached to Board of Directors of “IDGC of the South”, JSC

The task of the Committee at Board of Directors of “IDGC of the South” JSC is to work out and submit recommendations (conclusions) to the Company’s Board of Directors concerning the following activities of the Board of Director:

- Assessment of investment programs and plans of repair of power facilities, analysis of their implementation in terms of observance of complex reliability requirements;

- Assessment of completeness and sufficiency of activities on the basis of emergencies and major technological disturbances, as well as control over their implementation;
- Control and assessment of activities of technological services of the Company related to ensuring of complex reliability of work of grid and generating equipment and facilities and ensuring of normal state of fixed assets and informing on predictable reliability risks of their functioning;
- Analysis of activities on carrying out of contract and economic mechanisms of reliability management;
- Quarterly informing of Board of Directors on status of fixed assets of Company's power facilities.

Members of the Committee elected at Meeting of Board of Directors of "IDCG of the South", JSC on on 29.07.2011 (Minutes No.69/2010 dd. 01.08.2011)

Full name of the Committee member	Position
Shpilevoy Sergey Vladimirovich, Chairman of the Committee	Deputy Head of Production Supervision and Labour Safety Department at "IDGC Holding", JSC
Sizov Vyacheslav Viktorovich, deputy Chairman	Deputy chief engineer at "IDGC of the South" JSC
Bespalov Aleksandr Vasilievich	Head of sector for investment projects and costs estimate at Department of capital construction at "IDGC Holding" JSC
Ilyushin Pavel Vladimirovich	Deputy Head of Operations and MRO (maintenance, repair and operations) "IDGC Holding", JSC
Mikhailevich Sergey Gennadievich	Head of sector of investment efficiency at Economy department of "IDGC of the South" JSC
Pankov Dmitriy Leonidovich	Director for strategy, development and innovations at "IDGC Holding" JSC, member of "IDGC of the South" BoD
Pokrovskiy Sergey Vadimovich	Expert at Association for protection of investors' rights

Review of decisions adopted at the meeting of Reliability Committee at Board of Directors of "IDGC of the South" JSC in quarter 4 of 2011:

- 1 **24.11.2011, absentee voting**
(Minutes No. 13 dd 25.11.2011)
- Report of sole executive body of the Company on the results of preparedness of IDGC of the South to autumn-winter season of 2011-2012 was taken into consideration.
 - It was decided to send to IDGC of the South BoD the information on condition of fixed assets of the Company for the 3rd quarter of 2011.
 - IDGC of the South BoD was given a recommendation on item of the agenda: “On approving the results of implementation of KPI for the 2nd quarter of 2011”.
- 2 **15.12.2011, absentee voting**
(Minutes No. 14 dd 16.12.2011)
- Proposition on the volume of budget in 2012 of the Reliability Committee attached to IDGC of the South BoD was formed.

Committee for Strategy, Development, Investments and Reforming attached to Company’s Board of Directors

The task of the Committee for Strategy, Development, Investments and Reforming attached to “IDGC of the South”, JSC Board of Directors is the elaboration and presentation of recommendations (conclusions) to Company’s Board of Directors on the following activities:

- 1) setting of priority directions, strategic goals and defining of the main principles of the Company’s strategic development;
- 2) assessment of efficiency of the Company’s activity;
- 3) enhancement of investment attractiveness of the Company, improvement of investment activity and making of reasoned investment decisions;
- 4) correction of existing strategy of the Company’s development;
- 5) control over implementation of approved programmes, projects and process of reforming of the Company;
- 6) drawing up of recommendations on dividend policy.

The current personnel of Committee for Strategy, Development, Investments and Reforming attached to Company’s Board of Directors elected at Board of Directors meeting dated 29.07.2010 (Minutes No. 69/2011 dd. 01.08.2011):

Full name of the Committee member	Position
Yurchuk Sergey Evgenievich, Chairman of the	Director for Finance at "IDGC Holding" JSC, member of “IDGC of the South” BoD

Committee	
Pavlov Vadim Aleksievich, deputy Chairman	Head of center for strategy , development and innovations at “IDGC Holding” JSC
Balaeva Svetlana Aleksandrovna	Head of Investments department at “IDGC Holding” JSC
Vashkevich Vladimir Frantishkovich	Deputy director general in charge of capital construction at “IDGC of the South” JSC
Perepyolkin Aleksey Yurievich	Member of Management Board, Deputy director general on corporate management and property at “IDGC Holding” JSC, member of “IDGC of the South” BoD
Filkin Roman Aleksievich	Co-director of representative office of Prosperity Capital Management Ltd (RF), member of “IDGC of the South” BoD
Tsiku Ruslan Kimovich	Head of Business-planning department at “IDGC Holding” JSC
Shevchyuk Aleksandr Viktorovich	Deputy acting director general of Non-profit Partnership "Association for protection of investors' rights", member of “IDGC of the South” BoD

Brief review of decisions approved by the committee for Strategy, Development, Investments and Reforming attached to Company’s Board of Directors
in the 4th quarter of 2011

- 1 **10.10.2011,** joint presentce (minutes No. 25 dd 13.10.2011)
 - Company’s Board of Directors was provided with recommendations to approve the corrected business-plan of IDGC of the South for 2011, including the investment programme, to approve the corrected plan of activities on financial recovery of the Company in 2011-2012.
 - Company’s Board of Directors was provided with recommendations to approve the corrected KPI of “IDGC of the South” JSC for 2011.
 - Company’s Board of Directors was provided with recommendations on the item “On taking into consideration of report presented by director general on the process of implementation of Company’s investment programme”
- 2 **13.10.2011,** absentee voting (minutes No. 26 dd)
 - Company’s Board of Directors was provided with recommendations to determine consolidation of grid facilities as priority activity of the Company and to approve the Programme of Consolidation of grid facilities of “IDGC of the South” JSC for the period of 2011-2015.

- 13.10.2011)
- Company's Board of Directors was provided with recommendations to determine obligatory energy audit of production and grid facilities as priority activity of the Company and to order Company's director general within a month to approve the Regulation on introduction of system of monitoring the implementation of important investment projects.
 - Company's Board of Directors was provided with recommendations to approve termination of Company's membership at Non-profit Partnership INVEL and to order sole executive body of the Company to send written application for the name of director of Non-profit Partnership INVEL on the termination of membership within 10 days after the adoption of such decision.
 - Company's Board of Directors was provided with recommendations to take into consideration reports presented by director general of "IDGC of the South" JSC on implementation of BoD decisions dated 30.05.2011 (minutes of meeting dated 01.06.2011 No.65/2011), on the process of implementation of activities on carrying out negotiations with executive authorities of territorial subjects of RF on sources of funding and implementing the Programme of perspective development of energy metering systems at retail market of electric energy in 2011 and onwards, as well as on observance of Regulation on information policy of "IDGC of the South" JSC.
 - Company's opinion regarding the agenda item of extraordinary meeting of "Energoservis Yuga" shareholders "On approving contract for carrying out energy audit concluded by "IDGC of the south" JSC and "Energoservis Yuga" JSC as large transaction" was preliminary approved and the recommendation was given to Company's Board of Directors.

3 14.11.2011,
absentee
voting
(minutes No.
27 dd
14.11.2011)

- Company's Board of Directors was provided with recommendations to approve the report on the results of implementing Company's business plan (including investment programme) in the 2nd quarter of 2011.
- Report of sole executive body on implementation of purchasing programme in the 2nd quarter of 2011 and 1st half of 2011 was approved.
- Report of IDGC of the South director general on management at subsidiary and affiliated companies (that perform non-core activities) was approved.

- 4 05.12.2011, absentee voting**
(minutes No. **28 dd 07.12.2011**)
- Company's Board of Directors was provided with recommendations to:
- approve Standard on technical policy on metering electric energy in distribution grid complex of IDGC of the South.
 - approve corrected programme of Company's activity on registering property rights for immovable property, registering/re-registering rights for usage of land plots for the period of 2011-2014
 - approve schedule of activities on reducing accounts receivable for services of energy transmission and settlement of disputes occurred as of 01.10.2011.
 - approve results of implementation of KPI in the 2nd quarter of 2011.
 - take into account report presented by IDGC of the South director general on implementation of Programme of financial recovery of the Company for 2010-2012.
 - take into account report presented by IDGC of the South director general on implementation of schedule of activities on reducing accounts receivable for services of energy transmission and settlement of disputes occurred as of 01.07.2011.
 - take into account report presented by IDGC of the South director general on implementation of decisions adopted by Board of Directors in the 3rd quarter of 2011.
 - take into account report presented by IDGC of the South director general on process of implementation of Programme of innovation-based development of metering systems, 2nd quarter of 2011.
- 5 19.12.2011, absentee voting**
(minutes No. **29 dd 19.12.2011**)
- Company's Board of Directors was provided with recommendations to:
- approve corrected Programme of innovation-based development of IDGC of the South.
 - take into account report presented by IDGC of the South director general on process of implementation of Programme of innovation-based development for the 3rd quarter of 2011.
 - take in consideration the information on the process of implementation of programme on energy saving and increasing energy efficiency in the 3rd quarter of 2011.
 - take into account report presented by IDGC of the South director general on process of implementation of Programme on perspective development of energy metering systems, 3rd quarter of 2011.

- Propositions on volume of budget of the Committee for 2012 were formed.
- 6 27.12.2011, joint presence**
(minutes No. **30 dd 29.12.2011**)
- Company's Board of Directors was provided with recommendations to approve the corrected business-plan of IDGC of the South for 2012, including the investment programme, to approve the corrected plan of activities on financial recovery of the Company in 2013-2016.
 - Company's Board of Directors was provided with recommendations to approve the corrected KPI of "IDGC of the South" JSC for 2012
- 7 27.12.2011, absentee voting**
(minutes No. **31 dd 28.12.2011**)
- Company's Board of Directors was provided with recommendations to approve the results of implementation of business plan (including investment programme) in 3rd quarter of 2011.
 - Company's Board of Directors was provided with recommendations to take into account report presented by IDGC of the South director general on activities taken in the 3rd quarter aimed at financial recovery of the Company in 2010-2012.

Minutes of meetings of Committees at the Board of Directors of "IDGC of the South" JSC for the whole period of the Issuer's activity are available on the Company's corporate Internet website at: <http://www.mrsk-yuga.ru> (<http://en.mrsk-yuga.ru/management/cabd/>).

Statistic Information on the Company's Shareholders Including the Amount of Shareholders, Balance of Amount and Stake of Residents and Non-Residents, legal Entities and Individuals in the Authorized Capital

	Company's shareholders amount as per 31.12.2011	Shares amount, items	Stake in authorized capital, %
Individuals	9 184	1 464 708 717	2,94
including non-residents	41	11 130 899	0,02
Legal persons	82	65 554 321	0,13
including non-residents	10	15 997 144	0,03

Publicly owned shares	2	70 456 639	0,14
Nominee holders	10	48 210 376 387	96,79
TOTAL:	9 278	49 811 096 064	100

Description of the Issuer's Organizational Structure and Basic Functional Relations between the Key Operational Subdivisions

From 01.08.2011 a new corporate structure of "IDGC of the South", JSC approved by decision of Board of Directors (minutes No. 65/2011 dd. 01.06.2011) is valid.

Organizational structure meets the requirements of the key shareholder to the organizational structure of the operational company. The main sectors of the Company's activity are divided into functional blocks managed by Deputy CEOs of the Company:

- Economy and finance;
- Service Sales Department;
- Investments capital construction, logistics and inventory;
- Technical block;
- Corporate management;
- Security;
- HR department, administrative services, transport and documents departments;
- Sector for energy saving and energy efficiency.

The key sectors are attached to independent structural units directly subordinate to The Company's Chief Executive Officer:

- Accounting and Tax Department;
- Technical Inspection Department;
- Information Technologies Department;
- Department of Internal Audit and Risks Management;
- PR-department;
- Department for Preparedness Activity

In the organizational structure, Deputy CEOs - branch CEOs - are represented who (on the basis of powers of attorney issued by the Company's CEO) exercise management of the following branches of the Company founded according to the decision of the Company's Board of Directors (minutes No.6/2008 dd 11.01.2008):

- “Astrakhanenergo” branch of «IDGC of the South», JSC (32 Krasnaya Naberezhnaya st, Astrakhan, 414000);
- “Volgogradenergo” branch of «IDGC of the South», JSC (15 prospect Lenina, Volgograd, 400066);
- “Kalmenergo” branch of «IDGC of the South», JSC (Northern industrial area, Elista, Republic of Kalmykia, 358007);
- “Rostovenergo” branch of «IDGC of the South», JSC (49 Bolshaya Sadovaya st, Rostov-on-Don, 344002).

Organization plan of “IDGC of the South”, JSC is made available at corporate website of the Company at: <http://en.mrsk-yuga.ru/company/structure/>.

Key events and news

Key events:

On November 9, 2011 the committee consisting of representatives of Ministry of power industry, Holding IDGC, Rostekhnadzor, System Operator, Administration of Rostov region, EMRCOM has signed a certificate of preparedness of “IDGC of the South” JSC to autumn-winter season 2011-2012.

News:

	Date of publishing	NEws	Published
1	05.10.2011	<p>Representatives of “IDGC of the South” took part in the meeting on problems of tariff regulation</p> <p>Pavel Akilin, deputy director general on economy and finances, and Elena Babenkova, deputy head of department for tariffs formation, participated in X Russian seminar “Tariff regulation 2011 and schedule for state regulation bodies for 2012”. The seminar took place in Sochi and was organized by Federal tariff service with assistance of Administration of Krasnodar region.</p> <p>The seminar was attended by representatives of authorities of federal and regional level, ministries, services and agencies of RF, representatives of natural monopolies, energy companies.</p>	Corporate website and newspapers of “IDGC of the South”, JSC news agency “Interfax-Yug”, “Vysota 102”
2	06.10.2011	Power industry specialists and	Corporate website and

		<p>authorities search for new solution for distribution grid complex of Southern federal region</p> <p>A meeting with participation of IDGC Holding, authorities of Astrakhan, Volgograd, Rostov regions and Kalmykiya Republic too place today in Rostov-on-Don. The Holding was presented by Mazo L.V., deputy director general and Sergutin A.V., director of economic affairs.</p>	<p>newspapers of “IDGC of the South”, JSC</p>
3	11.10.2011	<p>Young specialists of IDGC of the South participate in Technical Committee attached to government of Astrakhan region</p> <p>Last week young specialists of “Astrakhanenergo” branch of IDGC of the South have taken part in first meeting of scientific and technical committee initiated by Aleksandr Zhilkin, governor of Astrakhan region. The fact of invitation of our specialists is a recognition of Company’s merits</p>	<p>Corporate website “IDGC of the South”, JSC</p> <p>Corporate website of Holding IDGC</p>
4	17.10.2011	<p>Succession pool of young specialists was formed in “IDGC of the South” JSC</p> <p>In “IDGC of the South” JSC work on making the list of young specialists for the succession pool was finished</p>	<p>Corporate website and newspapers of “IDGC of the South”, JSC, news agency “Interfax-Yug”, “Yuga.Ru”</p>
5	19.10.2011	<p>IDGC of the South: Meeting of Board of Directors</p> <p>A meeting of IDGC of the South Board of Directors took place on October 18 in Rostov-on-Don.</p> <p>The Board of Directors has approved the amended business-plan of IDGC of the South for 2011.</p>	<p>Corporate website and newspapers of “IDGC of the South”, JSC, news agency “Interfax-Yug”, “Yuga.Ru”</p>
6	27.10.2011	<p>Off-site meeting of heads of structural subdivisions on work with personnel</p> <p>In Rostov-on Don within the frameworks of off-sire meeting od heads of divisions on work with personnel at Holding IDGC and subsidiaries and affiliates took place a round table meeting</p>	<p>Corporate website and newspapers of “IDGC of the South”, JSC, websites of branches, news agency “Interfax-Yug”, “Yuga.Ru”</p>

7	07.11.2011	<p>Specialist from “IDGC of the South” JSC is on Honorary Board of Holding IDGC</p> <p>Albert Zarubin, chief foreman of team for repair and maintenance of cable lines at Gorodskoy distribution zone of “Volgogradenergo” branch of “IDGC of the South”, represents the largest distribution grid company of the South of Russia at Honorary Board of Holding IDGC</p>	Corporate website and newspapers of “IDGC of the South”, JSC, news agency “Interfax-Yug”
8	21.11.2011	<p>Corporate media-resources of “IDGC of the South” JSC won the national competition of media communications “Serebryanye niti-2011”</p> <p>Corporate site of “IDGC of the South” JSC became the winner of national competition of media-resources in category “Best design and navigation”, and Company’s corporate newspaper “Energy of the South” won the first place in category “Best design”.</p>	Corporate website and newspapers of “IDGC of the South”, JSC news agency “Interfax-Yug”
9	22.11.2011	<p>Annual report of “IDGC of the South” JSC is a winner in two prestige competitions</p> <p>Annual report of “IDGC of the South” became a winner at XIV annual competition of reports and websites organized by “Securities market” magazine and at XIV annual competition of reports MICEX and RTS.</p>	Corporate website and newspapers of “IDGC of the South”, JSC, news agency “Interfax-Yug”
10	02.12.2011	<p>8-800-100-70-60 – hot-line phone on emergency cut-offs</p> <p>“IDGC Of the South” JSC enabled the universal phone number on getting the information about emergency cut-offs</p>	Corporate website and newspapers of “IDGC of the South”, JSC, news agency “Interfax-Yug”
11	20.12.2011	<p>“IDGC of the South” JSC on Facebook and Twitter!</p> <p>“IDGC of the South” JSC became one of the first branches of Holding IDGC that posts news, video and photos at – Facebook and Twitter. Company’s pages are here:</p>	Corporate website and newspapers of “IDGC of the South”, JSC, news agency “Interfax-Yug”

		http://www.facebook.com/pages/MPCK-IOr/181318638626497?sk=wall , http://twitter.com/mrsk_yuga	
12	22.12.2011	“IDGC of the South” JSC opened new centre for grids operation in Rostob-on-Don At professional holiday – Day of Power Engineer “Rostovenergo” new modern centre for grid operation	Corporate website and newspapers of “IDGC of the South”, JSC, news agency “Interfax-Yug”
13	27.12.2011	“IDGC of the South” get rating of corporate management 6+ Consortium of Russian Institute of Directors rating agency “Expert RA” – “RID - Expert RA” rated the corporate management at “IDGC of the South” JSC as 6+ “Developed practice of corporate mangemnt”	Corporate website and newspapers of “IDGC of the South”, JSC, news agency “Interfax-Yug”

Information on issuer’s participation at exhibitions and conferences, international events

“IDGC of the South” JSC participated at International exhibition “Electric networks of Russi 2011” that took place in Moscow on November 9 – December 2.

Specialists of “IDGC of the South” JSC took part in the 2nd International exhibition of electrical equipment, energy supply and alternative technologies “Infrastructure of energy saving /EPIS-2011”, that tookplace in Krasnodar on October 4-6, 2011 at Krasnodar EXPO centre.

Brief Description of the Company’s Principal Internal Regulations

Corporate governance within the Company is based on respect of rights and lawful interests of the shareholders, investors and other interested parties; It is carried out in accord with current legislation of the Russian federation, Charter of “IDGC of the South” JSC and other local enactments regulating activities of the executive bodies.

Practical corporate governance is regulated by the Charter and internal documents of the Company, including:

No.	Name of the internal document	Description	Data on the approval of the internal regulations by management bodies of the Company

1.	Regulation on the procedure for preparation and convening of a General Shareholders Meeting of “IDGC of the South”, JSC (redrafted)	The document specifies the order of convening, preparation, holding of the shareholders’ meetings and also interaction of the operating bodies of the meetings.	Approved by decision of sole shareholder RAO “UES of Russia”, JSC (Minutes of Management Board meeting of RAO “UES of Russia”, JSC No.1829 ord/7 dd 28.02.2008).
2.	Regulation on the order of convening and holding the meetings of Board of Directors of “IDGC of the South”, JSC(redrafted)	The document specifies the order of convening and holding of Board of Directors meetings, and rights, duties and responsibilities of the members and the company’s Corporate secretary.	Approved by decision of sole shareholder RAO “UES of Russia”, JSC (Minutes of the Management Board meeting of RAO “UES of Russia”, JSC No.1829 ord/7 dd 28.02.2008).
3.	Regulation on Management Board of “IDGC of the South” JSC (redrafted)	The document regulates the order of forming the Management Board, convening and holding the meetings, taking decisions, and rights, duties and responsibilities of the members	Approved by decision of sole shareholder RAO “UES of Russia”, JSC (Minutes of the Management Board meeting of RAO “UES of Russia”, JSC No.1829 ord/7 dd 28.02.2008).
4.	Regulation on “IDGC of the South”, JSC Auditing Committee	The document specifies the objectives, the terms of activity of the Audit committee, regulates the issues of the interaction with the Company’s management authorities, also schedules the rights and duties of the members of the Audit committee.	Approved by decision of sole shareholder RAO “UES of Russia”, JSC (Minutes of the Management Board meeting of RAO “UES of Russia”, JSC No.1751 ord/4 dd 05.10.2007).
5.	Regulation on paying remunerations and compensations to “IDGC of the South”, JSC members of Board of Directors (new	The document specifies the amount and the order of payments and compensations to the members of Board of Directors (except for the members of Board of Directors holding simultaneously positions of CEO and/or members of	Approved by decision of the annual General Shareholders Meeting of “IDGC of the South”, JSC dd 30.05.2008 (Minutes No.1 dd 04.06.2008)

	revision)	Management Board).	
6.	Regulation on paying remunerations and compensations to the members of the “IDGC of the South”, JSC Auditing Committee (new revision)	The document specifies the amount and order of paying remunerations and compensations to the members of Auditing Committee.	Approved by decision of annual General Shareholders Meeting of “IDGC of the South”, JSC dd 30.05.2008 (Minutes No.1 dd 04.06.2008)
7.	Regulation on “IDGC of the South”, JSC Corporate secretary (new revision)	The document determines the status, competence, rights and responsibilities of the Corporate secretary of the Company’s Board of Directors, as well as the order of his election and paying remunerations to him	Approved by decision of Board of Directors of “IDGC of the South”, JSC on 11.09.2009 (Minutes No.34/2009 dd 14.09.2009)
8.	Redrafted Code of Corporate Governance of “IDGC of the South”, JSC	The document specifies the Company’s assumed liabilities in the sphere of ensuring transparency of the Company’s management and conforming to standards of proper corporate management	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes No.32/2009 dd 21.08.2009)
9.	Regulation on “IDGC of the South”, JSC insider information	The document defines the concepts of “insider”, “insider information” of the Company, determines the order of protection, use and distribution of insider information.	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes No.2/2007 dd 03.09.2007)
10.	Regulation on informational policy of “IDGC of the South”, JSC	The document determines rules and regulations of information disclosure, the list of information sources and documents subject to disclosure to shareholders, creditors, investors-to-be and other persons, as well as specifies the order, terms of disclosure and presentation of the specified information.	Approved by decision of Board of Directors of JSC “IDGC of the South” (Minutes No.2/2007 dd 03.09.2007). (Amendments to the Regulations are approved by the decision of Board of Directors of “IDGC of the South”, JSC (Minutes No.12/2008 dd

			18.04.2008)
11.	Regulation on organizing purchase of goods, works and services with total value up to 500 thousand rubles.	The document stipulates requirements for the procedure of studying the market situation and price analysis, selection of suppliers with regard to their ability to supply goods, works and services in the process of purchasing of goods, works and services in “IDGC of the South”, JSC the structural and detached divisions.	Approved by Order of CEO of “IDGC of the South”, JSC No.133 dd 11.06.2008 “On approving regulations on organizing purchases of goods, works and services with the cost up to 500 thousand rubles”
12.	Regulation on option programme of “IDGC of the South”, JSC	The document determines the order and terms of acquiring the Issuer’s shares by the employees	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes No.16/2008 dd 23.07.2008).
13.	Regulation on the procedure of scheduled purchase of goods, works, services for the needs of “IDGC of the South”, JSC	The document regulates the procedures of purchase of any goods, works, services (at the expense of the Company) with the cost of over 500 thousand rubles without VAT)	Approved by Order of CEO of “IDGC of the South” JSC No.110 dd 21.05.2008 “On approving regulations on the procedure of scheduled purchases, goods, works and services of “IDGC of the South”, JSC
14.	Regulation on dividend policy of “IDGC of the South”, JSC in new version	The document determines the system of relations and principles for calculating dividends, order and terms of their payment, and the Company’s responsibility for failure to carry out liabilities of paying dividends.	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes No53/2010 dd 11.02.2010).
15.	Regulation on procedures of internal control of “IDGC of the South”, JSC	The document determines goals and objectives of internal control procedures, and the report form for the Audit Committee attached to Board of Directors of “IDGC of the South”, JSC	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes No.22/2009 dd 11.02.2009)
16.	Regulation on the Committee for	The document regulates the order of forming the Committee,	Approved by decision of Board of Directors of

	Technological Connection to Electric Grids attached to Board Directors of “Interregional Distribution Grid Company of the South”, Open Joint Stock Company	rights and responsibilities of the members, the order of holding the Committee’s meetings, and the cooperation with Company management authorities and other persons.	“IDGC of the South”, JSC (Minutes No.22/2009 dd 11.02.2009)
17.	Regulation on contractual work organizing in “IDGC of the South”, JSC	The document determines the unified order of concluding contracts, amending and revising the contracts, order of their suspension and storage.	Approved by Order of CEO of “IDGC of the South”, JSC No.40 dd 25.02.2009 “On Regulations on organizing contractual work in “IDGC of the South”, JSC
18.	Procedure for cooperation of “IDGC of the South”, JSC with economic entities which “IDGC of the South” JSC is holding it shares (parts)	The document determines the common terms of corporate interaction of the Company with the SACs, including the issues of organizing and auditing of corporate activities on consideration of issues where the Company (Company’s representatives) should declare the position	Approved by the decision of Board of Directors of “IDGC of the South”, JSC (Minutes No24/2009 dd 10.03.2009)
19.	Regulation on additional benefits, guarantees and compensations for the employees of “IDGC of the South”, JSC executive office (new revision)	The document is worked out with the purpose of providing social security of the employees of “IDGC of the South”, JSC executive office.	Approved by Order of CEO of “IDGC of the South”, JSC dd No.189-A 30.06.2009 “On approving Regulations on additional benefits, guarantees and compensations for the employees of “IDGC of the South”, JSC executive office (new revision)
20.	Regulation on Committee for Strategy, Development, Investment and Reform attached to	The document is worked out to provide effective performance of Board of Directors regarding issues of the competency. The document determines the Committee Meeting procedure,	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes No.37/2009 dd 04.12.2009)

	Board of Directors of Open Joint Stock Company “Interregional Distribution Grid Company of the South”.	the rights and obligations of Committee members and the order of drawing up recommendations (conclusions) regarding issues of the competence.	
21.	Regulation on Personnel and Remuneration Committee attached to Board of Directors of Open Joint Stock Company “Interregional Distribution Grid Company of the South”	The document is worked out to provide effective performance of Board of Directors of the functions regarding general management of the Company activities. The document determines general regulations, goal and objectives of Committee, the structure of Committee, the rights and obligations of Committee members and procedures of Committee meeting.	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes No.37/2009 dd 04.12.2009)
22.	Regulation on Audit Committee attached to Board of Directors of Open Joint Stock Company “Interregional Distribution Grid Company of the South”	The document is worked out to provide effective performance of Board of Directors of the functions regarding general management of the Company activities. The document determines general regulations, goal and objectives of Committee, the structure of Committee, the rights and obligations of Committee members and procedures of Committee meeting	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes No.52/2010 dd 06.08.2010)
23.	Regulation on Reliability Committee attached to Board of Directors of Open Joint Stock Company “Interregional Distribution Grid Company of the	For the purpose of effective performance of Board of Directors, the current document determines the procedure of Committee meeting, rights and obligations of Committee members and the order of drawing up recommendations(conclusions) regarding issues of the	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes No.37/2009 dd 04.12.2009)

	South”	competence	
24.	Regulation on payment of remunerations and compensations to members of Audit Committee attached to BoD of “IDGC of the South”, JSC	The documents fixes the amount and procedure of paying remunerations and compensations to members of the Committee	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.39/2010 dated 05.02.2010)
25.	Regulation on payment of remunerations and compensations to members of Personnel and Remuneration Committee attached to BoD of “IDGC of the South”, JSC	The documents fixes the amount and procedure of paying remunerations and compensations to members of the Committee	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.39/2010 dated 05.02.2010)
26.	Regulation on payment of remunerations and compensations to members of Reliability Committee attached to BoD of “IDGC of the South”, JSC	The documents fixes the amount and procedure of paying remunerations and compensations to members of the Committee	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.39/2010 dated 05.02.2010)
27.	Regulation on payment of remunerations and compensations to members of Committee for Strategy, Development, Investments and Reforming attached to BoD of “IDGC of the South”, JSC	The documents fixes the amount and procedure of paying remunerations and compensations to members of the Committee	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.39/2010 dated 05.02.2010)
28.	Regulation on Paying	The document determines amount and procedure for paying	Approved by the decision of Board of Directors of

	Remuneration and Compensation to members of the Committee for Strategy, Development, Investments and Restructuring at Board of Directors of “Interregional Distribution Grid Company of the South”, Open Joint Stock Company	remuneration and compensation to members of the Committee for Strategy, Development, Investments and Restructuring at Board of Directors of “IDGC of the South” JSC	“IDGC of the South” JSC (Minutes No. 39/2010 dd. 05.02.2010)
29.	Regulation on payment of remunerations and compensations to members of Committee for Technological Connection to Electric Grids attached to BoD of “IDGC of the South”, JSC	The documents fixes the amount and procedure of paying remunerations and compensations to members of the Committee	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.39/2010 dated 05.02.2010)
30.	Risks management policy of “IDGC of the South”, JSC	The document determines the basic principals of organization, implementation and control of processes of risks management at “IDGC of the South”, JSC	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.47/2010 dated 11.06.2011)
31.	Internal control policy of “IDGC of the South”, JSC	The document determines the obligatory for observance basic principals of organization of internal control system at “IDGC of the South”, JSC	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.47/2010 dated 11.06.2011)

The abovementioned internal documents of the Company are worked out according to the legislation of the Russian Federation and the Company’s Charter and consider basic regulations of Corporate Conduct Code recommended to implementation by FSEC (Executive order of FSEC dd 04.04.02 No.421/r); the documents are made available on the Company’s website at: <http://en.mrsk-yuga.ru/management/regulations/>

Information on corporate management estimation

On December 16, 20110 Consortium of the Russian institute and Directors and the rating agency “Expert RA” rated “IDGC of the South”, JSC for corporate management as NPCM 6+ (“Developed practice of corporate management”).

This class of rating mark certifies that “IDGC of the South”, JSC corporate management practice is assessed as exposed to low risks of corporate management. “IDGC of the South”, JSC fulfills all the requirements of the Russian legislation in the sphere of corporate management, observes the majority of recommendations of Russian Corporate management Code and some recommendations of global corporate practice.

Subsidiaries of “IDGC of the South”, JSC were not rated for corporate management

The report on corporate management at “IDGC of the South”, JSC is available at Company’s website at: <http://en.mrsk-yuga.ru/management/ratings/>

Data on Electricity Transmission Tariffs and Charge for Technical Connection to Distribution Grids

In 2011 uniform (“boiler”) method of making rate of transport services is in force in the territory of all RF entities within liability area of “IDGC of the South” JSC. A distinction of the method is in the fact that electricity is transmitted to absolutely all consumers of one and the same voltage class as per uniform tariff, irrespective of the type of company the grid of which they are connected to.

In order to fulfill the paragraph 9 of regulation of RF dated 27.12.2010 No.1172 “On approving Rules of retail market of electric energy and on introduction to some acts of Government of RG on issues of organization of functioning of retail market of electric energy” tariffs for electric energy for all branches of “IDGC of the South” JSC were restated and introduced on 01.05.2011.

“Astrakhanenergo” Branch of “IDGC of the South” JSC

“Boiler” model used in the region – “upper boiler”. The holder of the “boiler” is “Astrakhanenergo” branch “IDGC of the South” JSC. “Astrakhanenergo” branch of “IDGC of the South” JSC brings under control the whole grid Indispensable Gross Receipt of the four power selling companies (hereinafter – PSC) of the region as per “boiler” tariffs and pays traffic through local grid organizations’ grids (hereinafter – LGO) as per individual tariffs. All the consumers of transport services pay “Astrakhanenergo” branch of “IDGC of the

South” JSC as per flat-rate tariffs.

“Boiler” tariffs for 2011 (01.01.2011-30.04.2011) are calculated by return on invested capital method (RAB method) and determined by the Decree of Tariff Service of Astrakhan region No. 201 dd. 22.12.2010.

For the period from 01.05.2011 till 31.12.2011 are valid those tariffs approved by Regulation No.74 dated 24.06.2011 of Tariff Service of Astrakhan region.

“Volgogradenergo” Branch of “IDGC of the South” JSC

In 2011 “mixed boiler” pattern of settling was introduced in the region, “Volgogradenergo” branch of “IDGC of the South” JSC being the boiler holder. “Volgogradenergo” branch of “IDGC of the South” JSC receives revenue from transport service consumers as per boiler and flat-rate tariffs (from “Volgogradoblelectro” JSC, “Volgograd Interdistrict Electric Grids” Municipal Unitary Manufacturing Enterprise, “Volzhskie Interdistrict Electric Grids” Municipal Fiscal Enterprise). Transport service consumers pay “Volgogradenergo” branch of “IDGC of the South” JSC as per two-part tariffs and flat-rate tariffs.

“Boiler” tariffs for 2011 are calculated by long-term indexation method and approved by Resolution of Regional Tariffs Service of Volgograd region No. 35/3 dd. 22.12.2010. Individual tariffs for mutual settlement of accounts between “Volgogradenergo” branch of “IDGC of the South” JSC and “Volgogradoblelectro” JSC, “Volgograd Inter-District Electric Grids” Municipal Unitary Manufacturing Enterprise, “Volzhskie Inter-District Electric Grids” Municipal Fiscal Enterprise are approved by Resolution of Regional Tariffs Service No.35/1 dd. 22.12.2010.

For the period from 01.05.2011 till 31.12.2011 are valid those tariffs approved by Regulation No.17/2 dated 11.05.2011 of Tariff Service of Volgograd region.

“Kalmenergo” Branch of “IDGC of the South” JSC

“Boiler from Below” pattern of settling is used in the region. “Kalmenergo” branch of “IDGC of the South” JSC makes up its revenue according to “boiler” tariffs for productive supply of consumers of “Kalmenergosbyt” JSC connected to grids of “Kalmenergo” branch of “IDGC of the South” JSC and at residential rates of output of the grid of “Kalmenergo” branch of “IDGC of the South” JSC to grids of Territorial Grid Companies. Transport service consumers settle with “Kalmenergo” branch of “IDGC of the South” JSC as per flat-rate tariffs.

“Boiler” tariffs and residential rates for 2011 have been calculated by return on invested capital method (RAB method) and are approved by Order of Regional Tariffs Service of Republic of Kalmykia No. 10-п/э dated 29.12.2010.

Rate of payment for technological connection to grids of “Kalmenergo” branch of “IDGC of the South” JSC for 2010 were set by Order of Regional Tariffs Service of Republic of Kalmykia No. 110-п/э dd. 29.12.2011 (valid 01.01.2011-30.04.2011) and by Order of Regional Tariffs Service of Republic of Kalmykia No. 64-п/э and 65-п/э dd. 08.06.2011

“Rostovenergo” branch of “IDGC of the South” JSC

“Two Boilers” pattern of settling is used in the region. There are two big grid companies in the region which are “boiler” holders: “Rostovenergo” branch of “IDGC of the South” JSC and “Donenergo” JSC. “Rostovenergo” branch of “IDGC of the South” JSC collects its share of the grid “boiler” from all Power Supply Companies as per “boiler” tariffs and at residential rates - from “Donenergo” JSC. The company shares part of its grid receipt with its subordinate Territorial Grid Companies at residential rates. “Donenergo” JSC collects its share of the grid boiler from “Donenergobyt” LLC, “Energobyt Rostovenergo” JSC as per boiler tariffs and shares the revenue with “Rostovenergo” branch of “IDGC of the South” JSC and the subordinate Territorial Grid Companies at residential rates. Transport service consumers settle with “Rostovenergo” branch of “IDGC of the South” JSC as per two-part tariffs and flat-rate tariffs.

“Boiler” tariffs for 2011 were calculated by return on invested capital method (RAB method) and approved by Resolution of Regional Tariffs Service of Rostov region No. 23/1 dd. 31.12.2010. Residential rates for settling between “Rostovenergo” branch of “IDGC of the South” JSC and “Donenergo” JSC are approved by Resolution of Regional Tariffs Service of Rostov region No. 23/4 dated 31.12.2010.

Rate of payment for technological connection to grids of “Rostovenergo” branch of “IDGC of the South” JSC for 2011 have been set by Resolution of Regional Tariffs Service of Rostov region No. 10/2 dd. 12.05.2011.

Transmission Tariff Menu for 2011

Unified (Boiler) Transport Service Tariffs for 2011			
No., date of tariff design/consumer group	Two-part tariff		Flat-rate tariff (rbs/MW*h)
	Rate of electric grid maintenance (rbs/MWmo)	Rate of payment for electric energy losses in grids (rbs/MW*h)	
“IDGC of the South” JSC			

"Astrakhanenergo"					
1	Resolution of tariffs service of Astrakhan region No. 74 dd. 24.06.2011 (source publication: "Collection of Laws and Regulatory Legal Acts of Astrakhan Region", No. 27 dd. 30.06.2011)	HV	169 907.5	367.39	612.72
		MV1	2475.52	355.21	795.52
		MV2	439 876.85	283.34	1 280.48
		LV	648 279.78	560.68	1 813.43
		LV for households and consumer categories equated	-	-	1 200.65
"Volgogradenergo"					
2	Annex 3 to Resolution of Regional Tariffs Department at Volgograd Region Administration No. 17/2 dd. 11.05.2011 (source publication: "Volgogradskaya Pravda" dd. 18.05.2011)	Other consumers			
		HV	621 320.470	65.390	884.600
		MV1	733 572.020	113.000	1 26.90
		MV2	986 679.760	239.7	92.20
		LV	987 10.1	793.650	2 944.850
		Households			
		HV	-	650.730	650.730
		MV1	-	650.730	650.730
		MV2	-	650.730	650.730
		LV	-	650.730	650.730
"Kalmenergo"					
3	Order of Regional Tariffs Service of Republic of Kalmykia No. 13-П/э dd. 01.02.2011	Other consumers			
		HV	97 668.792	102.747	1 747.337
		MV1	1 270 079.163	203.051	2 337.337
		MV2	1 281 196.781	324.368	2 477.337
		LV	1 587 504.172	519.639	3 187.337
Households					

	(published in "Khalmg Ynn" No. 26 (16134) dd. 16.02.2011)	LV – households and consumers equated to households	-	-	115.995
"Rostovenergo"					
4	Resolution of Regional Tariffs Service of Rostov Region No. 10/1 dd. 02.05.2011 (source publication: "Nashe Vremya" newspaper, No. 188-192, 02.06.11)	Other consumers			
		HV	492 674.90	628.34	1 499.28
		MV1	519 87.90	69114	1 647.74
		MV2	758 23.0	722.3	1659.53
		LV	982 521.0	72912	2 099.16
		Households			
		urban with gas-stoves			
		HV	-	-	1 559.59
		MV1	-	-	1 559.59
		MV2	-	-	1 559.59
		LV	-	-	1 559.59
		urban with heating units			
		HV	-	-	77145
		MV1	-	-	1.45
		MV2	-	-	77145
		LV	-	-	77145
		rural households			
		HV	-	-	771.45
		MV1	-	-	771.45
		MV2	-	-	771.45
		LV	-	-	771.45

Residential Transport Service Rates for Mutual Settlements between Regional Distribution Companies and Allied Grid Companies for 2011

No	No. and date of tariff design	Name of entity	Two-part tariff		Flat-rate tariff
			Rate of maintenance	Rate of electric energy losses payment	

	adoption		rbs/MWmo	rbs/MWh	Rbs/MWh
“IDGC of the South” JSC					
“Volgogradenergo”					
1	Resolution of Regional Tariffs Department at Administration of Volgograd region No. 17/2 dd. 11.05.2011 (source publication: “Volgogradskaya Pravda”, 18.05.2011)	“Volgogradobelectro” JSC	10772.18	38.60	162.01
		“Volgograd Interdistrict Electric Grids” Municipal Unitary Operational Enterprise	169 28.78	60.41	494.0
		“Volzhskie Interdistrict Electric Grids” Municipal Fiscal Enterprise	88 867.80	228,63	381,97
“Kalmenergo”					
2	Order of Regional Tariffs Service of Kalmykia Republic No. 65-п/э dd. 08.06.2011 (published in “Khalmg Ynn” newspaper No. 09.06.2011)	“KalmEnergoKom” JSC	536 718,741	188,98	1 090,99
		“Oktyabrsky Transenergo” LLC	455 580.232	193.143	958.717
		“Multi-Industry Production Association of Communal Services at Iki-Burulsky Rural Municipality of Republic of Kalmykia” Municipal Unitary Enterprise	432 815.415	318.449	1 045.768
		“Gazpromenergo” LLC	1 129 30.938	312.746	2 210.46
		“Russian Railways” JSC	607263.984	277731	298.9
“Rostovenergo”					

3	Resolution of Regional Tariffs Service of Rostov Region No. 10/2 dd. 12.05.2011 (Source of publication: "Nashe Vremya" newspaper No. 188 – 192, dd. 02.06.2011)	"Donenergo" JSC	72 854.640	0.095	149.060
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Technological Connection Tariff Menu for 2011

Date of tariff design adoption	Connection category		In items of	Payment rate
	Power range, kW	Connection point voltage level, kV		
"Volgogradenergo" branch of "IDGC of the South" JSC				
Resolution of Regional Tariffs Department of Volgograd Region No. 34/3 dd. 17.12.2010 (source publication: "Volgogradskaya Pravda" No. 244, dd. 29.12.2010)	For connecting consumer power receivers to the extent technically feasible			
	under 100 kW	0.4	rbs/kW	382.66
	above 100 kW	0.4	rbs/kW	72.92
	under 100 kW	6 – 10	rbs/kW	382.66
	above 100 kW	6 - 10	rbs/kW	72.92
	For connecting consumer power receivers in absence of feasibility over the need for the construction of new electric grid facilities connecting operating facilities and newly connected power receivers and (or) power facilities			
	under 100 kW	0.4	rbs/kW	7 743.19
	above 100 kW	0.4	rbs/kW	8 161.59

	under 100 kW	6 - 10	rbs/kW	7 743.19
	above 100 kW	6 - 10	rbs/kW	8 161.59
	For applicants with maximum connected power not exceeding 15 kW	-	for the connection	466.1
“Kalmenergo” branch of “IDGC of the South” JSC				
Order of Regional Tariffs Service of Republic of Kalmykia No. 23-П/э dd. 17.02.2006 (By Order of Regional Tariffs Service of Republic of Kalmykia No. 29-П/э, renewed)	Rate of payment for technological connection to electric grids for individuals with connected load exceeding 15 kW and legal entities connected to 0.4 – 10 kW	0.4 -10 kV	rbs/kW	126.96
Order of Regional Tariffs Service of Republic of Kalmykia No. 56-П/э dd. 21.07.2009. Published in “gazettee” No. 61 dd. 28.07.09	For applicants with maximum power not exceeding 15 kW (with allowance for power previously connected to this connection point) and distance between the Applicant’s lot lines and the electric grid facility of “Kalmenergo” branch of “IDGC of the South” JSC not exceeding 300 m in town and 500 m in rural environment	-	for the connection	466.1
“Rostovenergo” branch of “IDGC of the South” JSC				
Resolution of Regional	Standardized tariff rates of payment for technological connection to distribution grids of the branch (prices of 2001)			

<p>Tariffs Service of Rostov Region No. 20/13 dd. 28.12.2010 (alterations being made to Resolution of Regional Tariffs Service of Rostov Region No. 3/7 dd. 28.02.2011), source publication of original version: “Our Time” newspaper, No. 490 – 491, 30.12.10.</p>	Rate of covering expenses of technological connection exclusive of construction and overhaul of electric grid facilities, total, including:	-	rbs/MW	397 248.86
	preparing technical requirements by grid company and approving them by system operator	-	rbs/MW	163 144.62
	grid company’s verification of meeting technical requirements by the applicant.	-	rbs/MW	101 901.61
	Participation of the grid company in checking up devices under the connection by an official of federal executive body in charge of technological supervision, involving owner of the devices	-	rbs/MW	-
	Actual connection of the applicant’s facilities to electric grids and switching device by the grid company	-	rbs/MW	132 202.63
	Rate of covering expenses of technological connection in the part of expenditures for construction and overhaul of OHTL	LV	rbs/km	282 513.00
		MV2		384 817.00
	Rate of covering	LV	rbs/km	291 225.00

expenses of technological connection in the part of expenditures for construction and overhaul of cable power lines	MV2		527 796.00
Rate of covering expenses of technological connection in the part of expenditures for construction and overhaul of substations, including:	-	-	-
Construction of main substations, 35 kV and above substations	-	rbs/line	-
Construction of package transformer substations, Distribution Transformer Substations of under 35 kV voltage class	LV	rbs/line	121 527.00
	MV2	rbs/line	-
Construction and overhaul of sectioning switches, electrical distribution points, switchgears, switching equipment (cubicles, chutes, panels and circuit breakers)	LV	rbs/line	17 152.00
	MV2	rbs/line	161 609.00
Setting up electricity metering	LV	rbs/line	-
	MV2	rbs/line	26 015.00
Set up of telemetering (telecontrol)	LV	rbs/line	-
	MV2	rbs/line	6 534.00

	Setting up Relay protection and emergency control equipment, linkage, capacitance current compensation	LV	rbs/line	-
		MV2	rbs/line	22 167.00
	For legal entities and nonprofit organizations as applicants to supply electricity to citizens who are members of the organization and settle according to general exit charge register	-	for the connection	N*466.1
	For individuals and legal entities in order to consume electric energy for public living needs, with connected power not exceeding 15 kW	-	for the connection	466.1
“Astrakhanenergo” branch of “IDGC of the South” JSC				
Resolution of tariffs service of Astrakhan region No. 135 dd. 16.12.2009. Source publication: “Collection of Laws and Regulatory Legal Acts of Astrakhan Region”, No. 58 dd. 24.12.2009	above 15 and up to 100 kW	under 10 kV	rbs/kW	82.1
	from 100 kW up to 637.5 kW	under 10 kV	rbs/kW	16.3
	above 637.5 kW	under 10 kV	rbs/kW	7
	Nonprofit organization, the legal entity, as an applicant, for supplying electric energy to citizens who are members of the organization and settle according to general exit charge register, providing that each member of the	-	for the connection	466.1*N

	organization is connected to 15 kW maximum			
	Applicant for technological connection of power receivers of maximum connected power not exceeding 15 kW, providing that distance between the applicant's lot lines and electric grid facilities of the required voltage class, owned by a grid company applied to, does not exceed 300 m in towns and settlements of urban type and does not exceed 500 m in rural environment.	-	for the connection	466.1

Individual tariffs for services of transmission of electric energy for settlements between REC and related grid companies

2011

#	No, date of adopting project on tariffs	Company	two-part tariffs		One-part tariff
			Tariff for maintenance	Tariff for losses covering	
			rub/MW* month	rub/MW* hour	rub/MW* hour
IDGC of the South, JSC					
"Volgogradenergo"					
1	Annex 1 k to Order of Region Tariffs Board attached to	"Volgogradoblelektro" JSC	10 772.18	138.60	162.01
		municipal unitary enterprise "Interdistrict	169 628.78	60.41	494.90

	Administration of Volgograd region dated 11.05.2011 No.17/2 (published in "Volgogradskaya Pravda" news paper on 18.05.2011)	electric grids of Volgograd"			
		public enterprise "Volzhskie interdistrict grids "	88 867.80	228.63	381.97
"Kalmenergo"					
2	Annex 2 κ to Order of Region Tariffs Board of Kalmykiya Republic dated 08.06.2011 No. 65-π/э (published in "Khalmg Unn" newspaper on 09.06.2011)	"KalmEnergoKOM" JSC	536 718.741	188.978	1 090.899
		"Oktyabrskiy transenergo" LLC	455 580.232	193.143	958.717
		municipal unitary enterprise "Multisectoral production association of public services of Iki-Burulskiy "	432 815.415	318.449	1 045.768
		"Gazpromenergo" JSC	1 129 301.938	312.746	2 210.465
		RZhD, JSC	607 263.984	277.731	1 298.199
"Rostovenergo"					
3	Order of Regional Tariff services of Rostov region dated 12.05.2011 No.10/2 (Publised in "NAshe Vremya" No. 188-192, 02.06.2011)	"Donenergo" CJSC	72 854.640	0.095	149.060

Tariff menu for technological connection

2011

Technological Connection Tariff Menu for 2011

Distribution Grid Companies	Date of tariff decision adoption	Connection category			In items of	P a y m e n t r a t e
		Power range, kW	Connection point voltage level, kV			
"Volgogradenergo" branch of "IDGC of the South" JSC	Resolution of Tariff Service of Volgograd Region No. 34/3 dd. 17.12.2010 (source publication: "Pravda of Volgograd" No. 244, 29.12.2010)	For connecting consumer power receivers in case connection of consumer power receivers is technically practicable				
		up to 100 kW	0.4	rbs/kW	382.66	
		above 100 kW	0.4	rbs/kW	72.92	
		up to 100 kW	6-10	rbs/kW	382.66	
		above 100 kW	6-10	rbs/kW	72.92	
		For connecting consumer power receivers in case it is technically impracticable over necessity of construction of new electric grid facilities to connect existing facilities and power receivers and/or electric power facilities				
		up to 100 kW	0.4	rbs/kW	7743.19	

		above 100 kW	0.4	rbs/kW	8161.59
		up to 100 kW	6-10	rbs/kW	7743.19
		above 100 kW	6-10	rbs/kW	8161.59
		For applicants with max connected power not exceeding 15kW		for connection	466.1
"Kalmenergo" branch of "IDGC of the South" JSC	Order of Regional Tariff Service of Republic of Kalmykia No. 23-п/э dd. 17.02.2006 (Validity period was extended by Order of Regional Tariff Service of Republic of Kalmykia No. 29-п/э dd. 08.04.2008)	Rate of payment for technological connection to electric grids for individuals with connected load exceeding 15 kW and legal entities connected to 0.4 - 10 kW	0.4-10 kV	rbs/kW	126.96

	Order of Regional Tariff Service of Republic of Kalmykia No. 56 п/э dd. 21.07.2009. Published in "Gazette" No. 61 dd. 28.07.09	For applicants with max connected power not exceeding 15 kW (taking into account power previously connected to the same point of connection) and distance between boundaries of the Applicant's plot and electric grid facility of "Kalmenergo" branch of "IDGC of the South" JSC not exceeding 300 m within city limits and not exceeding 500 m in the country		for connection	466.1
"Rostovenergo" branch of "IDGC of the South" JSC	Resolution of Regional Tariff Service of Rostov Region No. 20/13 dd. 28.12.2010 (Source publication: "Our Time" newspaper, issues No. 490 - 491, 30.12.10)	Standardized tariff rates of payment for technological connection to distribution grids of the branch (prices of 2001)			
		Rate covering cost of technological connection related to activities which do not include construction and overhaul of electric grid facilities, total, including:		rbs/kW	397248.86
		Preparation of technical requirements by the grid company and approval of the requirements by transmission system operator		rbs/kW	163144.62
		Verification of the applicant's compliance with technical requirements carried out by grid company		rbs/kW	101901.61
		Participation of the grid company in checking connected devices by federal executive in charge of technological supervision with the devices' owner involved		rbs/MW	-

"Astrakhanenergo" branch of "IDGC of the South" JSC	Resolution of Tariff Service of Astrakhan Region No. 135 dd. 16.12.2009. Source publication: "Laws and Regulations of Astrakhan	Actual connection of the applicant's facilities to electric grids and switching unit by grid company		rbs/MW	132202.63
		Rate covering cost of technological connection as related to expenses of construction and overhaul of overhead transmission lines	Low voltage	rbs/km	282513.
			Medium voltage 2		384817.
		Rate covering cost of technological connection as related to expenses of construction and overhaul of cable power lines	Low voltage	rbs/km	291225.
			Medium voltage 2		527796.
		Rate covering cost of technological connection as related to expenses of construction and overhaul of substations	Low voltage	rbs/line	163640.
		Legal entities and non-commercial entities as applicants, for supplying citizens who are members of this entity and who pay according to shared meter input reading		for connection	N*466.1
		Individuals and legal entities consuming electric power for public living needs with connected power not exceeding 15 kW		for connection	466.1
		from 15 up to 100 kW	up to 10 kW	rbs/kW	82.1
		from 100 kW up to 637.5 kW	up to 10 kW	rbs/kW	March 16
above 637.5 kW	up to 10 kW	rbs/kW	7		

	Region" No. 58, 24.12.2009	Non-commercial entities as legal entities and applicants for technological connection to supply electricity to citizens who are members of this entity and pay according to shared meter input reading provided that connected power of each member of this entity does not exceed 15 kW.		for connect ion	466.1*N
		Applicant for technological connection of power receivers, max connected power of which does not exceed 15 kW, provided that distance between boundaries of the applicant's plot and electric grid facilities, which belong to grid company applied to and voltage class of which is required by the applicant, does not exceed 300 meters in urban areas and 500 meters in rural areas.		for connect ion	466.1

N - is a number of members (subscribers) of the entity provided that each member of the entity is connected to power which does not exceed 15 kW.

**Total capacity and key features of IDGC of the South assets
(data on substations and power lines) as of 31.12.2011**

Indicator	Unit of measurement	Total	Astrakhanenergo	Volgogradenergo	Kalmenergo	Rostovenergo
Amount and capacity of 220kV substations, total	items	1 217	136	396	117	568
	MVA	18 376	2 119	6 550	1 112	8 596
220kV substations	items	4	0	2	2	
	MVA	516	0	126	390	

110kV substations	items	636	90	260	46	240
	MVA	14 585	1 755	5 629	512	6 689
35kV substations	шт.	577	46	134	69	328
	MVA	3 275	364	795	210	1 907
Total length of power lines	km	156 318	20 050	44 818	19 125	72 326
Length of 35-220 kV lines	km	27 572	3 032	8 881	4 154	11 505
220 kV lines	km	386		141	245	
110 kV lines	km	15 724	2 442	5 987	1 956	5 340
35 kV lines	km	11 462	590	2 753	1 954	6 165
Length of 0.38-10 kV lines	km	128 746	17 018	35 937	14 970	60 821
10kV lines	km	72 782	9 718	21 170	11 941	29 953
6kV lines	km	3 897	1 111	926	24	1 837
0.38kV lines	km	52 067	6 189	13 841	3 006	29 031
Total length of cable lines	km	1 693	843	396	1	453
110-35 kV cable lines	km	66			0	66
10-0.38 kV cable lines	km	1 627	843	396	1	387
Amount and capacity of transformer units and distribution points 6, 10/0.38 kV	items	30 887	3 688	10 180	3 145	13 874
	MVA	4 968	777	1 912	306	1 973

Data on transmission of electric energy in the 4th quarter of 2011

IDGC of the South branches	Grid input	Productive supply	Losses	
	Mln kWh.	Mln kWh.	Mln kWh.	%
Astrakhanenergo	1 039.889	899.493	140.396	13.50
Volgogradenergo	3 199.699	2 935.080	264.619	8.27
Kalmenergo	127.401	105.860	21.541	16.91
Rostovenergo	3 761.557	3 376.401	385.156	10.24
Total for IDGC of the South	8 128.546	7 316.835	811.712	9.99

Note: Grid output – electric power volume delivered to the electric grid of the grid company delivered from other grids or electric power producers; productive supply - electric power volume consumed by power receivers of the User connected to this grid along with electric power transmitted by other grid companies; power loss – difference between power grid output and productive supply.

By the results of “IDGC of the South” JSC activity in the 4th quarter of 2011 grid output was 8 128.546 mln. kWh, which productive supply was 7 316.835 mln. kWh. Actual losses in the 4th quarter of 2011 –811.712 mln. kWh or 9.99 %.

Volume of rendered services in the 4th quarter of 2011

No.	Indicator	Unit of measurement	Plan for the 4 th quarter	Fact for the 4 th quarter	Deviation, %
1	Volume of rendered services, including:	mln kWh	7 102.20	7 217.15	1.62
	Astrakhanenergo	mln kWh	858.31	894.97	4.27%
	Volgogradenergo	mln kWh	2 904.93	2 919.38	0.50%
	Kalmenergo	mln kWh	100.60	105.86	5.23%
	Rostovenergo	mln kWh	3 238.36	3 296.94	1.81%
2	Income, including:	mln rub. (VAT excluded)	5 543.093	5 819.31	4.98%
	Astrakhanenergo	mln rub.	970.572	988.202	1.82%
	Volgogradenergo	mln rub.	1 900.153	2 040.904	7.41%
	Kalmenergo	mln rub.	143.002	157.572	10.19%
	Rostovenergo	mln rub.	2 529.366	2 632.63	4.08%

In the 4th quarter of 2011 the actual volume of rendered services on transmission of electric energy was 7 217.15 mln. kWh, that is 114.95 mln. kWh higher of the planned indicator. The revenue from render services amounts to 5 819.31 million rubles, VAT excluded.

Quarterly prognosis on production and financial results

Repair programmes of IDGC of the South branches will be performed in accordance with plans approved for the 1st quarter of 2012.

According to business plan for the 1st quarter of 2012 on repair activity the following expenses are planned:

Branches	Total, repair of fixed assets , thous. rub	Including overhaul, thous. rub	Including routine maintenance
Astrakhanenergo	8 966	6 279	2 687
Volgogradenergo	6 996	4 443	2 553
Kalmenergo	2 476	2 275	201
Rostovenergo	12 657	6 347	6 311
Total for IDGC of the South	31 095	19 344	11 751

On core activity, power transmission, in the 4th quarter the volume of total productive supply will amount 7 102.2 mln kWh, the expected revenue on the activity is 5 819 304 thousand rubles, self-cost – 5 290 240 thousand rubles. For 2011 the total revenue is expected to be 24 263 thousand rubles, including revenue from power transmission - 22 688 104 thousand rubles. The possible total self-cost in 2011 will be 20 753 580 thousand rubles, including on power transmission – 20 474 789 thousand rubles.

In the 1st quarter of 2012 the Company plans to render services on power transmission in the volume of 7 478.8 mln kWh, for the total sum 6 209 055 thousand rubles, self-cost – 5 765 061 thousand rubles. Total revenue in the 1st quarter is expected to be – 6 295 919 thousand rubles, total self-cost thousand rubles – 5 829 thousand rubles.

Dividend policy of the Company

Dividend policy is the system of relations and principles of determination of dividend amount, procedure and terms of payment, and likewise of establishment the responsibility of the Company for non-fulfillment of the obligations for payment of dividends.

The Company is striving along with capitalization growth to increase the amount of paid dividends on the basis of gained net profit for the accounting financial year and the necessities of development of production and investment

activity of the Company.

Dividend policy is based on the balance of interests of the Issuer and the shareholders while determination the amount of dividend payments, respect and strict adherence the shareholders rights stipulated by current legislation of the Russian Federation, the Charter and internal documents of the Issuer and intended for the increase of investment attractiveness, capitalization and shareholder value of the Issuer.

Regulation on Dividend policy of Open Joint Stock Company “Interregional Distribution Grid Company of the South” in new edition was approved by Company’s Board of Directors on 31.08.2010 (minutes No. 53/2010 dd. 01.09.2010) as per the Civil Code of RF, Federal Law No. 208-FZ (Federal law) “On Joint Stock Companies” dated 26.12.1995, legal acts of RF, Charter of “IDGC of the South”, JSC as well as recommendations of Corporate Management with purposes to:

- provide transparency of mechanism of defining the volume of dividends,
- inform shareholders and other interested persons about dividend policy of the Company.

Information on transactions concluded by the issuer with public companies and quarterly survey of the mentioned transactions; quarterly survey of intracorporate transactions carried out by the issuer

In the reported quarter the Issuer has concluded 632 transactions with state-owned companies; total transaction amount inclusive of VAT equals to 107 989 255.07 rubles.

Subjects of transactions closed with state-owned companies in the reported quarter are as follows:

- Rendering technological connection services;
- Rendering electricity transmission services;
- Opening of revolving credit line;
- Rendering general and new postage services;
- Rendering services for periodic medical examinations;
- Rendering services for hard domestic waste removal;
- Land and estate property renting;
- Provision of services for a fee;
- Rendering services for training and professional development of personnel;
- Real estate leasing and other

The following transactions have not been closed in the reported quarter:

- Issuer's transactions with its shareholders, holding at least 5% of the voting shares;
- With members of Company Management board;
- Transactions (group of transactions) of interest and decision on approval of which was not accepted by the BoD in cases when such approval is obligatory according to the RF legislation

Review of transactions concluded by “IDGC of the South” JSC and its affiliates (“Astrakhanelektrosetremont” JSC, “Volgogradsetremont” JSC, “Agriculture Enterprise named after Grechko” JSC, “Agriculture Enterprise Sokolovskoye” JSC, “Recreation Centre “Energetik” JSC and “Energoservis Yuga” JSC) in the 4th quarter of 2011

1. Intra-group and major transactions:					
No.	No. and date of the document	Contractors	Sum, rubles	Transaction content	Date and No. of minutes of meeting governing body meeting the transaction was approved at
1.1. With Subsidiaries and Affiliates of “IDGC of the South” JSC:					
Transactions were not closed					
1.2. By governing bodies' members of the Subsidiaries and Affiliates with ‘IDGC of the South’ JSC:					
Transactions were not closed					
1.3. With “IDGC of the South” JSC or its shareholders holding at least 5% of voting shares of “IDGC of the South” JSC:					
1.	Service contract No.927 dd 14.12.2011	Volgogradsetremont JSC	48 000	Services on information and technical support of customer in the sphere of information technologies and systems	Minutes of IDGC of the South, JSC Board of Directors meeting (minutes dated 18.11.2011 No.75/2011)
2	Sale and	Recreation Centre	5 500	The vendor sells and the	Minutes of

	purchase contract No.804 dd 28.10.2011	“Energetik” JSC	000	Customer buys voucher trips of Recreation Centre “Energetik” in amount and of types specified in customers’ applications	IDGC of the South, JSC Board of Directors meeting (minutes dated 20.10.2011 No.74/2011)
3	Rent contract No. 05-80-669/ 49-12-225 dd 21.12.2011	“Astrakhanelektrosetremont” JSC	339 368.28	Provision for temporary possession and use of premises located at 204 Kramatorskaya St., Astrakhan, total square 740.30 m2.	Minutes of IDGC of the South, JSC Board of Directors meeting (minutes dated 09.12.2011 No.76/2011)
4	Rent contract 05-80-577/ 49-12-224 dd 16.11.2011	“Astrakhanelektrosetremont” JSC	765 341.91	Provision for temporary possession and use of premises located at: 204 Kramatorskaya St., Astrakhan, total square 3 533 m2; 18 Franko St., Akhtubinsk, Astrakhan region, total square 195.5 m2; 143 Lenin St., Kharabali, Astrakhan region, total square 555.7 m2.	Minutes of IDGC of the South, JSC Board of Directors meeting (minutes dated 09.12.2011 No.76/2011)
1.4. Transactions (groups of associated transactions) commitments for which amount to at least 10% of book value of assets of Subsidiaries and Affiliates according to their balance sheet for the previous completed accounting period:					
1.	Contract for energy audit No.903 dd 25.11.2011	Energoservis Yuga JSC	27 501 585.71	Energy audit of equipment of distribution grid complex, administration and productions buildings and units, preparation of energy performance certificate of “IDGC of the South” JSC, preparation of list of recommendations on energy saving and energy efficiency.	Minutes of IDGC of the South BoD meeting dated 24.11.2011 No.58/2011
2. Transactions with state-owned (municipal) companies:					
No.	No. and date of the document		Contractors	Sum of transaction, rubles	Transaction content
Transactions were not closed					

Data on market makers and stock exchange:

Shares of IDGC of the South were admitted to circulation by trade organizers at securities market since 03.07.2008.

Since 16.07.2010 shares were included in quotation list “B” of MICEX Stock Exchange (ticker tape **MRKA** –till 20.11.2011 inclusive, **MRKY** – starting from 21.11.2011)/

Before 19.12.2011 (date of RTS JSc reorganization) shares of IDGC of the South were circulating at RTS without listing procedure in two regimes – “T+0” (ticker - MRKYG) and “RTS Classica” (ticker - MRKY).

Bonds of the issuer are listed by trade organizers to securities market on 01.09.2009 and are included in quotation list B of MICEX.

Full Company name:	“MICEX Stock Exchange” Closed Joint Stock Company
Short Company Name:	CJSC “MICEX SE”
Location:	13 Bolshoy Kislovskiy per., Moscow, 125009
Website:	www.micex.ru
Stock Exchange License No.:	No.077–10489–000001
Stock Exchange License Issue Date:	August 23, 2007
Stock Exchange License Expiration Date:	Without limits
Authority Responsible for Stock Exchange License Issue	Federal Financial Markets Service

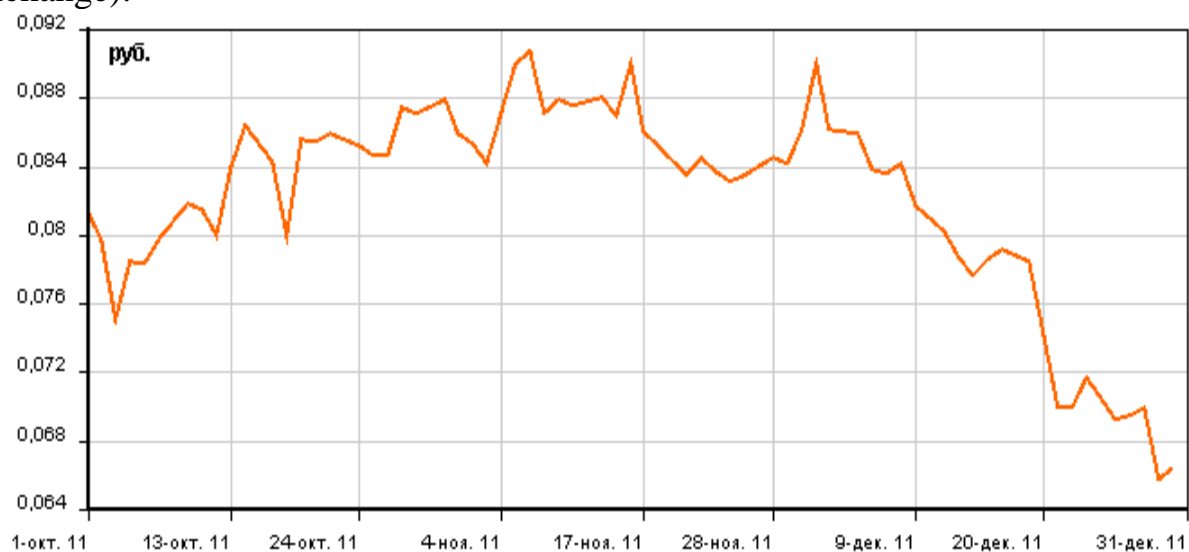
Information on dynamics of changes in prices on securities of the Company for the last financial year:

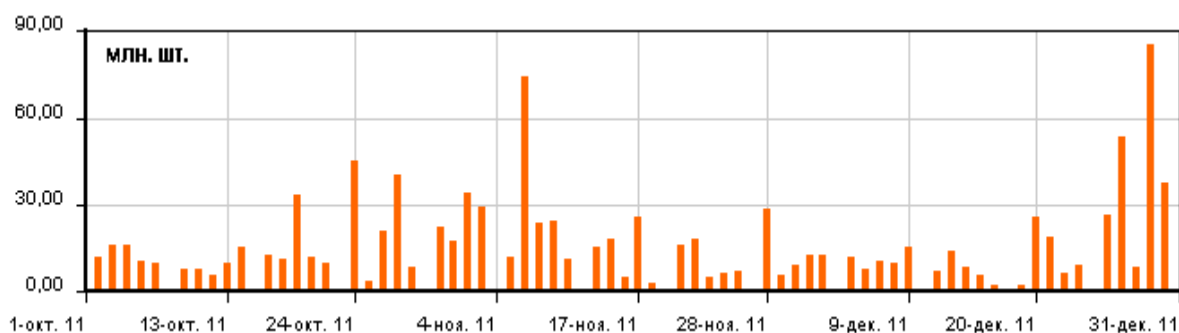
changes in prices for 2010 (data by MICEX Stock Exchange).



First closing, rubles	max, rubles	min, rubles	Last closing, rubles	difference, rubles	difference, %
0.181	0.2621	0.1136	0.1794	0.0002	0.11

changes in prices for Company's shares in 3rd quarter of 2011 (data by MICEX Stock Exchange).





First closing, rubles	max, rubles	min, rubles	Last closing, rubles	difference, rubles	difference, %
0.0797	0.1013	0.0642	0.0665	- 0.0148	-18.2

Information on amount and cost of transactions at stock exchange per each month and each quarter:

2010

Total amount of transactions							
month				quarter			
period	RTS (USD) classical market	RTS (rub) T+0	MICEX	period	RTS (USD) classical market	RTS (rub) T+0	MICEX
January	3	7	3020	1 st quarter	7	9	30022
February	2	2	4159				
March	2	0	22843				
April	8	2	31999	2 nd quarter	11	2	46162
May	2	0	9221				
June	1	0	4942				
July	0	0	5996	3 rd quarter	0	0	17468
August	0	0	4637				
September	0	0	6835				
October	1	0	7871	4 th quarter	3	3	33269

November	1	0	9428				
December	1	3	15970				
Total:	21	14	126921	X	21	14	126921

Total amount of transactions							
month				quarter			
period	RTS (USD) classical market	RTS (rub) T+0	MICEX	period	RTS (USD) classical market	RTS (rub) T+0	MICEX
January	119 790	718 586	160 173 288	1 st quarter	432 590	866 248	1 117 567 565
February	206 000	147 662	87 474 636				
March	106 800	0	869 919 641				
April	664 478	52	583 120 880	2 nd quarter	783 598	52	815 357 830
May	64 120	0	156 825 899				
June	55 000	0	75 411 051				
July	0	0	97 256 716	3 rd quarter	0	0	291 108 092
August	0	0	85 642 358				
September	0	0	108 209 018				
October	12 000	0	192 977 400	4 th quarter	35 600	36 406	727 789 230
November	12 000	0	194 217 355				
December	11 600	36 406	340 594 476				
Total:	1 251 788	902 707	2 951 822 717	X	1 251 788	902 707	2 951 822 717

2011

Total amount of transactions	
month	quarter

period	RTS (USD) classical market	RTS (rub) T+0	MICEX	period	RTS (USD) classical market	RTS (rub) T+0	MICEX
January	2	1	20128	1 st quarter	4	1	41991
February	2	0	15922				
March	0	0	5941				
April	1	0	4291	2 nd quarter	4	0	8885
May	1	0	2560				
June	2	0	2034				
July	0	0	2554	3 rd quarter	1	0	11 628
August	1	0	4879				
September	0	0	4195				
October	0	0	192 977 400	4 th quarter	0	1	8 509
November	0	0	194 217 355				
December	0	1	340 594 476				
Total:	9	2	2 951 822 717	X	9	2	71 013

Total amount of transactions							
month				quarter			
period	RTS (USD) classical market	RTS (rub) T+0	MICEX	period	RTS (USD) classical market	RTS (rub) T+0	MICEX
January	16300	780	331659531	1 st quarter	37 045	780	661 268 781
February	20745	0	189286766				
March	0	0	140322484				
April	5000	0	118162195. 8	2 nd quarter	70567.6	0	188938216.3

May	8600	0	45166260.4				
June	56967.6	0	25609760.1				
July	0	0	31279414.2 0	3 rd quarter	7 408.39	0	122 348 599. 7
August	7408.39	0	61321370.9 0				
September	0	0	29747814.6 0				
October	0	0	27997345.9 0	4 th quarter	0	1605	90 980 975.8
November	0	0	34166468.1 0				
December	0	1605	28817161.8 0				
Total:	115 020.9 9	2385	1 063 536 5 72.8		115 020. 99	2385	1 063 536 57 2.8

Data on the Company's Market Makers

Data on the Issuer's Market Makers:

Full company name	Limited Liability Company "Universal Investment Company "Partner"
Short company name	"Unikom Partner", LLC
Location	78-A Krasnoarmeyskaya St., Ekaterinburg, Russia 620026
Telephone, Fax	telephone: (343) 379-41-65, fax: (343) 379-41-66
Website	http://www.unicompartner.ru
Number, issuance date and validity term of the license for professional activity at the securities market	License for carrying out the dealer activity No.166-05957-010000 Issuing date April, 19 2002 Validity term: without validity time limitations
The Authority that issued the specified license (for advisors representing professional participants of the securities market)	Federal Commission for the Securities Market

Amount of remuneration for the market-maker	“MICEX Stock Exchange“, CJSC (Index of non-listed stock	117 000 rubles (including VAT) per month/ 351 000 rubles per quarter.
Criteria when market-maker is obliged to tender	From the moment of coming to force of the agreement the market-maker starts to serve the securities circulation caused by holding constant demand of market-maker’s application.	

MICEX Stock Exchange

1. Spread of double-sided quotation (in pro cents), less than	3
2. The lowest admissible securities allocation (in rubles), more than	300 000
3. The aggregate volume of transactions closed with securities during one trading day in the regular regime upon reaching of which a Market Maker is enable to sustain only single-sided bed-and-asked quotations (in rubles), more than	2 100 000
4. Quotation pause (period of times when market maker has right to stop fulfillilng duties) (in minutes)	120

Data on Evaluator’s Service Remuneration Amount

In the 4th quarter of 2011 the Issuer did not use the service of the evaluator for the following:

- to define market value of securities which are being placed and of securities placed and in circulation (not discharged);
- to define market value of fixed assets of immovable assets of the Issuer, regarding to which the Issue implemented revaluation, indicated in other chapters of quarterly report;
- to define market value of the assets which are the subject to pledge of the bonds collateral being placed by the Issuer or of placed bonds collateral of the Issuer not discharged;
- to provide other evaluation service, connected with securities issue, data on which is indicated in quarterly report.

The Issuer didn’t use service of evaluator, considered incorporated investment fund, in the accounting quarter as well.

Remuneration to evaluator in 2007- 2011 was not paid.

Methods of assets estimation

For the purpose of taking the property and obligations on discount the Company should carry out the valuation in money terms. The valuation of property should be performed as follows:

- assets received as contribution to the charter capital is estimated according to the money value, defined by the founders (shareholders) of the Company;
- property, purchased for payment should be evaluated according to the sum of actually incurred charges on hereof acquisition;
- property produced by the subdivisions of the Company should be evaluated according to the manufacturing costs (actual costs connected with the production of property item);
- tangibles left after the write-off of fixed assets that are impossible to be restored or be used at a later date, spare parts coming out of restoring (reconstruction, modernization, repairing) of the fixed assets should be evaluated according to current market value on the date of fixed assets write-off or on the date of taking the spare parts on discount;
- property received without return or property revealed in the course of inventory of assets and obligations should be evaluated according to current market value on the date of taking the property on discount.

Current market value should be regarded as the sum of cash assets which can be received as a result of purchase of specified asset on the date of hereof including for accounting purposes.

Current market value should be calculated in consideration of prices established for this or similar type of property. At the same time the data on the established price should be documented or confirmed by the expert's report.

In the course of estimation of property acquired by any reason, the actual cost hereof should be calculated with the addition of costs incurred by the Company in relation to bringing the property in condition suitable for usage.

The value of property, in which they are included for accounting purposes, should be no subject to alternation with the exception of cases stipulated by the Russian Federation legislation:

- for non-current assets (except for intangible assets) in case of completion, providing with additional equipment, reconstruction, modernization, partial liquidation and revaluation of items of fixed assets
- for current assets in the event that inventories have been obsolescent, have lost completely or partially their initial quality.
- for financial investments on the basis of which it is possible to determine current market value pursuant to the established procedure.

In the course of taking an item of immovable property on discount as an item of fixed assets the sum of actual expenses on the formation hereof recorded as capital investments in this item should determine the initial value of a fixed assets item

Recording of costs connected with the building project should be kept with accrual character from the item construction commencement on the data of reporting periods till the setting of items in operation or complete performance of corresponding works.

8.11 Data on the securities placed and on the Issuer of the securities placed, the property right certified by Russian depositary receipts

The Issuer is not the Issuer of the securities placed, the property right of which is certified with Russian depositary receipts.