

# QUARTERLY REPORT

“Interregional Distributive  
Grid Company of the South”,  
Joint Stock Company

Issuer's code:	3	4	9	5	6	-	E
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For quarter I, 2009

Location: 49 Bolshaya Sadovaya Str., 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

General Director  
Of IDGC of South, JSC  
Date: 13 May, 2009

\_\_\_\_\_ **A.I Gavrilov**  
signature

Chief accountant  
of IDGC of South  
Date: 13 May 2009

\_\_\_\_\_ **G.G. Savin**  
signature  
L.S.

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	securities, the property right to which are certified by the Russian depository receipts	
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## Introduction

Joint stock company “Interregional Distributive Grid Company of the South” discloses information in the form of quarterly report according to sub-clause a) of clause 5.1 of section V “Information Disclose in the Form of Quarterly Report” of “Regulations on the Information Disclosure by Issue Securities Issuers” approved by Order of FFMS of the RF as of 10.10.2006 N 06-117/пз-н (the securities prospectus of IDGC of South, JSC, was registered).

**The present quarterly report contains 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 its 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 of the Issuer’s activity in the future can differ from those predicted for many reasons. Purchase of securities of the Issuer is fraught with the risks described in the present quarterly report.**

On disclosing information in the form of the quarterly report, the Company is not limited by only disclosing information on essential events in the life of the Company for the accounting period, but also analytical opinions/ comments are presented concerning the mentioned events, which enables any interested person to get full understanding of the Company’s view of the on the specified events and actions.

The present report contains additional information, requirements on disclosing of which are established in the “Regulations on the Information Policy of IDGC of the South, JSC”, approved by the Board of Directors of IDGC of South, JSC on 30.08.2007 (Minutes as of 3.09.2007 No.2/2007).

Full text of the Regulations on the information policy of “IDGC of the South”, JSC is available at the corporate website of the Company at: <http://www.mrsk-yuga.ru>.

## **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**

### **PERSONS FORMING MANAGEMENT AUTHORITIES OF THE ISSUER**

Management authorities of the Issuer are:

- 1 The supreme management authority - General Shareholders Meeting;
- 2 Board of Directors;
- 3 Collegial executive body – Management Board;
- 4 Sole executive body – General Director.

#### **Structure of the Board of Directors “IDGC of the South”:**

<b>Surname, first name, patronymic</b>	<b>Year of birth</b>
<b>1 Rappoport Andrey Natanovich – Chairman of the Board of Directors</b>	1963
<b>2 Okley Pavel Ivanovich – Deputy Chairman of the Board of Directors</b>	1970
<b>3 Abakumov Aleksey Mikhailovich</b>	1972
<b>4 Buyanov-Uzdalskiy Andrey Yurievich</b>	1958
<b>5 Vasiliev Sergey Vyacheslavovich</b>	1975
<b>6 Gavrilov Aleksandr Ilyich</b>	1973
<b>7 Djakov Fyodor Aleksandrovich</b>	1958
<b>8 Ilienکو Vladimir Vasilievich</b>	1950
<b>9 Kravchenko Vyacheslav Mikhailovich</b>	1967
<b>10 Nikulov Aleksandr Yevgenievich</b>	1967
<b>11 Ryapin Igor Yurievich</b>	1979

#### **Structure of the Management Board of “IDGC of the South”:**

<b>Surname, first name, patronymic</b>	<b>Year of birth</b>
<b>1 Gavrilov Aleksandr Ilyich – Chairman of the Management Board</b>	1973
<b>2 Belonogov Mikhail Ivanovich – Deputy Chairman of the Management Board</b>	1960
<b>3 Alaev Timur Ulumdgievich</b>	1971
<b>4 Bibin Yevgeny Alekseevich</b>	1964
<b>5 Brizhan Vitaly Vasilievich</b>	1974
<b>6 Golovakha Lyudmila Alekseevna</b>	1955
<b>7 Kopanev Vladimir Nikolaevich</b>	1954
<b>8 Kostetskiy Vyacheslav Yurievich</b>	1974

<b>9 Lunev Igor Anatolievich</b>	<b>1969</b>
<b>10 Pestov Dmitry Vladimirovich</b>	<b>1967</b>
<b>11 Savin Grigory Grigorievich</b>	<b>1952</b>
<b>12 Skorikov Sergey Vladimirovich</b>	<b>1975</b>
<b>13 Stolyarov Mikhail Nikolaevich</b>	<b>1953</b>
<b>14 Sultanov Georgy Akhmedovich</b>	<b>1954</b>

**General Director of “IDGC of the South”, JSC**

<b>Surname, first name, patronymic</b>	<b>Year of birth</b>
<b>Gavrilov Aleksandr Ilyich</b>	<b>1973</b>



## 1.2. DATA ON BANK ACCOUNTS OF THE ISSUER

Item No	Full company name of the credit institution	Short company name of the credit institution	Location of the credit institution	TIN/ TCC of the credit institution	Number and type of the bank account	RCBIC	Correspondent account number
1	“Alpha-Bank”, Joint stock company, “Rostov” branch	“Rostov”branch of “ALPHA-BANK”, JSC	33 Voroshilovskiy prospect, Rostov-on-Don	7728168971/ 775001001	40 702 810 100 180 001 123 (settlement)	046015207	30 101810500000000207
2	Southwestern bank of the Savings bank of the Russian Federation, Rostov-on-Don	Southwestern bank of the SB of the RF, Rostov-on-Don	116 Pushkinskaya Str., Rostov-on-Don	7707083893/ 616502002	40 702 810 952 000 000 006 (settlement)	046015602	30101810600000000602
3	Southwestern bank of the Savings bank of the Russian Federation, Rostov-on-Don	Southwestern bank of the SB of the RF, Rostov-on-Don	116 Pushkinskaya Str., Rostov-on-Don	7707083893/ 616502002	40 702 810 552 000 000 008 (settlement)	046015602	30101810600000000602
4	Southwestern bank of the Savings bank of the Russian Federation, Rostov-on-Don	Southwestern bank of the SB of the RF, Rostov-on-Don	116 Pushkinskaya Str., Rostov-on-Don	7707083893/ 616502002	40 702 810 252 000 000 007 (settlement)	046015602	30101810600000000602
5	Southwestern bank of the Savings bank of the Russian Federation, Rostov-on-Don	Southwestern bank of the SB of the RF, Rostov-on-Don	116 Pushkinskaya Str., Rostov-on-Don	7707083893/ 616502002	40 702 810 852 000 000 009 (settlement)	046015602	30101810600000000602
6	Southwestern bank of the Savings bank of the Russian Federation, Rostov-on-Don	Southwestern bank of the SB of the RF, Rostov-on-Don	116 Pushkinskaya Str., Rostov-on-Don	7707083893/ 616502002	40 702 810 252 000 000 010 (settlement)	046015602	30101810600000000602
7	Southwestern bank of the Savings bank of the Russian Federation, Rostov-on-Don	Southwestern bank of the SB of the RF, Rostov-on-Don	116 Pushkinskaya Str., Rostov-on-Don	7707083893/ 616502002	40 702 810 552 000 000 011 (settlement)	046015602	30101810600000000602
8	Southwestern bank of the Savings bank of the Russian Federation, Rostov-on-Don	Southwestern bank of the SB of the RF, Rostov-on-Don	116 Pushkinskaya Str., Rostov-on-Don	7707083893/ 616502002	40 702 810 852 000 000 012 (settlement)	046015602	30101810600000000602
9	Southwestern bank of the Savings bank of the Russian Federation, Rostov-on-Don	Southwestern bank of the SB of the RF, Rostov-on-Don	116 Pushkinskaya Str., Rostov-on-Don	7707083893/ 616502002	40 702 978 952 000 000 003 (foreign currency)	046015602	30101810600000000602
10	Southwestern bank of the Savings bank of the Russian Federation, Rostov-on-Don	Southwestern bank of the SB of the RF, Rostov-on-Don	116 Pushkinskaya Str., Rostov-on-Don	7707083893/ 616502002	40 702 978 252 001 000 003 (transit)	046015602	30101810600000000602
11	“Alpha-Bank”, Joint stock company, “Rostov” branch	“Rostov”branch of “ALPHA-BANK”, JSC	33 Voroshilovskiy prospect, Rostov-on-Don 344002	7728168971/ 231002001	40 702 810 200 180 001 146 (settlement)	046015207	30101810300000000570
12	Krasnodar branch of commercial bank “National Business Development Bank Co. Ltd” (OOO)	CB “National Business Development Bank Co. Ltd” (OOO)	74/1 Suvorova Str., Krasnodar 350033	7720035987/ 231002002	40702810100011008501 (expense)	040349564	30101810400000000564
13	Commercial bank “Center-Invest”, Joint stock company	CB “Center-Invest”, JSC	62 Prospect Sokolova, Rostov-on-Don 344010	6163011393/ 616501001	40702810100000012623 (expense)	046015762	30101810100000000762
14	Branch of Gazprombank, Joint stock company, Rostov-on-Don	Branch of Gazprombank, JSC, Rostov-on-Don	20 Voroshilovskiy prospect, Rostov-on-Don 344006	7744001497/ 616502001	40702810000210001483 (expense)	046015968	30101810700000000968

Interregional Distribution Grid Company of the South”, Open Joint Stock Company

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15	Southwestern bank of the Savings bank of the Russian Federation, Oktyabrskoye branch of the Savings bank No 5410/056	Oktyabrskoye branch of the Savings bank No 5410/056	121 Shevchenko Str., Shakhty, Rostov area 346500.	7707083893/ 612502001	40702810652060144082 (proceeds)	046015602	3010181060000000602
16	Southwestern bank of the Savings bank of the Russian Federation, Oktyabrskoye Kamenskoye branch of the Savings bank No 1801	Kamenskoye branch of the Savings bank No 1801	49 Lenina Str., Kamensk-Shakhtinskiy, Rostov area 347800.	7707083893/ 614702001	40702810052030000002 (proceeds)	046015602	3010181060000000602
17	Astrakhan branch of Joint stock company “Rosbank”, Joint stock commercial bank	Astrakhan branch of JSC JSCB “ROSBANK”	Pr. Gubernatora Anatoliya Guzhvina, Astrakhan 414014.	7730060164/ 301502001	40702810022000000104 (expense)	041203786	30101810400000000786
18	Branch of Gazprombank, Joint stock company, Astrakhan	Branch of Gazprombank, JSC, Astrakhan	12 prospect Vorobjova, Astrakhan	7744001497/ 301502001	40702810400130000129 (expense)	041203709	30101810500000000709
19	Southwestern bank of the Savings bank of the Russian Federation, Mikhailovskoye branch of the Savings bank No 4006	Mikhailovskoye branch of the Savings bank No 4006	Poperechnaya Str., Mikhailovka 403300.	7707083893/ 343702001	40702810711050100910 (proceeds)	041806647	30101810100000000647
20	Southwestern bank of the Savings bank of the Russian Federation, Mikhailovskoye branch of the Savings bank No 4006	Mikhailovskoye branch of the Savings bank No 4006	Poperechnaya Str., Mikhailovka 403300.	7707083893/ 343702001	40702810011050100911 (expense)	041806647	30101810100000000647
21	Southwestern bank of the Savings bank of the Russian Federation, Volzhskoye branch of the Savings bank No8553	Volzhskoye branch of the Savings bank No8553	71 Mira Str., Volzhskiy 404131	7707083893/ 343502001	40702810911160103296 (proceeds)	041806647	30101810100000000647

### 1.3 DATA ON THE AUDITOR (AUDITORS) OF THE ISSUER

Data		Auditor
Full company name		"Fineart-Audit", Limited Liability Company
Short company name		Fineart-Audit LLC
Location		60 Udaltsova Str., Moscow 119607
Telephone numbers		(495) 431-99-70, (499) 726-91-12, (499) 726-91-13
Fax numbers		(495) 431-99-70, (499)726-91-12
E-mail		office@fineart-audit.ru
License for the auditor's activities	number	No E 006407
	date of issue	07.09.2004
	term of validity	until September 07, 2009
	license issuing authority	Ministry of Finance of the Russian Federation
Data on the auditor's membership in collegiate organs, associations or other professional units (organizations)		Member of Moscow Auditor Chamber, certificate No 1531 of 15.11.2006
Accounting year (years) within which social audit of the Issuer's financial statements and financial (accounting) reports was carried out by the auditor		2007, 2008
Factors that can influence auditor independence from the issuer, including information about substantial interests connecting the auditor (the auditor's executives) with the issuer (the issuer's executives)		None
The auditor's (its executives') stakes in the issuer's authorized capital		The auditor does not have stakes in the issuer's authorized capital
Borrowings to the auditor (the auditor's executives) by the issuer		The Issuer has not extended any borrowings to the Auditor (the Auditor's executives)
Close business connections (participation in the issuer's products (services) promotion), participation in joint entrepreneurial activity etc) and family relations		The Issuer does not have either close business connections or family relations with the Auditor
Data on the issuer's executives who simultaneously occupy positions as the auditor's (auditors') executives		The Issuer's executives do not simultaneously occupy positions as the Auditor's executives

Measures taken by the Issuer and the Auditor to mitigate the impact of the abovementioned factors

The Issuer and the Auditor operate under the current legislation of the Russian Federation, including Federal Law dd 07.08.2001 No 119-Φ3 “On the Auditor’s Activity” (in the version of Federal Laws dd 14.12.2001 No 164-Φ3, dd 30.12.2001 No 196-Φ3), according to art. 12 of which, auditing shall not be conducted by the following kinds of auditor companies:

- 1) auditors who are founders (participants) of the persons audited, their supervisors, accountants and other persons responsible for organization of accounting and financial (accounting) reporting;
- 2) auditors who have close family relations (parents, spouses, brothers, sisters, children, and the spouse’s brothers, sisters, parents and children) with the founders (participants) of the persons audited, their executives, accountants and other persons responsible for organization of accounting and financial (accounting) reporting;
- 3) auditor organizations whose supervisors and other executives are founders (participants) of the persons audited, their executives, accountants and other persons responsible for organization of accounting and financial (accounting) reporting;
- 4) auditor organizations whose supervisors and other executives have close family relations (parents, spouses, brothers, sisters, children, and the spouse’s brothers, sisters, parents and children) with the founders (participants) of the persons audited, their executives, accountants and other persons responsible for organization of accounting and financial (accounting) reporting;
- 5) auditor organizations, if the persons audited are their founders (participants), if the auditor organizations are founders (participants) of the persons audited, if the auditor organizations are founders (participants) of the subsidiaries, branches and representative offices of the persons audited, and if the auditor organization and the persons audited have common founders (participants);
- 6) auditor organizations and individual auditors who have been rendering services of reconstruction of accounts, accounting record-keeping and financial (accounting) reporting to physical and juridical bodies within three years prior to the auditor check of the bodies.

The basic measure taken by the issuer for mitigating the level of dependency between the issuer and the auditor is the procedure of careful examination of the auditor candidates as for their independence from the issuer. The auditor is entirely independent from the issuer’s management authorities, according to the requirements of article 12 of the Federal Law “On the Auditor’s Activities”. Amount of the auditor’s remuneration does not depend on the results of the audit.

Procedure for selecting the auditor for the issuer

**Tender procedure connected with the auditor selection and its main terms**

The candidate auditor of the issuer is determined by the tender committee as the result of competitive selection of the auditor.

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

- not to be in the process of liquidation;
- not to 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;

- not to 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;
- not to fall under terms (in relation to the Company and affiliated and dependent entities of RAO UES of Russia) 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**

Federal Law “On Joint Stock Companies” does not fix any date or terms of nominating candidate auditors for entering them in the list for voting on the issue of approbation as the Company’s auditor. 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.

The auditor of the issuer carries out audit of financial and economic activity of the issuer in conformity with requirements of the legislation of the Russian Federation on the basis of the corresponding contract on rendering auditor services.

Information on the works conducted by the auditors as part of special auditor tasks: such works were not conducted in the accounting period.

Order of determining the amount of auditor’s fee and information about deferred and overdue payments for the services rendered by the auditor

Order of payment and the amount of monetary remuneration to auditor organizations and individual auditors for conducting audit (including obligatory audit) and rendering related services to the auditor are determined by the terms of audit services agreements and shall not depend on fulfilling certain requirements of the persons audited concerning the contents of the audit report.

Amount of fee of the issuer’s auditor approved by the General Shareholders Meeting for obligatory annual check and attestation of financial accountability of the issuer is determined by the issuer’ Board of Directors.

Actual amount of fee paid by the Issuer to the Auditor “Fineart-Audit Ltd”, for each accounting year when social audit of the Issuer’s financial statements and financial (accounting) reports was carried out by the auditor

In 2008 the Issuer paid remuneration to LLC (OOO) “Fineart-Audit” under agreement No A-77/2007 dd 24.12.2007 remuneration of **5 008 000** (Five million and eight thousand) rubles, including VAT of 763 932 (Seven hundred and sixty-three thousand nine hundred and thirty two) rubles and 20 kopecks, including:

- for carrying out audit of financial (accounting) reports of the Issuer for 2007 with the purpose of expressing auditor’s opinion in the proper manner as for reliability of the reports and conformance of the accounting procedures with the legislation of the Russian Federation – **354 000** (Three hundred and fifty-four thousand) rubles, including VAT (18%) equal to 54 000 (Fifty-four thousand) rubles;

- for attestation of the Issuer’s financial (accounting) reports indicators presented in Issuer’s security issue prospectus – **654 000** (Six hundred and fifty-four thousand ) rubles, including VAT (18%) equal to 99 762 (Ninety-nine thousand seven hundred and sixty-two) rubles 71 kopecks;

- for carrying out audit of financial (accounting) reports of the Issuer for 9 months of 2008 – **4 000 000** (Four million) rubles, including VAT (18%) equal to 610 169 (Six hundred and ten thousand one hundred and sixty-nine) rubles 49 kopecks.

In 2009 the amount of remuneration and procedure of settlement for conducting audit by LLC (OOO) Fineart-Audit are stipulated by the audit services agreement No A-25/2008 dd 09.07.2008

There are no deferred and overdue payments for the services rendered by the Auditor.

#### **1.4 DATA ON THE APPRAISER OF THE ISSUER**

In quarter I of 2009 the In the accounting period the Issuer did not engage appraiser for:

- valuation of market prices of securities in the process of placement and placed securities that are in circulation (obligations under which are not executed);
- valuation of market prices (of Issuer’s fixed assets and real estate which were revalued) represented in other sections of the quarterly report;
- valuation of market prices of the property which is under pledge on Issuer’s security bonds or under pledge on Issuer’s security bonds obligations on which are not executed;
- rendering other appraiser services (connected with security issue) information on which is contained in the quarterly report.

In the accounting period the Issuer did not engage a joint-stock investment fund as an appraiser either.

Remuneration to appraiser for rendering services listed in this point of the report for 2007, 2008 and quarter I of 2009 was not paid.

#### **1.5 DATA ON THE ADVISERS OF THE ISSUER**

In the accounting quarter the Company did not make agreements with financial advisers.

#### **1.6 DATA ON OTHER INDIVIDUALS WHO SIGNED THE QUARTERLY REPORT**

There are no other individuals who signed the quarterly report and are not mentioned in the previous points of this section.

## II Main information on financial and economic condition of the Issuer

### 2.1 FINANCIAL AND ECONOMIC PERFORMANCE INDICATORS OF THE ISSUER

Indicators disclosed in conformance with appendix 10 of “Regulations on the Information Disclosure by Issue Security Issuers” approved by Order of FFMS of the RF as of 10.10.2006 N 06-117/пз-н.

Item description	Indicator value as of:	
	31.12.2008	31.03.2009
Net asset worth of the Issuer, rubles in thousands	21 356 935	20 834 028
Raised funds to equity and reserves ratio, %	67,91	75,88
Short-term liabilities to equity and reserves ratio, %	32,17	39,88
Debt service payment coverage, %	94,86	-4,16
Past due debt rate, %	5,66	16,60
Receivables turnover	0,75	0,54
Dividend payout ratio, %	-	-
Labour productivity, rubles/person	400,22	335,22
Depreciation to earnings ratio, %	26,40	11,75

For calculation of indicators the procedure recommended in the “Regulations on the Information Disclosure by Issue Security Issuers” approved by Order of FFMS of the RF as of 10.10.2006 N 06-117/пз-н “On Approval of Regulations on Information Disclosure by Issue Security Issuers” was used.

Solvency and finance condition analysis on the basis of economic analysis of indicators behaviour

Net asset worth indicator is used for estimating Issuer’s financial stability, its financial reliability level. Thus, net asset shows to what extent the company’s assets exceed liabilities (both short-term and long-term), which allows to estimate the company’s solvency level.

In fact, net asset can be identified with the size of internal capital, as it reflects the level of organization’s internal asset backing of raised funds.

The Issuer’s finance reports analysis shows that net asset worth as of March 31, 2009 reduced compared to the previous period by **522 907** thousand rubles due to the growth of the liabilities, namely, growth of accounts payable to suppliers and contractors.

Raised funds to equity and reserves ratio characterizes the level of raised funds and shows the degree of their use in the total amount of committed facilities. In comparison with the previous accounting period this indicator grew by 8% because of short-term liabilities growth by more

than 1,4 milliard rub. Major part in the structure of raised funds is constituted by short-term liabilities.

Indicator “Short-term liabilities to equity and reserves ratio” demonstrates the percent of short-term liabilities in the Issuer’s internal funds and tends to increase by 7,7% compared with the previous accounting period.

Debt service payment coverage shows how many rubles from the internal resources there are for each ruble of liabilities due to payment in the accounting period. Thus, the Issuer can pay current debts from net profit.

This indicator has negative value as of March 31, 2009 in comparison with the previous accounting period. It is connected with loss received in quarter I of 2009.

Indicator of receivables turnover characterizes number of times accounts receivable are paid, converted to cash assets in the accounting period. By the end of quarter I of 2009 this value fell as there appeared more insolvent counterparts, buyers’ and customers’ payments were deferred, and other problems of sales arose, which is in general connected with the crisis in all spheres of the country’s economy and manifests itself in solvency decrease.

Past due debt rate shows the rate of overdue receivables in the total amount of the company’s liabilities, and by 31.03.2009 it grew almost thrice on the previous accounting period, which is direct consequence of receiving less revenue than was due from the counterparts.

Labour productivity coefficient shows that there was 335,22 thousand rubles of revenue for each person as of March 31, 2009.

Depreciation to earnings ratio shows reduction of depreciation charges in quarter I of 2009.

**Indicators disclosed additionally in accordance with “Regulations on the Information Policy of “IDGC of the South, JSC”**

Indicators influencing financial result of the Company, rubles in thousands:

Indicators	2008	Quarter I of 2009
Sales revenue	13 093	4 446
Cost of production	10 908	4 356
Net profit	2 184	90
Pre-tax profit	973	-589
Net asset of the accounting period	486	-561

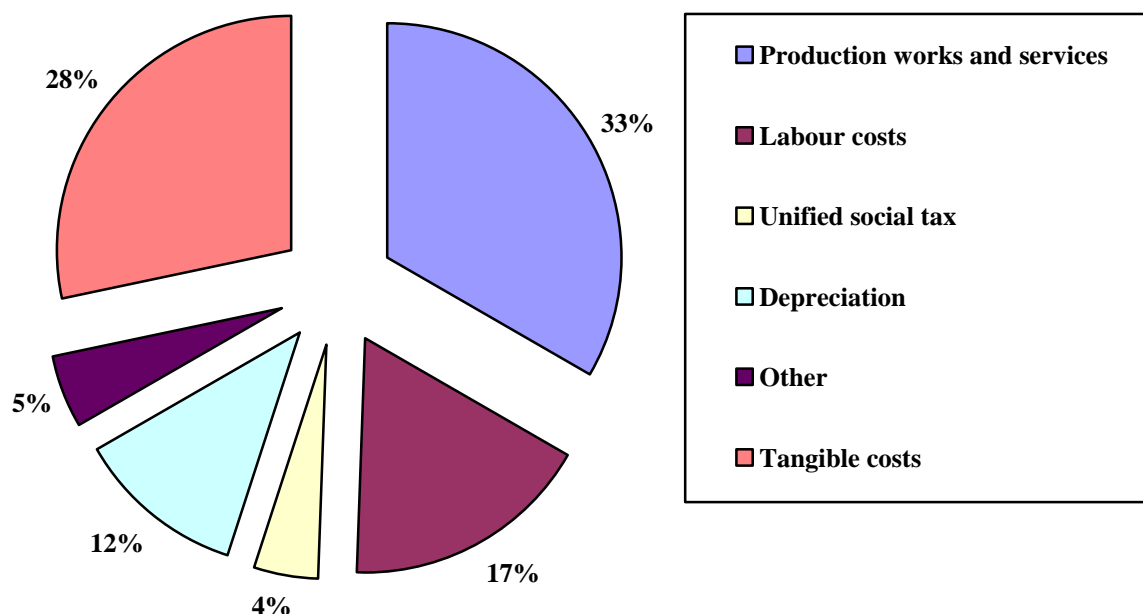
Structure of expenses, rubles in thousands:

Item No	Items of expenditure	2008	Quarter I of 2009
1.	Tangible costs, including	2401,3	1236,5
1.1.	Purchased power	1731,5	1056,4
1.2.	Purchased power for manufacturing and economic needs	64,8	70,4
1.3.	Raw materials and supplies	605	109,7
2.	Production works and services	997,3	384,3
3.	Labour costs	1934,4	752,5
4.	Unified social tax	467,8	190,9
5.	Non-state pension provision	96,9	4,1
6.	Depreciation	1347,2	511,7
7.	Other	3663,4	1276,6
7.1.	including		
7.2.	Service fee o Federal Grid Service	2884,5	1063,2



7.3.	Service fee of outside organizations	257,8	86,2
7.4.	Insurance expense	130,8	43,7
7.5.	Taxes and receipts	60,4	23,1
8.	Production and sales-related costs	10908,3	4356,6

### Structure of expenses of "IDGC of the South", JSC, in quarter I of 2009



The major part of the expenses of JSC "IDGC of the South" (33,2%) is made up by production works and services. This item includes expenses for electric power transmission by grid companies, electric power transmission commercial recording services, costs on accomplishment of repair programme, keeping fixed assets in operation and the services of industrial security.

Tangible costs make up 28,4% of the total amount of expenses and include costs of purchased electric power, raw materials, supplies, fuels and lubricants necessary for operation of JSC "IDGC of the South".

Performance indicators, %

Indicators	2008	Quarter I of 2009
ROE, return on equity	2.28%	-2.66%
ROA, return on assets	1.36%	-1.54%
ROTA, return on total assets	2.73%	-1.62%

Revenue structure by business lines, rubles in thousands:

Item No	Items	2008	Quarter I of 2009
1	<b>Total product (service) sales revenue (net), including</b>	13 092 621	4 446 171
1.1	<b>Products (services) of ordinary activity, total</b>	13 063 641	4 440 984
	including:		
1.1.1	- grid services	12 780 730	4 414 996
1.1.1.1	from the service of grid power transmission	10 785 341	4 221 255

1.1.1.2	from the services of technological connection	1 995 389	193 741
1.1.2.	electric power to the internal users		
1.1.3.	thermal energy		
1.1.4.	other products (services) of ordinary activity	282 911	25 988
<b>1.2</b>	<b>Products (sales) of nonoperating activities</b>	28 980	5187

**Note:** Indicators of 2008 are presented for the period from 31.03.2008 until 31.12.2008.

## 2.2 MARKET CAPITALIZATION OF THE ISSUER

Issuer's shares are listed by the organizers of the stock market on 03.07.2008.  
(as of the end of the corresponding accounting period)

Period		RTS (USD) (classical market)	RTS (RUB) stock market	MICEX (RUB)
Year	Quarter	Capitalization	Capitalization	Capitalization
2008	Quarter III	567 846 495,00	11 954 663 055,36	14 011 861 322,80
	Quarter IV	99 622 192,00	8 999 370 725,88	2 485 573 693,59
2009	Quarter I	64 754 425,00	8 703 990 926,22	2 988 665 763,84

**Note:** Market capitalization is calculated by the stock market organizers in accordance with “Order of Issue Securities and Investment Units of Investment Funds Listed by Stock Market Organizers Market Price Valuation” approved by the decision N 03-52/nc of FSEC (Federal Securities and Exchange Commission) as of December 24, 2003. In the periods when market capitalization of the Company's shares was not calculated by the stock market organizers because of low number of transactions completed with “IDGC of the South” shares, market capitalization was calculated in the Company by way of multiplying the share quotations by the amount of shares issued.

## 2.3 ISSUER'S OBLIGATIONS

### 2.3.1 Accounts payable

Data on the amount of Issuer's accounts payable for 2008, rubles in thousands:

Name of the account payable	Maturity	
	Less than one year	More than one year
Accounts payable to suppliers and contractors	3 542 455	87 575
including overdue accounts	574 892	87 575
Accounts payable to the personnel of the organization	157 891	-
including overdue accounts	-	-
Accounts payable to the budget and state extrabudgetary funds	202 420	-
including overdue accounts	-	-
Credits	2 113 189	7 191 498
including overdue credits	-	-
Total loans	-	-
including overdue loans	-	-
including bond loans	-	-
including overdue bond loans	-	-
Other accounts payable	709 461	166
including overdue accounts	154 188	166
Total	6 725 416	7 279 239
including overdue accounts	729 080	87 741

Data on the amount of Issuer's accounts payable for 2008, rubles in thousands:

Name of the account payable	Maturity
-----------------------------	----------

	Less than one year	Less than one year
Accounts payable to suppliers and contractors	4 875 162	76 429
including overdue accounts	2 252 797	76 429
Accounts payable to the personnel of the organization	181 398	-
including overdue accounts	-	-
Accounts payable to the budget and state extrabudgetary funds	259 051	-
including overdue accounts	-	-
Credits	2 113 106	7 115 346
including overdue credits	-	-
Total loans	-	-
including overdue loans	-	-
including bond loans	-	-
including overdue bond loans	-	-
Other accounts payable	731 320	166
including overdue accounts	283 435	166
Total	8 160 037	7 191 941
including overdue accounts	2 536 232	76 429

Behaviour of accounts payable as of 31.03.2009, rubles in thousands

Accounts payable	As of 31.12.2008	As of 31.03.2009	Changes
<b>1. Long-term loans and credits:</b>			
including:	7 191 498	7 115 346	-76 152
<b>2. Short-term credits:</b>			
including:	2 113 189	2 113 106	-83
<b>3. Other accounts payable</b>	3 546 983	4 838 353	1 291 370
3.1. other (more than 1000 rubles in thousands)	<b>2 895 098</b>	<b>3 973 528</b>	<b>1 078 430</b>
3.2. other (more than 500 rubles in thousands)	<b>21 706</b>	<b>6 764</b>	<b>-14 942</b>
3.3. other (less than 500 rubles in thousands)	<b>630 179</b>	<b>858</b>	<b>-629 321</b>
<b>4. Prepayment</b>	460 822	559 746	98 924
4.1. For technological connection	<b>427 166</b>	<b>513 220</b>	<b>86 054</b>
4.2. Other prepayment	<b>33 656</b>	<b>46 526</b>	<b>12 870</b>
<b>4. Salaries payable</b>	157 891	181 398	23 507
<b>5. Deferred tax liability</b>	319 179	272 420	-46 759
<b>6. Taxes, including:</b>	202 420	259 051	56 631
6.1. taxes restructured	-	-	-
6.2. accounts payable to the budget and state extrabudgetary funds	<b>54 219</b>	<b>64 115</b>	<b>9 896</b>
6.3. taxes and dues payable	<b>148 201</b>	<b>194 936</b>	<b>46 735</b>
<b>7. Dividends payable to participants (founders)</b>	12 673	12 558	<b>-115</b>
<b>Total:</b>	14 004 655	15 351 978	1 347 323

The Issuer has no creditors who hold 10 percent or more of the total accountables payable for the last completed accounting period.

### 2.3.2 Credit history of the Issuer

JSC “IDGC of the South” has not made any credit and loan agreements with principal debt size amounting to 5 % or more of book value assets.

Since March 31, 2008 as the result of reorganization of JSC “Rostovenergo”, JSC “Volgogradenergo”, JSC “Astrakhanenergo”, JSC “Kalmenergo” in the form of accession to JSC “IDGC of the South”, the Issuer has become legal successor of the liabilities of the accessed companies on the credit agreements effective as of the accounting period date.

Structure of the Issuer’s credit portfolio as of 31.03.2009:

Accounting date	Liability name	Creditor's name	Primary debt amount/ rubles in thousands	Credit date/ maturity	Overdue obligations in part of principal debt amount payment and/or interest fixed, overdue term, in days
31.03.2009	Credit line	“Rostov” branch of “Alpha-Bank”, JSC	391 000	29.04.2008 /29.07.2009	None
31.03.2009	Credit line	“Rostov” branch of “Alpha	109 000	18.04.2008 /16.10.2009	None
31.03.2009	Credit line	“Rostov” branch of “Alpha	500 000	12.06.2008 /11.06.2010	None
31.03.2009	Credit line	“Rostov” branch of “Alpha	200 000	20.06.2008 /11.06.2010	None
31.03.2009	Credit line	“Rostov” branch of “Alpha	70 000	25.06.2008 /11.06.2010	None
31.03.2009	Credit line	“Rostov” branch of “Alpha	130 000	06.08.2008 /11.06.2010	None
31.03.2009	Credit line	“Rostov” branch of “Alpha	100 000	24.02.2009 /24.07.2009	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	205 000	10.12.2008 /10.06.2009	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	150 000	16.12.2008 /10.06.2009	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	45 000	23.12.2008 /10.06.2009	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	31 000	22.11.2007 /21.11.2012	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	29 000	23.11.2007 /23.11.2012	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	45 700	29.11.2007 /28.11.2012	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	94 300	30.11.2007 /30.11.2012	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	43 600	27.09.2007 /27.09.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	1 000	28.09.2007 /28.09.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC	7 200	02.10.2007	None

		Volgograd		/01.10.2010	
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	20 000	26.10.2007 /26.10.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	28 200	30.10.2007 /29.10.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	30 000	29.06.2007 /28.06.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	6 000	31.07.2007 /30.07.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	3 600	07.08.2007 /06.08.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	16 000	30.08.2007 /27.08.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	5 000	20.09.2007 /17.09.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	17 000	25.09.2007 /24.09.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	22 400	27.09.2007 /27.09.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	150 000	27.03.2008 /25.03.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	150 000	28.03.2008 /25.03.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	10 000	28.03.2008 /25.03.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	190 000	11.04.2008 /25.03.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	300 000	10.07.2008 /21.08.2009	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	120 000	18.07.2008 /21.08.2009	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	100 000	28.07.2008 /21.08.2009	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	210 000	29.07.2008 /21.08.2009	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	100 000	30.07.2008 /21.08.2009	None
31.03.2009	Credit line	“Gazprombank”, JSC	170 000	11.08.2008	None

		Volgograd		/03.09.2009	
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	700 000	29.08.2008 /28.02.2011	None
31.03.2009	Credit line	“Gazprombank”, JSC Volgograd	300 000	12.09.2008 /28.02.2011	None
31.03.2009	Credit line	Astrakhan branch of the Savings bank of the RF No8625	800 000	15.09.2008 /30.06.2009	None
31.03.2009	Credit line	Astrakhan branch of the Savings bank of the RF No8625	70 000	09.06.2008 /08.06.2009	None
31.03.2009	Credit line	Astrakhan branch of the Savings bank of the RF No8625	39 000	11.08.2008 /10.08.2009	None
31.03.2009	Credit line	Astrakhan branch of the Savings bank of the RF No8625	291 000	10.10.2008 /09.10.2009	None
31.03.2009	Credit line	Astrakhan branch of the Savings bank of the RF No8625	200 000	30.03.2009 /29.03.2010	None
31.03.2009	Credit line	“Volga-Caspian Joint-Stock Bank”, JSC in Astrakhan	7 000	18.05.2007 /18.05.2009	None
31.03.2009	Credit line	Volga-Caspian Joint-Stock Bank”, JSC in Astrakhan	30 000	06.06.2007 /15.06.2009	None
31.03.2009	Credit line	Volga-Caspian Joint-Stock Bank”, JSC in Astrakhan	6 013,4	26.07.2007 /15.07.2009	None
31.03.2009	Credit line	ORGRESBANK	500 000	28.03.2008 /28.09.2009	None
31.03.2009	Credit line	ORGRESBANK	500 000	29.12.2008 /28.12.2009	None
31.03.2009	Credit line	ORGRESBANK	106 000	28.05.2008 /28.05.2010	None
31.03.2009	Credit line	ORGRESBANK	116 000	29.05.2008 /28.05.2010	None
31.03.2009	Credit line	ORGRESBANK	278 000	09.06.2008 /28.05.2010	None
31.03.2009	Credit line	“Gazprombank”, JSC branch in Astrakhan	150 000	26.03.2008 /25.03.2010	None
31.03.2009	Credit line	Center-Invest	600 000	29.12.2008 /25.06.2009	None
31.03.2009	Credit line	Center-Invest	400 000	15.10.2008 /12.10.2009	None
		<b>TOTAL</b>	<b>8 893</b>		

			013,4		
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Agreement liabilities are fulfilled by the Issuer in full.

The Issuer has no overdue debts under credit agreements.

### **2.3.3 Obligations of the Issuer with regard to collaterals furnished to third parties**

For the lifespan of the Company up to the end of the accounting period “IDGC of the South”, JSC, did not have obligations with regard to collaterals furnished to third parties, including pledge or warranty obligations amounting to 5 percent or more of book balance of assets.

Obligations of the Issuer with regard to collaterals furnished to third parties as of 31.03.2009 totaled **43 338** thousand rubles, which is less than 5 percent of book balance of Issuer’s assets.

### **2.3.4 Other obligations of the Issuer**

The Issuer has no agreements (including time transactions not represented in the accounting balance-sheet) which can seriously influence the Issuer’s finance condition, its liquidity, sources of funds and terms of their use, performance results and expenses.

## **2.4 PURPOSES OF ISSUE AND LINES FOR APPLICATION OF FINANCES OBTAINED AS A RESULT OF PLACING ISSUE SECURITIES**

In the accounting period the Issuer did not place issue securities.

## **2.5 RISKS CONNECTED WITH PURCHASE OF ISSUE SECURITIES, PLACED OR IN THE PROCESS OF PLACEMENT**

### **2.5.1 Industry risks**

As the Issuer only operates on the internal market, the industry risks are specified for the internal market singularly.

Risk of influence of possible deterioration of the situation in the Issuer’s industry on the Issuer’s activity and on fulfilling obligations on the securities

Electric power industry is a branch of economy of the Russian Federation consisting of a complex of economic relations arising in the process of production (including production on the method of combined generation of electric and thermal power), electric power transmission, operational dispatch management in the electric power industry, supply and consumption of electric energy at utilizing industrial and other objects of property (including the ones forming the Unified energy system of Russia) belonging on the ownership basis or another basis stipulated by the federal laws to the subjects of electric power industry or other persons. Electric power industry is the basis of economy functioning and life support. Reliable and efficient functioning of the electric power industry, uninterrupted users’ supply is a guarantee of progressive development of the national economy and integral factor of providing civilized life conditions for all the citizens.

In the Issuer’s opinion, the most important changes in the industry are connected with the industry reform, including bringing the level of state-regulated prices (tariffs) in the electric power industry to the level ensuring the economically justified profitability of the investment capital attracted to the activities of the electric power energy subjects where state price (tariff) regulation is practiced. It must be pointed out that at present changes in the level of state-regulated prices (tariffs) in the electric power industry are made in conformance with the

programme approved by the Government of the Russian Federation.

The basic legal acts determining the lines of development are Federal Laws as of March 26, 2003 No35 “On the Electric Power Industry” and No36 “On the Peculiarities of Electric Power Industry Functioning in the transition period”.

In December of 2007 amendments to the federal laws were accepted which determined electric power industry functioning after the transition period of reforming. According to the amendments the date of the transition period end is specified – July 1, 2008, the closing date of JSC RAO “UES of Russia” restructuring. At that, the conditions of transition period termination are separately specified for the electric power markets, along with that, a self-regulated organization “Market Council” and the commercial operator of the wholesale market are planned to create.

In the Issuer’s view, there is a risk of deterioration of the situation in the industry as the result of decreased management efficiency in the electric power industry after distribution of regulatory functions. As a consequence of wholesale and retail market liberalization, **the cost of electric power hedge buying increases**, which leads to the growth of the Company’s expenses not included on tariffs. This kind of risk is beyond the Issuer’s control. The Company is subject to this risk along with other participants of the electric power market.

In the Issuer’s judgment, deterioration of the situation in the electric power industry is mainly associated with the following risks:

### **Operational risks**

Fixed assets consumption can lead to negative changes in the industry, such as loss of service security, breakdowns in the electric power production.

The Issuer’s activities for mitigating these risks:

- renovating the operating electric grids and construction of new electric grids;
- technical re-equipment of fixed assets;
- carrying out planned equipment repair and technical maintenance works.

### **Technical industrial risks**

This group of risks is made up by the risk of switching to operation with inadvertent acceptable emergency power interchange, the risk of sharp non-recurrent off-schedule load increase in connection with natural disasters, and technical risks connected with equipment operation, caused by such factors as equipment operation with limit deviations from normative technical requirements; operating employees’ mistakes; dispatch schedule and discipline violations.

The Issuer’s activities on reducing these risks:

- analyzing probable risk situations with the purpose of risk prediction in the process of production schedule performance and taking risk protection measures;
- commercial property, dangerous industrial objects, transportation vehicles, civil responsibility insurance, personnel accident and sickness insurance;
- carrying out measures on power system reliability improvement, which includes continuous fuel, spare parts and materials supply replenishment.

The Issuer estimates the level of the mentioned risks as moderate and supposes that negative changes in the industry cannot have material impact on the Issuer’s activity and fulfilling obligations on its securities.



Risks connected with possible variations in prices for raw materials, services used in the Issuer’s operations (independently on the internal and external markets) and their impact on the Issuer’s operation and execution of obligations under securities.:

JSC “IDGC of the South” is an infrastructural organization of the wholesale market, it does not participate in the process of production and consumption of the electric power (except for its own needs) and does not depend much on utilizing certain raw materials and supplies, unlike enterprises of the manufacturing industries of economy.

Electric power transportation via grids which are not part of Unified national (all-Russia) electric grid (UNEG) – lower than 220 kW - is among the Issuer’s ordinary activities.

Carrying out the activities specified is linked to the necessity of materials and equipment procurement and disposition of outsourced services for repair works, technical support and own electric power transmission lines construction. The largest expenditure item in the structure of the Issuer’s production cost is connected with production works and services by outside organizations. An important share of expenses in the structure of cost production is linked to electric power hedge buying on the wholesale and retail markets. The process of setting bid price for electric power is associated with subjective tariff-rating decisions by Ministry of Energy, Federal Tariff Service, Regional Tariffs Service of Russia, including decisions on the norm of electric power losses. Probability of price growth is mainly connected with inflation processes. Essential growth of materials and equipment prices will require updating the budgeted expenditure and changing the programmes of investment plans implementation.

In order to mitigate the specified risks, the Issuer buys materials and equipment, selects suppliers by way of tender and scheduled raw materials and supplies, production and other services purchases.

Risks connected with possible variations in prices for products and/ or services (independently on the internal and external markets) and their impact on the Issuer’s operation and execution of obligations under securities:

The Issuer’s primary profit source is receipt of funds from payment for services on electric power transmission and technological connection.

Activity of grid companies is part of the monopoly sector of electric power industry regulated by the state, according to Federal Law dated April 14, 1995 No 41-ФЗ “On Regulation of Tariffs for Electric and Thermal Energy in the Russian Federation” and other legal acts.

Tariffs for services of electric power transmission and technological connection are set by the regulating government authorities of the subjects of the Russian Federation.

At present, tariff regulation is fulfilled by mixed method (direct calculation and indexation), which prevents grid companies from investing in development. For distribution grid companies, JSC RAO “UES of Russia” initiated introduction of tariff regulation based on the principles of fair market profitability of the capital employed (RAB) in combination with economic stimuli for large-scale private investment attraction.

Using additional (debt) fund sources for creating electric grid infrastructure must enable cutting expense on construction of such objects if technological connection to electric grid fee is set at the level appropriate for the consumers.

It should be pointed out that operation of the monopoly sphere enterprises is always fraught with serious risk of improper state tariff regulation. JSC “IDGC of the South” electric power transmission tariffs set presently generally correspond to the economically based level, but

there is no guarantee against the risks of tariff freezing or prescriptive reduction, or approving the tariffs which are not adequate to the Issuer’s expenditure, which can have negative effect on the Issuer’s performance results.

To reduce the specified risks, the Issuer permanently works in coordination with regional tariff authorities at stating the justified tariff level and introducing new advanced methods of tariff-building. Nevertheless the Issuer’s sphere of influence on decisions made by federal and regional executive authorities is limited, and the Issuer cannot ensure situation improvement.

## **2.5.2 Country and regional risks**

### Country risks:

Russian economy is not protected from the market falls and economic slowdown in other countries, which is exemplified by the recent events caused by the world financial crisis.

Economy of Russia is particularly vulnerable to world gas and oil prices change, and natural gas and oil price decrease can decelerate Russian economy’s development. There events can possibly restrict purchasing ability of the Issuer’s product consumers.

Electric power industry restructuring is part of the current government policy. Probability of domestic policy change and shift in principles and priorities regarding the issues of electric power industry regulation can effect detrimentally on the strategic investments attraction plans for the sector development and lead to further market transformation in the industry slowing down or stop.

The risks mentioned are beyond JSC “IDGC of the South” control, preliminary preparation of measures adequate to the corresponding events is difficult due to uncertainty of the situation development, and parameters of the activities carried out will majorily depend on the peculiarities of the situation that arose in each individual case. JSC cannot ensure that activites aimed at coping with the emerging negative changes will lead to the situation improvement.

### Regional risks:

The Issuer is registered in the city of Rostov-on-Don and carries out its operating activities on the territory of Astrakhan, Volgograd, Rostov areas and the Republic of Kalmykia. JSC “IDGC of the South” fulfills functions of managing organization of JSC “Kubanenergo” carrying out its operating activities on the territory of the Krasnodar region and the republic of Adyghea.

The Issuer operates in the politically stable regions, practically without the risk of military conflicts and emergency situations. But there is a risk of terrorist attack for reducing which all the industrial safety measures are taken.

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

Expected actions of the Issuer in case if negative impact of the changed situation in the country (countries) and the region on its operation:

The majority of these risks cannot be under the Issuer’s control because of their scope. In case political or economic situation in Russia or in a certain region destabilizes, the Company will

take a number of measures of anticrisis management with the purpose of maximum decrease of the negative impact of the situation on JSC “IDGC of the South”, 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 ordinary activities:

Military conflicts and emergency rule imposing in the Issuer’s operating country and regions is highly improbable. If military conflicts emerge, the Issuer risks crippling its fixed assets.

Risks connected with the geographic features of the country and the region where the Issuer is registered as a taxpayer and/ or carries out its ordinary activities, including the heightened danger of natural disasters, possible discontinuance of transportation owing to remoteness and/ or inaccessibility etc:

Natural climatic conditions on the territory of JSC “IDGC of the South” service zone are rather diverse. Electric grids are constructed in diverted and disparate geographic zones – from the stepp districts to the mountaineous-wooden localities, seaside regions with high humidity, regular whirlwinds and strong wind force, with abnormal icing hazard.

There exists a probability of emergency situations caused by hurricanes, heavy rains with squall wins and hail, flash floods and inundations that can cause material damage to the population, housing and public utilities, and community objects, road-transport and railway communication can be broken down, heat and electric power users supply can be discontinued. In order to cover damage from the emergency conditions resulting (among the rest) from the natural disasters, the Company made property insurance agreements.

To minimize the calamity-based and negative natural climatic effects risks (especially in autumn and winter period), the Company’s branches carry out preparation activities, emergency stores of materials and equipment are made, emergency response and restoration teams are being trained.

Enterprises of the region prepared specialized anti-crisis programmes contemplating combined actions of power engineers, government authorities, MACDEDR (Ministry of the Russian Federation for Affairs of Civil Defence, Emergencies and Disaster Relief), Ministry of Defense, Rostekhnadzor (Federal Service of Environmental, Technological and Nuclear Supervision), special emergency response centres are organized. In close cooperation with the abovementioned organizations, specialized process-oriented trainings are held according to temporary deenergizing schedules worked out and approved in coordination with the heads of municipal units administrations.

Besides, for emergency situations prevention and elimination, and for disaster recovery, federal and local budget funds’, Reserve Fund of the Government of the Russian Federation money is appropriated, federal and regional emergency, recovery rescue services are involved.

The Issuer performs its activity on the territory which is not considered to be risk zone for natural calamities. Effects of natural disasters are local in character.

Risks connected with special dangers of natural catastrophes are estimated by the Issuer as minimum.

### 2.5.3 Financial risks

Financial risks, the most important risks for Russia, arise in the sphere of relationships between the issuer and banks, and other financial institutions. The higher the Issuer's debt-equity ratio, the more it depends on the creditors, the more dangerous are financial risks it is exposed to, for credit limiting, termination and tightening implies difficulties in the Company's economic activities.

Risks caused by interest rates variation, exchange rate changes in connection with the Issuer's operation or hedging practised by the Issuer for mitigation of negative consequences of the specified risks' effects:

In the course of carrying out its ordinary activities 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 its own financial condition, floating interest rate behaviour, considers this risk to be insignificant. To reduce debt portfolio service costs the Company aims at using credits and loans with fixed interest rate.

The Issuer does not resort in its activities to hedging as a financial risks management tool.

The Issuer fulfills its 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 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 its activity only domestically and does not plan to operate on the foreign market, that is why the effect of the national currency exchange rate to foreign currency (US dollar, euro) variations on the Issuer's financial state is estimated as inconspicuous.

Expected actions of the Issuer in case of negative impact of the 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 programme will be modified.

At present exchange risks are not important for the Issuer, as the issuer does not perform external economic activities, does not have debt funds in foreign currency. In case of negative impact of exchange rate shift on the financial and economic operations, the Issuer plans to analyse risks and take corresponding decision in each individual situation.

Influence of inflation on security interest payments. Inflation levels considered critical by the Issuer, and expected Issuer’s actions on the specified risk’s mitigation:

The Issuer operates on the territory of the Russian Federation. Inflation growth in the Russia Federation will lead to the general increase of interest rates, including the Issuer’s bond interest rates, which can require heightening rates on the newly issued bonds.

Change of consumer price index has certain influence on the Issuer’s profitability level and financial and economic operation results, but the influence is not direct correlation factor.

The 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.

Financial reporting indicators which are most of all exposed to change under the influence of the specified financial risks. Risks, their probability and pattern of change in the reporting:

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 this risk is low and originates from the 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 the internal market:

Legal risks, among them the ones connected with ambiguous treatment of legislation of the Russian Federation, can cause improper tax assessment and payment. To minimize the risks, the Issuer’s accountant’s office continuously works on optimizing the patterns of different taxes’ taxation base calculation and control of adherence to the current legislation of the Russian Federation.

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, this 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.

Besides, there exist risks associated with legislation change, and improper legal documents processing and the Issuer’s activity support. In order to mitigate such risks, all the Issuer’s operations are subject to preliminary legal analysis.

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.

The Issuer is exposed to risks of appeals from the shareholders of JSC “IDGC of the South”

and JSC “Kubanenergo” in relation to which the Issuer fulfills functions of sole executive body about major transactions and transactions of interest (when such transactions are closed without preliminary approval of the Board of Directors or the General Shareholders Meeting, and approved against the stated order).

To reduce the risks, when such transactions are made by JSC “IDGC of the South” and JSC “Kubanenergo”, preliminary legal analysis of transactions closed is made on a compulsory basis with the purpose of finding out the grounds for preliminary corporate procedures stipulated by the current legislation and/ or the charters. If necessary, the transactions are submitted to consideration of responsible management authorities of JSC “IDGC of the South” and JSC “Kubanenergo”.

Risks linked with JSC “IDGC of the South” and JSC “Kubanenergo” shareholders’ relationships include, among the others, the following: risks based on registering rights for shares; “green mail” risk on the side of shareholders; risk of unfriendly shareholders’ activities aimed at general shareholders meetings breakdown.

To minimize the risks, JSC “IDGC of the South” and JSC “Kubanenergo” shareholders’ register is held by the professional registrar JSC “CMD” who has essential experience of work at the Russian stock market (actually from the moment of its revival in early 1990s) and traditionally leading in the registrars’ ratings (including the factor of “reliability”). Besides, JSC “IDGC of the South” takes a number of measures for information cooperation with shareholders (information disclosure in the order stipulated by the legal acts, and meetings of the issuer’s management with shareholders, mainly oriented at clearing out topical issues of current activity).

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:

The Issuer participates in tax relationships as well as any other subject of economic activity. At present, tax legal relationships in the Russian Federation are regulated by the Tax Code of the Russian Federation, a number of federal laws correlated with the Tax Code of the RF, and normative acts of the local authorities of municipal government. The system of legally established taxes and levies incorporates among the others value-added tax, income tax, property tax, unified social tax and other obligatory payments. The corresponding normative acts often contain vague wording or make use of terms without indefinite legal meaning. Besides, Ministry of Finance of the RF and the Federal Tax Service of the RF entitled to give official explanations on the tax legislation often give explanations and commentary contradicting both the tax legislation norms and court precedents on certain cases. Fiscal authorities are guided in these situations by bylaws and explanations of the specified state bodies singularly oriented at different levels budgetary recharge, taxpayers’ rights and legal interest are often violated at that. Preparation and submission of tax reports, along with other elements of tax legal relationships regulation system, are majorly in the competence of tax authorities, entitled to make additional charge of taxes and levies, charge penalty fees, impose substantial fines. As a consequence, tax risks in Russia materially exceed

similar risks characteristic of countries of more advanced market economy and tax legislation.

The Issuer’s management supposes that the Company fulfills tax legislation of the RF in full, as far as its activity goes, which nevertheless, does not exclude potential risks of tax charging in case of state fiscal policy changes regarding certain taxes and levies, and alterations (not to the taxpayer’s benefit) of court practice on some tax cases categories.

At present, Government of the Russian Federation is implementing Russian taxpayer’s tax load decrease policy. In this connection, no changes are expected in the nearest future to the tax legislation of the Russian Federation in part of tax rate increase and/ or tax payment order and terms changes.

In case changes are introduced to the current taxation order and conditions, the Issuer intends to plan the financial and economic activity respectively.

In view of the abovementioned facts, the risk is estimated as insignificant.

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 of any kind since the Issuer does not plan to export services outside the Russian Federation.

Risks connected with change of requirements on the Issuer’s ordinary activity licensing or licensing of rights for use of objects with limited recourse (including natural resources):

Changes of requirements on the Issuer’s ordinary activity licensing or licensing of rights for use of objects with limited recourse are not expected.

If license regulation requirements of the Issuer’s activity or rights for use of objects with limited recourse change, the Company will take necessary measures to obtain the corresponding licenses and permits.

Risks connected with changes in judiciary law on matters concerning 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 where the Issuer participates:

Probability of changes in judiciary law on matters that concern the Issuer’s activity (including license regulation) is considered to be low and will not have serious impact on the operation.

In case changes are introduced to judiciary law on matters concerning the Issuer’s activity, the Issuer intends to plan financial and economic operations with regard to the changes.

### **2.5.5 Risks connected with the Issuer’s activity**

Risks connected with the current litigations of the Issuer

As a consequence of the Issuer’s restructuring in the form of accession of JSC “Rostovenergo”, JSC “Astrakhanenergo”, JSC “Kalmenergo”, JSC “Volgogradenergo” (further referred to as DGCs), the Issuer in accordance with procedural succession replaced the accessed companies in the juridical disputes that already exist. Besides, limitation periods of the accessed companies’ obligations are not over for the present, in which connection claims can be

presented on the Issuer as legal successor by universal title. Thus, the most fundamental risk is probability of assigning negative litigation and obligations nonperformance (or improper performance) consequences to the Issuer, whereas the processes were outside the Issuer’s control before the moment of the specified companies’ accession.

Besides, the Company is at risk of negative effects connected with litigations on shareholders’ appeal against decisions of General Shareholders Meeting and other management authorities both of the Issuer and of companies in relation to which the Issuer functions as sole executive body.

At present, the Issuer is sued on the charge of “Neft-Aktiv”, LLC, against “Kubanenergo”, JSC, its Registrar “CMD” (“Central Moscow Depositary”), JSC, and “IDGC of the South”, JSC, concerning appeal of JSC “Kubanenergo” General Shareholders Meeting vote on the item of joining the Issuer.

If the claimants’ demands are satisfied in courts of all jurisdictions, “Kubanenergo”, JSC, will be at risk of not joining “IDGC of the South”, JSC.

Risks connected with impossibility of the Issuer’s license renewal for a certain kind of activity or use of objects with limited recourse (including natural resources):

On creating the joint operating company JSC “IDGC of the South” by accession of DGCs to it, necessity appeared to re-issue licenses for ordinary activity, with procedural succession.

In accordance with Government of the Russian Federation Decree dd 20.03.2006 No.151, legal successors founded on reorganizing Russian Open Joint Stock Company of Electric Power and Electrification “UES of Russia”, its subsidiaries and affiliated joint stock companies of electric power and electrification, as well as other subjects of natural monopoly in the electric power industry by accession, division or extraction have a right to fulfill activities subject to licensing under Federal Law “On Licensing Certain Activities”, based on the licenses issued earlier to the juridical bodies reorganized pursuant to the terms and procedure set forth in the specified Federal Law, but not longer than six months after the date of state registration of the newly emerged juridical bodies. The decree also regulates the terms and procedure of informing the licensing authorities about reorganization. By the present moment, the Issuer has fulfilled all the required procedures on obtaining licenses, both for its ordinary activity and for other activities practised by the Issuer and 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 third parties.

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

“Kubanenergo”, JSC debt responsibility can only take place on the basis and in order stated by the current legislation of the RF, namely Art. 71 of Federal Law dd 26.12.1995 No.208-ФЗ “On Joint Stock Companies”, powers of the sole executive body being delegated to JSC “IDGC of the South”. Moreover, guilty actions (omission) are an indispensable condition of prosecuting JSC “IDGC of the South”. Probability of such risks occurrence is low.



Risks connected with possibility to lose customers providing at least 10 percent of the total product (works, services) sales revenue of the Issuer through their turnover:

As the outside organizations have no alternative grid equipment and qualified personnel (for maintenance and repairs), the risk can be estimated as insubstantial.

### **2.5.6 Banking risks**

This kind of information is not provided by the Issuer, as the Issuer is a non-credit entity.

## **III Detailed information on the Issuer**

### **3.1 ESTABLISHMENT HISTORY AND DEVELOPMENT OF THE ISSUER**

3.1.1 Data on the company name (name) of the Issuer:

Full company name of the Issuer:

-in Russian: **Открытое акционерное общество “Межрегиональная распределительная сетевая компания Юга”**

-in English: **“Interregional Distributive Grid Company of South”, 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 corporate bodies – interregional distribution grid companies established in the reforming process of the electric power complex of Russia, including:

- 1) “Interregional Distributive Grid Company of the Centre and Privolzhkiye”, Joint Stock Company (“IDGC of the Centre and Privolzhkiye”, JSC);
- 2) “Interregional Distributive Grid Company of the Urals”, Joint Stock Company (“IDGC of Urals”, JSC);
- 3) “Interregional Distributive Grid Company of Volga”, Joint Stock Company (“IDGC of Volga”, JSC);
- 4) “Interregional Distributive Grid Company of the Centre”, Joint Stock Company (“IDGC of the Centre”, JSC);
- 5) “Interregional Distributive Grid Company of the Northern Caucasus”, Joint Stock Company (“IDGC of the Northern Caucasus”, JSC);
- 6) “Interregional Distributive Grid Company of Siberia”, Joint Stock Company (“IDGC of

Siberia”, JSC);

7) “Interregional Distributive Grid Company of the Northwest”, Joint Stock Company (“IDGC of the Northwest”, 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 Privolzhije, the Urals, Volga, the Northern Caucasus, Siberia, the Northwest.

Besides, it became known from the Internet information that the Issuer’s name is similar to short names of other juridical bodies, namely “IRIC”, JSC<sup>1</sup> (Interbank Regional Insurance Company”), Limited liability company (OOO) “MPCK”<sup>2</sup>. In order not to confuse the Issuer’s name with that of other companies, one must pay attention to the companies’ form of incorporation and full company names.

The Issuer’s company name has not been registered as trademark or service mark.

The Issuer’s full and short company names as well as its legal organizational form have not changed throughout the company’s lifetime.

### 3.1.2 Data on state registration of the Issuer

Primary state registration number of a corporate body (PSRN)	<b>1076164009096</b>
Date of state registration	<b>June 28, 2007</b>
Name of the registering authority in accordance with the data fixed in the certificate on making an entry in the Unified state register of legal entities	<b>Federal Tax Service Office in the Leninskiy district, Rostov-on-Don</b>

### 3.1.3 Data on establishment and development of the Issuer

The Issuer’s lifetime from the registration date till the end of the accounting period: **2 (two) years.**

The Issuer is established without limitation as to time.

Short establishment history and development of the Issuer

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

Goals and objectives of reorganization in the electric power industry are determined by Executive Order of the Government of the Russian Federation dated 11.07.2001 No.526 “On Reforming Electric Power System of the Russian Federation”. The goals and objectives with reference to subsequent changes in the regulatory environment are further specified in the

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<sup>1</sup> Translator’s note: In Russian spelling the company names coincide: “MPCK”, OAO

<sup>2</sup> Translator’s note: Spelt in Russian.

“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 of meeting dd 23.05.2003 No.143).

Strategic objective of the industry’s restructuring consists in turning the electric power industry to steady growth on the basis of using 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 and the long terms.

Electric power enterprises efficiency enhancement and creating conditions for the industry’s development on the basis of private investment made key goals of the industry’s restructuring.

In conformance with Decree of the Government of the Russian Federation dd 11.07.2001 No.526 and the idea of AO-energoes restructuring on the form of companies’ split-off by activity types, distributive grid companies which were planned to incorporate during the next reform stage into interregional distributive grid companies (IDGCs).

IDGC structure was formed on the principles of member DGCs areal contingency and book value of assets comparability.

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

On June 28, 2007 JSC “IDGC of the South” was registered on the basis of the decision of the sole founder – JSC RAO “UES of Russia” (Executive order of JSC RAO “UES of Russia” dd 22.06.2007 No192p).

Following the decision of Board of Directors of JSC RAO “UES of Russia” (Minutes of meeting dd 27.04.2007 No.250), JSC, RAO “UES of Russia” and JSC “FGC UES” (“Federal Grid Company Unified Energy Systems) issued a joint Executive order dd 29.06.2007 No203p/217p on assignment of responsibility to General Directors of IDGCs for operation of subordinate juridical bodies.

JSC “IDGC of the South” Chief Executive Officer was assigned responsibility by the executive order for operation of the following DGCs: JSC “Astrakhanenergo”, JSC “Volgogradenergo”, JSC “Kubanenergo”, JSC “Rostovenergo”, JSC “Kalmenergo”.

In August and September of 2007, with the purpose of management efficiency upgrading in the abovementioned DGCs ensuing the decisions of extraordinary General Shareholders Meetings, JSC “IDGC of the South” was delegated the functions of the DGCs’ sole executive authorities.

On November 30,2007, Board of Directors of RAO “UES of Russia”, JSC approved JSC “IDGC of the South” supplement shares issue parameters (Minutes No.266), issues to be placed by conversion of JSC “Astrakhanenergo”, JSC “Volgogradenergo”, JSC “Kubanenergo”, JSC “Rostovenergo”, JSC “Kalmenergo” shares into supplement ordinary shares of JSC “IDGC of the South” at joining of the mentioned DGCs to JSC “IDGC of the South”.

On December 25, 2007 Management Board of JSC RAO “UES of Russia” fulfilling functions of an extraordinary General Shareholders Meeting of JSC “IDGC of the South” (Minutes No1795np/6), made the following decision: to reorganize JSC “IDGC of the South” in the form of incorporating JSC “Astrakhanenergo”, JSC “Volgogradenergo”, JSC “Kubanenergo”, JSC “Rostovenergo”, JSC “Kalmenergo”; to approve the agreement on joining of JSC “Astrakhanenergo”, JSC “Volgogradenergo”, JSC “Kubanenergo”, JSC “Rostovenergo”, JSC “Kalmenergo” to JSC “IDGC of the South”; to increase authorized capital of JSC “IDGC of the South” by placing supplement ordinary shares totaling 80 789 200 000 shares with nominal value 10 kopecks each for the total sum of 8 078 920 000 rubles at nominal value, placement method – conversion to the shares of affiliated companies.

On January 18, 2008 ensuing extraordinary General Shareholders Meetings of the five mentioned DGCs, decisions were taken to restructure the companies in the form of joining JSC “IDGC of the South”.

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

Since March 31, 2008 JSC “IDGC of the South” began functioning as a joint operating company.

In March of 2008, restructuring of JSC “Kubanenergo” was ceased. Up to the present, JSC “IDGC of the South” fulfills the sole executive body functions in relation to JSC “Kubanenergo”.

Mission of JSC “IDGC of the South” consists in the living standards increase of JSC “IDGC of the South” electric grid complex service zone population, by way of sustainable long-term electric power demand satisfaction on the basis of reliable, safe and ecofriendly power supply with minimum loads on natural resources.

Acknowledging the responsibility, the Company’s management determines its aim in the field of creating an efficient management system as achieving sufficient level of service rendered on transmitting electric power to satisfy customer requirements and provide stable profits allocated at securing the Company’s shareholders’ and personnel demands, with corresponding health care and labour safety assurance, for making the environment-friendly output expansion.

Key strategic goal of JSC “IDGC of the South” consists in enhancing operational efficiency of the distributive electric grid complex, its development, providing customer power supply of maximum reliability, increasing the Company’s market capitalization, improving its investment attractiveness.

**To achieve this, the following principal strategic sectors are singled out:**

- distributive electric grid complex operational reliability and quality improvement;
- business value enhancement of JSC “IDGC of the South”;
- practising client centred approach in activities of JSC “IDGC of the South”;

- providing technological business process organization efficiency on the level of world-best experience;
- building a unified integrated high-tech management system of JSC “IDGC of the South”;
- upgrading the overall human resources management system of JSC “IDGC of the South”.

The Issuer’s goals in the spheres of quality, ecology, health care and labour security for 2009:

1. To bring the Company’s management system to conformity with international standards ISO 9001:2008 (GOST R ISO (national standard) 9001-2001), ISO 14001:2004 (GOST R ISO (national standard) 14001-2007), OHSAS 18001:2007.

2. To increase the level of customer satisfaction by way of improving service maintenance through setting up at least 5 new customer service centres.

3. To improve customer power supply reliability through:

- investment programme fulfillment assurance;
- equipment repair schedules implementation;
- upgrading the level of the Company personnel’s professional competence.

4. Reducing the annual level of professional traumatism and illness of the Company’s personnel through:

- identifying and assessing health care and labour security risks in accordance with requirements of the standard OHSAS 18001;
- working out and implementing the Programme on predicting and mitigating risks in the spheres of health care and labour security;
- assessment of workplaces with respect to working conditions and further vetting the works as for work safety;
- providing necessary individual protection gear, special clothes and footwear for the Company’s personnel;
- sanitary and residential, medical and preventive provision of the Company’s personnel in accordance with sanitary and hygienic norms and labour safety rules;
- carrying out medical examinations, vaccinations.

5. To reduce negative influence on the environment by carrying out activities aimed at cutting back hazardous waste formation;
6. To improve management of environment protection through introducing ecological management system and instructing the personnel;
7. To conform to the requirements of the present environmental legislation of the RF through obtaining authorizations in due time, paying fee for negative impact on the environment, carrying out ecological operational control, monitoring and internal auditing.

The main goal of JSC “IDGC of the South” operations is gaining profit, which is possible to achieve for the Company with the following priority areas of activity and strategic objectives, given current conditions:

- demand satisfaction and accumulation of reserve of electric powers within the scope of economic development for 3-5 years;
- lowering the Company’s facilities run-out to the level of world leaders;
- providing quality and reliable customer electric power supply;
- providing the Company’s operational efficiency indicators at the level of world market leaders among similar electric grid companies;
- providing stable profitability the level of the Russian Federation resident companies with similar market risks by 2015;
- providing the Company’s capitalization growth up to the level of similar companies from countries of the same stage of economic development;
- increasing investment attractiveness of JSC “IDGC of the South” securities.

In order to provide reliable power supply services, JSC “IDGC of the South” carries out works on capital construction, technological re-equipment, renovation and repairs of the Company’s electric power facilities.

#### **3.1.4 Contact information**

The Issuer’s location: **49 Bolshaya Sadovaya Str., Rostov-on-Don, Russian Federation, 344002**

Postal address: **327 Severnaya Str., Krasnodar, Russian Federation, 350015**

Telephone: **(861) 279-85-29**

Fax: **(861) 279-85-54**

E-mail address: **[kuznecovaln@mrsk-yuga.ru](mailto:kuznecovaln@mrsk-yuga.ru)**

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

Data on the Issuer’s specialized division for shareholders: **Securities and shareholders**

**division of the Corporate Management Department of JSC“IDGC of the South”.**

Location: **Room 627, 327 Severnaya Str., Krasnodar, Russian Federation, 350015**

Contact persons: **head of the section Yurchenko Anna Ivanovna**

Telephone/ fax number: **(861) 279-85-38**

E-mail address: **yurchenkoai@mrsk-yuga.ru**

Specialist of the section: **Luneva Olga Sergeevna**

Telephone/ fax number: **(861) 279-85-36**

E-mail address: **lunevaos@mrsk-yuga.ru**

**3.1.5. Taxpayer’s Identification Number: 6164266561**

**3.1.6 Branches and regional offices of the Issuer**

<b>Branch name</b>	<b>Opening date of branch office</b>	<b>Location of the branch</b>	<b>Name of the branch manager</b>	<b>Terms of warrant of the branch managers</b>
JSC“IDGC of the South” branch – “Astrakhanenergo”	31.03.2008	32 Krasnaya Naberezhnaya Str., Astrakhan, 414000	Stolyarov Mikhail Nikolaevich	since 22.12.2008 until 31.12.2009
JSC“IDGC of the South” branch – “Volgogradenergo”	31.03.2008	15 prospekt Lenina, Volgograd, 400066	Bibin Yevgeny Alekseevich	since 22.12.2008 until 31.12.2009
JSC“IDGC of the South” branch – “Kalmenergo”	31.03.2008	Northern industrial zone, Elista, Republic of Kalmykia, 358007	Alayev Timur Ulumdgievich	since 15.12.2008 until 31.12.2009
JSC“IDGC of the South” branch – “Kubanenergo”	Not in operation	2 Stavropolskaya Str., Krasnodar, Russian Federation, 350033	Pestov Dmitry Vladimirovich	since 22.12.2008 until 31.12.2009
JSC“IDGC of the South” branch – “Rostovenergo”	31.03.2008	49 Bolshaya Sadovaya Str., Rostov-on-Don, 344002	Skorikov Sergey Vladimirovich	since 22.12.2008 until 31.12.2009

**3.2 ORDINARY ECONOMIC ACTIVITIES OF THE ISSUER**

**3.2.1 Company’s industry of the Issuer**

Code numbers of the main sectors of the Issuer’s activity according to the Russian national classifier of economic activities (RNCEA):

**40.10.2 - electric power transmission;**

**40.10.3 - electric power distribution;**

**40.10.5 - activities on providing electric grids operability;**

**64.20.11 – activities in telephony;**

**74.14 - consulting on matters of commercial activity and management;**

**74.15.2 – management activities of holding companies.**

### 3.2.2 Ordinary economic activities of the Issuer

JSC “IDGC of the South” incorporates distributive grid complexes in 4 subjects of the Russian Federation (the Republic of Kalmykia, the Astrakhan, the Volgograd and the Rostov areas) carries out the following activity which provides at least 10 percent of the Issuer’s revenue (profits) for each accounting period:

- rendering commercial services on electric power transmission through carrying out a set of organizational and technological activities, including operational technological management providing electric power via technical devices of the Company’s electric grid;
- rendering services on technological connection of power receivers (power units) of legal entities and physical persons to the Company’s grid.

The Issuer’s ordinary economic activity is not seasonal.

Products providing at least 10 % of the Issuer’s Sales volume:

Item description	2008	Quarter I of 2009
<b>Electric power transmission</b>		
Profit on electric power transmission service, rubles in thousands	10 785 341	4 221 255
Share in total profit, %	82%	95%
<b>Technological connection services</b>		
Profit on technological connection service, rubles in thousands	1 995 389	193 741
Share in total profit, %	15%	4,4%

**Installed capacity and asset characteristics (data on transformer plants (TPs) and electric power transmission lines) as of 31.03.2009**

Indicator	Measurement unit	Total	JSC“IDGC of the South” branch – “Astrakhanenergo”	JSC“IDGC of the South” branch – “Volgogradenergo”	JSC“IDGC of the South” branch – “Kalmenergo”	JSC“IDGC of the South” branch – “Rostovenergo”
<b>Number and capacity of TPs 35-220 kWt, total</b>	<b>pcs</b>	<b>1 217</b>	<b>135</b>	<b>396</b>	<b>117</b>	<b>569</b>
	<b>MVA</b>	<b>18 177,9</b>	<b>2 031,8</b>	<b>6 482,4</b>	<b>1 111,0</b>	<b>8 552,7</b>
incl. TPs 220 kW	<b>pcs</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>
	<b>MVA</b>	<b>516,5</b>	<b>0,0</b>	<b>126,0</b>	<b>390,5</b>	<b>0,0</b>
TPs 110 kW	<b>pcs</b>	<b>635</b>	<b>89</b>	<b>260,0</b>	<b>46</b>	<b>240</b>
	<b>MVA</b>	<b>14 402,3</b>	<b>1 675,0</b>	<b>5 565,6</b>	<b>511,0</b>	<b>6 650,7</b>
TPs 35 kW	<b>pcs</b>	<b>578</b>	<b>46</b>	<b>134</b>	<b>69</b>	<b>329</b>
	<b>MVA</b>	<b>3 259,1</b>	<b>356,8</b>	<b>790,8</b>	<b>209,5</b>	<b>1 902,0</b>
<b>Length of HVL, total</b>	<b>km</b>	<b>156 971,7</b>	<b>19 993,7</b>	<b>45 844,0</b>	<b>18 904,0</b>	<b>72 230,0</b>
Length of HVL 35-220 kW	<b>km</b>	<b>27 559,9</b>	<b>3 029,6</b>	<b>8 899,0</b>	<b>4 154,3</b>	<b>11 477,0</b>
incl. HVL 220 kW	<b>km</b>	<b>386,2</b>	<b>0,0</b>	<b>141,0</b>	<b>245,2</b>	<b>0,0</b>
HVL 110 kW	<b>km</b>	<b>15 693,9</b>	<b>2 439,5</b>	<b>5 987,0</b>	<b>1 955,4</b>	<b>5 312,0</b>



HVL 35 kW	km	<b>11 479,8</b>	590,1	2 771,0	1 953,7	6 165,0
Length of HVL 0,38-10 kW	<b>km</b>	<b>129 410,9</b>	<b>16 964,1</b>	<b>36 945,0</b>	<b>14 748,8</b>	<b>60 753,0</b>
incl. HVL 10 kW	km	<b>72 682,8</b>	9 716,8	21 297,0	11 885,0	29 784,0
HVL 6 kW	km	<b>3 867,1</b>	1 101,1	927,0	0,0	1 839,0
HVL 0,38 kW	km	<b>52 861,0</b>	6 146,2	14 721,0	2 863,8	29 130,0
<b>Length of CL, total</b>	<b>km</b>	<b>1 660,5</b>	<b>804,3</b>	<b>368,6</b>	<b>0,9</b>	<b>486,7</b>
incl. CL 110-35 kW	km	<b>84,7</b>	0,0	0,0	0,0	84,7
CL 10-0,38 kW	km	<b>1 575,8</b>	804,3	368,6	0,9	402,0
Number and capacity of TS 6,10/0,38 kW	<b>pcs</b>	<b>30 978</b>	3 615	10 460,0	3 110	13 793
	MVA	<b>4 862,0</b>	750,5	1 822,0	311,3	1 978,3

<b>Items of expenditure</b>	<b>As of 31.03.2009</b>
Raw materials and supplies, %	2,50
Purchased component parts, intermediates, %	1,70
Production works and services by outside organizations, %	33,20
Fuel expenses, %	0,80
Power, %	25,86
Labour costs, %	17,27
Rent, %	0,31
Social expenses, %	4,38
Fixed assets depreciation, %	11,75
Taxes included on production cost, %	0,53
Other expenses, , %, inclusive:	4,20
intangible assets depreciation, %	0
remuneration for rationalization proposals, %	0
obligatory insurance payments, %	0,04
expenses representation, %	0,01
other, %	4,15
Total: production and sales-related costs (works, services) (cost of production), %	100,0
For reference: Sales revenue (works, services) to production cost ratio, %	102,0

Data on electric power transmission in quarter I of 2009:

**Note:** Grid output – electric power volume delivered to the electric grid delivered from other grids or electric power

Branch names of JSC “IDGC of the South”	Grid output	Productive supply	General power loss	
	kWh in thousands	kWh in thousands	kWh in thousands	%
“Astrakhanenergo”	1 050 582,6	794 030,4	256 552,2	24,42
“Volgogradenergo”	4 028 660,9	3 689 843,4	338 817,5	8,41
“Kalmenergo”	136 610,1	104 079,3	32 530,8	23,81
“Rostovenergo”	3 782 873,6	3 400 300,8	382 572,8	10,11
<b>TOTAL in JSC “IDGC of the South”</b>	<b>8 998 727,1</b>	<b>7 988 253,9</b>	<b>1 010 473,2</b>	<b>11,23</b>

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.

Following JSC “IDGC of the South” results for quarter I of 2009, with grid output of 8 998,7 mln. kWh, productive output made 7 988,3 mln kWh. Actual loss for quarter I of 2009 made 1 010,5 mln kWh or 11,23 % of the grid output.

#### Total of services rendered in quarter II of 2009:

Item number	Indicator	Measurement units	Plan for quarter II of 2009	Actual for quarter II, 2009	Deviations, %
<b>1</b>	<b>Total of services rendered, including:</b>	<b>KWh in mln</b>	<b>8 417,6</b>	<b>7 959,0</b>	<b>-5,4</b>
	“Astrakhanenergo”	kWh in mln	825,4	794,0	-3,8
	“Volgogradenergo”	kWh in mln	3 980,9	3 693,9	-7,2
	“Kalmenergo”	kWh in mln	112,8	104,1	-7,7
	“Rostovenergo”	kWh in mln	3 498,5	3 367,0	-3,8
<b>2</b>	<b>Revenues, including:</b>	<b>rubles in thousands</b>	<b>4 756 899,5</b>	<b>4 221 254,6</b>	<b>-11,3</b>
	“Astrakhanenergo”	rubles in thousands	654 175,1	613 843,4	-6,2
	“Volgogradenergo”	rubles in thousands	1 617 747,3	1 304 367,8	-19,3
	“Kalmenergo”	rubles in thousands	132 815,2	113 735,7	-14,3
	“Rostovenergo”	rubles in thousands	2 352 161,9	2 189 307,8	-6,9

Quarter I of 2009 witnessed rendered transmission service volume decrease by 7 959,0 kWh (5,4%) in JSC “IDGC of the South” branches compared to the plan figure of 8 417,6 kWh. It is caused by cut power consumption of major industrial users due to the economic situation in the country.

Electric power transmission of JSC “IDGC of the South” total revenue in quarter I of 2009 made 4 221,255 mln rubles (revenue as of profit and loss statement of quarter I, 2009), which is lower than plan indicator by 535,645 mln rubles (quarter I of 2009 plan in conformance with business plan is equal to 4 756,899 mln rubles).

Average settlement rate for JSC “IDGC of the South” power loss in quarter I of 2009 made 27,76 kopecks/kWh, average settlement rate for grid support made – 250 029,99 rubles/MW/month.

Productive output to end users totaled 7 959,04 mln kWh, which is lower by 458,569 mln kWh than the plan (8 417,608 mln kWh). Impact of the factor on quarter I of 2009 revenue makes 259,144 mln rubles in value terms.

By the results of quarter I of 2009, the actual average power transmission tariff (with ) made up (inclusive of load loss) made up 53,04 kopecks/kWh, which is lower by 3,47 kopecks/kWh than plan tariff according to business plan (56,51 kopecks/ kWh). Impact of the indicator on quarter I of 2009 revenue makes 276,501 mln rubles in value terms.

### Information on electric power transmission tariffs and fees for technological connection to distributive grid

By order of Federal tariff service of the Russian Federation as of June 16, 2008 No.208-э, JSC “IDGC of the South” is included on the register of natural monopoly holders in the fuel and energy complex subject to state regulation and control by way of electric power transmission and customer technological connection to electric power grid service tariff setting.

### Information electric power transmission services

In accordance with the current legislation of the Russian Federation, electric power transmission services tariff rate is set individually by regulatory authorities in each region.

Tariff information on the power transmission services of JSC “IDGC of the South” branches for 2009 is given in the tables.

Since the beginning of 2009, long-term electric power transmission service tariffs are used on the territory of the Astrakhan and Rostov areas, calculated on the basis of RAB method (invested capital profitability estimate).

### Tariffs for JSC “IDGC of the South” branch - “Rostovenergo”

Tariffs		High voltage	Medium voltage-1	Medium voltage -2	Low voltage
“Boiler” tariffs approved by decree of Regional tariffs service No 14/3 as of 26.12.2008	Rate (tariff) for electric power grids maintenance (rub/MW/months)	252 085,98	391 628,90	414 019,97	437 422,70
	Rate (tariff) for technological consumption (losses) of electric power at transmission via grid (rub/MWh)	628,24	589,07	113,15	380,82
	TOTAL, rub/MWh	1 027,77	1 681,45	952,10	1 303,10

### Tariffs for JSC“IDGC of the South” branch - “Volgogradenergo”

Tariffs		High voltage	Medium voltage-1	Medium voltage -2	Low voltage
“Boiler” tariffs set by Decree of Regional directorate for tariffs of the Volgograd area administration as of 25.12.2008 No 45/5	Rate (tariff) for electric power grids maintenance (rub/MW/months)	268 963,11	533 217,85	638 340,93	907 151,25
	Rate (tariff) for technological consumption (losses) of electric power at transmission via grid (rub/MWh)	21,33	113,45	132,18	478,3
	TOTAL, rub/MWh	413,52	843,89	1835,45	2081,76

### Tariffs for JSC“IDGC of the South” branch - “Kalmenergo”

Tariffs		High voltage	Medium voltage-1	Medium voltage -2	Low voltage	Low voltage-urban population, with VAT	Low voltage-rural population, with VAT
“Boiler” tariffs set by Order of Regional tariffs service, Regional committee as of 16.12.2008 No 88-п/э	Rate (tariff) for electric power grids maintenance (rub/MW/months)	1 259,28	1 618,61	1 656,66	2 092,90	1 133,62	393,62
	Rate (tariff) for technological consumption (losses) of electric power at transmission via grid (rub/MWh)	52,97	93,64	165,59	269,35	317,84	317,84
	TOTAL, rub/MWh	1 312,25	1 712,25	1 822,25	2 362,25	1 451,46	711,46

### Tariffs for JSC“IDGC of the South” branch - “Astrakhanenergo”

Tariffs		High voltage	Medium voltage-1	Medium voltage -2	Low voltage
“Boiler” tariffs set by Decree of Regional directorate for tariffs of the Astrakhan area administration as of 16.10.2008 No79	Rate (tariff) for electric power grids maintenance (rub/MW/months)	126 178,62	163 657,87	321 658,57	471 240,12
	Rate (tariff) for technological consumption (losses) of electric power at transmission via grid (rub/MWh)	192,9	228,45	278	109,5
	TOTAL, rub/MWh	427,74	548,56	853,96	995,92

### Information on technological connection tariffs

In accordance with the current legislation of the Russian Federation, the amount of fee for technological connection is set by the regulation authorities independently for each region. As there is no unified methodology, the order of technological connection tariff implementation as well as tariff differentiation criteria, the Company’s branches differ in the form of tariffs differentiation.

Tariff information on technological connection of power receivers (power units) of legal entities and physical persons to the Issuer’s electric grid is tabulated.

### Tariff menu of technological connection

Branch names of JSC “IDGC of the South”	Date of tariff decision	Connection category		Fee, rub. For 1 kV, without VAT **
		Power range, kW	Voltage level in the point of connection, kV	
Branch of JSC “IDGC of the South” – “Volgogradenergo”	Decree of Regional directorate for tariffs of the Volgograd area administration as of 04.06.2008 No 17/3	<b>For connecting the users’ power receivers if it is technically possible</b>		
		<b>“City zone” (Volgograd)</b>		
		lower than 100 kW	0,4	1778,23
		higher than 100 kW	0,4	93,17
		lower than 100 kW	6-10	544,23
		from 100 to 750 kW	6-10	211,54
		higher than 750 kW	6-10	93,98
		<b>“Area zone” (the Volgograd area, except for Volgograd)</b>		
		lower than 100 kW	0,4	1847,99
		higher than 100 kW	0,4	90,43
		lower than 100 kW	6-10	510,09
		from 100 to 750 kW	6-10	192,76
		higher than 750 kW	6-10	110,82
		<b>For connecting the users’ power receivers in view of necessity to construct new feeders and modernize the existing feeders of the Grid organization if it is technically impossible</b>		
		<b>“City zone” (Volgograd)</b>		
		other users of the technological connection services		3834,69
		<b>“Area zone” (the Volgograd area, except for Volgograd)</b>		
		other users of the technological connection services		2119,62
		<b>For connecting the users’ power receivers in view of necessity to construct new feeders and modernize the existing feeders of the Grid organization if it is technically impossible</b>		
		<b>“City zone” (Volgograd)</b>		
		lower than 100 kW	0,4	2312,85
		higher than 100 kW	0,4	9206,63
		lower than 100 kW	6-10	3340,04
from 100 to 750 kW	6-10	5297,58		
higher than 750 kW	6-10	5519,84		
from 16 to 30	Up to 1	356		
from 30 to 100	Up to 10	67		
from 100 to 750	6-35	19		
higher than 750	6-36	4		
Branch of JSC “IDGC of the South” – “Astrakhanenergo”	Decree of tariffs service as of 10.09.2008 No25	not higher than 15 kW Physical persons	For connection	269,74
		higher than 15 kW	0,4-10 kВ	126,98
Branch of JSC “IDGC of the South” – “Kalmenergo”	Order of Regional tariffs service, Regional committee as of 17.02.2006 No23-п/э			

Branch of JSC “IDGC of the South” – “Rostovenergo”	Regional tariffs service, Regional department (PO) as of 26.01.2007 No2/7	1 reliability category		Medium voltage 2 (6-10 kW)	15629,82
				Low voltage (0,4 kW)	20192,16
		2 reliability category		Medium voltage 2 (6-10 kW)	13689,77
				Low voltage (0,4 kW)	17685,8
		3 reliability category		Medium voltage 2 (6-10 kW)	9162,97
				Low voltage (0,4 kW)	11837,63

#### Data on technological connection of users to power grid

For quarter I of 2009, 947 contracts were concluded for technological connection for technological connection to electric power grid of JSC “IDGC of the South” for total capacity of 41,25 MW, cash of 231, 31 mln rubles (with VAT) was collected, revenues made up 193,74 mln rubles. Most part of the cash was accumulated from the users who applied for capacities over 200 kW.

1035 users were actually connected in quarter I of 2009, with capacity of 20,21 MW, for the amount of 68,81 mln rubles (without VAT).

#### Quarterly operational results forecast and commentary

Repair-and-maintenance programmes of JSC “IDGC of the South” branches will be accomplished in accordance with approved working plans and schedules for quarter II.

In accordance with business-plan for quarter II, the following costs are planned for repairs:

Branches of JSC “IDGC of the South”	TOTAL repairs of own property, rubles in thousands	Incl. overhaul, rubles in thousands	Incl. current repairs, rubles in thousands
“Astrakhanenergo”	29 112	25 108	4 004
“Volgogradenergo”	37 486	30 944	6 542
“Kalmenergo”	9 799	8 050	1 749
“Rostovenergo”	118 628	97 513	21 115
<b>Total for “IDGC of the South”</b>	<b>195 026</b>	<b>161 615</b>	<b>33 410</b>

Accounting reporting on the basis of which calculations were made conforms to the current accountancy requirements of the Russian Federation:

- Federal Law of the Russian Federation “On Book Keeping” as of 21.11.1996 No129-Φ3;
- Regulations on conducting book keeping and accounting reporting in the Russian Federation approved by order of the Ministry of Finance of the Russian Federation as of 29.07.1998 No.34H;
- Tax Code of the Russian Federation;

- Chart of accounts for book keeping on financial and economic activity of the enterprises approved by order of the Ministry of Finance of Russia as of 31.10.2000 No.94H, and instruction on its implementation, revised and expanded;
- Order of the Ministry of Finance of the Russian Federation as of 22.07.2003 No.67H “On forms of book keeping reports in organizations”;
- Standards on book keeping and taxation.

### 3.2.3 Materials, products (raw materials) and suppliers of the Issuer

In 2008, the Issuer had no suppliers responsible for at least 10% materials, products (raw materials) supply.

Price changes for the main materials, products (raw materials) of JSC “IDGC of the South” in 2008 compared to 2007:

Item No	Inventory (group of inventory) name	Price change (in percentage from the previous accounting period (2008/2007))
1	Fuel and lubricants	
	Petrol A - 76	20,7
	Petrol AI - 92	14,8
	Diesel fuel	18,1
2	Setting tool УР-3	11,6
3	Protective equipment:	
	Insulating gloves	10,3
	Voltage detector	19,8
4	Single-phase meter “Sapfir-4” (СОЭИ-5/60-4)	44,3
5	Transformer oil ВГ	31,4
6	Armature A 3, 16	34,9
7	Bushing ГКВН-15-110/2000 О1	-13,00
8	Bushing ГКПВН-60-35/1000 О1	-20,9
9	Input breaker BA 99-225S/3-160A	54
10	Input breaker BA 99-225S/3-200A	-57
11	Input breaker BA 99-225S/3-250A	-57
12	Input breaker BA 99-225S/3-40A	32
13	Input breaker BA-5735 100A	-36
14	Input breaker BA-5735 160A	-36
15	Input breaker BA-5735 200A	-36
16	Input breaker BA-5735 250A	-36
17	Input breaker BA-5735 40A	49
18	Input breaker BA-5735 50A	49
19	Input breaker BA-5735 63A	49
20	Input breaker BA-5735 80A	49
21	Insulation kit ИО-10/3,75 ПУ3 с contact 101	-42,85
22	Insulation kit ИО-10-7,5	-16,80
23	Insulation kit ИО-1-2.5 У3	-26,08
24	Insulation kit ИОР-10 3.75 УХЛ1 with sponges	-44,46
25	Insulation kit ИОР-10/3,75-У3	-19,04
26	Insulation kit ИОС-110/400М	13,52
27	Insulation kit ИОС-35-500-01	14,26
28	Insulation kit ИПУ-10/630 УХЛ1	28,43
29	Insulation kit ИПУ-10/630-7,5 М УХЛ-1	30,53
30	Insulation kit ЛК-70/110-А1У	-34,35

31	Insulation kit ТФ-20	15,17
32	Insulation kit ШФ-20Г	50,71
33	Control cable КВВГнг 4*2.5	22
34	Control cable КВВГнг 7*1.5	27
35	Wire rod 6,5	53,35
36	Wire rod 8	53,35
37	Excess-voltage suppressor ОПН-П-10/11,5/10/550 УХЛ2	12,13
38	Disconnecting device РЛНД-1.1-10Б/400 НУХЛ1 driven by ПРНЗ-10 УХЛ1	19,9
39	Disconnecting device РЛНД-1-10Б/630 УХЛ1 driven by ПРНЗ-10 У1	10,95
40	Round-bar steel 14	41,05
41	Round-bar steel 24	42,92
42	Round-bar steel 30	35,17
43	Angle steel bar 50x50x5	37,44
44	Angle steel bar 63x63x6	35,62
45	Angle steel bar 75x75x6	31,42
46	Rack CB-105-5	18,7
47	Rack CB-164	37,1
48	Rack CB-95-3	17,7
49	Rack CK 22.1.2.1	35,6
50	Rack CK 22.2.1.1	44,2
51	Voltage transformer НАМИ-35 кВ	-63
52	Transformer ТМГcy-100/10/0,4	35
53	Transformer ТМГcy-160/10/0,4	34
54	Transformer ТМГcy-250/10/0,4	35
55	Transformer ТМГcy-63/10/0,4	35
56	Tube ВГП 20x2,8	22,19
57	Tube ВГП 32x3,2	22,19
58	Tube ВГП 40x3,5	20,57
59	Tube ВГП 50x3	21,49
60	Shaped tube 40x25x2	18,23
61	Hex drive 14	12,15
62	Hex drive 17	18,46
63	Hex drive 24	19,95
64	Line hardware	-17%
65	Grid ferroconcrete	29%
66	Sulphur hexafluoride switches	13%
67	Current and voltage transformers	38%
68	Cable fittings	37%
69	Automatic circuit-breakers	23%
70	Rack CB - 110-3,5	24,6
71	Uninsulated wire AC	17
72	Uninsulated wire A	18
73	Wire СИП 2*16	20

Percent of import in the Issuer material and product supply for 2008: not more than 10 %.

In quarter I of 2009, the Issuer had no suppliers responsible for at least 10% materials, products (raw materials) supply.

Price changes for the main materials, products (raw materials) of JSC “IDGC of the South” in quarter I of 2009 compared to quarter I of 2008: not more than 10%.

Percent of import in quarter I of 2009: not more than 10 %.

Information on availability of materials (products, raw materials) in the future, and alternative sources



All the materials (goods, raw materials) purchased by JSC “IDGC of the South” in 2008 and in quarter I of 2009 are available, there exist alternative sources of all materials (goods, raw materials), at least 5 (five) suppliers for each item.

### 3.2.4 Commodity markets of products (works, services) of the Issuer

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.

In 2009, the unified (“boiler”) method of electric power transmission service tariff calculation is used in the service area of the Issuer’s branches

In order to put the “boiler” system (top-down “boiler”, bottom-up “boiler”) to practice, basic models of cooperation between grid organizations and consumers of all levels are implemented (supply companies, guarantee suppliers).

Peculiarity of the “boiler” consists in providing all users (supply companies, guarantee suppliers) of the same voltage class with unified tariff electric power transmission regardless of the organization of their grid attachment.

#### “Boiler” pattern in JSC “IDGC of the South” branches approved by regulatory authorities in 2009

Item number	Branch names of JSC “IDGC of the South”	“Boiler” pattern	“Boiler” description
1	“Astrakhanenergo”	Top-down “boiler”	“Boiler” holder – “Astrakhanenergo”. “Astrakhanenergo” accumulates the whole of required gross revenue (RGR) of the grid from all PSCs of the region and pays for transfer via TGO grid.
2	“Volgogradenergo”*	Distributing “boiler”	Two “boilers”. There are two “boiler-holders” in the region: JSC “Volgogradenergosbyt” and “Volgogradenergo”. “Volgogradenergo” receives grid revenue from the users according to direct agreements at “boiler” tariffs and from JSC “Volgogradenergosbyt” at individual tariffs. “Volgogradenergo” makes settlements with TGOs transmitting electric power to consumers of independent PSCs. JSC “Volgogradenergosbyt” collects the rest of the “boiler” revenue and makes settlements with other TGOs and “Volgogradenergo” at individual tariffs.
3	“Kalmenergo”	Bottom-up “boiler”	“Kalmenergo” receives revenue for productive supply of JSC “Kalmenergosbyt” users attached to “Kalmenergo” grid and for supply at individual tariffs from “Kalmenergo” grid in TGOs.
4	“Rostovenergo”	Top-down “boiler”	Two “boilers”. There are two significant grid companies “boiler”-holders in the region: “Rostovenergo” and JSC “Donenergo”. “Rostovenergo” accumulates its part of grid “boiler” from all PSCs and JSC “Donenergo” and then transfers part of the grid revenue to its subordinate AGOs (associated grid organizations) at individual tariffs. JSC “Donenergo” accumulates its part of the grid “boiler” and transfers part of the revenue to “Rostovenergo” and subordinate TGOs at individual tariffs.

**Notes:** \*- From 01.05.2009 “boiler” pattern in the Volgograd area will change, because the pattern “boiler-supply” was recognized as illegitimate.

**Abbreviations used:** PSC – Power supply company; TGO – Territorial grid organization

According to accounting data for quarter I of 2009, the Issuer has **44** service users on service contracts for power transmission, with the following structure: “Astrakhanenergo” – 4, “Volgogradenergo” – 21, “Kalmenergo” – 10, “Rostovenergo” – 9. The key users are:

1. Power supply companies – wholesale and retail market agents who carry out activities on electric power sales to end-users connected to power grid of the Company’s branches and other grid organizations’ networks (“Astrakhan Power Supply Company”, JSC, “Volgogradenergosbyt”, JSC, “Kalmenergosbyt”, JSC, “Energosbyt Rostovenergo”, JSC, “Nizhnovatomenergosbyt”, JSC, “Rusenergosbyt”, LLC and others);
2. A number of independent regional generation companies (isolated generating plants) (“Novocherkassk Synthetics Enterprise”, JSC (generator), “Wholesale Electric Company”, JSC, “Kaustik”, JSC, “Lukoil-Nizhnevolzhskneft”, LLC, “Volgogradtransgaz”, LLC);
3. Local grid organizations – retail market agents (“Donenergo”, JSC).

The Company’s receivers of technological connection to grid branches service are any juridical or physical persons interested in technological connection to the Company’s grid branches who applied for technological connection specifications.

In order to provide non-discriminatory access of the users to the Company’s power transmission services and expand the client base, a campaign is planned for 2009 on making direct power transport contracts with the consumers.

### 3.2.5 Data on the Issuer’s licenses

Activity for which the license was issued	License No	Date of license issue	Term of license validity	Issuance authority
Ground waters extraction for service-utility and production needs, planted land watering Transformer plant Kalinin of Sredneakhtubinskiy district	ВЛГ No 01549 ВЭ	26.05.2008	up to 30.06.2011	Territorial administration for subsurface mineral resources in the Volgograd area
License for the right to use subsurface mineral resources  Ground waters extraction for service-utility and production needs, planted land watering of settlement Log of Ilovliipskiy district	ВЛГ No 01540 ВЭ	16.05.2008	up to 01.01.2033	Territorial administration for subsurface mineral resources in the Volgograd area
License for the right to use subsurface mineral resources  Ground waters extraction for service-utility and production needs, planted land watering of Transformer plant “Danilovka”	ВЛГ No 01550 ВЭ	26.05.2008	up to 31.12.2010	Territorial administration for subsurface mineral resources in the Volgograd area
Purpose and class of work: Ground waters extraction for service-utility and production needs, planted land	ВЛГ No 01547 ВЭ	26.05.2008	up to 31.12.2010	Territorial administration for subsurface mineral

watering workers settlement Yelan of the Volgograd area				resources in the Volgograd area
License to repair measurement devices	004288-P	24.01.2008	up to 24.01.2013	Federal technical regulation and metrology agency
Construction of buildings and structures of the I and the II importance levels in accordance with the federal standard	ГC-3-61-01-27-0-6164266561-020770-1	19.09.2008	up to 19.09.2013	Federal state institution “Rosstroy” (Russian federal agency for construction) federal licensing centre (Branch in Southern federal district)
Design of buildings and structures of the I and the II importance levels in accordance with the federal standard	ГC-3-61-01-26-0-6164266561-020771-1	08.09.2008	up to 08.09.2013	Federal state institution “Rosstroy” (Russian federal agency for construction) federal licensing centre (Branch in Southern federal district)
Industrial ground waters extraction for manufacturing facility technological supply from the well in khutor Novokuznetsov of Milyutinskiy district of the Rostov area	PCT 01958	29.12.2008	30.09.2012	Federal agency for subsurface use Department for surface use in Southern federal district
Technical ground waters extraction for public living needs of power engineering facilities from the well at the south-western end of the village Klyuchnikova Balka of Neklinovskiy district of the Rostov area	PCT 01956	29.12.2008	31.12.2010	Federal agency for subsurface use Department for surface use in Southern federal district
Underground potable water extraction for manufacturing facility public supply from the well at the north-western end of the village Bolshaya Martynovka o Martynovskiy district of the Rostov area	PCT 01955	29.12.2008	31.12.2009	Federal agency for subsurface use Department for surface use in Southern federal district
Underground potable water extraction for manufacturing facility public supply from the well at the northern end of the village Zavetnoje of Zavetninskiy district of the Rostov area	PCT 01953	29.12.2008	31.12.2009	Federal agency for subsurface use Department for surface use in Southern federal district
Underground potable water extraction for manufacturing facilities technological supply from the well in Volgodonsk of the Rostov area	PCT 01952	29.12.2008	28.12.2013	Federal agency for subsurface use Department for surface use in Southern federal district
Industrial ground waters extraction for manufacturing facility technological supply from the well in stanitsa Kalitvenskaya of Kamenskiy district of the Rostov area	PCT 01962	29.12.2008	31.10.2012	Federal agency for subsurface use Department for surface use in Southern federal district
Industrial ground waters extraction for manufacturing facility technological	PCT 01957	29.12.2008	30.09.2012	Federal agency for subsurface use

supply from the well in khutor Staraya Stanitsa of Kamenskiy district of the Rostov area		8		Department for surface use in Southern federal district
Industrial ground waters extraction for manufacturing facility technological supply from the well in khutor Golubinka of Belokalitvenskiy district of the Rostov area	PCT 01961	29.12.2008	31.10.2012	Federal agency for subsurface use Department for surface use in Southern federal district
Industrial ground waters extraction for manufacturing facility technological supply from the well khutor Kolushkino of Tarasovski district of the Rostov area	PCT 01960	29.12.2008	30.09.2012	Federal agency for subsurface use Department for surface use in Southern federal district
Industrial ground waters extraction for manufacturing facility technological supply from the well 2,5 km west from the periphery of Volgodonsk fo the Rostov area	PCT 01954	29.12.2008	31.12.2009	Federal agency for subsurface use Department for surface use in Southern federal district
Industrial ground waters extraction for manufacturing facility technological supply from the well in stanitsa Tatsinskaya of Tatsinskiy district of the Rostov area	PCT 01959	29.12.2008	30.09.2012	Federal agency for subsurface use Department for surface use in Southern federal district

At present the Company works at obtaining license to carry out activities with processing hazardous wastes. In quarter I of 2009, open tender was organized for selecting agent to locense activity oncollection, use, transporting, locatiing hazardous wastes of JSC “IDGC of the South”. Besides, licenses were obtained providing right for targeted subsurface use and for operations on technical subsurface water extraction for manufacturing facility technological supply from wells in “Rostovenergo” branch of JSC “IDGC of the South”.

The Issuer has all the licenses necessary for carrying out economic activity. In most licenses provision is made for license withdrawal in case of failure to fulfill license requirements, taxes and duties are not paid in time, regular information nonpresentation or any other obligations envisaged by the licenses are not observed.

In quarter I of 2009, there was no expenditure connected with obtaining software licenses.

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 connected with the Issuer’s operation.

Risks connected with changes to legislation or solution of federala and local authorities on the iassues of licensing, are beyond the Issuer’s control, and the Issuer cannot guarantee absebe of such changes in the future and their negative impact on the operation. Nevertheless, no legal, economic or political prerequisites for the procedure amplification or difficulties in license renewal can be traced by the Issuer.

### 3.2.6 Joint activity of the Issuer

In the process of the Issuer’s restructuring in the form of affiliating regional grid companies (JSC “Rostovenergo”, JSC “Astrakhanenergo”, JSC “Volgogradenergo”, JSC “Kalmenergo”), in accordance with the transfer act dd 31.03.2008, JSC “Kalmenergo” placed financial investments to joint activities with JSC RAO “UES of Russia” in the amount of 43 857 thousand rubles on the Issuer’s balance sheet, including:

- according to contract No.28 dd 15.09.1993 for the amount of 37 950 thousand rubles (construction and operation of Elistinskaya Gas and Steam Tribune Power Station);
- according to contract No.29 dd 15.09.1993 for the amount of 5 907 thousand rubles (construction and operation of Kalmytskaya wind power station).

In the period of the Issuer’s activity from 01.07.2008 to 31.03.2009, alterations took place resulting in financial investments to joint activity increase and change of joint activity participants:

In conformance with contract No.8 dd 06.03.2008 between JSC RAO “UES of Russia” and JSC “Irganskaya Hydroelectric Power Station”, the latter receives all rights and obligations on the joint activity contract No.29 dd 15.09.1993 (construction and operation of Kalmytskaya Wind Power Station). On July 01, 2008, JSC “Irganskaya Hydroelectric Power Station” was reorganized in the form of affiliating to JSC “Rusgidro”.

As per separation balance sheet of JSC RAO “UES of Russia”, financial investments, rights and obligations on the joint activity contract No.28 dd 15.09.1993 (construction and operation of Elistinskaya Gas and Steam Tribune Power Station) has been succeeded by JSC “IDGC Holding”.

Thus, long-term investments to joint activity amounted to **45 996** thousand rubles, as of 31.03.2009, including:

- according to contract No.28 dd 15.09.1993 with JSC RAO RAO “UES” – legal successor JSC “IDGC Holding” - (construction and operation of Elistinskaya gas and steam tribune power station) - **39 135** thousand rubles;
- according to contract No.29 dd 15.09.1993 with JSC “Irganskaya Hydroelectric Power Station” – legal successor JSC “Rusgidro” (construction and operation of Kalmytskaya wind power station) – **6 861** thousand rubles.

Joint activity participant	Amount of investment, rubles in thousands		Investment purpose (gaining profit, other purposes)	Financial result of the last completed financial year and the last completed accounting year accounting quarter
	As of 31.12.2008	As of 31.03.2009		
JSC “Rusgidro”	6747	6861	Construction of generating capacities – experimental Kalmytskaya wind power station (22 MW); Using innovative renewable energy sources; Electric power energy production and gaining profit (income) from the sales	Construction was not completed
JSC “IDGC Holding”	38941	39135	Construction of generating capacities – experimental Elistinskaya gas and steam tribune power station with capacity of 320 MV	Construction was not completed

			Electric power energy production and gaining profit (income) from the sales	
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Financial result gained: construction of Elistinskaya Gas and Steam Tribune Power Station and Kalmytskaya Wind Power Station was not completed, in which connection the Issuer gained no profit in the accounting period.

### 3.3 PLANS FOR FUTURE ACTIVITY OF THE ISSUER

Brief description of plans of JSC “IDGC of the South” concerning future activity and sources of future income, including plans for organizing new production, expanding or reducing production, updating and reconstructing fixed assets:

Plans of the Issuer’s future activity are determined by the goals and objectives of electric power grid complex of the Russian Federation. In 2006, Strategy of Distributive Grid Complex of Russia Development up to 2015 was started, its major goal being attraction of substantial investment to the distributive grid complex in view of impossibility to satisfy regional grid companies’ investment demands in the framework of the current regulating system.

Goals of the distributive grid complex reforming in part of providing power supply security:

- By 2015 – to reduce grid deterioration to the level of more mature economies: 50% (at present 70%);
- By 2015 – to accumulate reserve of electric powers so as to advance economy development for 3-5 years;
- By 2010 – to introduce economic responsibility of distributive grid companies for conforming to guaranteed reliability and service quality standards.

Goals of the distributive grid complex reforming in part of efficiency:

- By 2015 – to bring distributive grid companies’ parameters of operational efficiency to the level of more mature economies with the help of economic incentives;
- By 2010 – to bring distributive grid companies to stable profitability at the level of the RF companies with comparable market risks.

Goals of the distributive grid complex reforming in part of long term investment attractiveness:

- By 2010 – to increase distributive grid companies’ capitalization up to the level of companies carrying out similar activities in countries of the comparable stage of economic development;
- By 2015 – bring the market value of distributive grid companies’ funds to the level of market value of companies carrying out similar activities in countries of the comparable stage of economic development.

In order to achieve these goals, it is planned to make a number of changes in the operation of distributive grid complex in 2007-2009. First of all, it concerns building competitive market

environment in the distributive grid complex for objective regulation of 11 operational IDGCs comparable in size. Second comes creating and implementing the system of regulation based on international experience (RAB-management). The third part is working out more effective mechanisms of the state control over such parameters of grid companies’ work as reliability and quality of service.

Strategy of distributive grid complex of Russia development will be coherent with General Scheme of Electric Power Industry Objects Accommodation up to 2020 which stipulates creation of grid infrastructure providing full-fledged participation of the power companies in the market of electric power and capacity, and also strengthening of the intersystem connections that guarantee reliability of energy and power exchange among the regions of the Russian Federation.

Data on plans for ordinary service production of JSC “IDGC of the South”

New production organization, developing new product types, ordinary activity change are not planned by the Issuer.

The Company’s electric power facilities develop in accordance with the approved scheme of perspective electric grid development and the requirements of specifications on organizing technological connection of the users to the Company’s electric grid.

Data on plans for technological connection for new electric power users

The aim of activities on the Issuer’s technological connection in the nearest future is satisfying the needs of South of Russia’s growing economy in power capacities, transfer to the unified scheme of technological connection fee forming and implementing, and achieving the goal of common interest in setting users’ technological connection to electric grid fee.

The following pilot projects on development of enterprises producing construction materials, goods and structures are being fulfilled in JSC “IDGC of the South” responsibility zone:

- Construction of building industry centre including an aircrete production plant, a silicate plant, a dry pack mortar plant (Ust-Labinsk, the Krasnodar region);
- Olympic objects construction;
- Construction of technological cement production line (JSC “Verkhnebakanskiy Cement Mill”, the Krasnodar region);
- Technical re-equipment of long-panel construction industrial complex in Rostov-on-Don.

For each branch of JSC “IDGC of the South”, capital cost volumes are set for operations on substation construction, renovation and expansion of the existing substations with power transformers replacement, construction and renovation of high voltage electric power transmission lines in the framework of the investment programme.

Planned volume of JSC “IDGC of the South” investment for 2009-2013 is as follows:

Name of JSC “IDGC of the South” branch	Investments, rubles in thousands					
	2009	2010	2011	2012	2013	2009-2013
“Astrakhanenergo”	1 010 189	656 602	420 542	484 004	633 693	3 205 030
“Volgogradenergo”	672 768	1 185 323	771 571	870 779	1 079 694	4 580 134
“Rostovenergo”	3 553 426	4 490 103	1 779 777	1 912 846	2 260 029	13 996 182
“Kalmenergo”	32 898	70 796	64 592	64 592	64 592	297 471
Executive office	262 144	2 274	2 437	2 613	2 801	272 269
<b>Total for JSC “IDGC of the South”</b>	<b>5 531 425</b>	<b>6 405 097</b>	<b>3 038 920</b>	<b>3 334 834</b>	<b>4 040 809</b>	<b>22 351 086</b>

The programme should be realized according to the technical policy accepted by JSC “IDGC Holding” which in the field of electric grids is defined by the key strategic development goals of the unified national energy systems:

- building up grid and technological infrastructures enabling efficient functioning of the competitive electric power market inside the Russian Federation and ensuring international power market integration;
- overcoming fixed assets and electric grid facilities deterioration through scaling-up range of work on their renovation and technical restructuring (substations upgrading, high voltage electric power transmission lines reconstruction, data infrastructure modernizing and developing).

Data on investment projects:

The following table represents planned and actual assimilation of capital investments and new fixed assets input for quarter I of the current year in the course of 2009 JSC “IDGC of the South” investment programme fulfillment:

Name of JSC “IDGC of the South” branch	Plan for quarter I of 2009				Actual for quarter I of 2009							
	Assimilation rubles in thousands	Input			Assimilation rubles in thousands		Input					
		rub. in thousands		rub. in thousands		rub. in thousands		rub. in thousands		rub. in thousands		rub. in thousands
“Astrakhanenergo”	17 649	2 583	0,65	1,00	22 949	130	3 283	127	0,88	135	1,02	102
“Volgogradenergo”	59 659	55 002	0	1,35	66 369	111,2	47 834	86	2,75	100	4,67	346
“Kalmenergo”	79	371	0	0	1 320	1 670	371	100	0	0	0	0
“Rostovenergo”	71 402	1 500	0	0,6	112 612	157,7	6 281	418	0	0	0,6	100
Executive office	217 235	217 235			11,870	0,005	2,197					
<b>Total for JSC “IDGC of the South”</b>	<b>366 024</b>	<b>276 691</b>	<b>166,85</b>	<b>855,61</b>	<b>203 261,87</b>	<b>55,5</b>	<b>57 771,20</b>	<b>20,87</b>	<b>3,63</b>	<b>558</b>	<b>6,29</b>	<b>213</b>



## **PARTICIPATION OF THE ISSUER IN INDUSTRIAL, BANK AND FINANCIAL GROUPS, HOLDINGS AND ASSOCIATIONS.**

The Issuer does not participate in any industrial, bank and finance groups, concerns and associations.

The Issuer is part of the group of companies headed by “**IDGC Holding**”, JSC.

Term of participation of “IDGC of the South”, JSC in the group of companies: **since 01.07.2008.**

Place of the Issuer in the group of companies: **branch of “IDGC Holding”, JSC.**

Functions of the Issuer in the group of companies:

- Implementation of the uniform energy policy on the regional level;
- Providing power network complex of subordinated regions functioning reliability;
- Implementation of the long-term investment programs in power industry.

In case if the results of the Issuer’s finance and economic activity depend much on other participants of industrial, bank, finance group, holding, concern, association, this situation is pointed out and the character of such dependable condition is described in detail:

The Issuer’s activity is considered to be naturally monopolistic, state-controlled, electric power transmission through distributive grid service tariffs, as well as the amount of charge for technological connection to electrical grid, are regulated by state tariff bodies.

### **3.5 ISSUER’S SUBSIDIARIES AND AFFILIATED COMPANIES**

As of 31.03.2009, “IDGC of the South”, JSC, holds 100 percent voting shares of 5 subsidiaries and affiliated companies (further - SACs): “Astrakhanelektrosetremont” (JSC), “Volgogradsetremont” (JSC), “Grechko A.A. PSKh” (JSC), “Sokolovskoye PSKh” (JSC), “Recreation Centre “Energetik” (JSC).

The Company’ relationships with the SACs correspond to the legislation of the Russian Federation, Charter of JSC “IDGC of the South” and “Order of Interaction of “IDGC of the South”, JSC with Economic Entities whose Shares (Interest) “IDGC of the South” Holds” approved by Board of Directors of “IDGC of the South”, JSC (Minutes of 06.03.2009 No.24/2009). In the period when “IDGC of the South” holds 100 percent voting shares, the decisions falling within the competence of the General Shareholders Meeting are taken by Management Board of “IDGC of the South”, JSC.

### Information on subsidiaries and affiliated companies of the Issuer:

Full company name	Short company name	Location	Basis of company's recognition as a subsidiary of the Issuer	Stake held by the subsidiary in the authorized capital of the Issuer	Percentage of ordinary shares the Issuer owned by the subsidiary	Main kind of activity of the subsidiary and its importance for Issuer's functioning
In Russian: <b>Открытое акционерное общество “Астраханьэлектросетьремонт”</b> In English: <b>Joint Stock Company “Astrakhanelectrosetremont”</b>	In Russian: <b>ОАО “Астраханьэлектросетьремонт”</b> ; In English: <b>JSC “Astrakhanelectrosetremont”</b>	204 Kramatorskaya Str., Astrakhan, Russian Federation	Due to prevailing participation in the authorized capital of “Astrakhanelectrosetremont”, “IDGC of the South” has an opportunity to determine the decisions made by JSC “Astrakhanelectrosetremont”	0 %	0%	Activities on general and running maintenance of the equipment, transfer devices, buildings and facilities, modernization, reconstruction and service of power grid. The company has a right to fulfill other activities not prohibited by law.
In Russian: <b>Открытое акционерное общество “Волгоградсетремонт”</b> In English: <b>Joint Stock Company “Volgogradsetremont”</b>	In Russian: <b>ОАО “Волгоградсетремонт”</b> ; In English: <b>JSC “Volgogradsetremont”</b>	1a Granovitaya Str., Volgograd, Russia	Due to prevailing participation in the authorized capital of “Volgogradsetremont”, “IDGC of the South” has an opportunity to determine the decisions made by JSC “Volgogradsetremont”	0 %	0%	Activities on service, general and running maintenance of power grid, transfer devices, buildings and facilities, on modernization and reconstruction. The company has a right to fulfill other activities not prohibited by law.
<b>“Grechko A.A. PSKh (Agricultural enterprise)”, Joint Stock Company</b>	<b>“Grechko A.A. PSKh”, JSC</b>	21 Teatralnaya Str., Kuibyshevskiy district, village Kuibyshevo, Rostov area, Russia	Due to prevailing participation in the authorized capital of “Grechko A.A. PSKh”, “IDGC of the South” has an opportunity to determine the decisions made by JSC “Grechko A.A. PSKh”	0 %	0 %	Manufacturing, processing and selling agricultural products (crop production and livestock breeding). The company has a right to fulfill other activities not prohibited by law.
<b>“Sokolovskoye PSKh (Agricultural enterprise)”, Joint Stock Company</b>	<b>“Sokolovskoye PSKh”, JSC</b>	32 Kurskaya, village Sokolovo-Kurdyuchenskiy, Noshakhtynsk, Russia	Due to prevailing participation in the authorized capital of “Sokolovskoye PSKh”, “IDGC of the South” has an opportunity to determine the decisions made by JSC “Sokolovskoye PSKh”	0 %	0 %	Manufacturing, processing and selling agricultural products (crop production and livestock breeding). The company has a right to fulfill other activities not prohibited by law.
<b>“Recreation Centre “Energetik”, Joint Stock Company</b>	<b>“Recreation Centre “Energetik”, JSC</b>	3 Shkolnaya Str., village Shepsi, Tuapsinskiy	Due to prevailing participation in the authorized capital of “Recreation Centre	0 %	0 %	Activities of a health resort on medical maintenance and rehabilitation (recreation) of adults, parents with children (from the age of 5) and organized groups of schoolchildren, rendering

		district, Krasnodar region, the Russian Federation	“Energetik”, “IDGC of the South” has an opportunity to determine the decisions made by JSC “Recreation Centre “Energetik”			personal tourist-excursion services, as well as cultural and recreational services. The company has a right to fulfill other activities not prohibited by law.
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### Information on members of management authorities of Issuer’s subsidiaries and dependent companies:

#### “Astrakhanelektrosetremont”, JSC:

Item number	Surname, first name, patronymic, year of birth, citizenship of the member of the Issuer’s subsidiary or affiliated company management	Data on education	Positions held by the member of the Issuer’s subsidiary or dependent company management within the last five years and now	Stake held by the Issuer’s subsidiary or dependent company in the Issuer’s authorized capital /  the Issuer’s ordinary shares held by the person and his affiliates	Stake held by the Issuer in the authorized capitals of the Issuer’s subsidiary or dependent company/  Ordinary shares of the Issuer’s subsidiary or dependent company held by the Issuer	Number of shares of the Issuer’s subsidiary or dependent company which can be obtained by the person in fulfillment of his rights on these companies’ options owned by him
<b>1. Members of the Board of Directors of JSC “Astrakhanelektrosetremont” (elected by Shareholders’ general meeting of JSC “Astrakhanelektrosetremont”</b>						
<b>Minutes of the Management Board of JSC “IDGC of the South” dd 30.06.2008 No2):</b>						
1	<b>Sultanov Georgiy Akhmedovich</b>  <b>b. 1954</b>  <b>citizen of the RF</b> <b>Chairman of</b>	Higher	2004-2006: General Director of JSC “Krasnodarelectro” Urban electric grid company; General Director of Ltd “Managing Company Yugenergo”, Managing Director of Ltd “Managing Company Yugenergo”; Branch manager of JSC “Independent Power Supply Company of the Krasnodar Region” “Krasnodar Urban Electric Grid Company”; 2006-2007: Technical Director of JSC “Kubanenergo”; 2007-2008: Deputy General Director for technical issues of JSC “IDGC of the South”; <b>2008 - present time: Deputy General Director for technical issues – Chief engineer of JSC “IDGC of the South”</b>	0 % / 0 %	0 % / 0 %	-

	<b>Board of Directors</b>		Chairman of the Board of Directors of JSC “Volgogradsetremont”; member of the Management Board of JSC “IDGC of the South”, member of the Board of Directors of JSC “Kubanenergo” until 10.03.2009			
2	<b>Goncharov Pavel Viktorovich</b>  <b>b. 1966,</b> <b>citizen of the RF</b>	Higher	2004 – 2005: General Director of “Astrakhanenergo”, JSC, branch of “Astrakhan electric power grid”; Deputy General Director for development and investments of “Astrakhanenergo”, JSC; 2005-2006: Deputy General Director for electric power transmission of “Astrakhanenergo”, JSC; 2006 – 2007: General Director of “Energobalans-Astrakhan”, JSC; Technical Director of “Astrakhanenergo”, JSC; 2007 – 2008: First Deputy General Director – Chief engineer of “Astrakhanenergo”, JSC; <b>2008 – present time: Deputy General Director for technical issues – Chief engineer of “Astrakhanenergo” branch of “IDGC of the South”, JSC</b>	0 % / 0 %	0 % / 0 %	-
3	<b>Matveeva Svetlana Mikhailovna</b>  <b>b. 1971</b> <b>citizen of the RF</b>	Higher	2004 – 2005: Leading legal adviser of “Astrakhan Electric Power Grid” JSC “Astrakhanenergo”; 2005 – 2006: Head of the legal section of JSC “Astrakhanenergo”; 2007 – 2008: Head of the section for corporate relations and legal provision of JSC “Astrakhanenergo”; Deputy General Director for corporate management of JSC “Astrakhanenergo”; <b>2008 – present time: Head of the department for legal provision, cooperation with government authorities and the media of JSC “IDGC of the South” branch “Astrakhanenergo”</b>	0 % / 0 %	0 % / 0 %	-
4	<b>Stolyarov Viktor Mikhailovich</b>  <b>b. 1977,</b> <b>citizen of the RF</b>	Higher	2005-2007: Service in the military attorney department of the Astrakhan area in Astrakhan; Deputy General Director for procurement and logistics of JSC “Astrakhanenergo”; 2007-2008: Director for logistics and material support of JSC “Astrakhanenergo”; Deputy General Director for procurement and logistics of JSC “Astrakhanenergo”; <b>2008 – present time: Deputy General Director for procurement and logistics of “Astrakhanenergo” branch of “IDGC of the South”, JSC</b>	0 % / 0 %	0 % / 0 %	-
5	<b>Storchai Margarita Aleksandrovna</b>  <b>b. 1982</b> <b>Citizen of the RF</b>	Higher	2004-2007: specialist of the Division of corporate events of Business unit No 1 JSC RAO “UES of Russia”; 2007-2008: Manager of the Corporate Relations Division of the Management centre of JSC IDGC “FGC UES”; <b>2008 – present time: Leading expert of the section for standards and metrology of the Corporate management and shareholders’ department of JSC “IDGC Holding”</b>  Member of the Board of Directors of JSC “OK “Plamya”, JSC “Sanatorium-preventorium “Energetik”, JSC “Sverdlovennergohilstroy”	0% / 0%	0 % / 0 %	-

**2. Acting General Director of JSC “Astrakhanelektrosetremont” (appointed on 29.06.2007):**

6	<b>Zheleznov Yevgeny Vasilievich<sup>1</sup>, b. 1946 citizen of the RF</b>	Secondary	2004 –2006: Branchwork manager for maintenance and repair of utility facilities of JSC“Astrakhanenergo” branch “Astrakhanelektrosetremont”; Branchwork manager for maintenance and repair of utility facilities of “Astrakhanelektrosetremont”; 2006 –2007: Deputy General Director of JSC “Astrakhanelektrosetremont”; <b>2007 – present time: Acting General Director of “Astrakhanelektrosetremont”</b>	0% / 0%	0 % / 0 %	-
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Collegial executive body: No provision in the Charter of JSC “Astrakhanelektrosetremont”.

**JSC “Volgogradsetremont”**

Item number	Surname, first name, patronymic, year of birth, citizenship of the member of the Issuer’s subsidiary or and affiliated company management	Data on education	Positions held by the member of the Issuer’s subsidiary or affiliated company management within the last five years and now	Stake held by the Issuer’s subsidiary or dependent company in the Issuer’s authorized capital /  the Issuer’s ordinary shares held by the person and his affiliates	Stake held by the Issuer in the authorized capitals o the Issuer’s subsidiary or dependent company/  Ordinary shares of the Issuer’s subsidiary or dependent company held by the Issuer	Number of shares of the Issuer’s subsidiary or dependent company which can be obtained by the person in fulfillment of his rights on these companies’ options owned by him
<b>1. Members of the Board of Directors of JSC “Volgogradsetremont” (elected by Shareholders’ general meeting of JSC “Volgogradsetremont” Minutes of the Management Board of JSC“IDGC of the South” dd 30.06.2008 No 2):</b>						
1	<b>Sultanov Georgiy Akhmedovich b. 1954, Citizen of the RF</b>	Higher	2004-2006: General Director of Urban Electric Grid Company, JSC, of “Krasnodarelectro”, JSC; General Director of “Managing Company Yugenergo Ltd”; Managing Director of “Managing Company Yugenergo Ltd”; Director of “Krasnodar Urban Electric Grid Company”, JSC, branch of “Independent Power Supply Company of the Krasnodar Region”, JSC;	0 % / 0 %	0 % / 0 %	-

<sup>1</sup>As of 31.03.2009, Zheleznov Ye.V. was fulfilling functions of the acting General Director of JSC “Astrakhanelektrosetremont”.

By decision of the Board of Directors of JSC “Astrakhanelektrosetremont” dd 06.04.2009 (Minutes No 48 dd 07.04.2009) Zheleznov Ye.V. was elected General Director of JSC “Astrakhanelektrosetremont”.

	<b>Chairman of the Board of Directors</b>		2006-2007: Technical Director of “Kubanenergo”, JSC; 2007-2008: Deputy General Director for Technical Issues of “IDGC of the South”, JSC; <b>2008 - present time: Deputy General Director for technical issues – Chief engineer of JSC “IDGC of the South”</b> Chairman of Board of Directors of JSC “Astrakhanelektrosetremont”; member of the Management Board of JSC “IDGC of the South”, member of Board of Directors of “Kubanenergo”, JSC until 10.03.2009			
2	<b>Pronin Valentin Vladimirovich</b>  b. 1977  citizen of the RF, Deputy Chairman of the Board of Directors	Higher	2005 – 2006: Deputy General Director for Legal Issues; Acting General Director of “Managing Company “Volgo-Donskoy Power Complex”, JSC; General Director of CJSC “Povolzhskaya Legal Company”, CJSC; 2006-2008: Deputy General Director for General Issues and Legal Support of “Volgogradenergo”, JSC; <b>2008 – present time: Deputy General Director for legal provision and cooperation with government authorities and the media of JSC “IDGC of the South” branch “Volgogradenergo”</b>	0 % / 0 %	0 % / 0 %	-
3	<b>Vlasenko Anatoly Petrovich</b>  b. 1950 citizen of the	Higher	2004-2005: Executive Director of Cinder quarry; General Director of JSC “Bryanskenergoremont”; <b>2005 – present time: General Director of JSC “Volgogradsetremont”</b>	0 % / 0 %	0 % / 0 %	-
4	<b>Smirnov Sergey Ivanovich,</b> b. 1954 citizen of the RF	Higher	2004-2005: Chief Economist of “Khimprom”, JSC; 2005-2008: Deputy General Director for Economy and Finance of “Volgogradenergo”, JSC; <b>2008 – present time: Deputy General Director for Economy and Finance of “Volgogradenergo” branch of “IDGC of the South”, JSC</b>	0 % / 0, %	0 % / 0 %	-
5	<b>Serebryakov Kostantin Sergeevich</b>	Higher	2004-2005: Economist of stock section of JSCB “MordovPromStroyBank”, JSC; 2005 – 2006: Economist of dealing operations section of JSCB “MordovPromStroyBank”, JSC; 2006 – 2007: Deputy head of the section for corporate and legal work, and	0% / 0%	0 % / 0 %	-

	<b>b. 1981 citizen of the RF</b>		management of capital of JSC “Mordovskaya Heat Supply Company”; Deputy head of the legal section of JSC “Mordovskaya Heat Supply Company”; Deputy head of the legal section of JSC of Mordovskiy branch of “TGK-6” (Territorial Generating Company); 2007 – 2008 - Leading specialist of the legal section of Mordovskiy branch of “TGK-6” (Territorial Generating Company); Corporate relations division manager of the Management centre of IDGC JSC “FGC UES”; Leading expert of corporate events division of JSC “IDGC Holding”; <b>2008 – present time: Deputy head of the Corporate events division of Corporate management and shareholders’ department of JSC “IDGC Holding”;</b> Deputy Chairman and member of the Board of Directors of JSC Sokolovskoye PSKh <sup>00</sup> , JSC “Sanatorium-profilactorium “Energetik”.			
<b>2 General Director of JSC “Volgogradsetremont” (elected on 30.06.2005 )</b>						
6	<b>Vlasenko Anatoly Petrovich</b>  <b>b. 1950 citizen of the RF</b>	Higher	2004-2005: Executive direktor of Cinder quarry; General Director of JSC “Bryanskenergoremont”; <b>2005 – present time: General Director of JSC “Volgogradsetremont”;</b> Member of the Board of Directors of JSC “Volgogradsetremont”	0 % / 0 %	0 % / 0 %	-

Collegial executive body: No provision in the Charter of JSC “Volgogradsetremont”.

### JSC “Grechko A.A. PSKh”

<b>Members of the Board of Directors of JSC “Grechko A.A. PSKh” (elected by Shareholders’ general meeting of JSC “Grechko A.A. PSKh” on 26.06.2009 Minutes of the Management Board of JSC “IDGC of the South” dd 30.06.2008 No 2):</b>						
Item No	Surname, first name, patronymic, year of birth, citizenship of the member of the Issuer’s subsidiary or and affiliated company management	Data on education	Positions held by the member of the Issuer’s subsidiary or affiliated company management within the last five years and now	Stake held by the Issuer’s subsidiary or dependent company in the Issuer’s authorized capital /  the Issuer’s ordinary shares held by the person and his affiliates	Stake held by the Issuer in the authorized capitals of the Issuer’s subsidiary or dependent company/  Ordinary shares of the Issuer’s subsidiary or dependent	Number of shares of the Issuer’s subsidiary or dependent company which can be obtained by the person in fulfillment of his rights on these companies’ options owned by him

					company held by the Issuer	
1	<b>Abaimova Olga Petrovna</b>  <b>b. 1958</b>  <b>citizen of the RF</b> <b>Chairman of the Board of Directors</b>	Higher	2004-2005: Deputy chief accountant for electric power supply of State unitary enterprise of the Rostov area “Donenergo”; Chief accountant of State unitary enterprise of the Rostov area branch “Donenergo-Energosgyt”; 2005-2007: Chief accountant of JSC “Donenergo-Energosgyt”; 2007-2008: Chief of the finance section of State unitary enterprise of the Rostov area branch “Donenergo-Energosgyt”; Director for economy and finance of JSC “Rostovenergo”; <b>2008 – present time: Deputy General Director for economy and finance of JSC “IDGC of the South” branch “Rostovenergo”</b> Chairman and member of the Board of Directors of JSC “PSKh Sokolovskoye”	0 % / 0 %	0 % / 0 %	-
2	<b>Ivanova Yelena Yurievna, b. 1981</b> <b>Citizen of the RF</b> <b>Deputy Chairman of the Board of Directors</b>	Higher	2004–2005: Specialist of suborganization section of charge division of Legal department of “Rosgosstrakh-Stolitsa”; leading specialist of the scheduled operations section of the IT Centre of JSC “Engineering Management Centre of UES”; 2005-2008: Manager of the Corporate Relations Division of the Management Centre of JSC “FGC UES”; <b>2008 – present time: Deputy Head of Corporate Events Directorate of JSC “IDGC Holding”</b> Member of the Board of Directors of JSC “Recreation Centre “Energetik”, JSC “Tyumenavtotrans”, CJSC “Svet”	0 % / 0 %	0 % / 0 %	-
3	<b>Romek Yekaterina Georgievna</b> <b>b. 1975</b> <b>citizen of the RF</b>	Higher	2004–2005: Head of the section for realizing the carrying out the project of power system JSC “Rostovenergo” restructuring; leading specialist on restructuring of the shareholders’ activity reforming and capital management section of JSC “Rostovenergo”; 2005-2008: Deputy Head of the legal provision section of JSC “IDGC of the South” branch “Rostovenergo”; <b>2008 – present time: Head of the legal provision section of JSC “IDGC of the South” branch “Rostovenergo”</b> Member of the Board of Directors of JSC “Sokolovskoye PSKh”	0 % / 0 %	0 % / 0 %	-
4	<b>Martynova Larisa Aleksandrovna</b> <b>b. 1959 citizen of the RF</b>	Higher	2004–2006: First category engineer of the reliability and occupational safety service of JSC “Rostovenergo”; leading specialist of corporate management section of JSC “Rostovenergo”; 2007-2008: Leading specialist of corporate management section of JSC “Rostovenergo” <b>2008 – present time: Leading specialis of legal provision section of JSsc “IDGC of the South ” branch “Rostovenergo”</b>	0 % / 0 %	0 % / 0 %	-



5	<b>Kaplunov Nikolay Alekseevich</b>  b. 1959 citizen of the RF	Higher	2003–2005: Chief engineer of JSC “ Grechko A.A. PSKh”; 2006–2008: Deputy Director of JSC “Grechko A.A. PSKh”; <b>2008 – present time: General Director of JSC “Grechko A.A. PSKh”</b>	0% / 0%	0 % / 0 %	-
<b>2 General Director of JSC “Grechko A.A. PSKh” (elected on 01.01.2008):</b>						
6	<b>Kaplunov Nikolay Alekseevich</b>  b. 1959 citizen of the RF	Higher	2003–2005: Chief engineer of JSC “Grechko A.A. PSKh”; 2006–2008: Deputy Director of JSC “Grechko A.A. PSKh”; <b>2008 – present time: General Director of JSC “Grechko A.A. PSKh”</b> Member of the Board of Directors of JSC “Grechko A.A. PSKh”	0% / 0%	0 % / 0 %	-

Collegial executive body: No provision in the Charter of JSC “Grechko A.A. PSKh”.

### JSC “Sokolovskoye PSKh”

<b>1. <u>Members of the Board of Directors of JSC “Sokolovskoye PSKh” (elected by Shareholders’ general meeting of JSC “Sokolovskoye PSKh”, Minutes of the Management Board of JSC “IDGC of the South” dd 30.06.2008 No 2):</u></b>						
Item number	Surname, first name, patronymic, year of birth, citizenship of the member of the Issuer’s subsidiary or and affiliated company management	Data on education	Positions held by the member of the Issuer’s subsidiary or affiliated company management within the last five years and now	Stake held by the Issuer’s subsidiary or dependent company in the Issuer’s authorized capital /  the Issuer’s ordinary shares held by the person and his affiliates	Stake held by the Issuer in the authorized capitals o the Issuer’s subsidiary or dependent company/  Ordinary shares of the Issuer’s subsidiary or dependent company held by the Issuer	Number of shares of the Issuer’s subsidiary or dependent company which can be obtained by the person in fulfillment of his rights on these companies’ options owned by him

1	<p><b>Abaimova Olga Petrovna</b></p> <p><b>b. 1958</b></p> <p><b>citizen of the RF</b> <b>Chairman of the Board of Directors</b></p>	Higher	<p>2004-2005: Deputy Chief accountant for electric power supply of State unitary enterprise of the Rostov area “Donenergo”; Chief accountant of State unitary enterprise of the Rostov area branch “Donenergo-Energosgyt”;</p> <p>2005-2007: Chief accountant of JSC “Donenergo-Energosgyt”;</p> <p>2007-2008: Head of the finance section of State unitary enterprise of the Rostov area branch “Donenergo-Energosgyt”;</p> <p><b>2008 present time: Deputy General Director for economy and finance of JSC “IDGC of the South” branch “Rostovenergo”</b></p> <p>Chairman of the Board of Directors of JSC “Grechko A.A. PSKh</p>	<p>0 %</p> <p>/</p> <p>0 %</p>	<p>0 %</p> <p>/</p> <p>0 %</p>	-
2	<p><b>Serebryakov Kostantin Sergeevich</b></p> <p><b>b. 1981</b></p> <p><b>citizen of the RF</b> <b>Deputy Chairman of the Board of Directors</b></p>	Higher	<p>2004-2005: Economist of the stock section of JSC JSCB “MordovPromStroyBank”;</p> <p>2005 – 2006: Economist of the dealing operations section of JSC JSCB “MordovPromStroyBank”;</p> <p>2006 – 2007: Deputy head of the section for corporate and legal work, and management of capital of JSC “Mordovskaya Heat Supply Company”; Deputy head of the legal section of JSC “Mordovskaya Heat Supply Company”; Deputy head of the legal section of JSC of Mordovskiy branch of “TGK-6” (Territorial Generating Company);</p> <p>2007 – 2008 - Leading specialist of the legal section of Mordovskiy branch of “TGK-6” (Territorial Generating Company); Corporate relations division manager of the Management centre of IDGC JSC “FGC UES”; Leading expert of corporate events division of JSC “IDGC Holding”;</p> <p><b>2008 – present time: Deputy head of the Corporate events division of Corporate management and shareholders’ department of JSC “IDGC Holding”;</b></p> <p>Member of the Board of Directors of JSC “Volgogradsettlement”, JSC “Sanatorium-profilactorium “Energetik”</p>	<p>0 %</p> <p>/</p> <p>0 %</p>	<p>0 %</p> <p>/</p> <p>0 %</p>	-
3	<p><b>Romek Yekaterina Georgievna</b></p> <p><b>b. 1975</b></p> <p><b>citizen of the RF</b></p>	Higher	<p>2004–2005: Head of the section for realizing the carrying out the project of power system JSC “Rostovenergo” restructuring; leading specialist on restructuring of the shareholders’ activity reforming and capital management section of JSC “Rostovenergo”;</p> <p>2005-2008: Deputy Head of the legal provision section of JSC “IDGC of the South” branch “Rostovenergo”;</p> <p><b>2008 – present time: Head of the legal provision section of JSC “IDGC of the South” branch “Rostovenergo”</b></p> <p>Member of the Board of Directors of JSC “Grechko A.A. PSKh”</p>	<p>0 %</p> <p>/</p> <p>0 %</p>	<p>0 %</p> <p>/</p> <p>0 %</p>	-
4	<p><b>Martynova Lyudmila Mikhailovna</b></p>	Higher	<p>2004-2005: Leading specialist of the shareholders’ activity reforming and capital management section of JSC “Rostovenergo”;</p> <p>2005-2008: Leading specialist – head of the group on noncore assets sales of</p>	<p>0 %</p> <p>/</p> <p>0 %</p>	<p>0 %</p> <p>/</p> <p>0 %</p>	-

	<b>b. 1952 citizen of the RF</b>		JSC “Rosovenergo”; <b>2008 – present time: Head of the property management section of JSC “IDGC of the South” branch “Rostovenergo”</b>			
5	<b>Galkin Yury Aleksandrovich</b>  <b>b. 1952 citizen of the RF</b>	Higher	2004-2005: Head of the enterprise reform group of JSC “Sokolovskoye PSKh”; Deputy Director of JSC “Sokolovskoye PSKh”; 2005-2006: Acting General Director of JSC “Sokolovskoye PSKh”; <b>2007 – present time: General Director of JSC “Sokolovskoye PSKh”</b>	0% / 0%	0 % / 0 %	-
<b>2 General Director of JSC “Sokolovskoye PSKh” (elected on 28.02.2007):</b>						
6	<b>Galkin Yury Aleksandrovich</b>  <b>b. 1952 citizen of the RF</b>	Higher	2004-2005: Head of the enterprise reform group of JSC “Sokolovskoye PSKh”; Deputy Director of JSC “Sokolovskoye PSKh”; 2005-2006: Acting General Director of JSC “Sokolovskoye PSKh”; <b>2007 – present time: General Director of JSC “Sokolovskoye PSKh”</b> Member of the Board of Directors of “Sokolovskoye PSKh”	0% / 0%	0 % / 0 %	-

Collegial executive body: No provision in the Charter of JSC “Sokolovskoye PSKh”.

### JSC “Recreation Centre “Energetik”

<b>1 Members of the Board of Directors of JSC “Recreation Centre “Energetik” (elected by Shareholders’ general meeting of JSC “Energetik” Minutes of the Management Board of JSC “IDGC of the South” dd 30.06.2008 No 2):</b>						
Item number	Surname, first name, patronymic, year of birth, citizenship of the member of the Issuer’s subsidiary or affiliated company management	Data on education	Positions held by the member of the Issuer’s subsidiary or affiliated company management within the last five years and now	Stake held by the Issuer’s subsidiary or dependent company in the Issuer’s authorized capital /  the Issuer’s ordinary shares held by the person and his affiliates	Stake held by the Issuer in the authorized capitals of the Issuer’s subsidiary or dependent company/  Ordinary shares of the Issuer’s subsidiary or dependent company held by the Issuer	Number of shares of the Issuer’s subsidiary or dependent company which can be obtained by the person in fulfillment of his rights on these companies’ options owned by him
1	<b>Aleksandrov Yevgeny</b>	Higher	2004-2005: Branch Director of JSC “Rostovenergo” branch Volodonskaya TPP (Thermal Power Plant), Branch Director of JSC “Rostov Generating Company”	0 % /	0 % /	-

	<b>Yurievich b. 1956 citizen of the RF Chairman of the Board of Directors</b>		branch Volodonskaya TPP-2; section head of JSC “TGC-8” (Territorial Generating Company); 2005-2006: Head of section for production-support and budget development of JSC “TGC-8; Deputy General Director of JSC “Rostovenergo”; Deputy General Director for investments of JSC “Rostovenergo”; 2007-2008: Director for investments of JSC “Rostovenergo”; <b>2008 – present time: Deputy Director for capital construction of JSC “IDGC of the South” branch “Rostovenergo”</b>	0 %	0 %	
2	<b>Laparev Vadim Viktorovich, b. 1980 citizen of the RF Deputy Chairman of the Board of Directors</b>	Higher	2002-2005: Category II specialist of JSC “Rostovenergo”; 2005-2008: First category specialist of securities and capital management section of JSC “Rostovenergo”; <b>2008 – present time: Leading specialist of property management division of JSC “IDGC of the South” branch “Rostovenergo”</b>	0 % / 0 %	0 % / 0 %	-
3	<b>Kirpa Vasily Petrovich  b. 1953 citizen of the RF</b>	Higher	2004-2005: Deputy General Director of JSC “Recreation Centre “Energetik”; <b>2007 – present time: General Director of JSC “Recreation Centre “Energetik”</b>	0 % / 0 %	0 % / 0 %	-
4	<b>Deryagin Kirill Yevgenievich b. 1979  citizen of the RF</b>	Higher	2003-2007: Head of legal section of Open Joint Stock Insurance Company “Rossia”; <b>2007 – present time: Deputy Head of the Department – Head of the section for organization and methodical operation provision of the department for legal provision of JSC “IDGC of the South” branch</b>	0 % / 0 %	0 % / 0 %	-
5	<b>Ivanova Yelena Yurievna, b. 1981  citizen of the RF</b>	Higher	2004–2005: Specialist of suborganization section of charge division of Legal department of “Rosgosstrakh-Stolitsa”; leading specialist of the scheduled operations section of the IT Centre of JSC “Engineering Management Centre of UES”; 2005-2008: Manager of the Corporate Relations Division of the Management Centre of JSC “FGC UES”; <b>2008 – present time: Deputy Head of Corporate Events Directorate of JSC “IDGC Holding”</b> Deputy Chairman of the Boards of Directors of JSC “Grechko A.A. PSKh”, JSC “Tyumenavtotrans”, CJSC “Svet”	0% / 0%	0 % / 0 %	-
<b>2 GENERAL DIRECTOR of JSC “Recreation Centre “Energetik” (elected on 06.03.2007):</b>						

6	<b>Kirpa Vasily Petrovich</b>  <b>b. 1953</b> <b>citizen of the RF</b>	Higher	2004-2005: Deputy General Director of JSC “Recreation Centre “Energetik”; <b>2007 – present time: General Director of JSC “Recreation Centre “Energetik”</b> Member of the Board of Directors of JSC “Recreation Centre “Energetik”	0% / 0%	0 % / 0 %	-
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Collegial executive body: No provision in the Charter of JSC “Recreation Centre “Energetik”.

### 3.6 COMPOSITION, STRUCTURE AND COST OF THE FIXED ASSETS OF THE ISSUER, INFORMATION ON PLANS FOR THE FIXED ASSETS PURCHASE, REPLACEMENT, RETIREMENT, AS WELL AS ON ALL FACTS OF THE ISSUER'S FIXED ASSETS CHARGING

#### 3.6.1 Fixed assets

JSC "IDGC of the South" incorporates distributive grid complexes in 4 subjects of the Russian Federation (the Republic of Kalmykia, the Astrakhan, the Volgograd and the Rostov areas) carries out the following ordinary activities:

- rendering commercial services on electric power transmission through carrying out a set of organizational and technological activities, including operational technological management providing electric power via technical devices of the Company's electric grid;
- rendering services on technological connection of power receivers (power units) of legal entities and physical persons to the Company's grid.

Information on the original (replacement) value of fixed assets and the amount of accumulated depreciation as of 31.03.2009:

Rubles in thousands					
No	Group of fixed assets	Original (replacement) value, as of 31.12.2008	Depreciation amount as of 31.12.2008	Original (replacement) value, as of 31.03.2009	Amount of accumulated depreciation, as of 31.03.09
1	Buildings	3450935	79849	3449216	117492
2	Facilities and transmission devices	15332062	734829	15569477	996740
3	Plant and equipment	7269140	495219	7093353	694659
4	Transport facilities	229291	51001	239579	68956
5	Other fixed assets	81398	15229	82448	20542
	<b>Total:</b>	<b>26362826</b>	<b>1376127</b>	<b>26434073</b>	<b>1898389</b>

Data on methods of depreciation by object groups of fixed assets: depreciation of fixed asset objects is made by straight method depending on the terms of the objects' useful life. Accrual of depreciation for property obtained by the Company under lease agreements and charged on balance accounts is made by the method specified in the agreement.

Results of the last fixed assets revaluation and revaluation of fixed assets in long-term lease: data on fixed assets revaluation and revaluation method are not presented, as fixed assets revaluation was not performed in the period of the Issuer's activity from 28.06.2007 to 31.03.2009.

Data on plans for obtaining, replacement, retirement of fixed assets the value of which makes at least 10 percent of the total Issuer's fixed assets and other fixed assets at the Issuer's discretion: there are no such plans.

**Data on all facts of the Issuer’s fixed assets charge as of 31.03.2009:**

Fixed assets in lease								
No	Brief characteristics of property		Charge basis (number and date of lease contract)		Lessee	Charge term		
	Name	Area, sq.m.				Initial lease term under the contract	Prolongation under the contract	
1	Area maintenance building 26 Pionerov Geroyev Str., Kamensk-Shakhtinskiy, Rostov area		252,63	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
2	Main building of DPS base 79 Pobydy Str., Tarasovskiy settlement, Tarasovskiy district, Rostov area		75,62	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
3	DPS base 2a Zavodskaya Str., Belaya Kalitva, Rostov		118,80	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
4	Two-storeyed building of operation and service point (brick) 20 Sosnovaya Str., st. Tatsinskaya, Rostov area		83,10	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
5	Substation control house 124 Lunacharskogo Str., Morozovsk, Rostov area		99,60	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
6	Utility service point of Oblivskaya -1 substation 162 Gagarinsa Str., st. Oblivskaya, Oblivskiy district, Rostov area		38,01	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
7	Adminiatraive building 34 70 Let Oktyabrya Str., st. Sovetskaya, Sovetskiy district, Rostov area		35,86	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
8	Garage building 4 Garazhnaya Str., Kamensk-Shakhtinskiy, Rostov area		25,80	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
9	DPS base garage (for 5 cars) 2a Zavodskaya Str., Belaya Kalitva, Rostov area		38,50	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
10	Storage shed 20 Sosnovaya Str., st., Tatsynskaya, Rostov area		29,40	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
11	Garage 162 Gagarina Str., st. Olivskaya, Oblivskiy district, Rostov area		22,30	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
12	Metal shed 34 70 Let Oktyabrya Str., st. Sovetskaya Sovetkiy district, Rostov area		23,50	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
13	Storage shed 26 Pionerov Geroyev Str., Kamensk-Shakhtinskiy, Rostov area		9,90	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
14	Storage premises 20 Sosnovaya Str., st. Tatsinskaya, Rostov area		11,05	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009

15	Lavatory 79 Pobedy Str., settlement Tarasovskiy, Tarasovskiy district, Rostov area	13,00	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
16	Lavatory, Oblivskaya-1 substation 162 Gagarina Str., st. Oblivskaya, Oblivskiy district, Rostov area	9,00	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
17	Lavatory, Sovetskaya 1 substation 34 70 Let Oktyabrya, st. Sovetskaya, Sovetskiy district, Rostov area	7,00	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
18	Building of District Production Base (adm.), 5 pr. Liteiniy, Azov, Rostov area	311	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
19	Garage building - 4 5 pr. Liteiniy, Azov, Rostov area	27,7	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
20	Garage building - 5. 5 pr. Liteiniy, Azov, Rostov area	141,6	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
21	Amenity building 5 pr. Liteiniy, Azov, Rostov area	46,5	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
22	Material storehouse building-1 5 pr. Liteiniy, Azov, Rostov area	24	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
23	Building of District Power Substation ZDPS (administr.) 1 Gagarina Str., Zernograd, Rostov area	132	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
24	Garage building 2 Gagarins Str., Zernograd, Rostov area	30,7	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
25	Garage (part) 4B Gagarina Str., st. Yegorlykская, Rostov area	67,7	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
26	Administrative building (part) 73 Voroshilova Str., st. Yegorlykская, Rostov area	73,9	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
27	Administrative building 34 Artilleriyская Str., Millerovo	288,1	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
28	Three-storeyed building of area maintenance building 18 Skirdy Str., Salsk, Rostov area	1851,2	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
29	Garage (for 25 cars) 18 Skirdy Str., Salsk, Rostov area	673,4	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009



30	Administrative building of Tselinskiy DPS 3 Prodolnaya Str., settlement Tselina, Tselinskiy district, Rostov area	1058,8	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
31	Main building of Peschanokopskiy DPS 3 Enegetikov Str., village Peschanolopskoye, Peschanikopskiy district, Rostov area	608	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
32	Garage (for 4 cars) of Peschanokopskiy DPS 3 Enegetikov Str., village Peschanolopskoye, Peschanikopskiy district, Rostov area	57,5	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
33	Administrative building of Orlovskiy DPS, substation type 5 249 Yuzhnaya Str., settlement Orlovskiy, Orlovskiy district, Rostov area	654,6	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
34	Storage shed of Orlovskiy DPB 249 Yuzhnaya Str., settlement Orlovskiy, Orlovskiy district, Rostov area	233,7	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
35	Two-storeyed building of South-Eastern Power Station, administrative ebuilding 28 Zheleznodorizhnaya Str., Salsk, Salsk district, Rostov area	1107,3	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
36	Industrial building (3 <sup>rd</sup> floor) 28 Zheleznodorizhnaya Str., Salsk, Salsk district, Rostov area	599,9	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
37	South-Eastern Power Station storehouse 28 Zheleznodorizhnaya Str., Salsk, Salsk district, Rostov area	91,2	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
38	Nonresidential premises in area maintenance building (accessory building) 22 Grishina Str., Tsimlyansk	129,9	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
39	Nonresidential premises in area maintenance building 22 Grishina Str., Tsimlyansk	182,4	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
40	Nonresidential premises in service and amenity building of Volgodonsk Power Station (production module) 10 Tsmlyanskoye Shosse, Novosoleniy settlement,	20,5	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009

	Volgodonsk						
41	Parking box (garage) 10 Tsimlyanskoye Shosse, Volgodonsk	70	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
42	Nonresidential premises of Dubovskiy DPB 18 Pervomaiskaya, village Dubovskoye	60,4	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
43	Garage building 18 Pervomaiskaya Str., village Dubovskoye	15	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
44	Nonresidential premises in management building of Martynovskiy DPS 9 Per. Sosnoviy, village Bolshaya Martynovka	59,2	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
45	Nonresidential premises of District Power Substation, Production Base 7 Gvardeiskaya Str., village Zavetnoye, Zavetininskiy district	30,6	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
46	Garage (brick) 7 Gvardeiskaya Str., village Zavetnoye, Zavetininskiy district	30,4	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
47	Premises in R-6 Electric Power Substation, with total area of 847 sq. m. Letter: A. 128/1 Taganrogskaya Str., Oktyabrskiy district, Rostov- on-Don	81,1	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
48	Premises in BT-1 (Energosbyt) Substation, with total area of 150,7 sq.m Letter A First Pyatiletka Str., Bataisk, Rostov area	58	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
49	Premises I administrative building of production base . Letter A-3 83 Semashko Str., Letter A-3, st. Bagayevskaya, Bagayevskiy district, Rostov area	146,9	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
50	Premises in garage (with accessory building), with total area of 105.3 sq.m. Letter B 83 Semashko Str., Letter B, st. Bagayevskaya, Bagayevskiy district, Rostov area, 346610	48	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009
51	Premises in R-6 Electric Power Substation, with total area of 847 sq. m. Letter: A. 128/1 Taganrogskaya Str., Oktyabrskiy district, Rostov- on-Don	54,9	9996/07/350/01/07	18.04.2007	JSC “Energosbyt Rostovenergo”	01.01.06 - 01.11.07	01.12.2006 - 01.09.2009

52	District Production Base 26 geroyev Pionerov Str., Kamensk-Shakhtinskiy, Rostov area	11,9	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
53	Main building of District Power Station 79 Pobedy Str., settlement Tarasovskiy, Tarasovskiy district, Rostov area	17,40	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
54	Office building 13 Budennogo Str., khutor Staraya Stanitsa, Kamenskiy district, Rostov area	97,72	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
55	Storehouse building 13 Budennogo Str., khutor Staraya Stanitsa, Kamenskiy district, Rostov area	24,20	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
56	District Power Substation Base 2a Zavodskaya Str., Belaya Kalitva, Rostov area	39,00	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
57	Two-storeyed building of operation and service point (brick) 20 Sosnovaya Str., st. Tatsinskaya, Rostov area	24,9	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
58	DPS Base 124 Lunacharskogo Str., Morozovsk, Rostov area	33,6	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
59	DPS Base 124 Lunacharskogo Str., Morozovsk, Rostov area	7,75	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
60	Milyutyutinskaya Substation control house 1 Levoberezhnaya Str., khutor Novokuznetsov, Milyutinskiy district, Rostov area	29,5	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
61	Utility service point 163 Gagarina Str., st. Oblivskaya, Oblivskiy district, Rostov area	16,2	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
62	Administrative building 34 70 Let Oktyabrya Str., st. Sovetskaya, Sovetskiy district, Rostov area	29,67	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
63	DPB building, Azov Substation 5 pr. Liteiny, Azov, Rostov area	44,0	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
64	Amenity building 5 pr. Liteiny, Azov, Rostov area	11,9	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
65	DPB building 5 pr. Liteiny, Azov, Rostov area	8,4	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009

66	District Power Substation, Zernograd Power Station (administrative) 1 Gagarina Str., Zernograd, Rostov area	51,3	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
67	District Power Substation of Yegorlykskaya Power Station 127 Chapayeva Str., st. Yegorlykskaya, Rostov area	17,1	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
68	Utility service point 27 Chapayeva Str., st. Yegorlykskaya, Rostov area	8,7	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
69	Type 1 District Power Substation-1 (two-storeyed building) 3 Energetikov Str., st. Kagalnitskaya, Rostov area	32,6	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
70	Administrative building 1 Shosseinaya Str., settlement Kamenolomny, Rostov area	46,7	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
71	Premises 4 Per. Karyerniy, Millerovo	55,8	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
72	Premises 1 Proizvodstvennaya Str., st. Kazanskaya	61,3	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
73	Premises 1b Yesenina Str., st. Veshenskaya	32	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
74	Premises 1 Energeticheskaya Str., village Kashary	33,6	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
75	Garage premises, 1 Energeticheskaya Str., village Kashary	24	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
76	Administrative building of Tselinskiy DPS 3 Prodolnaya Str., settlement Tselina, Tselinskiy district, Rostov area	55,7	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
77	Main building of Peschanokopskiy DPS 3 Energetikov Str., village Peschanokopskoye, Peschanokopskiy district, Rostov area	27,6	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
78	Administrative building of Orlovskiy DPS, substation type 5 249 Yuzhnaya Str., settlement Orlovskiy, Orlovskiy district, Rostov area	54,1	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
79	Storage shed of Orlovskiy DPB 249 Yuzhnaya Str., settlement Orlovskiy, Orlovskiy district, Rostov area	22,7	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009

80	Maintenance and Production Base of Proletarskiy DPS 21 Chkalova Str., Proletarsk Proletarskiy district, Rostov area	35,1	50674/07	15.05.2007	JSC “Energobalans”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
81	Parking box (garages) 10 tsimlyanskoye Shosse, Volgodonsk	64,8	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
82	Nonresidential premises in service and amenity building (accessory building) 22 Grishina str., Tsimlyansk	58	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
83	Nonresidential premises in management building of Martynovskiy DPS 8 Per. Sosnoviy, village B. Martynovka	37,7	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
84	Nonresidential premises in office building 6 Komsomolskaya Str., Konstantinovsk	26,4	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
85	Nonresidential premises, building of Zimovniki Regional Power Substation (garage) 2a Per. Brigadniy (194,9k)	46,3	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
86	Nonresidential premises in administrative building 180 Oktyabrskaya Str., village Remontnoye	44,9	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
87	Nonresidential premises in District Power Substation (Production Base) 7 Gvardeiskaya Str., village Zavetnoye	22,2	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
88	Nonresidential premises of Dubovskiy DPB 18 Pervomaiskaya, village Dubovskoye	21,9	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
89	Premises in Substation Control House, with total area of 631,6 sq.m. Letter:B 35 Zapadnaya Str., Aksai, Aksauskiy district, Rostov area	54,9	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
90	Part of land plot (KN) – open parking lot 35 Zapadnaya Str., Aksai, Aksauskiy district, Rostov area	24	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
91	Premises in administrative building of production base. Letter A-3 83 Semashko Str., Letter A-3, st. Bagayevskaya, Rostov area	45,7	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
92	Part of land plot (KN) – open parking lot 83 Semashko Str., st. Bagayevskaya, Rostov area	24	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009

93	Premises in type 5 DPB (Semikarakorsk DPS base) 10 Energetikov Str., semikarakorsk, Rostov area	29,1	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
94	Premises in garage with total area 166,5 sq.m. Letter B Zdorovtseva Str., khutor Zolotorevka, Semikarakorskiy district, , Rostov area, 346645	24	50674/07	15.05.2007	Ltd “Energobalans - Centre”	01.01.2007 - 30.11.2007	01.01.2007 - 30.09.2009
95	Mechanical workshoop building 26 Geoyev Pionerov Str., Kamensk-Shakhtinskiy, Rostov area	101,7	66211	01.08.2008	CJSC “Trading House on Don”	01.08.2008	01.06.2009
96	Technological premises 54 Narodnaya Str., Novocherkassk	15	3930/25/03/AP-12-H/97	28.10.1997	CJSC “Rostov Cellular Communications”	from 28.10.1997	until 31.12.2012
97	Radio tower 54 Narodnaya str., Novocherkassk	0,5	3930/25/03/AP-12-H/97	28.10.1997	CJSC “Rostov Cellular Communications”	from 28.10.1997	until 31.12.2012
98	Technological premises 63 Pr. Pobedy Revolyutsii, Shakhty	15	3929/25/03/AP-7-ш/98	12.02.1998	CJSC “Rostov Cellular Communications”	12.02.1998-31.12.2013	12.02.1998-31.12.2013
99	Radio tower 63 Pr. Pobedy Revolyutsii, Shakhty	0,5	3929/25/03/AP-7-ш/98	12.02.1998	CJSC “Rostov Cellular Communications”	12.02.1998-31.12.2013	12.02.1998-31.12.2013
100	Nonresidential premises, RRL point 2 Montazhnikov Str., settlement Nesvetai	10	3929/25/03/AP-7-ш/98	12.02.1998	CJSC “Rostov Cellular Communications”	12.02.1998-31.12.2013	12.02.1998-31.12.2013
101	Radio tower 2 Montazhnikov Str., settlement Nesvetai	0,5	3929/25/03/AP-7-ш/98	12.02.1998	CJSC “Rostov Cellular Communications”	12.02.1998-31.12.2013	12.02.1998-31.12.2013
102	Radio tower, KGZ Substation Podtelkov Str., st. Kirovskaya	0,5	3929/25/03/AP-7-ш/98	12.02.1998	CJSC “Rostov Cellular Communications”	12.02.1998-31.12.2013	12.02.1998-31.12.2013
103	Communication Centre building at R-1 Substation 56 Per. Teatralniy, Rostov-on-don	2	7067/25/05	19.09.2005	State-owned enterprise “Donenergo”	19.09.2005 - 19.09.2015	19.09.2005 - 19.09.2015
104	Padio mast, R-1 Substation 56 Per. Teatralniy, Rostov-on-Don	0,5	7067/25/06	19.09.2005	State-owned enterprise “Donenergo”	19.09.2005 - 19.09.2016	19.09.2005 - 19.09.2016
105	Premises of Central Management Facilities Unit in administrative building 49 B. Sadovaya Str., Rostov-on-Don	1,5	9809/25/07/20/4	11.04.2007	Ltd “Elsiko”	11.04.2007 - 11.04.2017	11.04.2007 - 11.04.2017
106	Open wire supports (section of Central Power Station branch)	Not stipulated by contract terms	53792/25/07	06.08.2007	Ltd “Digital Telephone Networks South”	06.08.2007 - 31.12.2017	06.08.2007 - 31.12.2017

107	Open wire supports (section of Central Power Station branch)	Not stipulated by contract terms	53792/25/07	06.08.2007	Ltd “Digital Telephone Networks South”	06.08.2007 - 31.12.2017	06.08.2007 - 31.12.2017
108	Digital connection system (30 Channels)	Not stipulated by contract terms	8350/06	27.06.2006	Ltd “Elsiko”	07.06.2006 - 01.07.06	07.06.2006 - 01.07.09
109	Digital connection system (30 Channels)	Not stipulated by contract terms	8350/07	27.06.2006	Ltd “Elsiko”	07.06.2006 - 01.07.06	07.06.06 - 01.07.09
110	Line link transformer	Not stipulated by contract terms	8350/08	27.06.2006	Ltd “Elsiko”	07.06.2006 - 01.07.06	07.06.06 - 01.07.09
111	Line link transformer	Not stipulated by contract terms	8350/09	27.06.2006	Ltd “Elsiko”	07.06.2006 - 01.07.06	07.06.06 - 01.07.09
112	Digital connection system (30 Channels)	Not stipulated by contract terms	8350/10	27.06.2006	Ltd “Elsiko”	07.06.2006 - 01.07.06	07.06.06 - 01.07.09
113	Digital connection system (30 Channels)	Not stipulated by contract terms	8350/11	27.06.2006	Ltd “Elsiko”	07.06.2006 - 01.07.06	07.06.06 - 01.07.09
114	MP-1 Multiplex switch	Not stipulated by contract terms	8350/12	27.06.2006	Ltd “Elsiko”	07.06.2006 - 01.07.06	07.06.06 - 01.07.09
115	30-channel digital facilities of interconnecting line thickener (KCЛ) communication	Not stipulated by contract terms	8350/13	27.06.2006	Ltd “Elsiko”	07.06.2006 - 01.07.06	07.06.06 - 01.07.09
116	30-channel digital facilities of interconnecting line thickener (KCЛ) communication	Not stipulated by contract terms	8350/14	27.06.2006	Ltd “Elsiko”	07.06.2006 - 01.07.06	07.06.06 - 01.07.09
117	RRL	Not stipulated by contract terms	8350/15	27.06.2006	Ltd “Elsiko”	07.06.2006 - 01.07.06	07.06.06 - 01.07.09

118	Connection RRL, 30 channels	Not stipulated by contract terms	8350/16	27.06.2006	Ltd “Elsiko”	07.06.2006 - 01.07.06	07.06.06 - 01.07.09
119	Digital connection system (30 Channels)	Not stipulated by contract terms	8350/17	27.06.2006	Ltd “Elsiko”	07.06.2006 - 01.07.06	07.06.06 - 01.07.09
120	Administrative building 49 B.Sadovaya Str., Rostov-on-Don, 344002	13,62	68895/08	12.12.2008	JSC CB “Center-Invest”	01.01.09 - 30.11.09	01.01.09 - 30.11.09
121	Nonresidential premises with area of 2446 sq. m., Letter A, 58,0 sq.m., Letter B at: 48-50 Pr. Semashko, Rostov-on-Don	2504,6	67322/08	01.10.2008	Ltd “Energiya”	01.10.08 - 31.08.09	01.10.08 - 31.08.09
122	Apartment. Area: total area 21,3 sq.m. 4 <sup>th</sup> floor, Letter A Apt. 69, 85/5 Yeremenko Str., Sovetskiy district, Rostov –on-Don, Rostov area	21,3	9474/07	29.12.2006	Apanasova G.A.	29.12.2006 - 29.12.2046	29.12.2006 - 29.12.2046
123	1a Energetiki Str., Shakhty, Rostov area	Not stipulated by contract terms	9145/06	15.09.2006	“Shakhtinskiy Gas-Turbine Power Station”, Ltd	15.09.2006 - 31.12.2007	15.09.06 - 20.04.2009
124	Parking lot (Narimanovskiy District Administration)	10	No49-12-108	01.12.2008	“Astrakhan Power Supply Company”, JSC	from 01.12.08 to 29.11.09	none
125	Parking lot (Privolzhskiy District Administration)	10	No 49-12-108	01.12.2008	“Astrakhan Power Supply Company”, JSC	from 01.12.08 to 29.11.09	none
126	Nonresidential premises (Akhtubinskiy DPS)	11	No49-12-72	11.07.2008	“Astrakhan GSM”, CJSC	from 11.07.08 to 09.07.09	none
127	Nonresidential premises, “Astrakhanenergo”, JSC 32 Kr. Naberezhnaya, 19 Sov. Militcii Str.	1,5	No49-12-71	30.06.2008	“Astrakhan GSM”, CJSC	from 30.06.08 to 28.06.09	none
128	Nonresidential premises, “Astrakhanenergo”, JSC 1 Shosse Energetikov	12,1	No49-12-69	30.06.2008	“Astrakhan GSM”, CJSC	from 30.06.08 to 28.06.09	none
129	Place for container installation and place on the lighting mast for antennae installation “Tsarevskaya” substation 2 B.Khmelnitskogo St.	6	No49-12-70	30.06.2008	“Astrakhan GSM”, CJSC	from 30.06.08 to 28.06.09	none
130	Nonresidential premises (Ikryanskiy DPS)	6	No49-12-67	30.04.2008	“MSS-Povolzhye”, JSC	from 30.04.08 to 28.04.09	none



131	Nonresidential premises (Ikryanskiy DPS)	6	No49-12-66	29.04.2008	“MSS-Povolzhye”, JSC	from 29.04.08 to 27.04.09	none
132	Nonresidential premises, “Atrakhanenergo”, JSC 1 Shosse Energetikov	6,5	No49-12-85	30.10.2008	“MSS-Povolzhye”, JSC	from 30.10.08 to 28.10.09	none
133	Place for container installation and place on the metal lighting mast for antennae-feeders installation (Volodarskiy DPS)	8,05	No49-12-77	24.07.2008	“MSS-Povolzhye”, JSC	from 24.07.08 to 22.07.09	none
134	Nonresidential premises (Chernoyarskiy DPS)	7,5	No49-12-91	30.11.2008	“MSS-Povolzhye”, JSC	from 30.10.08 to 28.10.09	none
135	Place for container installation and place on the concrete support for antennae-feeders installation (Ikryanskiy DPS)	2,3x3,5	No49-12-60	26.03.2008	“MSS-Povolzhye”, JSC	from 15.04.08 to 13.04.09	none
136	Nonresidential premises, “Astrakhanenergo”, JSC Tsarevskaya Substation 1 B. Khmelnitskogo Str.	6	No49-12-82	02.07.2008	“MSS-Povolzhye”, JSC	from 02.07.08 to 30.06.09	none
137	Nonresidential premises (Yenotayevskiy DPS)	3,2	No49-12-112	26.03.2009	“Vypelkom”, JSC	from 26.03.09 to 24.03.10	none
138	Nonresidential premises (Akhtubinskiy DPS)	26,1	No49-12-81 A	30.09.2008	“Vypelkom”, JSC	from 30.09.08 to 28.09.09	none
139	Place for container installation and place on the concrete support for antennae-feeders installation (Ikryanskiy DPS)	7	No49-12-68	31.05.2008	“Vypelkom”, JSC	from 31.05.08 to 30.05.09	none
140	Place for antennae-feeders installation “Oktyabrskaya” Substation, Trusovskiy district	6	No49-12-81	30.09.2008	“Vypelkom”, JSC	from 30.09.08 to 28.09.09	none
141	Nonresidential premises, “Atrakhanenergo”, JSC 1 Shosse Energetikov	6	No49-12-95	30.11.2008	“Vypelkom”, JSC	from 30.11.08 to 28.11.09	none
142	Nonresidential premises (Akhtubinskiy DPS)	10,1	No49-12-58	12.03.2008	“Astrakhan-Mobile”, CJSC	from 29.04.08 to 27.04.09	none

143	Nonresidential premises, “Atrakhanenergo”, JSC 1 Shosse Energetikov	12,5	No49-12-59	24.03.2008	“Astrakhan-Mobile”, CJSC	from 30.04.08 to 29.04.09	none
144	Nonresidential premises, “Atrakhanenergo”, JSC 1 Shosse Energetikov	229	No49-12-92	30.11.2008	“Elektrosetservis”, Ltd	from 30.11.08 to 28.11.09	none
145	Nonresidential premises, “Atrakhanenergo”, JSC 1 Shosse Energetikov	42	No49-12-90	30.11.2008	“Elektrosetservis”, Ltd	from 30.11.08 to 28.11.09	none
146	Nonresidential premises, “Atrakhanenergo”, JSC 1 Shosse Energetikov	69,8	No49-12-84	31.10.2008	“Elektrosetservis”, Ltd	from 31.10.08 to 28.11.09	none
147	Nonresidential premises, “Atrakhanenergo”, JSC 32 Kr. Naberezhnaya	565,4	No49-12-98	01.01.2009	JSC UES System Operator Disptach Management Centre (SO – DMC) of Astrakhanskiy Region of Dispatch Administration (RDA)	from 01.01.09 to 30.12.09	none
148	Property (dispatcher panel, power supply unit)	none	No49-12-96	01.01.2009	JSC UES System Operator Disptach Management Centre (SO – DMC) of Astrakhanskiy Region of Dispatch Administration (RDA)	from 01.01.09 to 30.12.09	none
149	Nonresidential premises (“Energobalans-Astrakhan”, JSC, village Yenotayevka)	46	No49-12-99	01.01.2009	“Energobalans-Astrakhan”, JSC (premises)	from 01.01.09 to 30.12.09	none
150	Nonresidential premises (“Energobalans-Astrakhan”, JSC, village Krasniy Yar)	27,2	No49-12-100	01.01.2009	“Energobalans-Astrakhan”, JSC (premises)	from 01.01.09 to 30.12.09	none
151	Nonresidential premises (“Energobalans-Astrakhan”, JSC, Kharably)	35,3	No49-12-101	01.01.2009	“Energobalans-Astrakhan”, JSC (premises)	from 01.01.09 to 30.12.09	none
152	Nonresidential premises (“Energobalans-Astrakhan”, JSC, village Nachalovo)	36	No49-12-102	01.01.2009	“Energobalans-Astrakhan”, JSC (premises)	from 01.01.09 to 30.12.09	none
153	Nonresidential premises (“Energobalans-Astrakhan”, JSC, settlement Volodarskiy)	77	No49-12-103	01.01.2009	“Energobalans-Astrakhan”, JSC (premises)	from 01.01.09 to 30.12.09	none

154	Nonresidential premises ("Energobalans-Astrakhan", JSC, village Cherniy Yar)	54	No49-12-105	01.01.2009	"Energobalans-Astrakhan", JSC (premises)	from 01.01.09 to 30.12.09	none
155	Nonresidential premises ("Energobalans-Astrakhan", JSC, village Ikryanoye)	36	No49-12-106	01.01.2009	"Energobalans-Astrakhan", JSC (premises)	from 01.01.09 to 30.12.09	none
156	Nonresidential premises ("Energobalans-Astrakhan", JSC, village Kamyzyak)	21	No49-12-107	01.01.2009	"Energobalans-Astrakhan", JSC (premises)	from 01.01.09 to 30.12.09	none
157	Nonresidential premises ("Energobalans-Astrakhan", JSC, 1 Shosse Energetikov)	758,3	No49-12-110	01.01.2009	"Energobalans-Astrakhan", JSC (premises)	from 01.01.09 to 30.12.09	none
158	Property ("Energobalans-Astrakhan", JSC)	none	No49-12-111	01.01.2009	"Energobalans-Astrakhan", JSC (property)	from 01.01.09 to 31.12.09	none
159	Premises 38 Sov. Militzii Str.	4	No49-12-97	01.01.2009	"Energobalans-Astrakhan", JSC (premises)	from 01.01.09 to 30.12.09	none
160	Parking lot "Astrakhanenergo", JSC, 1 Shosse Energetikov	290	No49-12-94	01.01.2009	"Energobalans-Astrakhan", JSC (parking lots)	from 01.01.09 to 30.12.09	none
161	Nonresidential premises "Astrakhanenergo", JSC, 1 Shosse Energetikov	189,1	No49-12-86	31.10.2008	Mikhailov Aleksandra Vladimirovna (entrepreneur)	from 31.10.08 to 29.10.09	none
162	Nonresidential premises (18 I. Franko Str., Akhtubinsk)	11,1	No49-12-80	30.09.2008	Municipal health care institution "Zolotukhinskiy local hospital"	from 30.09.08 to 28.09.09	none
163	Nonresidential premises 13 Sovetskoy Militzii Str., Akhtubinsk	3,4	No49-12-104	01.01.2009	"Stroielektromontazhnaladka", LLC	from 01.01.09 to 30.12.09	none
164	Nonresidential premises (1 Shosse Energetikov, Astrakhan)	25,7	No49-12-93	01.01.2009	JSC UES System Operator Dispatch Management Centre (SO – DMC) of Astrakhanskiy Region of Dispatch Administration (RDA)	from 01.01.09 to 30.12.2009	none

165	Nonresidential premises (1 Shosse Energetikov, Astrakhan)	13	No49-12-74	26.06.2008	“Real medical service”, LLC	From 26.06.08 to 24.06.09	none
166	Nonresidential premises (38 sovetskoy Militsii Str., Astrakhan)	7,5	No49-12-73	26.06.2008	“Real medical service”, LLC	from 26.06.08 to 24.06.09	none
167	Nonresidential premises (75/69 Sun-Yat-Sena/ Kulikova Str., Astrakhan)	12,95	No49-12-88	15.12.2008	“Real medical service”, LLC	from 15.12.08 to 13.12.09	none
168	Nonresidential premises (18 I. Franko Str., Akhtubinsk)	10,1	No49-12-87	08.12.2008	“Real medical service”, LLC	upon signature and until 20.10.09	none
169	Dispatch technological building of Surovikinskiy DPS 20 Per. Zavodskoy, Surovikino, Volgograd area	31,90	contact No 108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
170	Carriage of Volga PK of Kotelnikovskiy DPS 151 Kirova Str., Kotelnikovo, Volgograd area	15,00	contact No 108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
163	Two-storey building of Oktyabrskiy DPS 4 Energeticheskaya Str., Oktyabrskiy district, Volgograd area	22,50	contact No 108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
164	Administrative building of Krasnoarmeiskiy DPS 1 Khabarovskaya Str., Volgograd	30,80	contact No 108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
165	Administrative building of Dubovskiy DPS 12 Parkhomenko Str., Dubovka, Volgograd area	17,70	contact No 108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
166	Administrative building of Gorodichshenskiy DPS 1-a Dzerzhinskogo Str., settlement Gorodichshe, Volgograd area	39,58	contact No 108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
167	Object 10, administrative building, building A Highway No6, Volzhskiy town, Volgograd area	60,00	contact No 108	12.02.2008.	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
168	Object 10, administrative building, building B Highway No6, Volzhskiy town, Volgograd area	68,60	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none

169	Office building 1a Etuziastov Str., settlement Srednaya Akhtuba, Sredneakhtubinsky district, Volgograd area	27,70	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
170	Administrative building of Bykovskiy DPS, Bykovskiy district, Volgograd area	27,60	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
171	Administrative building of Pallasovskiy DPS 79 Ushakova Str., Pallasovka, Pallasovskiy district, Volgograd area	27,90	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
172	Administrative building of Staropoltavskiy DPS Settlement Staraya Poltavka, Staropoltavskit district, Volgograd area	36,50	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
173	Administrative building of Rudnyanskiy DPS (room) 64 Krasnaya Str., settlement Rudnya, Volgograd area	13,50	Contract No.108	12.02.2008.	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
174	KUB-M building (carriage) settlement Rudnya, Rudnyanskiy DPS, Volgograd area	18,00	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
175	Administrative building of Yelanskiy DPS (room) 73 Vokzalnaya Str., settlement Yelan, Volgograd area	45,00	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
176	Administrative building of Kotovskiy DPS (room) 28 Chernyshevskogo Str., Kotovo, Volgograd area	33,30	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
177	Administrative building of Olkhovskiy DPS (room) 2 Energetikov Str., village Olkhovka, Volgograd area	50,40	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
178	Administrative building of Kamyshinskiy grid (rooms), 39 Sovetskaya Str., Kamyshin, Volgograd area	47,08	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
179	Administrative building of Kumylzhenskiy DPS Energetikov Str., st. Kumylzhenskaya, Volgograd area	35,20	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
180	Three-storey building of Dispatch and Technological Management Automation Systems, production base of Mikhailovskiy Electric Grid (rooms) 205 Lenina Str., Mikhailovka, Volgograd area	87,80	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
181	Production base of Mikhailovskiy DPS 58 Torgovaya Str., Mikhailovka, Volgograd area	40,67	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none

182	Production base building of Serafimovicheskiy District Power Substation (50 Bolshevistskaya Str., Serafimovich, Volgograd area)	36,54	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
183	Workshops of Mikhailovskiy Electric Networks production base ( stocks No.2 of the workshop group) (205 Lenina Str., Mikhailovka, Volgograd area)	10,80	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
184	Three-storey brick building of production department of the district electric station of Kletskiy DPS base No.345400010511 (48 Dymchenko Str., Kletskaya village, Volgograd area)	34,60	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
185	Administrative building of Industrial enterprise Uryupinsk Electric Grid 139 Lenina Str., Uryupinsk, Volgograd area	83,67	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
186	Administrative building of Uryupinskiy DPS No.345600010056 (30 Volgogradskaya Str., Uryupinsk, Volgograd area)	34,18	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
187	Administrative building of Novoanninskiy DPS (89 P. Lumumby Str., Novoanninskiy, Volgograd area)	49,13	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
188	Administrative building of Novonikolayevskiy DPS (40 Sovetskaya Str., Novonikolayeskiy settlement, Volgograd area)	26,54	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
189	Administrative building of Alekseyevskiy DPS (2 Sadovaya Str., st. Alekseevskaya, Volgograd area)	35,96	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
190	Administrative building of Alekseyevskiy DPS (2 Sadovaya Str., st. Alekseevskaya, Volgograd area)	78,11	Contract No.108	12.02.2008	“Energobalanscentre”, Ltd	from 01.01.08 to 31.03.09	none
191	Administrative building (room No.214) 15 Pr. Lenina, Volgograd	28,14	Contract No.141-08	12.05.2008	“Vitkor”, CJSC	from 01.05.08 to 01.04.09	none
192	Administrative building (rooms) 15 Pr. Lenina, Volgograd	744,74	Contract No.98	10.12.2008	“SO UES”, JSC	from 01.11.08 to 01.10.09	none

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193	Administrative building (canteen utility rooms) 15 Pr. Lenina, Volgograd	33,2	Contract No.160	15.03.2008	Private entrepreneur Belanova	from 15.03.08 to 14.02.09	none
194	Administrative building (room) 15 Pr. Lenina, Volgograd	6,4	Contract No.1285	17.12.2008	Agency of Air Service “Airport Service”, Ltd	from 25.11.07 to 31.10.08	none
195	Administrative building (room No.201) 15 Pr. Lenina, Volgograd	21,51	Contract No.109-08	23.04.2008	Private enterprise “Kobalt-S”, Ltd	from 01.04.08 to 01.03.09	none
196	Workshops building of Kotelnikovskiy DPS base 32 Remizova Str., Kotelnikovo, Volgograd area	20	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none
197	Garage building of Kotelnikovskiy DPS base 32 Remizova Str., Kotelnikovo, Volgograd area	42	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none
198	Industrial building 4 Energeticheskaya Str., Oktyabrskiy district, Volgograd area	92,91	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none
199	Dubovskiy DPS, garage 109 Shishlyannikova Str., Dubovka, Volgograd area	124,7	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none
200	Kalachevskiy DPS, administrative building inv. No.5898 35 Oktyabrskaya Str., Kalach-on-Don, Volgograd area	73,7	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none
201	Kalachevskiy DPS, administrative building inv. No.5898 35 Oktyabrskaya Str., Kalach-on-Don, Volgograd area	109	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none
202	Kalachevskiy DPS, administrative building inv. No.5829 35 Oktyabrskaya Str., Kalach-on-Don, Volgograd area	28,3	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none
203	Production base base, Serafimovichskiy DPS 50 Bolshevitskaya Str., Serafimovich Volgograd area	9	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none

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204	District Power Substation-1 of Serafimovicheskiy DPS, 2-storeyed 50 Bolshevitskaya Str., Serafimovich Volgograd area	50	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none
205	District Power Substation industrial building of Kletskiy DPS , 3-storeyed 48 Dymchenko Str., st. Kletskaya, Volgograd area	53	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none
206	Garage 48 Dymchenko Str., st. Kletskaya, Volgograd area	30	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none
207	Administrative amenity building, inv. No.56010019, 139 pr. Lenina, Volgograd area	206,5	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none
208	Administrative building, inv. No. 56010190 40 Pobedy Str., st. Nekhaevskaya, Volgograd area	31,4	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none
209	Maintenance and production base, inv. No.56010113 30 Volgogradskaya Str., Uryupinsk, Volgograd area	59,6	Contract No.1192	19.12.2007	“Volgogradenergosbyt”, JSC	from 01.11.07 to 01.10.08	none
210	Nonresidentila premises in administrative building of “Kalmenergo” branch, 5 <sup>th</sup> floor	9	Contract No.Ф-04-139 dd 01.07.2007.	01.07.2007	JSC “Systems operator UES” represented by Rostov RDA branch	from 01.07.2007 to 31.05.2008.	none
			Contract No.04-126 dd 04.07.2008	04.07.2008	JSC “Systems operator UES” represented by Rostov RDA branch	from 01.06.2008 to 30.04.2009	none
211	Movable property: office furniture, office equipment (total of 8 units)		Contract No.Ф-04-230/411 dd 03.10.2007	03.10.2007	JSC “Systems operator UES” represented by Rostov RDA branch	from 03.10.2007 to 02.09.2008	none
			Contract No.04-197 dd 06.10.2008.	04.07.2008	JSC “Systems operator UES” represented by Rostov RDA branch	from 03.09.2008 to 02.08.2009	none
212	Nonresidential premises: 1) 271 Lenina Str., Elista (including garages of “Elista-Vostochnaya Substation”; 2) Iki-Burulskiy DPS; 3)Yashkulskiy DPS; 4) Priyutnenskiy DPS; 5) Gorodovikovskiye Electric Grids; 6) Kaspiiskiye Electric Grids;	1012,92; 88,6; 55,2; 66,5; 79,9; 44,72;	Contract No.Ф-04-262 dd 08.12.2007		“Kalmenergosbyt”, JSC	from 1.12.2007 to 31.10.2008	Yes



	<p>7)Chernozemalskiye Electric Grids;                  8) Sarpinskiye Electric Grid Substation;                  9)Ketchenerovskiy DPS.</p>	<p>70,15;                  81,09                  69,0;</p>					
213	<p><b>Nonresidential premises</b>                  Fixed assets kind (group): buildings:                  1) Ketchenerovskiy DPS;                  2) Iki-Burulskiy DPS;                  3) Yashkulskiy DPS;                  4) Priyutnenskiy DPS;                  5) Gorodovikovskiye Electric Grids;                  6) Kaspiiskiye Electric Grids;                  7) Chernozemalskiye Electric Grids;                  8) Sarpinskiye Electric Grid Substation;                  9) Elista (parking boxes, garages);  <b>Movable assets</b>                  1) Fixed assets kind (group): plants and equipment:                  regrigerator, fax, switchboard etc. (total of 18 units);                  '2) Fixed assets kind (group): production and                  organizational stock:                  safe, office wall cabinet.( total of 13 units)</p>	<p>72,26;                  88,6;                  57,3;                  66,5;                  79,9;                  56;                  76;                  157,4;                  172</p>	<p>Contract dd                  01.11.2008. is at the                  stage of                  reconciliation                  schedule approval</p>		<p>“Kalmenergosbyt”, JSC</p>	<p>from                  01.11.2008                  to 30.10.2009</p>	<p>Yes (if                  additional                  agreement is                  made)</p>

**Sequestered fixed assets**

<b>Sequestered fixed assets</b>				
<b>Brief characteristics of property</b>			<b>Charge basis</b>	<b>Charge beginning and termination dates</b>
<b>Item No.</b>	<b>Items</b>	<b>Area, sq.m.</b>		
1	1) Monitor - 4 units., 2) System unit - 4 units, 3) Keyboard - 4 units, 4) Computer mouse - 4 units, 5) Printer - 1 unit.	----	Provision on sequestration of the property as of 27.12.2007 under the complex production No.47/07 as of 11.01.2007	Sequestered from 27.12.2007 till the present time
2	1) Tapping from complex transformer substation (CTS) 5/250 at transmission line (TL) -10 kV “Brigada-1” 0,8km long, wooden and ferroconcrete supports - 12 units, cable AS-35-2,4 km, CTS 10/0,4 - 250 KVA; 2) Tapping from CTS 1/250 KVA “Zernotok” through transmission line -10 KV “Brigada-1” 0,75 km long, wooden and ferroconcrete supports – 4 units, 3) Tapping of CTS No.2 /25 through TL -10 KV “Brigada-1” 3,6 km long, wooden and ferroconcrete supports - 4 units.	-----	Provision on sequestration of the property as of 06.12.2007 under the complex production No.47/07 as of 11.01.2007	Sequestered from 06.12.2007 till the present time
3	1) 35/10 KV Nasosnaya Electric Grid Company (EGC); 2) TL 35 Tavn Gashunskaya - Nasosnaya; 3) OL 35/10 KV Chernozemelskaya- Zulturganskaya; 4) EGC 35/10 KV Kirovskaya; 5) EGC 35/10 KV Meliorator.	----	Provision on sequestration of the property as of 21.09.2007 under the complex production No.934/74-3/2007 as of 06.02.2007	Sequestered from 21.09.2007 till the present time

**Fixed assets placed under operational management**

<b>Fixed assets placed under operational management</b>				
<b>Brief characteristics of property</b>			<b>Charge basis (decisions were taken by management authorities before affiliation of JSC “Rostovenergo” to JSC “IDGC of the South”)</b>	<b>Charge beginning and termination dates</b>
<b>No</b>	<b>Items</b>	<b>Area, sq.m.</b>		
1	Building Letter A, address (location): 147 2nd Krasnodarskaya Str., Sovetskiy district, Rostov-on-Don, Rostov area	7354 sq.m.	Decision of JSC “Rostovenergo” Board of Directors dd 26.04.2004, Minutes No.22 (concerning item No.14 “On Attaching Property to Nongovernmental Noncommercial Educational Institution “Educational Centre “Energetik” on the basis of operational management) (Certificate of state registration of right 61 АГ No.981624 dd 26.08.2008	from 26.08.2008 limit not specified

2	Building Letter A, address (location): 147/2 2nd Krasnodarskaya Str., Sovetskiy district, Rostov-on-Don, Rostov area	4789,1 sq.m.	Decision of JSC “Rostovenergo” Board of Directors dd 26.04.2004, Minutes No.22 (concerning item No.14 “On Attaching Property to Nongovernmental Noncommercial Educational Institution “Educational Centre “Energetik” on the basis of operational management”) (Certificate of state registration of right 61 АГ No.981623 dd 26.08.2008	from 26.08.2008 limit not specified
3	Movable property in amount of 9861 units for 2 140 652,07 rubles.	----	Decision of JSC “Rostovenergo” Board of Directors dd 26.04.2004, Minutes No.22 (concerning item No.14 “On Attaching Property to Nongovernmental Noncommercial Educational Institution “Educational Centre “Energetik” on the basis of operational management”)	from 01.07.2004 limit not specified
4	Building of Educational and Training Complex production base, Letter 65, address (location): Industrial centre at Steam Power Plant-2, Privolzhskiy district, Astrakhan area for 12052190,08 rub.	1158,5 sq.m.	Decision of JSC “Astrakhanenergo” Board of Directors dd 29.04.2003, Minutes No.100 (concerning item “On Participation of JSC “Astrakhanenergo” in the Nongovernmental Noncommercial Educational Institution “Astrakhan Educational Complex” and on transferring property for operational management), Agreement on the Right of Property Operational Management No.01-25-24/37 dd 05.01.2004, Supplementary contract No.1 dd 24.03.2008 to agreement No.01-25-24/37 dd 05.01.2004, Certificate of state registration of right 30 CP No.009108 dd 12.05.2004	from 12.05.2004 limit not specified
5	Movable property in amount of 100 units for 36500,47 rubles.	-----	Decision of JSC “Astrakhanenergo” Board of Directors dd 29.04.2003, Minutes No.100 (concerning item “On Participation of JSC “Astrakhanenergo” in the Nongovernmental Noncommercial Educational Institution “Astrakhan Educational Complex” and on transferring property for operational management), Agreement on the Right of Property Operational Management No.01-25-24/35 dd 05.01.2004, Supplementary contract dd 20.12.2006 to agreement No.01-25-24/35 dd 05.01.2004, Supplementary contract No.2 dd 24.03.2008 to agreement No.01-25-24/35 dd 05.01.2004	from 05.01.2004 limit not specified
6	Movable property in amount of 4 units for 12988,10 rubles.	-----	Decision of JSC “Astrakhanenergo” Board of Directors dd 29.04.2003, Minutes No.100 (concerning item “On Participation of JSC “Astrakhanenergo” in the Nongovernmental Noncommercial Educational Institution “Astrakhan Educational Complex” and on transferring property for operational management), Agreement on the Right of Property Operational Management No.01-11/03-Д117-1P dd 29.06.2004, Supplementary contract No.3 dd 24.03.2008. to agreement No.01-11/03-Д117-1P dd 29.06.2004	from 29.06.2004 limit not specified
7	Movable property in amount of 2 units for. 21310,43 rubles.	-----	Decision of JSC “Astrakhanenergo” Board of Directors dd 29.04.2003, Minutes No.100 (concerning item “On Participation of JSC “Astrakhanenergo” in the Nongovernmental Noncommercial Educational Institution “Astrakhan Educational Complex” and on transferring property for operational management), Agreement on the Right of Property Operational Management No.01-11/03-Д111-1P dd 13.08.2004, Supplementary contract No.4 dd 24.03.2008. to agreement No.01-11/03-Д111-1P dd 13.08.2004	from 13.08.2004 limit not specified

## IV Data on financial and economic activities of the Issuer

### 4.1 RESULTS OF FINANCIAL AND ECONOMIC ACTIVITY OF THE ISSUER

#### 4.1.1 Profit and loss

The Issuer's profit and loss indicator behaviour is presented for 2007 (registered as juridical person on 28.06.2007), 2008 and quarter I of 2009.

Rubles in thousands

Indicators	As of 31.12.2007	As of 31.12.2008 **	As of 31.03.2009
Revenue, rubles in mln.	125 496	13 092 621	4 446 171
Gross profit, rubles in mln.	59 479	2 184 274	89 554
Net profit (undistributed profit/ uncovered loss, rubles	6 883	486 049	-561 540
ROE, return on equity, %	40,77	2.28%	-2.66%
ROA, return on assets, %	9,59	1.36%	-1.54%
Net profit ratio, %	5,48	3.71%	-12.62%
Profitability of products (sales), %	24,26	13.63%	-3.11%
Capital turnover, numbers	7,43	0.45	0.16
Amount of uncovered loss as of accounting date, rubles in millions	0	0	-561 540
Ratio between uncovered loss as of accounting date and the balance sheet total	0	0	-0.02

\*\* 2008 indicators are presented for the period from 31.03.2008 to 31.12.2008.

For information disclosure, methodology recommended by Regulations on Information Disclosure by Securities Issuers was used, approved by FFMS order dd 10.10.2006 No.06-117/пз-н "On Approval of Regulations on Information Disclosure by Issue Securities Issuers".

#### 4.1.2 Factors that influenced the change of the Issuer's sales revenue from goods, products, works, services and the change of Issuer's profit (loss) on ordinary activities

Item No	Item description	Including quarter-based layout for 2008 (actual data)						2008	Quarter I of 2009
		Quarter I	Quarter II	6 months	Quarter III	9 months	Quarter IV		
1	Revenue (net) from products (services) sold, total, rubles in thousands	611 770	3 702 096	4 313 866	3 567 168	7 881 034	5 211 587	13 092 621	4 446 171
2	Cost of production (services), total, rubles in thousands	484 497	3 269 965	3 754 462	3 447 765	7 202 227	3 706 120	10 908 347	4 356 617
3	Gross profit, total, rubles in thousands	127 273	432 131	559 404	119 403	678 807	1 505 467	2 184 274	89 554
4	Net profit (loss)	73 312	123 838	197 150	-269 182	-72 032	558 081	486 049	-561 540
5	ROE, return on equity, %	0.35%	0.57%	0.92%	-1.33%	-0.41%	2.69%	2.28%	-2.66%

JSC “IDGC of the South” business plan envisaged profit receipt in amount of 445,8 mln rub. Following the results of 2008, the Company got profit equal to 486 mln rubles. Accounting quarter I of 2009 was completed by JSC “IDGC of the South” with 561 mln rub. loss. Loss was caused by the following factors:

- 1) power supply is inclined to fall due to production cut during financial crisis;
- 2) reduction in revenues for technological connection owing to total decrease in applications and lower solvency;
- 3) sharp growth of credit interest rates for fund attracted by JSC “IDGC of the South” in the process of investment programmes implementations.

Impact of inflation, exchange rate, decisions of government authorities, additional economic, financial political and other factors is described in point 2.5 of the present quarterly report.

Opinions of the Issuer’s management authorities concerning the abovementioned factors and/ or their level of influence on financial and economic indicators coincide.

The Issuer’s Board of Directors has no special opinion about the abovementioned factors and/ or their level of influence on financial and economic indicators.

#### 4.2 ISSUER’S LIQUIDITY, CAPITAL AND CURRENT ASSETS ADEQUACY

The Issuer’s liquidity indicators are presented for two completed financial years and quarter I of 2009 of the Issuer’s activity, as the Issuer was only registered as juridical person on 28.06.2007.

Item description	As of 31.12.2007	As of 31.12.2008	As of 31.03.2009
Working capital, rubles in thousands	15 274	-5 425 487	-5 752 665
Permanent asset index	0,095	1,27	1,29
Current liquidity ratio	1,28	1,26	1,17
Quick liquidity ratio	1,17	1,05	1,00
Equity ratio, %	0,24	0,60	0,57

**Note:** For calculating the indicators presented methodology was used recommended by the Regulations on Information Disclosure by Issue Securities Issuers (approved by FFMS of the RF order dd 10.10.2006 No.06-117/пз-н “On Approval of Regulations on Information Disclosure by Issue Securities Issuers”).

Economic analysis of the Issuer’s liquidity and solvency

Indicator “Working capital” demonstrates the amount of turnover assets that remain

within the enterprise in case of single repayment of debt, thus, it is financial safety margin which enables the company to operate without risking its financial stability, even in a crisis (when all the creditors demand debt recovery simultaneously). The Issuer's working capital value in quarter I of 2009 made up -5 752 665 thousand rubles; negative value is the consequence of substantial growth of the entity's noncurrent assets, majorly accounts receivable, due to growth in the number of insolvent contractors, delay in buyers' and customers' payment, and other sales-related problems, which is connected with the crisis situation as such in all national economy sectors expressed in solvent demand decrease.

Permanent asset index characterizes share of the noncurrent assets in the sources of own capital. The closer the value to 1, the more noncurrent assets are created from the own capital. As of 31.03.2009, the indicator made 1,29, which shows slight acceleration on the previous accounting period.

Current liquidity ratio shows a degree, in which turnover assets cover short-term passives of the enterprise, and makes it possible to see how much current assets account for one ruble of the current liabilities. As of 31.03.2009 this coefficient equals to 1,17. Recommended value of the current liquidity ratio is at least 0,6.

The factor of fast liquidity is similar to the factor of current liquidity. It gives the estimation of assets' liquidity, but it is calculated on the basis of a narrower circle of current assets of the Issuer, when the least liquid part - industrial stocks - is excluded from the formula. As of 31.03.2009, the factor made up 1,00. Recommended value of fast liquidity index is at least 0,5.

Liquidity coefficients are within the scope of recommended values, which indicates that monetary funds are used in an active and rational way.

The factor of autonomy (financial independence) defines a share of assets of the organization, which are covered due to own capital. As of 31.03.2009, it was 0,57. Recommended limit of financial independence (equity ratio) is at least 0,1.

According to data for the completed financial year, and quarter I of 2009, all the above mentioned coefficients are within the limits of recommended values.

Opinions of the Issuer's management bodies concerning the mentioned reasons and/or the extent of their influence on the figures of financial and economic performance of the Issuer coincide.

No member of the Board of Directors of the Issuer has any special opinion concerning the mentioned reasons and/or the extent of their influence on the figures of financial and economic performance of the Issuer.

#### **4.3 ISSUER'S CAPITAL AND CURRENT ASSETS AMOUNT AND ADEQUACY**

##### **4.3.1 Issuer's capital and current assets amount and adequacy:**

Amount and structure of the Issuer’s capital, rublaes in thousands:

Item description	Indicator value (rubles in thousands)
	As of 31.03.2009
Issuer’s authorized capital amount	4981110
Total cost of Issuer’s treasury shares for further resale (transfer), with the placed shares interest rate (authorized capital) specified	-
Issuer’s reserve capital amount (formed as operating surplus)	118565
Issuer’s additional capital amount	14857284
Issuer’s undistributed net profit (loss) amount	779098
Amount of special-purpose funds, inclusive of sums for special-purpose activities, sums from other organizations and persons, budget etc	-
<b>Total equity of the Issuer</b>	<b>20736057</b>

Amount and structure of the Issuer’s current assets in accordance with accounting reporting to the Issuer as of the end of the accounting quarter, rubles in thousands:

Item No	Item description	Indicator value
		As of 31.03.2009
<b>1.</b>	<b>Inventories</b> , including:	<b>1351088</b>
1.1.	raw materials, materials and other similar values	718880
1.2.	animals in breeding and fattening	-
1.3.	expenses for production-in-process	-
1.4.	finished products and goods for resale	10207
1.5.	goods loaded out	-
1.6.	expenditures of future periods	622001
1.7.	other stocks and expenditures	-
<b>2.</b>	<b>Value Added Tax on purchased values</b>	<b>32487</b>
<b>3.</b>	<b>Accounts receivable (payments are planned over more than 12 months upon the balance sheet date)</b>	<b>315037</b>
3.1.	including buyers and customers	252997
<b>4.</b>	<b>Accounts receivable (payments are planned within 12 months reporting date)</b>	<b>7956823</b>
4.1.	including buyers and customers	4550577
<b>5.</b>	<b>Short-term financial investments</b>	<b>31780</b>

5.1.	accounts receivable (payments are planned within 12 months reporting date)	2680
5.2.	other short-term financial investments	29100
6.	<b>Cash assets</b>	<b>197076</b>
7.	<b>Other current assets</b>	
	<b>TOTAL</b>	9884291

#### 4.3.2 Financial investments of the Issuer

Financial investments of the Issuer as of 31.12.2008 made up **447 206** thousand rubles, including:

- to issue securities: **401 517** thousand rubles;.
- to non-equity securities: **0**;
- other financial investments: **45 668** thousand rubles.

Financial investments of the Issuer as of 31.12.2008 and as of 31.03.2009 made up **447 514** thousand rubles, including:

- to issue securities: **401 517** thousand rubles;.
- to non-equity securities: **0**;
- other financial investments: **45 996** thousand rubles.

List of the Issuer’s financial investments to issue securities which equal at least 5 percent from its total financial investments as 31.12.2008 and as of 31.03.2009:

Item No	Kind of securities	Full (short) company names of the Issuer, its location	State registration numbers of issue securities issues; dates of state registration; issuing authorities by whom the securities issues were registered	Amount of securities held by the Issuer, units	Total nominal value of securities held by the Issuer	Total balance sheet value of securities held by the Issuer	Amount of dividend on privileged shares or the order of its determination, payment term	Amount of the dividend declared on ordinary shares (if there is no data on amount of the stated dividend in the current year, the amount of the previous year’s dividend is specified), payment term



Interregional Distribution Grid Company of the South”, Open Joint Stock Company

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1	Ordinary registered shares	Joint Stock Company "Astrakhanelektrosetremont"; (JSC "Astrakhanelektrosetremont") 204 Kramatorskaya Str., Astrakhan, Russian Federation	1-01-33954-E; 14.05.2004; Regional department of FFMS in the Southern Federal District	71 308	71 308 000	60 416668,33	-	Dividends were not declared previously
2	Ordinary registered shares	Joint Stock Company "Volgogradsetremont"; (JSC "Volgogradsetremont"); 1a Granovitaya Str., Volgograd, Russia	1-01-33955E; 17.05.2004; Regional department of FFMS in the Southern Federal District.	40648000	40648000	14902153,84	-	Previously taken decision: 0,008857 rub. for each ordinary registered share, in monetary equivalent, within 60 days from the date of decision taking about payments.
3	Ordinary registered shares	Joint Stock Company "Sokolovskoye Enterprise of Agriculture" (JSC "Sokolovskoye PSKh") 32 Kurskaya Str., Sokolovo-Kundryuchenskiy settlement, Novoshakhtinsk, Russia	N 1-01-33839-E dd 15.01.2004 Regional department of FFMS in the Southern Federal District	161713447	161 713 447	178640453,77	-	Dividends were not declared previously
4	Ordinary registered shares	Joint Stock Company "Grechko A.A. Enterprise of Agriculture" (JSC "Grechko A.A. PSKh") 21 Teatralnaya Str., village Kuibyshevo of Kuibyshevskiy district, Rostov area, Russia	N 1-01-33837-E; 15.01.2004; Regional department of FFMS in the Southern Federal District	77 686 000	77 686 000	79 972 216,44	-	Dividends were not declared previously
5	Ordinary registered shares	Joint Stock Company "Recreation Centre "Energetik" (JSC "Recreation Centre "Energetik"); 5 Shkolnaya Str., village Shepsi, Tuapsinskiy district Krasnodar region, Russian Federation	N 1-01-33856-E dd 15.01.2004 Regional department of FFMS in the Southern Federal District	111 279355	111279355	65 417 247,18	-	
6	Ordinary registered shares	Closed Joint Stock Company "Sphere-Income" (CJSC "Sphere-Income"); 13 Prazhskaya Str., Volgograd, Russia	Ordinary registered shares	1160	116000	116000	-	Dividends were not declared previously

Other financial investments of at least 10 percent of all investments as of 31.12.2009 are absent.

Securities provision reserve: the reserve was not formed in 2008 and in quarter I of 2009.

For the last completed financial year and quarter I of the current accounting year there is no loss on the Issuer's financial investments.

The Issuer's assets were not registered and are not registered at present on depository accounts or any other accounts in banks or any other credit organizations whose licenses were either suspended or withdrawn.

#### **4.3.3 Intangible assets of the Issuer**

“IDGC of the South”, JSC is registered as a juridical person and has been carrying out its economic activities since June 29, 2007. For the lifetime, the Issuer has not possessed any intangible assets, including objects of intellectual property or rights to use detached objects as well as other kinds of intangible objects.

#### **4.4 DATA ON THE POLICY AND EXPENSES OF THE ISSUER IN THE FIELD OF SCIENTIFIC AND TECHNICAL DEVELOPMENT, CONCERNING LICENSES AND PATENTS, NEW DEVELOPMENT AND RESEARCH**

Research-and-development activities (RDA) were neither planned nor carried out by JSC “IDGC of the South” in quarter I of 2009.

Inventions, useful models, production patterns were not made in the accounting period, patents (certificates) were not issued, invention applications were not lodged, state registration of trade and service marks was not carried out.

As the Company is not involved in scientific and research activities, as well as patent works, the Issuer is not subject to risks based on probability of basic patents termination, trademark operating licenses expiration.

#### **4.5 ANALYSIS OF DEVELOPMENT TRENDS IN THE SPHERE OF ISSUER'S ORDINARY ACTIVITY**

Main development tendencies of the Issuer's industry of ordinary activities:

JSC “IDGC of the South” performs its ordinary operations in the sphere of electric power industry which has been in the process of stage-by-stage reforming in recent years.

Goals and objectives of electric power industry reforming are defined by Decree of the Government of the Russian Federation as of July 11, 2001 No.526 “On Reforming Electric Power Industry of the Russian Federation”. The goals and objectives with reference to subsequent changes in the regulatory environment are further specified in the “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 of meeting dd 23.05.2003 No.143).

**The majority of the objectives set are being fulfilled, quite a number of milestone activities on restructuring have been successfully completed by the present.** As the result of another stage of electric power industry reforming, from July 01, 2008 JSC “IDGC Holding” owns 51,66 % of JSC “IDGC of the South” stake, which previously belonged to JSC RAO “UES of Russia”.

Major factors of influence on the industry condition:

One of the key roles in the sector regulation belongs to Noncommercial Partnership “Market Council”. Market council will incorporate entities of commercial wholesale infrastructure, including commercial operator wholesale electric power (capacity) market maker. The Council fulfills functions of approving contract forms, wholesale market rules and regulations, order of monitoring activities, implementation of property sanctions for violating wholesale market rules and order of market agents register keeping.

Key milestone events in the industry restructuring are as follows:

1. Building up wholesale entities’ infrastructure: System Operator – JSC “SO-SDA UES”, Management organization of Unified National Electric Grid (UNEG) – JSC “FGC UES”, Trading System Administrator – Noncommercial Partnership “TSA”;
2. Preparation and carrying out the AO-energies reforming process – establishment of generating, sale, grid (distributive and high voltage grid) companies;
3. Electric power “5-15” free wholesale sector startup.

Key factors of influence on the industry condition:

1. Terms of preparing and carrying out the milestone programmes of the industry reforming;
2. Cooperation with federal and regional government authorities, including work on the issues of preparing, approving and execution of the legal and normative base of the industry reforming;
3. Level and adequacy of the state regulation of the industry (concerning taxation policy practised, along with other issues);
4. Demand-supply situation on the internal and world markets of energy commodities;
5. Availability of financial sources for the basic industrial funds of the industry’s enterprises renewal and development;
6. Solvency level of the key consumers.

The above information is presented according to the opinions expressed by the management authorities of the Issuer.

Members of the Board of Directors and Management Board have no special opinion as far as presented information goes.

#### **4.5.1 Analysis of factors and conditions influencing the Issuer’s activity**

Factors and conditions influencing the Issuer’s activity and results of such activity

As of 31.03.2009, JSC “IDGC of the South” is one of the largest and vigorously developing power companies of the Southern Federal District. Rampant development of the regional infrastructure in the Company’s service area, construction of objects of different types, transfer complexes, regional transport networks, sea and river ports’ renovation, recreation business development on the seaside of the Black and Azov seas is linked with intensive growth of electric energy consumption.

Situation arises when essential supply reliability risks emerge, and safe and stable operation of the power system is endangered by transmission lines and transformers congestion in normal and postemergency conditions. Power equipment deterioration makes the state still more complicated.

Up to 2011, JSc “IDGC of the South” is planned to assimilate ove 35,5 mlrd rubles of invested funds. The most part of financial investments shall be assimilated in 2009-2010. During the period, it is planned to reconstruct 346 35-110 KV substations with installed capacity increase by 2 087,5 MVA, to construct 63 35-110 KV substations, to construct and renovate 35-110 KV electric power transmission lines with total length of 2000 km.

Electric power grid complex of Sochi also develops rapidly, preparation being made at the moment to host winter Olympics of 2014. By 2012, phased restructuring of transit open-wire circuits with voltage of 110 kV “Dagomys-Psou”, “Shepsi-Dagomys”, “Chilipsi-Shepsi” is planned to complete.

Positive factors and conditions of the Issuer’s operation:

1. Stage-by-stage transition to tariff regulation by RAB method;
2. Investment programme assimilation for improving operational efficiency.

Negative factors and conditions of the Issuer’s operation:

1. Decrease in electric power consumption because of production recession and, correspondingly, shortfalls in the Issuer’s income;
2. Electric power equipment deterioration;
3. Growth of inflation rate (actual growth exceeds the predicted level);
4. Change of tariffs for rendering electric power transmission services;
5. Probability of transfer of consumers load 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 profitability;
6. Emerging of rival power grid companies, de-merger of grid enterprises (establishing a number of smaller grid companies instead of several big ones);
7. Occurrence of uncovered expenditures for translation of electric power purchase or loss price;

8. Risk of cancelling of JSC “FGC UES” equipment sublease agreements (“last mile” agreement);
9. Risk of subjective tariff-rating decisions by Ministry of Energy, Federal Tariff Service, Regional Tariffs Service of Russia, including decisions on electric power losses;
10. Appreciation of credit resources because of the world financial crisis.

The following measures are being carried out for reducing unfavourable effects of the DGC’s factors or conditions:

- Optimizing the structure of operational expenditures;
- Working out and fulfilling the medium-term investment programme;
- Carrying out medium-term leasing programmes;
- Preparing and carrying out medium-term programmes on decreasing technological loss in the Company’s grid;
- Introducing new management methods based on IT technologies’ development;
- Renovating the existing electric power grids and constructing new grids;
- Technical re-equipment of fixed assets;
- Initiating the process of forming tariff decisions on the basis of parity ratio of federal and regional parameters;
- Transfer to tariff regulation based on invested capital profitability estimate (RAB-management).

Forecast of the stated factors and conditions’ duration

Under the conditions of the Issuer’s naturally monopolous activity (rendering electric power transmission services), in the nearest future no changes are expected in the field of responsibilities for electric power transmission tariff regulation. What concerns the index of tariff limit levels, the Issuer does not predict acute fluctuations of this index to either side in the short run.

#### **4.5.2 Business competitors of the Issuer**

The Issuer’s ordinary activity is electric power transmission and technological connection of the users to the electric grid infrastructure.

The Issuer is natural monopoly holder, that is why there is almost no competition in the sphere of electric power transmission services of the regions within the Issuer’s service

zone in sectors of high and medium-1 voltage electric power transmission, competition is only possible in the sectors of medium-2 and high voltage of associated grid organizations.

The main factors of the Company’s competitive market position are as follows:

- regional market profile forming contract relations and settlement between the participants pattern (it is fixed by the state regulation authority – Regional Tariffs Service);
- price (tariff) for electric power transmission service and power purchase with the purpose of compensation of supply companies’ power loss (it is fixed by the state regulation authority – Regional Tariffs Service);
- cross-subsidies distribution on the tariff (it is fixed by the state regulation authority – Regional Tariffs Service);
- level of electric power market liberalization determining shares of electric power (including losses) to be purchased at free and fixed prices.

There is almost no competition in the sphere of electric power transmission in JSC “IDGC of the South” service regions due to technological reasons, in sectors of high and medium-1 voltage electric power transmission, competition is only possible in the sectors of medium-2 and high voltage of associated grid organizations.

Competitive ability of the Company depends on the following key 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 electric power supply.

In order to support the Company’s positive development trend and strengthen competitive abilities, the Company carries out the following activities:

- continuous monitoring of the regional electric power and capacity markets which consists in forecasting and analyzing the factors of influence on the Company’s operation, as well as working out procedures for mitigation of negative impact on the Company’s performance results;
- cooperation with Federal Tariff Service of Russia, Ministry of Energy of Russia, local administrations of subjects of the Russian Federation, Regional Tariffs service, JSC “SO UES” (System operator UES), JSC “FGC UES”, JSC “IDGC Holding”, territorial grid organizations, power selling and power supply organizations on issues of tariff balance regulation and regional power and capacity markets’ operation.

## **V DETAILED DATA ON THE MEMBERS OF MANAGEMENT AUTHORITIES OF THE ISSUER, BODIES OF THE ISSUER UNDERTAKING CONTROL OVER ITS FINANCIAL AND ECONOMIC ACTIVITIES, AND BRIEF DATA ON THE STAFF (EMPLOYEES) OF**

## **THE ISSUER**

### **5.1 DATA ON THE STRUCTURE AND COMPETENCE OF THE ISSUER’S MANAGEMENT AUTHORITIES**

**According to the Charter of JSC “IDGC of the South”, the Company’s management authorities are:**

General Shareholders Meeting;

Board of Directors of the Company;

Management Board;

General Director.

General Shareholders Meeting is the supreme management authority of the Company.

**According to point 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 an 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 Board of Directors.**

**In conformance with point 15.1. of article 15 of JSC “IDGC of the South” Charter, the following items are included on the competence of the Company:**

1. singling out priority sectors of the Company’s activities;
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 Shareholders Meeting of the Company 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 determining quantitative structure of SAC’s Board of Directors, nominating and electing its members and early termination of their powers;
- d) on determining 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 entities;
- 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 (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);
- 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 approving (revision) of investment programme;

- u) on approving (considering) the report on implementation of investment programme;
- v) on approving Regulations on SAC Insurance Provision;
- w) on approving SAC insurers (approving result of SAC’s insurers’ selection);
- x) on approving insurance broker selecting SAC’s insurers;
- y) on approving SAC’s Insurance Programme;
- z) on approving changes to SAC’s Insurance Programme;
- zz) on considering report of sole executive body of SAC concerning insurance provision;

37. 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 where the Company participates (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;

38. 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 assets as of the date of making decision about concluding such a transaction;
- 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;
39. 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 electric and heat power production, transmission, dispatching, distribution and sales, as well as repairs and service;
40. singling out activity sectors for providing insurance protection of the Company, including approval of the Company's Insurer;
41. approving structure of the Company's executive office and revising it;
42. approval of candidates for certain positions in the executive office of the Company (suggested by the Company's Board of Directors);
43. preliminary approval of the collective agreement, contracts concluded by the Company as part of social and labour relations regulation;
44. creating committees of the Company's Board of Directors and early termination of their powers, election and early termination of powers of Chairmen of Board of Directors committees;
45. approving the candidate 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;
46. approving the candidate 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;
47. 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;
48. 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;

49. taking decision on nominating CEO of the Company for granting state decorations;

50. approving target values of key indicators of the Company’s efficiency (KIE) and reports on their implementation;

51. determining the Company’s policy aimed at electric distribution complex and other objects of electric grid facilities efficiency growth, including approval of the Company’s strategic programmes for electric grid complex efficiency increasing, development and safety;

52. 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;

53. 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 cannot be delegated for decision-taking to CEO or Management Board.

Management of the Company’s current activity is run by sole executive authority – CEO and the Collegial authority - Management Board of the Company.

**In accordance with point 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 points 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 reporting 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 the date of the annual General Shareholders Meeting, submits annual report, annual accounting reporting, 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.

Data the internal document of the Issuer regulating rules of corporate behaviour of the Issuer: **Corporate Management Code of Open Joint Stock Company “Interregional Distributive Grid Company of the South”**, approved by JSC “IDGC of the South” Board of Directors (Minutes as of 03.09.2007 No2/2007).



Full text of the document is made available on the Company’s website on the Internet at:  
**<http://www.mrsk-yuga.ru/rus/management/documents/index.shtml>**.

Information on the changes entered on the Issuer’s for the last accounting period as well as internal documents regulating activity of the Issuer’s units:

No changes were introduced to the Issuer’s Charter and internal documents regulating activity of the Issuer’s units in the accounting quarter.

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 made available for free access: <http://www.mrsk-yuga.ru/rus/management/structure/index.shtml>.

## 5.2 INFORMATION ON THE MEMBERS OF THE ISSUER’S MANAGEMENT AUTHORITIES

### 5.2.1 Data on members of the Issuer’s management authorities, the Issuer’s shares they hold, as well as shares of the Issuer’s subsidiary and affiliated companies (SACs):

Item No	Surname, name patronymic, year of birth of the member of the Company’s management authorities, citizenship	Data on education	Positions held within the last five years and now, with the Issuer and other entities, both in Russia and abroad (country of the foreign entity’d location is specified)	Stake of the person and his/her affiliates in the Company’s authorized capital / Stake of the Company’s ordinary shares held by the person and his/her affiliates	Stake of the person in the Issuer’s SAC authorized capital / Stake of the Issuer’s SAC ordinary shares held by the person	Amount of the Issuer’s SAC shares that can be acquired by the person on fulfilling rights on the companies’ options held by the person	Character of any family relations with other persons who are members of the management authorities of the Issuer and/or authorities auditing its financial and economic activities	Data on bringing the person to administrative responsibility for breach of law in the fields of finance, taxes and duties, securities market, or to criminal responsibility (conviction) for crimes in the sphere of economy or crimes against the state	Positions held by the person in management authorities of commercial entities in periods when the entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the RF
<b>1 Members of the Board of Directors of JSC “IDGC of the South”</b>									
<b>(elected by Annual General Shareholders Meeting of JSC “IDGC of the South” on 30.05.08, minutes as of 04.06.2008 No.1)</b>									
1	<b>Rappoport Andrey Natanovich</b>  <b>b. 1963</b> <b>citizen of the RF</b>  <b>Chairman of Board of Directors</b>	<b>Higher education:</b> Donetsk State University, economic department; Department for advanced training of teachers and specialists, Occupational retraining Institution of higher professional education, Moscow Power Engineering Institute	<ul style="list-style-type: none"> <li>Member of Board of Directors of RAO Nordic OY ; JSC “FGC UES”, CJSC “Armenian Nuclear Power Plant”, JSC “Inter RAO UES Balkanes”; Member of Management Board, Deputy Chairman of Management Board of JSC RAO “UES of Russia”, Chairman of Board of Directors of CJSC “Armenian Nuclear Power Plant”, of JSC “Kubanenergo”,</li> <li><b>At present: Chairman of Management Board of JSC “FGC UES”; Member of Supervisory Board of JSC “Unified Energy System Gruzrosenergo”; Chairman of Board of Directors “Armenian Electric Grid”; JSC “Main Electric Grid Service Company of Unified National Electric Grid”; JSC “Centre for Engineering and Construction management of UES”; JSC “Specialized Electric Grid Service Company of Unified National Electric Grid”, JSC “AES Telasi”; Member of Board of Directors of JSC “Moscow United Electric Grid Company; JSC “Inter RAO UES”, JSC “RusGidro”; JSC “SO SDA UES”, JSC “IDGC of the Centre and Northern Caucasus”, JSC</b></li> </ul>	0 % / 0 %	0 % / 0 %	- - -	- - -	- - -	- - -

			<b>“Eastern Power Company”, JSC “Power systems of the East”, Chairman of Management Board of “TGR ENERJI ELEKTRIK TOPTAN TIKARET A.S.”; Member of Board of Directors of JSC “IDGC Holding”.</b>						
2	<b>Okley Pavel Ivanovich</b>  b. 1970  citizen of the RF  Deputy Chairman of Board of Directors	<b>Higher education:</b>  Omsk institute of railway engineers; Academy of national economy of the Government of the RF	<ol style="list-style-type: none"> <li>1. Deputy Chief Engineer of JSC “Electric Grid Enterprise” branch of “Omskenergo”, Director for Electric Power Transmission of JSC “Omskenergo”;</li> <li>2. Deputy Head, Head of Management centre of IGDC JSC “FGC UES”;</li> <li>3. Member of Board of Directors of JSC “IDGS of Urals”, JSC “IDGC of the Centre”, JSC “IDGC of Siberia”, JSC “IDGC of the Centre and Privolzhye”, JSC “Lenenergo”;</li> <li>4. Chairman of Board of Directors of JSC “Tyumenenergo”.</li> </ol> <b>At present: Deputy CEO – Technical Director of JSC “IDGC Holding”</b>	0 % / 0 %	0 % / 0 %	-	-	-	-
3	<b>Abakumov Aleksey Mikhailovich</b>  b. 1972 citizen of the RF	<b>Higher education:</b> Moscow State Institute of Electronic Technology	<ul style="list-style-type: none"> <li>• Deputy Head of Committee for Automated Electric Power Fiscal Metering System on Power Wholesale Market within infrastructural group of JSC RAO “UES of Russia”, Commercial Director of Ltd “Engineering Centre Energoauditkontrol”;</li> <li>• Chairman of Supervisory Board of CJSC “Communication Power Systems”.</li> </ul> <b>At present: First deputy CEO of Ltd “T-Invest Group”.</b>	0 % / 0 %	0 % / 0 %	-	-	-	-
4	<b>Buyanov-Uzdalskiy Andrey Yuryevich</b>  b. 1958 citizen of the RF	<b>Higer education:</b> Moscow State Technical University Named after Bauman, mechanic engineer of optoelectron devices	<ul style="list-style-type: none"> <li>• CEO of CJSC “AIKM-Industrial Programmes”, Head of Department for Corporate Management and Regional Operations of CJSC “Promregion Holding”;</li> <li>• Member of Board of Directors of JSC “Volgogradenergo”.</li> </ul> <b>At present: Head of Sales Coordination Section of Chief Power Directorate of JSC “Lukoil”.</b>	0 % / 0 %	0 % / 0 %	-	-	-	-

5	<b>Vasylyev Sergey Vyacheslavovich</b> <b>b.1975</b> <b>citizen of the RF</b>	<b>Higher education:</b> Moscow State University named after Lomonosov	<ul style="list-style-type: none"> <li>Head of Legal Department of Corporate Centre, JSC RAO “UES of Russia”, Member of Board of Directors of JSC “TGC-5”, JSC “Perm Trunk Grid Company”, JSC “Buryatenergo”, JSC “Eastern Power Company”, JSC “Kolenergo”.</li> </ul> <b>At present: Director of Legal Support Department of JSC “IDGC Holding”.</b>	0 % / 0 %	0 % / 0 %	-	-	-	-
6	<b>Gavrilov Aleksandr Iljich</b>  <b>b. 1973</b> <b>citizen of the RF</b>	<b>Higher education:</b> Kuban state technological university; Conferred degree: Candidate of science (Economics); Applicant for doctorate at the Chair of international economy of Kuban state university	Deputy CEO, Economy and Finance of LLC “Krasnodar Regional Company for Gas Sales”; Deputy Head of Administration of the Krasnodar Region for Industry, Transport and Power, Class 3 Active State Advisor of Administration of the Krasnodar Region; Deputy CEO, Perspective Development of JSC “Gazstroy”; Executive Director of JSC “Kubanenergo”; CEO of JSC “Kubanenergo”; Member of Board of Directors of JSC “Volgogradenergo”; JSC “Rostovenergo”; JSC “Kubanenergo”; Chairman of Board of Directors of JSC “OK “Plamya” and JSC “Krasnodarenergosetremont”; <b>At present: CEO of JSC “IDGC of the South”;</b> <b>Chairman of Board of Directors of JSC “Kubanenergo”;</b> <b>Chairman of Management Board of JSC “IDGC of the South”, Member of Board of Directors of “Kubanenergo” until 10.03.2009</b>	0 % / 0 %	0 % / 0 %	-	-	-	-
7	<b>Djakov Fedor Aleksandrovi h</b>	<b>Higher education:</b> Kiev Institute of Civil	<ul style="list-style-type: none"> <li>Member of Board of directors of JSC “Kubanenergo”, JSC “Dagenergo”, JSC “IDGC of Northern Caucasus”;</li> <li>Chief Engineer, Acting General Director – Chief Engineer</li> </ul>	0 % / 0 %	0 % / 0 %	-	-	-	-

	<b>b. 1958</b> <b>citizen of the RF</b>	Aviation Engineers	<b>At present: General Director of “Bulk Power Systems of the South” branch of JSC “FGC UES”.</b>						
8	<b>Ilyenko Vladimir Vasilyevich</b> <b>b. 1950</b> <b>citizen of the RF</b>	<b>Higher education:</b> Krasnodar Polytechnical Institute	<ul style="list-style-type: none"> <li>General Director of JSC “SO UES” branch of UDC of the South</li> <li><b>At present: General Director of JSC “SO UES” branch of UDC of the South.</b></li> </ul>	0 % / 0 %	0 % / 0 %	-	-	-	-
9	<b>Kravchenko Vyacheslav Mikhailovich</b> <b>b. 1967</b> <b>citizen of the RF</b>	<b>Higher education:</b> Moscow state University named after Lomonosov	<ul style="list-style-type: none"> <li>Deputy Director of Department for Structural and Investment Policy in Industry and Power Sector, Director of Department for Structural and Tariff Policy in Natural Monopoly Holders of the RF Ministry of Industry and Energy;</li> <li>Member of Board of Directors of JSC “IDGC of Siberia”, JSc “IDGC of the North-West”, JSC “IDGC of the Centre”, JSC “IDGC of Urals”, JSC “IDGC of the Centre and Privolzhye”, JSC “Tyumenenergo”, JSC “Eastern Power Company”.</li> </ul> <p><b>Ar present: Generl Director of Ltd “RN-Energo”; Memeber of Board of Directors of JSC “IDGC Holding”; Member of Board of Directors of JSC “Kubanenergo”.</b></p>	0 % / 0 %	0 % / 0 %	-	-	-	-
10	<b>Nikulov Aleksandr Yevgenyevich</b> <b>b.1967</b> <b>citizen of the RF</b>	<b>Higher education:</b>  Serpukhov higher military command and engineering school;  Central institute for advanced training of executives and specialists of national economy in the field of patent work	<p>General Director of LLC “Siberian Capital”;</p> <p>Deputy Head of Administration for Investment Analysis and Cooperation with Investors of the Central Administration for Strategic Planning and Investment Analysis of JSC “Lukoil”;</p> <p>General Director of CJSC “Promregion Holding”;</p> <p>Member of Board of Directors of JSC “IDGC of the Centre and Northern Caucasus”, JSC “Volgogradenergo”, JSC “Southern Generating Company TGC-8”</p> <p><b>At present: Head of CJSC “Managing company “Management –Centre” project</b></p>	0 % / 0 %	0 % / 0 %	-	-	-	-

11	<b>Ryapin Igor Yuryevich</b>  <b>b. 1979</b> <b>citizen of the RF</b>	<b>Higher education:</b> State University – Higher School of Economics	<ul style="list-style-type: none"> <li>• Head of Section of Corporate Strategy Department, Head of Section of Power Industry Restructuring Department of JSC RAO “UES of Russia”;</li> <li>• Head of Section for Reform Normative Provision of Electric Power Industry Normative Provision of Reform Management Centre of JSC RAO “UES of Russia”.</li> </ul> <b>At present: Investment Projects Manager of CJSC “System Power-Efficient Solutions and Investments”.</b>	0 % / 0 %	0 % / 0 %	-	-	-	-
<b><u>2 General Director of JSC “IDGC of the South” (elected by the decision of sole founder of JSC “IDGC of the South” on 22.06.2007 Executive order of Chairman of Management Board of RAO “UES of Russia” No.192p)</u></b>									
1	<b>Gavrilov Aleksandr Ilyich</b>  <b>b. 1973</b> <b>citizen of the RF</b>	<b>Higher education:</b>  Kuban state technological university;  Conferred degree: Candidate of science (Economics);  Applicant for doctorate at the Chair of international economy of Kuban state university	Deputy CEO, Economy and Finance of LLC “Krasnodar Regional Company for Gas Sales”;  Deputy Head of Administration of the Krasnodar Region for Industry, Transport and Power, Class 3 Active State Advisor of Administration of the Krasnodar Region;  Deputy CEO, Perspective Development of JSC “Gazstroy”;  Executive Director of JSC “Kubanenergo”;  CEO of JSC “Kubanenergo”;  Member of Board of Directors of JSC “Volgogradenergo”; JSC “Rostovenergo”; JSC “Kubanenergo”; Chairman of Board of Directors of JSC “OK “Plamya” and JSC “Krasnodarenergosetremont”;  <b>At present: CEO of JSC “IDGC of the South”;</b>  <b>Chairman of Board of Directors of JSC “Kubanenergo”;</b> <b>Chairman of Management Board of JSC “IDGC of the South”, Member of Board of Directors of “Kubanenergo”</b>	0 % / 0 %	0 % / 0 %	-	-	-	-

			until 10.03.2009						
<p><b><u>3 Members of Management Board of JSC “IDGC of the South” (approved by Board of Directors of JSC “IDGC of the South” on 19.05.2008</u></b></p> <p><b><u>(Minutes dd 22.05.2008 No.13/2008), amended on 28.11.2008, (Minutes dd 01.12.2008 No.20/2008)</u></b></p>									
1	<p><b>Gavrilov Aleksandr Ilyich</b></p> <p><b>b. 1973</b></p> <p><b>citizen of the RF</b></p> <p><b>Chairman of Management Board</b></p>	<p><b>Higher education:</b></p> <p>Kuban State Technological University;</p> <p>Conferred degree: Candidate of science (Economics);</p> <p>Applicant for doctorate at the Chair of international economy of Kuban state university</p>	<p>Deputy CEO, Economy and Finance of LLC “Krasnodar Regional Company for Gas Sales”;</p> <p>Deputy Head of Administration of the Krasnodar Region for industry, Transport and Power, Class 3 Active State Advisor of Administration of the Krasnodar Region;</p> <p>Deputy CEO, Perspective Development of JSC “Gazstroy”;</p> <p>Executive Director of JSC “Kubanenergo”;</p> <p>CEO of JSC “Kubanenergo”;</p> <p>Member of Board of Directors of JSC “Volgogradenergo”; JSC “Rostovenergo”; JSC “Kubanenergo”; Chairman of Board of Directors of JSC “OK “Plamya” and JSC “Krasnodarenergosetremont”;</p> <p><b>At present: CEO of JSC “IDGC of the South”;</b></p> <p><b>Chairman of Board of Directors of JSC “Kubanenergo”;</b></p> <p><b>Chairman of Management Board of JSC “IDGC of the South”, Member of Board of Directors of “Kubanenergo” until 10.03.2009</b></p>	0 %	0 %	-	-	-	-
				0 %	0 %				

2	<p><b>Belonogov Mikhail Ivanovich</b></p> <p><b>b. 1960</b> <b>citizen of the RF</b></p> <p><b>Deputy Chairman of Management Board</b></p>	<p><b>Higher education:</b> Krasnodar Polytechnical Institute Awarded the Order of the Red Banner of Labour; All-Russia Distance-Learning Finance and Economics Institute; Candidate of Science (Economics); Occupational retraining in Moscow State Technical University Named after Bauman</p>	<ul style="list-style-type: none"> <li>Acting General Director for Power Sales – Director of Territorial Administration “Energosbyt” branch of JSC “Kubanenergo”, Director of “South-Western Electric Grid” branch, First Deputy General Director of JSC “Kubanenergo”;</li> <li>Member of Board of Directors of JSC “Rostovenergo”;</li> <li>Member of Management Board, Chairman of Board of Directors of JSC “Krasnodarelektrosetremont”.</li> </ul> <p><b>At present: First Deputy CEO of JSC “IDGC of the South”; Member of Board of Directors of JSC “Kubanenergo” until 10.03.2009.</b></p>	<p>0 % / 0 %</p>	<p>0 % / 0 %</p>	<p>-</p>	<p>-</p>	<p>-</p>	<p>-</p>
3	<p><b>Alayev Timur Ulyumdzhevich</b></p> <p><b>b. 1971</b> <b>citizen of the RF</b></p>	<p><b>Higher education:</b> Novocherkassk Polytechnical Institute; All-Union Institution of Advanced Professional Training for the Electric Power Sector</p>	<p>Deputy General Director for Technical Issues of “Energosbyt” branch of “Kalmenergo”; Deputy General Director for Technical Issues of JSC “Kalmenergosbyt”; First Deputy General Director of JSC “Kalmenergo” - Chief Engineer;</p> <p>First Deputy Operational Director – Chief Engineer of JSC “Kalmenergo”; First Deputy General Director for Technical Issues – Chief Engineer of JSC “Kalmenergo”;</p> <p>Deputy General Director for Technical Issues – Chief Engineer of “Kalmenergo” branch of JSC “IDGC of the South”</p> <p><b>At present: Deputy General Director of JSC “IDGC of the South” – General Director of “Kalmenergo” branch of JSC “IDGC of the South”</b></p>	<p>0 % / 0 %</p>	<p>0 % / 0 %</p>	<p>-</p>	<p>-</p>	<p>-</p>	<p>-</p>
4	<p><b>Brizhan Vitaliy Vasilyevich</b></p>	<p><b>Higher education:</b></p>	<p>Deputy General Director for Gas Sales and Cooperation with Users of JSC “Krasnodargorgaz”;</p>	<p>0 % / 0 %</p>	<p>0 % / 0 %</p>	<p>-</p>	<p>-</p>	<p>-</p>	<p>-</p>



	<p><b>b. 1974</b></p> <p><b>citizen of the RF</b></p>	<p>Kuban State University: Juridical and Economic Departments</p>	<p>Deputy General Director for Legal Provision and Corporate Relations of JSC “Kubanenergo”;</p> <p>Member of Board of Directors of JSC “Rostovenergo”, JSC “Volgogradenergo”; member of Management Board, member of Board of Directors of JSC “Kubanenergo” until 10.03.2009</p> <p><b>At present: Deputy CEO, Corporate Management, of JSC “IDGC of the South”.</b></p>						
5	<p><b>Bibin Yevgeniy Alekseevich</b></p> <p><b>b. 1964</b></p> <p><b>citizen of the RF</b></p>	<p><b>Higher education:</b> Rudnenskiy Industrial Institute</p>	<p>General Director of JSC “Bryanskenergo”, JSC “Bryansk Supply Company”, JSC “Bryansk Generating Company”;</p> <p>General Director of JSC “Volgogradenergo”, Deputy CEO of JSC “IDGC of the South” – Managing Director of JSC “Volgogradenergo”;</p> <p>Member of Management Board, Board of Directors of JSC “Volgogradenergo”</p> <p><b>At present: Deputy General Director of JSC “IDGC of the South” – General Director of “Volgogradenergo” branch of JSC “IDGC of the South”</b></p>	<p>0 % / 0 %</p>	<p>0 % / 0 %</p>	-	-	-	-
6	<p><b>Golovakha Lyudmila Alekseevna</b></p> <p><b>b. 1955</b></p> <p><b>citizen of the RF</b></p>	<p><b>Higher education:</b> Kuban State University - - Occupational retraining in the sphere of higher professional education on the programmes:  1. Law;</p>	<p>Leading Engineer of Administrative and Economic Service of LLC “Krasnodar Regional Company for Gas Sales”;</p> <p>Head of Administrative and Economic Provision Service, Director for General issues of JSC “Kubanenergo”;</p> <p>Administrative supply specialist of JSC “IDGC of the South”;</p> <p>Chairman of Board of Directors of JSC “OK Plamya”, JSC “Recreation Centre “Energetik”;</p> <p><b>At present: Deputy CEO, Administrative Issues, of JSC</b></p>	<p>0 % / 0 %</p>	<p>0 % / 0 %</p>	-	-	-	-

		2. State and municipal management in the field of municipal entity, and state municipal and municipal establishment (enterprises) management	<p><b>“IDGC of the South”; administrative supply specialist of JSC “Kubanenergo”;</b></p> <p><b>Member of Management Board of JSC “Kubanenergo”;</b></p> <p><b>Member of Board of Directors of JSC “OK “Plamya”, JSC “Recreation Centre “Energetik”</b></p>						
7	<p><b>Lunev Igor</b></p> <p><b>Anatolyevich</b></p> <p><b>b. 1969</b></p> <p><b>citizen of the RF</b></p>	<p><b>Higher education:</b></p> <p>Kuban State University;</p> <p>Open University of Great Britain;</p> <p>Conferred degree: Doctor of Science (Economics).</p>	<p>Deputy General Director for Economy and Finance of JSC “Independent Power Supply Company”;</p> <p>Deputy General Director for Economy and Finance of LLC “Gelios”, Director for Finance of LLC “KubanInvest”;</p> <p>Deputy General Director for Sales of Territorial Administration “Energosbyt” branch of JSC “Kubanenergo”, Deputy General Director for sales of JSC “Kubanenergobyt”;</p> <p>Deputy General Director for Economy and Finance of JSC “Kubanenergo”;</p> <p>Member of Board of Directors of JSC “Astrakhanenergo”, JSC “Kubanenergo”; Member of Management Board of JSC “Kubanenergo”</p> <p><b>At present: Deputy CEO, Economy and Finance, of JSC “IDGC of the South”, member of Board of Directors of JSC “Kubanenergo“ until 10.03.2009</b></p>	0 % / 0 %	0 % / 0 %	-	-	-	-
8	<p><b>Kostetskiy Vyacheslav Yuryevich</b></p> <p><b>b. 1974</b></p>	<p><b>Higher education:</b></p> <p>Institute of Economics, Law and</p>	<p>Specialist of Workflow Management Service of Administration of the Krasnodar Region; Assistant of the Deputy Head of Administration of the Krasnodar Region; 3 Class Acting State Advisor of Administration of the Krsnodar Region;</p>	0 % / 0 %	0 % / 0 %	-	-	-	-

	<b>citizen of the RF</b>	Natural Sciences	Deputy Head of Legal Service of Department for Property Management and Legal Provision of JSC “Krasnodargazstroy;  Director for Perspective Development of JSC “Kubanenergo”;  Member of Board of Directors of JSC “Kubanenergo”, Member of Management Board of JSC “Kubanenergo”  <b>At present: Deputy CEO, Service Development and Sales, of JSC “IDGC of the South”, member of Board of Directors of JSC “Kubanenergo” until 10.03.2009</b>						
9	<b>Kopanev Vladimir Nikolayevich</b>  b. 1954  citizen of the RF	Higher education: Kuban state university	Assistant to Deputy head of Administration of the Krasnodar region, 3 class Advisor of Administration of the Krasnodar region;  Director of Administration for Corporate Sales of Chief Directorate of LLC “HUC-Yug” in the Krasnodar region;  Advisor to General Director, Deputy General Director for Work with Personnel, Government Authorities and the Media of JSC “IDGC of the South”;  Member of Management Board of JSC “Kubanenergo”, Chairman of Management Board of JSC “Kalmenergo”, JSC “Kalmenergosbyt”;  <b>At present: Deputy CEO, Security and Controlling, of JSC “IDGC of the South”</b>	0 % / 0 %	0 % / 0 %	-	-	-	-
10	<b>Savin Grigory Grigoryevich</b>	Higher education: All-Union Distance-Learning Finance and Economics	Head of Section for Economic Analysis, Accounting and Information Provision, Head of Administration for Economy and Development of Branches of the Fuel and Energy Complex, Head of Section for Economic Analysis and Accounting of Department for Economy and Development of	0 % / 0 %	0 % / 0 %	-	-	-	-

	<p><b>b. 1952</b></p> <p><b>citizen of the RF</b></p>	<p>Institute, Moscow</p>	<p>Branches of Fuel and Energy Complex of the Krasnodar region of Administration of the Krasnodar region;</p> <p>Chief Accountant of JSC “Kubanenergo”;</p> <p>Member of Board of Directors of JSC “OK :Plamya”; JSC “Recreation Centre “Energetik”;</p> <p><b>At present: Chief Accountant – Head of Accounting and Tax Department of JSC “IDGC of the South”;</b></p> <p><b>Member of Management Board of JSC “Kubanenergo”</b></p>						
11	<p><b>Sultanov Georgiy Akhmedovich</b></p> <p><b>b. 1954</b></p> <p><b>citizen of the RF</b></p>	<p><b>Higher education:</b> Krasnodar Polytechnical Institute</p> <p>Conferred degree: Doctor of science (Engineering)</p>	<p>General Director of JSC “Krasnodarelectro” Urban Electric Grid Company;</p> <p>General Director of Ltd “Managing Company Yugenergo”;</p> <p>Managing Director of Ltd “Managing Company Yugenergo”;</p> <p>Branch Manager of JSC “Independent Power Supply Company of the Krasnodar Region” “Krasnodar Urban Electric Grid Company”;</p> <p>Technical Director of JSC “Kubanenergo”;</p> <p>Deputy CEO, Technical Issues of JSC “IDGC of the South”;</p> <p><b>At present: Deputy CEO, Technical Issues – Chief Engineer of JSC “IDGC of the South”</b></p> <p><b>Chairman of Board of Directors of JSC “Volgogradsetremont”, JSC “Astrakahnelekrosetremont”, member of Board of Directors of JSC “Kubanenergo” until 10.03.2009.</b></p>	<p>0 % / 0 %</p>	<p>0 % / 0 %</p>	-	-	-	-

12	<p><b>Pestov Dmitriy Vladimirovich</b></p> <p>b. 1967</p> <p>citizen of the RF</p>	<p><b>Higher education:</b> Kuban State Technological University</p>	<p>First Deputy General Director for Electric Power Sales of TA “Energosbyt” branch of JSC “Kubanenergo”, Managing Director in the Republic of Adyghea - General Director of Adyghean Electric Power Grid of JSC “Kubanenergo”, General Director of Timashevsk Electric Power Grid of JSC “Kubanenergo”;</p> <p>Member of Board of Directors of JSC “OK “Plamya”, JSC “Recreation Centre “Energetik”, JSC “Krasnodarenergosetremont”</p> <p><b>At present: Deputy CEO of JSC “IDGC of the South” – Managing Director of JSC “Kubanenergo”;</b></p> <p><b>Member of Board of Directors of JSC “Kubanenergo”;</b></p> <p><b>Member of Board of Directors of “Krasnodarenergosetremont”;</b></p> <p><b>Member of Management Board of JSC “Kubanenergo”</b></p>	<p>0 % / 0 %</p>	<p>0 % / 0 %</p>	-	-	-	<p>Member of Board of Directors of JSC “Krasnodarenergosetremont” since 30.06.2008, the company was declared insolvent by the decision of the Arbitration court of the Krasnodar region on 22.01.2009</p>
13	<p><b>Skorikov Sergey Vladimirovich</b></p> <p>b. 1976</p> <p>citizen of the RF</p>	<p><b>Higher education:</b> Occupational retraining</p> <p>Institution of higher professional education</p> <p>Academy of National Economy of the Government of the RF</p>	<p>Deputy General Director of JSC “Donelektrosetstroy”;</p> <p>General Director of CJSC “Southern Power Construction Company”;</p> <p>Deputy CEO of JSC “IDGC of the South” – Managing Director of JSC “Rostovenergo”;</p> <p>Chairman of Management Board of JSC “Rostovenergo”</p> <p><b>At present: Deputy General Director of JSC “IDGC of the South” – General Director of “Rostovenergo” branch of JSC “IDGC of the South”</b></p>	<p>0 % / 0 %</p>	<p>0 % / 0 %</p>	-	-	-	-

14	<p><b>Stolyarov Mikhail Nikolayevich</b></p> <p><b>b. 1953</b></p> <p><b>citizen of the RF</b></p>	<p><b>Higher education:</b></p> <p>Novocherkassk polytechnical institute;</p> <p>Saratov state university named after A.G.Chernysh evskiy</p>	<p>General Director of JSC “Astrakhanenergo”, Deputy General Director of JSC “IDGC of the Centre and Northern Caucasus” – Managing Director of JSC “Astrakhanenergo”;</p> <p>Deputy General Director of JSC “IDGC of the South” – Managing Director of JSC “Astrakhanenergo”;</p> <p>Member of Management Board, Member of Board of Directors of JSC “Astrkhanenergo”</p> <p><b>At present: Deputy General Director of JSC “IDGC of the South” – General Director of “Astrakhanenergo” branch of JSC “IDGC of the South ”</b></p>	<p>0 %</p> <p>/</p> <p>0 %</p>	<p>0 %</p> <p>/</p> <p>0 %</p>	-	-	-	-	-
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Data on the transactions between the Issuer and members of the Issuer's management bodies: such transactions were not concluded in the accounting period.

Data on professional training of members of Board of Directors at the Company's expense: in quarter I of 2009, members of Board of Directors of JSC "IDGC of the South" did not get education at the Company's expense.

### **5.3 DATA ON THE AMOUNT OF REMUNERATION, PRIVILEGES AND/ OR COMPENSATION FOR EXPENSES OF EACH MANAGEMENT AUTHORITY OF THE ISSUER**

#### **Remuneration to members of Board of Directors**

**Total sum of remunerations to members of Board of Directors for the last completed financial year (2008) made up 6134551,31 rubles.**

The Issuer has no debts to Board of Directors as of 31.12.2008.

Payment of remunerations and compensations to the members of Board of Directors is made in accordance with Regulations "On Payments to Members of Board of Directors of the Joint Stock Company "Interregional Distributive Grid Company of the South" of Remunerations and Compensations (new revision)" approved by the decision of annual General Shareholders Meeting of JSC "IDGC of the South" (Minutes dd 04.06.2008 No1).

According to p. 4.1 of the regulations, for participation in an extramural meeting (by way of filling in a questionnaire), a member of Board of Directors is paid equivalent of eight minimum tariff rates of a 1<sup>st</sup> category worker fixed in the sectoral tariff agreement in the electric power industry of the RF (further referred to as Agreement) as of the date of the Board of Directors meeting, indexed in conformity with the Agreement, during one month from the date of Board of Directors meeting.

For participating in Board of Directors meeting in the form of collective presence, a member of the Company's Board of Directors is paid remuneration equivalent to ten minimum tariff rates of a 1<sup>st</sup> category worker fixed in the sectoral tariff agreement in the electric power industry of the RF (further referred to as Agreement) as of the date of Board of Directors meeting, indexed in conformity with the Agreement, during 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 the Board of Directors of JSC "IDGC of the South" are paid extra remunerations for net profit indicator of the Company on the annual balance sheet approved by the Company's General Shareholders Meeting.

#### **Remunerations paid to members of Management Board of the Company:**

Members of Management Board belong to the category of top managers of the Company.

In conformance with labour contract concluded between the Company and members of Management Board, remuneration to a member of 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 Board of Directors on 19.05.2008 (Minutes dd 22.05.2008 No.13/2008).

Members of Management Board are motivated through:

- paying monthly remuneration equal to 5 (five) monthly wages of a 1<sup>st</sup> category worker set by the industry tariff agreement in the electric energy complex of the Russian Federation;
  - paying quarterly and annual remuneration to members of Management Board as top managers for achieving target values of key performance indicators.
- Data on the types of remuneration, including wages, bonuses, awards, benefits, and/ or reimbursement of expenses, and other property advancements which were paid by the Issuer for the last completed financial year.

Based on the decisions of Board of Directors of JSC “IDGC of the South” (Minutes dd 19.05.2008 No.13/2008 and Minutes dd 28.11.2008 No.20/2008) on determining quantitative structure of Management Board of the Company and electing members of the Company’s Management Board, and in accordance with clause 21 of the Charter of JSC “IDGC of the South” and articles 15 and 57 of the Labour Code of the RF, additional agreements to the labour contracts are concluded with members of Management Board of the Company on exercising powers of members of the Collegial executive body of the Company - Management Board. From the date of establishing JSC “IDGC of the South” Management Board (19.05.2008), members of Management Board get monthly remunerations in amount of 5 (five) minimum tariff rates of a 1st category worker fixed in the sectoral tariff agreement of electric power industry of the RF.

Total remunerations to the Management Board members for 2008 made 1 555 715 rub.

#### **Remuneration of CEO of the Issuer:**

Matters of material stimulation of CEO of JSC “IDGC of the South” are regulated by the terms of his labour contract approved by the decision of Board of Directors of the Company (Minutes dd 17.07.2007 No.1/2007) and changes to its enclosure 1 of the Regulations approved by the decision of Board of Directors of the Company (Minutes dd 28.11.2008 No.20/2008).

Besides, CEO of JSC “IDGC of the South” was paid remuneration as member of Board of Directors and Chairman of the Company’s Management Board.

Regulations on Material Stimulation of CEO of JSC “IDGC of the South” fixes the following:

- order of payment of official salary, bonuses;
- kinds of bonus payments (quarterly, annual and non-recurrent bonus payment);
- order of taking decisions aimed at implementing the approved Regulations.

Bonus payments were paid to CEO of the Company in 2008 following the results of key efficiency indicators implementation, as determined by the Company’s Board of directors for accounting periods.

#### **5.4 DATA ON THE STRUCTURE AND COMPETENCE OF THE BODIES UNDERTAKING CONTROL OVER THE ISSUER’S FINANCIAL AND ECONOMIC**



## ACTIVITIES

For auditing financial and economic activity of the Company, Auditing Committee of the Company is elected by General Shareholders Meeting of JSC “IDGC of the South” for the period until the following annual General Shareholders Meeting.

In case of electing Auditing Committee at an 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 the Audit committee of the Company includes 5 (five) persons.

By decision of General Shareholders Meeting, powers of all or some members of Audit Committee of the Company can be subject to early termination

**In accordance with p.24.3 of clause 24 of the Company’s Charter, Audit Committee’s competence includes the following:**

- acknowledgement of reliability of the data contained in the annual report, annual accounting statements, profit-and-loss account of the Company;
- analysis of financial condition of the Company, revealing of ways of improving financial condition of the Company and development of recommendations for the Company's management bodies;
- organization and performance of a check (audit) of financial and economic activity of the Company, namely:
- check (audit) of the financial, accounting, settlement and other documentation of the Company connected with performance by the Company of its financial and economic activity on the subject of its conformity 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 money resources of the Company, according to the approved business plan and the Company's budget;
- control over developing and use of reserve and other special funds of the Company;
- check of correctness and timeliness of charge and payment of dividends under the shares of the Company, percentage on bonds and income under other securities;
- check of following previous instructions on elimination of infringements and drawbacks revealed at the earlier checks (audits);
- performance of other actions (activities) connected with check of the Company's financial and economic activities.

Order of the Issuer’s Audit Committee operation is determined by Regulations on the Audit Committee of Joint Stock Company “Interregional Distributive Grid Company of the South” approved by the decision of General Shareholders Meeting of JSC “IDGC of the South” – Management Board of JSC RAO “UES of Russia” (Minutes dd 05.10.2007 No.1751пп/4).

Auditing Committee, in accordance with the decision on conducting an a check (audit), has a right to involve specialists of the corresponding branches of legislation, economy, finance, accounting, management, economic security and others, including specialized organizations.

Checks (audit) of the financial and economic activity of the Issuer are divided into planned and off-schedule checks. Planned check of the Company's financial and economic activity is held according to the approved annual Action plan of Audit Committee. Off-schedule check of the Company’s financial and economic activity may be performed at any time at the initiative of Audit Committee of the Issuer, decision of General Shareholders Meeting, Board of Directors of the Issuer or on request of a shareholder (shareholders) of the Issuer owning in aggregate at least ten percent of the Issuer's voting shares.

Text of Regulation on the Issuer's Auditing Committee is available at <http://www.mrsk-yuga.ru/management/documents/index.shtml>.

On the basis of check results of the Company's financial and economic activity, Audit Committee makes a report that should include:

- acknowledgement of reliability of the data of reports and other financial documents of the Company;
- information on facts of infringement by the Company of the order of accounting and presentation of financial reports set in the legal acts of the Russian Federation, and also legal acts of the Russian Federation on performing the Company’s financial and economic activity.

Order and terms of drawing up of conclusion on the results of check of the Company's financial and economic activity are defined by legal acts of the Russian Federation and internal documents of the Company.

Data on the system of internal audit over financial and economic activity of the Issuer

Internal control system is based on cooperation and distribution of powers of the integral subjects (units and persons) carrying out development approval, implementation and assessment of efficiency of internal control procedures.

The Company generated an internal control system where control functions accompany all the levels of the Company’s operation management and the level of business processes.

Internal control system consists of the following procedures:

- control of formation and execution of budget approved by Board of Directors;

- conducting comprehensive auditor's checks, monitoring and analysis of the results of branches' activity checks;
- work on prevention of infringements by spreading information on revealed essential infringements and drawbacks in all organizational departments of the Company;
- control over elimination of revealed infringements;
- revealing and analysis of risks of financial and economic activity of the Company;
- development of actions for minimization of risks of financial and economic activity;
- organization of accumulating, processing and transfer of operational, financial and other information on the Company's activity and also establishment of effective channels and communication media providing vertical and horizontal communications in the Company;
- determining employees duties in the sphere of internal control and relating this information to the Company's employees;
- ensuring fulfillment of procedures of internal control approved in the Company;
- appropriate documenting of internal control procedures;
- holding procedures of preventive control through the system of coordinating conditions of transactions, organizing tenders, auctions, and commissions on write-off of assets, coordination of standards and other internal standard documents.

Data on internal audit service, time of its work and key specialists

In order to provide efficient functioning of internal control system, the Company established internal control and audit department which includes two sections: internal audit service and methodology and risks section.

Internal Check and Audit Department (ICA) is subordinate to the Company's Deputy CEO, Security and Controlling. Head of Internal Check and audit Department is Shmakov Igor Vladimirovich, Deputy Head of Internal Check and Audit Department, and of internal audit service is Romanenko Anna Vladimirovna.

ICAD personnel carries out its activities in accordance with duty regulations.

The Department's executives do not depend in their work on the Issuer's executive authorities and management of the branches and structural units whose operation they audit.

Basic functions of internal audit service:

- planning, organizing and conducting checks (comprehensive, audit, topical etc) with the purpose of auditing conformance of financial and economic operations to the Company's interests;

- analysis of certain business processes as for conformance to current policies and regulations of the Company, requirements of the normative documents;
- selective checks of actuality, completeness and timeliness of economic and financial facts' representation in the accounting reporting, as well as reliability of disclosing financial and management information to the users;
- control and efficiency assessment 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 its subsidiary and dependent companies;
- holding special investigations of certain cases of malversation, misuse of powers etc;
- participation in the work of Audit Committees of the Company, subsidiary and affiliated companies as committee members and involved specialists;
- monitoring and operational control of working out a plan of activities on eliminating infringements following auditor conclusion;
- cooperation with outside auditors, representatives of tax and other controlling authorities;
- consulting the corresponding services and sections on the issues of conformance to the legislation on accounting and reporting regulation, taxation and other items of Audit Committee's competence.

Cooperation with executive bodies of the Issuer's management and Board of Directors (supervisory committee) of the Issuer: cooperation is carried out in conformance with current Issuer's Regulations on Internal Check and Audit Department.

Coordination of internal control service and outside Auditor of the Issuer: not stipulated by the Issuer's internal documents.

Data on internal document of the Issuer regulating rules of preventing service (insider's) information use

Control of internal information use is fulfilled in the Company on the basis of Regulations of Insider's Information of JSC "IDGC of the South" approved by the decision of Board of Directors of JSC "IDGC of the South" (Minutes dd 03.09.2007 No.2/2007).

Internet website where full text of the Regulations on insider's information of Joint Stock Company "Interregional Distributive Grid Company" (current revision) is available in free access: <http://www.mrsk-yuga.ru/rus/management/documents/index.shtml>.

## 5.5 INFORMATION ON MEMBERS OF BODIES UNDERTAKING CONTROL OVER ISSUER’S FINANCIAL AND ECONOMIC ACTIVITIES

### 1 Members of Audit Committee of JSC “IDGC of the South”

(elected by annual General Shareholders Meeting of JSC “IDGC of the South” on 30.05.08, minutes dd 04.06.2008 No.1):

Item number	Surname, name patronymic, year of birth of the member of the Company's management authorities, citizenship	Data on education	Positions held within the last five years and now, with the Issuer and other entities, both in Russia and abroad (country of the foreign entity'd location is specified)	Stake of the person and his/her affiliates in the Company's authorized capital / Stake of the Company's ordinary shares held by the person and his/her affiliates	Stake of the person in the Issuer's SAC authorized capital / Stake of the Issuer's SAC ordinary shares held by the person	Amount of the Issuer's SAC shares that can be acquired by the person on fulfilling rights on the companies' options held by the person	Character of any family relations with other members of the management authorities of the Issuer and/or authorities auditing its financial and economic activities	Data on bringing the person to administrative responsibility for breach of the law in the fields of finance, taxes and duties, securities market, or to criminal responsibility in (conviction) for crimes in the sphere of economy or crimes against the state	Positions held by the person in management authorities of commercial entities in periods when the entities were prosecuted for insolvency and/ or insolvency proceedings were started in conformity with the legislation of the RF
1	<b>Matyunina Lyudmila Romanovna</b>  b. 1950  citizen of the RF	<b>Higher education:</b> All-Russia Distance-Learning Finance and Economics Institute	<ul style="list-style-type: none"> <li>Deputy Head of Financial Audit Department of JSC RAO “UES of Russia”; First Deputy Head of Internal Audit Department of JSC RAO “UES of Russia” Corporate Centre;</li> <li>Member of Audit Committee of JSC “Moscow United Electric Grid Company”.</li> </ul> <p><b>At present: First Deputy Head of Internal Audit Department of JSC “IDGC Holding”.</b></p>	0 % / 0 %	0 % / 0 %	-	-	-	-

	Chairman of Audit Committee								
2	<b>Baitov Anatoliy Valeryevich</b> b. 1977 citizen of the RF	<b>Higher education:</b> Kurgan State University; Conferred degree of Candidate of Sciences (Economics)	<ul style="list-style-type: none"> <li>Deputy Director General of Fund “Institute of Professional Directors”.</li> </ul> <b>At present: Deputy Head, Head of Directorate for Financial Control and Internal Audit of JSC “FGC UES”. Member of Audit Committee of JSC “Kubanenergo”, Moscow United Electric Grid Company”.</b>	0 % / 0 %	0 % / 0 %	-	-	-	-
3	<b>Gabidullin Rustem Faritovich</b> b. 1979 citizen of the RF	<b>Higher education:</b> Moscow State University of Commerce	<ul style="list-style-type: none"> <li>Deputy General Director for Audit of Ltd “UralAudit”;</li> <li>Manager of Administration for Finance, Assets and Capitalization of IDGC Management Centre of JSC “FGC UES”.</li> </ul> <b>At present: Senior specialist of Directorate for Procurement of JSC “IDGC Holding”</b>	0 % / 0 %	0 % / 0 %	-	-	-	-
4	<b>Petrova Maria Vladimirovna</b> b. 1972 citizen of the RF	<b>Higher education:</b> Rostov Institute of National Economy	<ul style="list-style-type: none"> <li>Economist, senior economist of accountant department of JSC “Rostovenergo”;</li> <li>Senior economist of JSC “IDGC of the Centre and Northern Caucasus”, Southern branch;</li> <li>Senior specialist of accountant department of JSC “Rostovenergo”;</li> <li>Head of Consolidated reporting section of JSC “IDGC of the South”.</li> </ul> <b>At present: Deputy Chief Accountant of JSC “IDGC of the South”, member of Audit Committee of JSC “Kubanenergo”.</b>	0 % / 0 %	0 % / 0 %	-	-	-	-
5	<b>Erdenko Sergey Olegovich</b> b. 1972 citizen of the RF	<b>Higher education:</b> Russian Academy of Entrepreneurship	<ul style="list-style-type: none"> <li>Major expert of Corporate Management and Shareholders’ Department of Corporate Centre of JSC RAO “UES of Russia”.</li> </ul> <b>At present: Project Manager of Shareholders Rights Provision during Project Centre of JSC “IDGC Holding” restructuring.</b>	0 % / 0 %	0 % / 0 %	-	-	-	-

## **5.6 DATA ON THE AMOUNT OF REMUNERATION, PRIVILEGES AND/ OR COMPENSATION FOR EXPENSES OF EACH BODY UNDERTAKING CONTROL OVER THE ISSUER’S FINANCIAL AND ECONOMIC ACTIVITIES**

**Amount of remuneration to Audit Committee members for 2008 made up 707 825,65 rub. (incl. Business trip expenditure compensation - 196 939,65 rub.).**

Payment of remuneration to members of Audit Committee of the Issuer is carried out according to the revised Regulations on Payment of Remuneration and Compensation to Members of Audit Committee of “IDGC of the South” approved by the decision of annual General Shareholders Meeting of “IDGC of the South”, JSC (Minutes No.1 as of 4.06.2008).

According to clause 3.1. of the Regulations, for participation in check (audit) of financial and economic activity, a member of Audit Committee of the Company receives a lumpsum remuneration in amount equivalent to five minimum monthly wages of the first category employee established by the sector tariff agreement in electric power 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 clause 3.1. of the Regulations shall be made within a week’s term after drawing up the report following the results of the check (audit) held. According to clause 3.3. of the Regulations, 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 check of financial and economic activity in amount not exceeding twenty minimum monthly wages of the first category employee, 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 connected with participation in the Company’s Audit Committee meeting and carrying out check are compensated to members of the Company’s Audit Committee as in effect at the moment of carrying out the meeting or the check, under the norms of compensation of travelling and living expenses of the Company as in effect at that moment.

According to the Charter of JSC “IDGC of the South”, decisions on payment to members of Audit Committee of remunerations and (or) compensations is taken by General Shareholders Meeting of the Company in view of recommendations of Board of Directors on amount of such remuneration and (or) compensation. Amount and procedure of payment are established by the specified Regulations.

Besides, members of Audit Committee of JSC “IDGC of the South” who are at the same time staff members of the Company, are paid wages in the course of the year for their positions in conformity with the staff schedule.

Remuneration payment to the employees of Internal Check and Audit Department of JSC “IDGC of the South” was made in 2008 according to the terms of their labour contracts.

No additional agreements were made with employees of Internal Check and Audit Department of JSC “IDGC of the South” concerning payments by the Issuer.

## 5.7 DATA ON THE HEADCOUNT AND GENERALIZED DATA ON EDUCATION AND STRUCTURE OF THE ISSUER’S STAFF (EMPLOYEES), AND ALSO ON THE HEADCOUNT CHANGE OF THE ISSUER

Structural division of JSC “IDGC of the South”	Average headcount, persons	Share of the Issuer’s employees who have higher professional education, %	Labor compensation, rubles	Welfare benefits, rubles	Total amount of funds spent, rubles
Executive office	289	91,8	67 808,4	52,0	67 860,4
“Astrakhanenergo” branch of JSC “IDGC of the South”	1 900,0	22,1	98 554,8	874,8	99 429,6
“Volgogradenergo” branch of JSC “IDGC of the South”	4 264,6	33,5	263 192,0	2 660,5	265 852,5
“Kalmenergo” branch of JSC “IDGC of the South”	1 185,9	25	45 239,3	113,2	45 352,5
“Rostovenergo” branch of JSC “IDGC of the South”	5 624,0	34,6	363 482,3	3 395,1	366 877,4
<b>Total:</b>	<b>13 263,5</b>	<b>32,9</b>	<b>838 276,8</b>	<b>7 095,6</b>	<b>845 372,4</b>

Information on essential headcount change (number of employees changed) for the accounting period and factors which in the Issuer’s opinion caused the headcount change: there were no significant changes to the headcount in the accounting period compared to the previous period.

Consequences of such changes for financial and economic activity of the Issuer: such information is not presented, because there were no essential changes of the headcount (number of staff) in comparison with the previous accounting period.

Data on the Issuer’s employees who make important influence on the financial and economic activity of the Issuer (key employees: there are no employees who have important influence on the Issuer’s financial and economic activity, except for the employees listed in p.p. 5.2 and 5.5 of the quarterly report.

Data on trade union organized by the Issuer’s staff: trade union has not been organized.

## 5.8 DATA ON ANY OBLIGATIONS OF THE ISSUER TO THE STAFF (EMPLOYEES) CONCERNING POSSIBILITY OF THEIR PARTICIPATION IN THE AUTHORIZED (SHARE) CAPITAL (SHARE FUND) OF THE ISSUER

Agreements or liabilities of the Issuer concerning possibility of the Issuer’s staff (employees’) participation in the authorized (share) capital (share fund): there are no agreements or liabilities specified as of 31.03.2009.

Data on providing or possibility of providing Issuer’s option to the staff (employees):

Board of Directors (Minutes No16/2008 dd 23.07.2008) approved Regulations on JSC “IDGC of the South” Option Programme, according to which Shares Purchase and Sale agreement can be made between the Issuer and an employee with discharge of obligations on stock transfer and settlement in 3 years from the date of the contract. Total number of Issuer’s ordinary shares in running contracts of the Programme participants for each period must not be over 2% from total number of placed ordinary shares of the



Issuer. Employees who obtained shares in the course of the Programme are entitled to dispose of them at their own discretion. Option programme is not limited in time and is to be carried out during the whole period of the Issuer’s functioning.

As of 31.03.2009, no contracts were concluded between the Issuer and its employees in terms of option programme.

## **VI Data on participants (shareholders) of the Issuer and interested parties transactions closed by the Issuer**

### **6.1 DATA ON THE TOTAL NUMBER OF SHAREHOLDERS (PARTICIPANTS) OF THE ISSUER**

Total number of the holders on the register of shareholders of the Issuer as of the date of the accounting quarter termination: 9587, including

	Number of the Company's shareholders as of 31.03.2009	Number of shares	Stake in the authorized capital, %
Physical persons	9486	1 678 658 211	3,362
Juridical bodies	86	88 547 875	0,178
Shares held by the state	1	69 125 536	0,139
Nominee shareholders	14	47 974 764 442	96,313
Trustee shareholders	0	0	0
<b>TOTAL:</b>	<b>9587</b>	<b>49 811 096 064</b>	<b>100%</b>

### **6.2 DATA ON PARTICIPANTS (SHAREHOLDERS) OF THE ISSUER OWNING AT LEAST 5 PERCENT OF AUTHORIZED (SHARE) CAPITAL (SHARE FUND) OR AT LEAST 5 PERCENT OF ORDINARY SHARES, AS WELL AS DATA ON THE PARTICIPANTS (SHAREHOLDERS) OF SUCH BODIES HOLDING AT LEAST 20 PERCENT OF AUTHORIZED (SHARE) CAPITAL (SHARE FUND) OR AT LEAST 20 PERCENT OF ORDINARY SHARES**

As of 31.03.2009, list of persons entitled to participate in General Shareholders Meeting of JSC “IDGC of the South” was not made up.

Participants (shareholders) of the Issuer holding at least 5 percent of the Issuer’s authorized capital or at least 5 percent of ordinary shares as of 18.04.2008 (last date of the register closing):

1 Full company name: **Russian Open Joint Stock Company of Energy and Electrification “UES of Russia” (JSC “IDGC Holding” became its legal successor on 01.07.2008)**

Short company name: **JSC RAO “UES of Russia”**

TIN: **7705018828**

Location: **Building 3, 101 Pr. Vernadskogo, Moscow, 119526.**

Stake in the Issuer’s authorized capital: **51,65 %**

Stake of the Issuer’s ordinary shares held: **51,65 %**

Shareholders (participants) of this person holding at least 20 percent of its ordinary shares:

Full company name: **the Russian Federation represented by the Federal Agency for Management of Federal Property**

TIN: **7710723134**

Location: **9 Nikolskiy Per., Moscow, Russia, 103685**

Stake in the authorized capital of the participant (shareholder): **52,68 %**

Stake of the Issuer’s ordinary shares held: **54,99 %**

**2** Full company name: **Closed Joint Stock Company “Promregion Holding”**

Short company name: **CJSC “Promregion Holding”**

TIN: **7706307082**

Location: **16 Pushkarev Per., Moscow, the RF, 107045**

Stake in the authorized capital of the participant (shareholder): **16,21 %**

Stake of the Issuer’s ordinary shares held: **16,21 %**

Shareholders (participants) holding at least 20 percent of the authorized capital of an Issuer’s participant: the Issuer does not have such information.

**3** Full company name: **Renaissance Securities (Cyprus) Limited**

Location: **2-4 Arch. Makarios III Avenue Capital Center, 9th floor 1065 Nicosia, Cyprus**

Stake in the Issuer’s authorized capital: **5,22 %**

Stake of the Issuer’s ordinary shares held: **5,22 %**

Shareholders (participants) holding at least 20 percent of the authorized capital of an Issuer’s participant: the Issuer does not have such information.

On 02.03.2009, the Company got to know that a shareholder appeared who owns over 5 % of the Company’s authorized capital:

Full company name: **Oflamenta Trading Limited**

Location: **Gr. Xenopoulou, 17 P.C. 3106, Limassol, Cyprus**

Stake in the Issuer’s authorized capital: **21,15 %**

Stake of the Issuer’s ordinary shares held: **21,15 %**

Shareholders (participants) holding at least 20 percent of the authorized capital of an Issuer’s participant: the Issuer does not have such information.

Data on registered nominal holders of the Issuer's shares owning at least 5 percent of the authorized capital of the Issuer or at least 5 percent of ordinary shares of the Issuer as of 31.03. 2009:

Full (short company name)	<b>Limited liability company “Depository and Corporate Technologies”(LLC “DCT”)</b>
Taxpayer’s identification number	<b>7729520219</b>
Location	<b>Building 1, 17 Ramenki Str., Moscow, 119607</b>
Contact telephone and fax numbers	<b>(495)641-30-31</b>
E-mail	<b><a href="mailto:dkt@depotech.ru">dkt@depotech.ru</a></b>
Issuance number, date and validity term of the license of the professional participant of the securities market, name of the issuing authority	<b>License No.177-11151-000100 issued by FFMS of Russia on 03.04.2008</b> <b>Without limitation of the validity period</b>
Number of ordinary shares of the Issuer registered in the Issuer’s list of shareholders under the name of the nominal holder	<b>25 730 843 051</b>
Stake of the participant (shareholder) of the Issuer in the Issuer’s authorized capital	<b>51.6568%</b>
Stake of the Issuer’s ordinary shares held	<b>51.6568%</b>
2.	
Full (short company name)	<b>Limited liability company “Specialized Depository Company “GARANT” (LLC “SAC “GARANT”)</b>
Taxpayer’s identification number	<b>7714184726</b>
Location	<b>Building 1a, 7/9 Pravdy Str., Moscow, 125124</b>
Contact telephone and fax numbers	<b>(495)777-56-83; (495) 777-56-82</b>
E-mail	<b><a href="mailto:mail@sdkgarant.ru">mail@sdkgarant.ru</a></b>
Issuance number, date and validity term of the license of the professional participant of the securities market, name of the issuing authority	<b>License No.177-06414-000100, issued by FFMS of Russia on 26.09.2003 without limitation of the validity period</b>
Number of ordinary shares of the Issuer registered in the Issuer’s list of shareholders under the name of the nominal holder	<b>7 774 759 567</b>
Stake of the participant (shareholder) of the Issuer in the Issuer’s authorized capital	<b>15,6084%</b>
Stake of the Issuer’s ordinary shares held	<b>15,6084%</b>
3.	

Full (short company name)	<b>Closed Joint Stock Company “Depository and Clearing Company” (CJSC “DCC”)</b>
Taxpayer’s identification number	<b>7710021150</b>
Location	<b>Building Б, 31 Shabolovka, Moscow, 115162</b>
Contact telephone and fax numbers	<b>(495)956-09-99; (495)232-68-04</b>
E-mail	<b><a href="mailto:dcc@dcc.ru">dcc@dcc.ru</a></b>
Issuance number, date and validity term of the license of the professional participant of the securities market, name of the issuing authority	<b>License No.177-06236-000100 issued by FSEC of Russia on 09.10.2002 without limitation of the validity term</b>
Number of ordinary shares of the Issuer registered in the Issuer’s list of shareholders under the name of the nominal holder	<b>9 603 456 565</b>
Stake of the participant (shareholder) of the Issuer in the Issuer’s authorized capital	<b>19,2797%</b>
Stake of the Issuer’s ordinary shares held	<b>19,2797%</b>
4.	
Full (short company name)	<b>Noncommercial Partnership “National Depository Centre” (“NDC”)</b>
Taxpayer’s identification number	<b>7706131216</b>
Location	<b>Building 4, 1/13 Sredny Kislovskiy per., Moscow, Russia, 125009</b>
Contact telephone and fax numbers	<b>(495) 956-26-59 ; (495) 956-09-38</b>
E-mail	<b><a href="mailto:dc@ndc.ru">dc@ndc.ru</a></b>
Issuance number, date and validity term of the license of the professional participant of the securities market, name of the issuing authority	<b>License No.177-03431-000100 issued by FSEC of Russia on 04.12.2000, without limitation of the validity term</b>
Number of ordinary shares of the Issuer registered in the Issuer’s list of shareholders under the name of the nominal holder	<b>8,8181%</b>
Stake of the participant (shareholder) of the Issuer in the Issuer’s authorized capital	<b>8,8181%</b>
Stake of the Issuer’s ordinary shares held	<b>8,8181%</b>

### 6.3 DATA ON THE STATE OR MUNICIPAL UNIT PARTICIPATION IN THE AUTHORIZED (SHARE) CAPITAL (SHARE FUND) OF THE ISSUER, SPECIAL RIGHT (“GOLDEN SHARE”)

The Russian Federation holds **69 125 536** ordinary shares of JSC “IDGC of the South”.

State- or municipal-owned stake of the Issuer’s ordinary shares: 0,139%.

Full company name and location of the person representing the Russian Federation as the Issuer’s participant (shareholder): **the Federal Agency for Management of Federal Property; 9 Nikolskiy Per., Moscow, 103685.**

Special right (“golden share”): **special rights are not stipulated.**

Special right for participation of the Russian Federation, subjects of the Russian Federation, municipal units in the Issuer’s management (“golden share”): **not stipulated.**

### 6.4 DATA ON RESTRICTIONS TO PARTICIPATION IN THE AUTHORIZED (SHARE) CAPITAL (SHARE FUND) OF THE ISSUER

Restrictions of amounts of shares which may belong to one shareholder and/or their total nominal value, and/or maximum number sold to one shareholder are not stipulated by the Charter of the Issuer.

Restrictions on the stake of foreign persons in the authorized capital of the Issuer are not stipulated by the legislation of the Russian Federation or other normative legal acts of the Russian Federation.

### 6.5 DATA ON CHANGES IN THE COMPOSITION AND AMOUNT OF PARTICIPATION OF SHAREHOLDERS (PARTICIPANTS) OF THE ISSUER OWNING AT LEAST 5 PERCENT OF THE AUTHORIZED (SHARE) CAPITAL (SHARE FUND) OR AT LEAST 5 PERCENT OF ORDINARY SHARES

The Issuer’s shareholders who held at least 5 percent of the Issuer’s authorized capital (at least 5 percent of the Issuer’s ordinary shares) 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 date of termination of the accounting period, 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 meeting	Type of General Shareholders Meeting	Date of drawing up the list of persons entitled to participate in General Shareholders Meeting	Full /short company name of the Issuer’s shareholder owning at least 5 % of the authorized capital	Stake held in the Issuer’s authorized capital, %	Stake of the Issuer’s ordinary shares held,%
05.10.2007	extraordinary	-----	Russian Joint Stock Company of power and electrification “UES of Russia”/ JSC RAO UES of Russia	100,00	100,00

25.12.2007	extraordinary	-----	Russian Joint Stock Company of power and electrification “UES of Russia”/ JSC RAO UES of Russia	100,00	100,00
28.02.2008	extraordinary	-----	Russian Joint Stock Company of power and electrification “UES of Russia”/ JSC RAO UES of Russia	100,00	100,00
30.05.2008	annual	18.04.2008	Russian Joint Stock Company of power and electrification “UES of Russia”/ JSC RAO UES of Russia	51,65	51,65
			Closed Joint Stock Company “Promregion Holding”/ CJSC “Promregion Holding”	16,21	16,21
			Renaissance Securities (Cyprus) Limited	5,22	5,22

## 6.6 DATA ON THE ISSUER’S INTERESTED PARTIES TRANSACTIONS

Item description	Quarter I of 2009
0) Total number and total monetary value of interested parties transactions which required approval by the authorized management body of the Issuer, number/ rub.	<b>3/ 1 773 000,00</b>
Number and monetary value of interested parties transactions concluded in the accounting period and approved by General Meeting of participants (shareholders), number/ rub.	<b>0/ 0</b>
Number and monetary value of interested parties transactions concluded for the accounting period and approved by Board of Directors (supervisory board) of the Issuer, number/ rub.	<b>3/ 1 773 000,00</b>
0) Number and monetary value of interested parties transactions for the accounting period which required approval yet were not approved by the authorized management body of the Issuer, number/ rub.	<b>0/ 0</b>

Data on the transactions (groups of associated transactions) concluded by the Issuer in the accounting period with cost of at least 5 (five) percent of the balance sheet cost of the Issuer’s funds as of the last accounting date before making the transaction:

Item number	Date of transaction	Subject and other essential terms of the transaction	Transaction parties	Full and short company name of juridical person (name, surname and patronymic of the physical person) considered interested in the transaction, and the basis on which the person is considered interested	Transaction amount (rub. / % of the Issuer’s balance sheet assets as of termination date of the last completed accounting period prior to date of transaction)	Term of transaction’s obligations execution and data on execution of the obligations	The Issuer’s management authority responsible for the decision on transaction approval, date of decision taking (date of drawing up the minutes and number of the minutes)	Other data on the transaction, specified at the Issuer’s discretion

**No such transactions were made in the accounting period**

Interested parties transactions concluded by JSC “IDGC of the South” for the accounting period:

Item number	Number and date of the document	Counterpart	Contract amount, rub.	Contents
1.	101/09-26 dd 05.02.2009	Noncommercial Partnership “Scientific and Technical Council of Unified Power System”	1 573 000,00	Agreement on membership in Noncommercial Partnership “Scientific and Technical Council of Unified Power System”
2.	407/30-24/106 dd 12.03.2009	Open Joint Stock Company of Energy and Electrification of Kuban	Not more than 200 000,00 a year	Agreement on Technical Supervision over construction operations
3.	Additional agreement No.121 dd 17.03.2009 to contract No.29 dd 15.09.1993	Open Joint Stock Company “RusHydro”	0,00	Agreement on changing transaction party of contract No.29 dd 15.09.1993
<b>TOTAL</b>	<b>1 773 000,00</b>			

Total amount (in money terms) of the interested parties transactions for the last accounting quarter: **1 773000,00** rubles.

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 in conformance with the legislation of the Russian Federation: no such transactions were made in the accounting period.

**6.7 DATA ON THE AMOUNT OF ACCOUNTS RECEIVABLE**

Data on the amount of the Issuer’s accounts receivable as of 31.03.2009, rubles in thousands:

Type of accounts receivable	Maturity	
	Less than one year	Less than one year
Accounts receivable of buyers and customers	<b>3 500 527</b>	<b>316 213</b>
including accounts overdue	<b>801 632</b>	<b>114 404</b>
Notes receivable	-	-
including notes overdue	-	-
Accounts receivable of participants (founders) for contributions to authorized capital	-	-

including accounts overdue	-	-
Accounts receivable for advances paid	<b>801 066</b>	<b>62 040</b>
including accounts overdue	<b>148 473</b>	-
Other accounts receivable	<b>2 295 827</b>	-
including accounts overdue	<b>256 865</b>	-
Total	<b>6 597 420</b>	<b>378 253</b>
including accounts overdue	<b>1 206 970</b>	<b>114 404</b>

Among the accounts receivable of JSC “IDGC of the South” as of 31.12.2008 there were no debtors who owed 10% or more of the total accounts receivable.

Data on the amount of accounts receivable as of 31.03.2009, rubles in thousands:

Type of accounts receivable	Maturity	
	Less than one year	Less than one year
Accounts receivable of buyers and customers	4 550 577	252 997
including accounts overdue	994 614	39 526
Notes receivable	-	-
including notes overdue	-	-
Accounts receivable of participants (founders) for contributions to authorized capital	-	-
including accounts overdue	-	-
Accounts receivable for advances paid	6+05 154	62 040
including accounts overdue	127 211	-
Other accounts receivable	2 801 092	-
including accounts overdue	655 220	-
Total	7 956 823	315 037
including accounts overdue	1 777 045	39 526

Among the accounts receivable of JSC “IDGC of the South” as of 31.03.2009 there were no debtors who owed 10% or more of the total accounts receivable.



Dynamics and change in the structure of the accounts receivable by the Company as of 31.03.2009, rubles in thousands:

Structure of accounts receivable	Accounts receivable as of 31.12.2008	Accounts receivable as of 31.03.2009	Change of accounts receivable in quarter I of 2009
<b>1. Long-term accounts receivable</b>	<b>378 253</b>	<b>315 037</b>	<b>-63 216</b>
<b>2. Short-term accounts receivable, including:</b>	<b>6 597 420</b>	<b>7 956 823</b>	<b>1 359 403</b>
<b>2.1 Buyers and customers</b>	<b>3 500 527</b>	<b>4 550 577</b>	<b>1 050 050</b>
<b>2.2 advances paid, including</b>	<b>801 066</b>	<b>605 154</b>	<b>-195 912</b>
2.2.1. to suppliers of thermal and electric power	-	-	-
2.2.2. to suppliers of materials	112 657	106 174	-6 483
2.2.3 to construction organizations	187 011	101 928	-85 083
2.2.4 to repair contractors	5 803	1 501	4 302
2.2.5 to suppliers of services	74 824	103 384	28 560
2.2.6. other advances paid	420 771	292 167	-128 604
<b>3. Other debtors, including</b>	<b>2 295 827</b>	<b>2 801 092</b>	<b>505 265</b>
3.1. Overpayment on taxes to the federal budget	69 354	22 212	-47 142
3.2. overpayment on taxes to the budgets of the subjects of the RF	40 494	38 346	-2 148
3.3 overpayment on taxes to the local budgets	10 357	10 393	36
3.4. overpayment on payments to the state nonbudgetary funds	6 974	7 276	302
3.5 other debtors	2 168 648	2 722 865	554 217
<b>Total:</b>	<b>6 975 673</b>	<b>8 271 860</b>	<b>1 296 187</b>

## VII Accounting reports of the Issuer and other financial information

### 7.1 ANNUAL ACCOUNTING REPORTS OF THE ISSUER

The Company's Accounting Report is formed with the current rules of book keeping and reporting of Russian Federation, namely:

- Federal Law of the Russian Federation “On Book Keeping” as of 21.11.1996 No129-Φ3;

- RAS 1/98 “Accounting Policy of Organization” approved by Order of Ministry of Finance of the Russian Federation as of December 9 of 1998 No.60H;
- Regulations on conducting book keeping and accounting reporting in the Russian Federation approved by order of the Ministry of Finance of the Russian Federation as of 29.07.1998 No.34H;
- Order of the Ministry of Finance of the Russian Federation as of 22.07.2003 No.67H “On forms of book keeping reports in organizations” and other normative documents in the sphere of book keeping.

Annual reporting includes:

1. Form No.1 “Accounting balance” (see Enclosure1);
2. Form No.2 “Profit and loss statement” (see Enclosure 2):
3. Notes to Form No.3 “Report on Equity Changes”;
4. Form No.4 “Report on Cash Flow”;
5. Form No.5 “Appendix to Accounting Balance”
6. Explanatory Note
7. Auditor opinion verifying validity of annual accountin reports;
8. Note on the change of balance items;  
See annual accounting reports in enclosure 1.  
See Note on the change of balance items in enclosure 2.

## **7.2 QUARTERLY ACCOUNTING REPORT OF THE ISSUER FOR THE LAST COMPLETED ACCOUNTNG QUARTER MADE IN ACCORDANCE WITH THE LEGISLATION OF THE RUSSIAN FEDERATION**

Reporting structure:

- 1 Form No.1 “Accounting balance”;
- 2 Form No.2 “Profit and loss statement”
- 3 Note on the change of balance items.

See quarterly accounting reporting in enclosure 3.

See Note on the change of balance items in enclosure 4.

## **7.3 SUMMARY ACCOUNTING REPORTING OF THE ISSUER FOR THE LAST COMPLETED FINANCIAL YEAR**

The Issuer does not belong to juridical persons obliged to make up and present summary accounting reporting in conformance with Order of Government of the Russian Federation as of 09.01.1997 No.24 On Procedure of Keeping Summary (Consolidated) Accounting, Reportinfg and Balance of Financial and Industrial Groups“ and Methodical Recommendations drawinfg up and submitting summary accounting reports approved by Order of Ministry of Finance of the RF as of 30.12.1996 No.112.

## **7.4 DATA ON THE ACCOUNTING POLICY OF THE ISSUER**

Regulations on the accounting policy for the purposes of accounting of JSC “IDGC of the South” (further referred to as Regulations) is approved by order of CEO of JSC “IDGC of the South” dd 24.12.2008 No.307-A.

JSC “IDGC of the South” organizes and makes up accounting reporting in accordance with the Federal Law as of November 21 of 1996 No.129-ФЗ “On Book Keeping”, Regulations on conducting book keeping and accounting reporting in the Russian Federation approved by order of the Ministry of Finance of the Russian Federation as of 29.07.1998 No.34н; Book of accounts approved by Order of Ministry of Finance of the Russian Federation as of 31.10.2000 No.94н and other normative document in the sphere of accounting.

The regulation is made up on the assumption of the following:

- material detachment of the enterprise;
- continuous activity of the enterprise;
- consistent application of accounting policies;
- time determination of economic events.

All subsidiary joint stock companies of JSC “IDGC of the South” conduct independent accounting, make up completed accounting and tax reports, function as taxpayers, bear responsibility for timely and complete settlements with the budget on all kinds of taxes and duties.

### **ORGANIZATION AND TECHNICAL ASPECTS OF ACCOUNTING POLICY**

Bookkeeping and tax records in the Company shall be maintained by the structural subdivision – Accounting and Tax Department led by the head of department – the Chief Accountant.

The structure of “IDGC of the South”, JSC includes executive body, branches and operating units subordinate to branches.

Branches have internal accounting services (Accounting and Tax Departments) headed by chief accountants of branches, who shall make up a separate balance with incomplete financial result and other accounting statements according to forms established by the Company.

Operating units have accounting departments headed by chief accountants and indices of the balance made up in the form of a turnover balance sheet, general ledger and preparation of accounting statements according to forms approved inside the system.

The functions of central accounting department shall be performed by the Accounting

and Tax Department (hereinafter referred to as the ATD) of the Company`s Executive Bodies that shall prepare accounting statements concerning the Company including the indices of all branches.

## **PROCEDURE FOR ACCOUNTING POLICY DETERMINATION, APPROVAL AND CHANGE**

Means of bookkeeping selected in the course of the present accounting policy determination shall be applied from the first of January of the year following the year when the document was approved.

The changes shall be disclosed by the Company in an explanatory note attached to accounting statements for the year preceeding the year when they were made.

In case new facts of economic activity arise and means of accounting for them have not been determined by the accounting policy, addition to the accounting policy shall be made up.

## **STANDARD WORKING CHART OF ACCOUNTS, TECHNOLOGY OF ACCOUNTING INFORMATION PROCESSING, FORMS OF SOURCE ACCOUNTING DOCUMENTS AND RULES OF DOCUMENT CIRCULATION**

For the purpose of accounting, JSC “IDGC of the South” uses working chart of accounts made up in accordance with Chart of Accounts of Business Accounting approved by the order of the Ministry of Finance No.94H dated 31.10.2000 with regard to functionality of integrated configuration of software suite to be introduced, used for keeping the records of “IDGC of the South”, JSC.

Bookkeeping of property, liabilities and business transactions of the Company shall be carried out on the basis of natural measures in money terms (in roubles and kopecks) by their detailed, continuous, documentary and interrelated representation using double-entry bookkeeping.

Source accounting documents shall be taken on discount if they are drawn up as follows:

- according to the form of the album of unified forms of source accounting documentation;
- according to the form of the album of unified forms of source accounting documentation with the introduction of additional details herein;
- according to the form elaborated by the Company itself (for drawing financial and business transactions for which standard unified forms are not provided).

Heads of branches and operating units shall be entitled to sign the basic accounting documents on the basis of the power of attorney issued by the Company, or on the basis of Company`s order documents, shall be entitled to sign internal documentation of the Company if it results from the performance of their official duties.

Flow of basic documents in the Company (drawing up or receipt from other enterprises,

institutions or entities, flow between structural subdivisions of the Company, acceptance for business and tax purposes, processing, transfer to the archives) shall be regulated by the Regulations on the Accounting and Tax Department and by schedule of document circulation.

## **PROCEDURE AND TERMS OF ACCOUNTING STATEMENTS PREPARATION**

Accounts of the Company shall be drawn up for a month, a quarter and year with accrual character from the beginning of reporting year, if another procedure is not stipulated by the RF legislation, in the amount and pursuant to forms specified in the Order of the Ministry of Finance of Russia No.67H dated 22.07.2003. The Company`s accounts shall be signed by the head and the chief accountant. Monthly and quarterly accounts shall be regarded as interim statements.

Annual accounts of the Company shall be examined and approved by the decision of annual General Shareholders Meeting of the Company and submitted within the time limits and to addresses specified in art.15 of the Federal law No. 129-Φ3 dated November 21, 1996 “On Accounting”.

Annual Company`s accounts shall be published no later than June 1 of the year following the reporting one.

Decision adopted by annual Shareholders Meeting of the Company on distribution of earnings of the reporting year shall be recorded in the accounts in the period when the meeting was held, i.e. in the year following the reporting one.

## **PROCEDURE FOR TAKING INVENTORY OF PROPERTY AND OBLIGATIONS**

Inventory of property and obligations shall be carried out by the Company in accordance with art.12 of the Federal law dated No.129-Φ3 21.11.1996 “On Accounting” and Methodological instructions on taking inventory of property and liabilities approved by the order of the Ministry of Finance of the RF No.49 dated 13.06.1995 in order to ensure adequacy of accounting and reporting data.

All types of assets and obligations of the Company, including the property (irrespective of location), possessed by the Company pursuant to the right of property, amounts of work in progress, investments in progress in current and non-current assets, accounts payable and asset items, property that is not owned by the Company but recorded in books on off-balance accounts (being on responsible storage, obtained for selling by contract of commission agency, rented etc.).

The procedure for taking inventories (number of inventories in the reporting year, dates, list of property and obligations subject to check) shall be stipulated by orders of the Company.

## **GENERAL APPROACHES TO QUALIFICATION OF ACCOUNTING ENTITIES**

For the purpose of taking the property and obligations on discount the Company shall carry out the valuation in money terms. The valuation of property shall be performed as

follows:

- property, purchased for payment shall be evaluated according to the sum of actually incurred charges on hereof acquisition;
- property produced by the subdivisions of the Company shall 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 shall 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 shall be evaluated according to current market value on the date of taking the property on discount.

Current market value shall 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 shall be calculated in consideration of prices established for this or similar type of property. At the same time the data on the established price shall be documented or confirmed by the expert`s report.

In the course of estimation of property acquired by any reason, the actual cost hereof shall be calculated with the addition of costs incurred by the Company in relation to bringing the property in condition suitable for use.

The value of property in which they are included for accounting purposes, shall be no subject to alternation with the exception of cases stipulated by the Russian Federation legislation.

It is allowed 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.

It is allowed for current assets in the event that inventories have been obsolescent, have lost completely or partially their initial quality.

Adjustment of book value to market one shall be made 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 shall determine the initial value of a fixed assets item for:

- the items of immovable property purchased from previous owners by the sale contract, exchange contract, lease contract and others, – upon the registration of ownership to the

item transfer at the body for the state registration of real estate activities;

- the items of immovable property constructed by the Company and the subdivisions hereof using non-contractual or contractual construction forms, - upon the submission of the package of documents necessary for ownership to the item registration;

- fixed assets included in the construction estimates (to be used in projects under construction), - upon setting the building project in operation;

- fixed assets that need assembly, - upon the assembly termination;

- fixed assets that do not need assembly, - upon the arrival of the item from the supplying subdivision into the exploiting subdivision. At the same time if the exploiting subdivision puts the received item in storage, it shall be recorded in accounting as the fixed assets item in stock (in reserve).

Recording of costs connected with the building project shall 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. The developer (client) of the construction shall maintain the records of costs in the account “Investments in Non-Current Assets”.

## **RECORDING OF LOAN CHARGES AND INTERESTS ON CREDITS OBTAINED TO PURCHASE AND/OR FORM NON-CURRENT ASSETS**

For the purpose of establishment of the procedure for capitalizable cost accounting concerning the charges on obtained loans and credits the Company shall assign investment assets among the investment items. Investment assets are defined as investment items the preparation of which for the intended use requires a great amount of time as well as great costs on acquisition and (or) construction (property complexes and other similar assets).

Costs connected with the received loans and credits incurred before the commencement of works on the investment asset formation shall not be included in the cost of investments in non-current assets but shall be referred to sundry expenses.

## **RECORDING OF FIXED ASSETS**

The Company shall recognize as fixed assets the assets in connection of which the following conditions shall be satisfied at a time:

- it is expected to use the output in the production, in the course of works performance or rendering the services or for administrative needs over a long period of time (useful life of more than 12 months duration or usual operating cycle if it exceeds 12 months);

- the capacity to provide economic benefits (profit) at a later date, and also the on-selling of these assets is not planned by the organization hereafter.

Assets in relation to which the aforementioned conditions are applied to, at the cost of no more than 20000 roubles for one unit, shall be recorded as a part of inventories, with the

exception of electric grid equipment, mobile and manpack radio stations, the sources of backup power supply. For the purposes of safekeeping of these items when they are produced or in operation the quantitative record shall be kept.

Inventory item shall be regarded as an accounting unit of fixed assets. An inventory item of fixed assets shall be understood as an item with all attachments and accessories or a structurally separate item meant for the performance of certain functions of its own. For the purpose of accession record of fixed assets the ledger card (FA-6) shall be used. Records in ledger cards shall be kept in electronic form and be printed out on paper as of the date of taking the item on discount.

If one or several objects used for the same or different purposes represent a separate complex of contractually linked objects having common implements and accessories, general management, assembled on the same foundation and as a result each object can perform the functions only being the part of the complex, the whole complex as a single entity shall be taken on discount as an inventory item.

In the event that one inventory item has several parts having substantially different useful life period, each such part shall be recorded as an independent inventory item irrespective of the fact whether the specified part of the item can or cannot fulfill an independent function.

Fixed assets shall be included for accounting purposes in consideration of original cost determined depending on the way of receipt – acquisition for payment, in-house asset formation (construction), gratis receipt etc.

As concerns the fixed assets received by the Company in the process of company reorganization in the form of affiliation, the original cost according to which they are included for accounting purposes shall equal the depreciated cost of FA pursuant to the accounting data of the affiliated company as of the date of affiliation. Fixed assets, the original cost of which according to the accounting data of the affiliated company as of the date of affiliation equal 0 (zero), shall be included for accounting purposes of an affiliated company at the evaluated cost equal to 1 (one) rouble.

Fixed assets items taken for materially responsible storage shall be recorded in the off-balance account 002 “Inventory Holdings Taken for Responsible Storage” at prices specified in the acceptance statement.

The costs related to the fulfillment of all types of repairs of fixed assets (current and capital) shall be included in the expenses on ordinary types of activities in the period in which repair works (stages of repair works) have been completed and accepted. Provision for basic funds repairing or repair fund shall not be made.

## **CHANGE OF FIXED ASSETS VALUE**

The change of original cost of fixed assets at which they have been included for accounting purposes shall be allowed in cases of completion, providing with additional equipment, reconstruction, modernization, partial liquidation and revaluation of fixed assets items.



The acceptance of fixed assets after reconstruction and modernization shall be formalized by the statement of acceptance of reconstructed and modernized items (form FA-3) on the basis of act of provided repair works (form CA-2), on the basis of which the certificate of the cost of performed works and other expenses (form CA-3). When performing the works related to reconstruction and modernization using non-contractual manner, forms CA-2 and CA-3 shall not be applied to, the Company shall elaborate a separate statement form.

## **USEFUL LIFE OF FIXED ASSETS ITEMS**

Useful life of fixed assets items shall be determined in consideration of expected physical depreciation, proceeding from operation conditions, natural conditions and corrosive medium influence, the system of carrying out repairs. Useful life of fixed assets items shall be determined within the limits stipulated by the decree of the Russian Federation Government No. 1 dated 01.01.2002, according to the list approved by the head of the Company or by a person authorized by him/her.

Useful life of fixed assets items shall be determined when taking them on discount on the basis of item certificate, other technical documents or on the basis of appraisal made by Company`s technical services by a decision of permanently active commission. Useful life period shall be recorded in the inventory card (FA-6).

Useful life period of a modified item shall be calculated as a difference between the re-determined useful life period of an item after the restoration and the operation life by the moment of modification completion.

Useful life of FA, received by the Company as a result of reorganization in the form of affiliation shall be fixed as the difference between the useful life period of FA determined by an affiliated company and the amount of months of practical FA operation till the moment of affiliation.

## **FIXED ASSETS DETERIORATION**

The Company uses straight-line method of accrual of fixed assets amortization. Amortization in connection with each inventory item shall be accrued monthly by means of appliance of established norms fixed depending on useful life period of the item.

Accrual of amortization of the property received by the Company under a lease contract and entered in hereof balance sheet shall be carried out using the method stipulated by the contract.

## **RECORDING OF FIXED ASSETS LEASE**

Leased fixed assets shall be recorded in the account 01 “Fixed Assets”, but be separated in analytical accounting.

Fixed assets received on lease shall be recorded in the off-balance account 001 “Rented Fixed Assets” according to inventory numbers of the lessor.

Obligations related to carrying out of current, capital repairs of the property rented by the

Company or let on lease to third-party organizations by the Company shall be stipulated by the terms of lease contract.

## **RECORDING OF EQUIPMENT THAT REQUIRES ASSEMBLY**

Installation equipment shall be taken on discount in the account 07 according to the actual cost of acquisition which is made up of the cost at the acquisition prices and the expenses on acquisition and delivery of this equipment to the Company`s storehouses. The account 15 “Preparation and Procurement of Material Values” shall not be used in case of equipment receipt.

## **INTANGIBLE ASSETS AND THEIR AMORTIZATION**

Recording of intangible assets of the Company shall be kept in accordance with the Regulations on accounting “Recording of Intangible Assets” (RA 14/2007) approved by the Order of the Ministry of Finance of the RF No.153H dated 27.12.2007.

Actual (original) cost of an intangible asset at which it has been included for accounting purposes shall not be changed.

Revaluation of intangible assets shall not be performed.

useful life period of intangible assets shall be determined by the commission of experts and be approved by the head of the Company (or by a person specially authorized by him/her) when taking the item on discount proceeding from the following regulations:

- regarding the rights granted on the basis of patents, certificates and other similar protection documents containing the information on their duration, or having the duration stipulated by the law – proceeding from the period specified in the document;
- regarding the rights acquired on the basis of author`s contracts, assignment contracts and other similar contracts containing concrete terms for which intangible assets are purchased – proceeding from the terms stipulated by the contracts;
- regarding other items of intangible assets – proceeding from the expected useful life period of the item during which the Company will derive economic profits from the usage of the assets;
- items of intangible assets for which it is impossible to determine the useful life period shall be regarded as intangible assets with indeterminate useful life period;
- useful life of business reputation shall be fixed at 20 years (but no more than the entity`s lifetime).

Amortized deductions related to all types of intangible assets shall be made based on the straight-line method.

The Company annually within the framework of inventory shall check the method of amortization determination with the aim of deciding whether it needs being specified. If the calculation of expected receipt of future economic benefits from the usage of an

intangible asset has been substantially changed, the method of amortization determination of such asset shall be subject to alternation. All the adjustments made shall be reflected in accounting statements at the beginning of the reporting year as changes in estimated values.

During useful life period of intangible assets, accrual of amortized deductions shall not be suspended.

## **RECORDING OF FINANCIL INVESTMENTS**

Recording of financial investments shall be carried out based on centralized direction in the Company, by the AaTD of the Company`s executive bodies. Analytical recording of financial investments shall be performed in relation to short-term and long-term financial investments. Investments made with the intention to earn revenue from them in the period of more than a year shall be referred to long-term financial investments. Other financial investments shall be regarded as short-term ones.

Transfer of long-term investments into short-term ones shall not be executed even in case there remain 365 days before the redemption of securities or repayment of a loan provided with by the Company in accordance with the terms of contract.

All the costs directly connected with the acquisition of assets as financial investments irrespective of their amount shall be included in the original cost of financial investments if they have been made before the moment or at the moment of taking on discount and shall be written off being referred to sundry expenses in case they have been made after the moment of taking the financial investments on discount.

Financial investments which according to the established procedure make it possible to determine the current market value shall be reflected in accounting at the end of the reporting year at the current market value by adjusting their appraisal related to the previous reporting date. The specified adjustment shall be made on the quarterly basis.

Financial investments which do not make it possible to determine the current market value shall be recorded in the accounting statement at the original cost.

In case of retirement of assets taken on discount as financial investments, on the basis of which the current market value is defined, their cost shall be defined proceeding from the last valuation.

In case of retirement of financial investments, on the basis of which the current market value is not defined, their cost shall be defined as follows:

- investments in authorized capitals of other organizations (with the exception of shares of joint stock companies), loans granted to other organizations, deposits in lending agencies, accounts receivable, acquired on the basis of assignment of the right of claim, shall be evaluated at the original cost of each retired item form the items of financial investments specified herein;

- securities (shares and bonds) to be retired shall be evaluated at the average original cost which is defined for each type of securities;

- purchased bills to be retired (payment for the works performance (goods, works, services)) shall be evaluated at the prime cost;
- other financial investments – at the original prime cost of each item to be retired.

## **ADOPTED MANNERS OF INVENTORY RECORDING**

### **RECOGNITION OF ASSETS AS INVENTORIES AND THEIR VALUATION**

The following assets shall be recognized as inventories:

- used as materials for rendering the services of transfer and transit of electric power, technological support for the works performance (production of outputs aimed at selling) including special instrument, special implements, special equipment, working clothes;
- intended for sale – goods;
- used for administrative needs of the Company.

Nomenclature number or affinity group (depending on the type of inventories) is considered to be an accounting unit of inventories.

The sum of the Company`s actual costs on acquisition, with the exception of value-added tax or other repaid taxes shall be regarded as the actual prime cost of materials acquired for payment.

Inventories that do not belong to the Company by a possessory right, received hereby under the contract of commission agency, storage contract etc, shall be recorded off the balance in the account 002 “Inventory Holdings Received for Responsible Storage” according to the valuation stipulated by the corresponding contracts and transfer and acceptance documents (certificates, bills of lading etc.).

Purchased working clothes and working footwear irrespective of the cost and lifetime shall be recorded by the Company as part of assets being in circulation.

Materials shall be taken on discount (be recorded) in the account 10 “Materials” at the actual prime cost of their acquisition (provision).

Contractual prices shall be used as accounting ones.

## **RECORDING OF INVENTORY RETIREMENT**

Inventories written off to production, sold to outside parties, retiring because of some other grounds shall be evaluated at the average prime cost of each stock category of an operating development.

Average evaluation of actual prime cost of materials shall be carried out by defining the actual prime cost of the material at the moment of hereof issue (rolling valuation).

In respect of the actually used materials, a subdivision – recipient of materials – shall

draw up a Statement of expended material values write-off in which the name, number, price and sum in relation to each item, name of types of works (technical service, repairs, balancing and commissioning works etc.) for the performance of which the materials are allocated, and the code (reference number) of the item of costs, the amount and sum according to the consumption norms and actually the amount and sum of the expense above the norms and the reasons shall be specified (Form of report No. MPIO-3). The expended stationery and expandable materials write-off shall be carried out on demand – by a bill of lading (f. No.M-11).

Materials write-off carried out in relation to the corresponding subdivision of an organization and referring of their cost to the manufacturing expenses (depending on the purposes the materials have been expended for) shall be carried out on the basis of the afore-specified Report.

### **RECORDING OF INVENTORIES (INCLUDING THE SPARE PARTS) RECORDED AS RECEIVED AS A RESULT OF RETIREMENT FROM FIXED ASSETS UNDER RESTORATION (RECONSTRUCTION, UPDATING, REPAIRS)**

Inventories (including the spare parts) recorded as received as a result of retirement from fixed assets under restoration shall be regarded as other revenues and be evaluated at the book value of similar spare parts being the latest according to the time of purchase taking into account the percent of actual depreciation of credited items (no less than the cost of scrap metal) in case of lack of this information on current market value.

Inventories (including the spare parts) recorded as received as a result of retirement from fixed assets under restoration shall be recorded separately from new spare parts as individual nomenclature numbers.

### **RECORDING OF REVENUES, CURRENT COSTS AND EXPENSES. GENERAL APPROACHES TO RECORDING OF REVENUES AND EXPENDITURES**

The Company divides the revenues into the ones collected from usual kinds of activity and other revenues.

The Company recognizes the following types of revenues as revenues from usual kinds of activity:

- revenues from electric-power transmission services;
- revenues from services related to technological connection to electricity networks;
- revenues from sales of other works and services;
- of industrial character;
- of non- industrial character.

Revenues from electric-power transmission services include all revenues from transmission of energy consumed by market entities in regions of Company`s servicing. The electric-power transmission is considered to be a regulated kind of activity.

Revenues from services related to technological connection to electricity networks include the Company`s revenues earned hereby in consequence of performance of a set of operations (events) of organizational and technical character aimed at ensuring the possibility of electric-power transmission to power receivers of artificial and natural persons in accordance with the parameters stated by them as well as at ensuring the power provided by electric substations. Revenues from technological connection shall be classified into groups according to voltage level, power to be connected and power stated by the applicant.

Proceeds from sales of other works and services include all revenues related to selling of works and services (except for the electric-power transmission services, services related to technological connection to electricity networks) regarded as other revenues by the Company.

All revenues not connected with selling of works and services on usual kinds of activity shall be referred to other revenues.

Proceeds shall be included for accounting purposes in the sum calculated in money terms that equals the amount of received cash assets or other property and (or) the amount of accounts receivable.

Company`s revenues in accordance with the accrual basis of accounting shall be recorded in the reporting period in which they took place irrespective of the actual time of receipt of cash assets connected with these facts.

The Company subdivides the expenses into expenses related to usual kinds of activities and other expenses.

Expenses related to ordinary activities are considered to be expenses caused by service rendering, works performance, manufacturing work and sale of products, purchase and sale of goods.

Expenses related to ordinary activities include expenses distributed to:

- costs on electric-power transmission;
- costs on technological connection to electricity networks that does not entail Company`s additional capital investments;
- costs on other works and services:
- of industrial character including expenses related to property leasing;
- of non-industrial character.

Expenses related to usual kind of activities shall be taken on discount in the sum calculated in money terms equal to the amount of payment in monetary or other form and (or) the amount of accounts payable.

## **INCOME AND EXPENDITURE RELATED TO ORDINARY ACTIVITIES**

Accounting of revenues from electric-power transmission services and revenues from services on technological connection to electricity networks shall be carried out by account department of Company`s branches that determine the results of Company`s activities within one constituent territory of the Russian Federation (for a branch of Kubanenergo within two constituent territories of the RF).

Accounting of expenses on rendering of electric power transmission services and services on technological connection to electricity networks based on the data on subdivisions and heads of expenditure shall be carried out by account departments of operating developments and by branches which incur expenses connected with maintenance and operation of power transmission lines, switchgears, substations and other plants and equipment meant for transmission and distribution of electric power and performing the services of technological connection to electricity networks. At the reporting period (month) termination information about the incurred expenses recorded by account department of operating development shall be passed to the account department of the branch where accounting of a financial result from rendering of electric power transmission service and service on technological connection to electricity network shall be carried out.

Process of electric power transmission and rendering of services on technological connection to electricity network shall be characterized by the absence of work-in-progress. Costs incurred in the course of performance of these activity types shall be recognized in full as expenses.

Expenses on ordinary activities shall be recorded in accounts “Mainline Production”, “Auxiliary Production”, “Manufacturing Overhead”, “General Economic Expenses”, “Servicing Productions and Sectors”.

Account “General production expenses” shall be used to record information on expenses related to management and maintenance of subdivisions of mainline production.

Structural subdivisions of the mainline production, the number of which has been calculated according to norms stipulated for a core activity type, apart from services of electric power transmission and transit shall perform other services, works, that is why, expenses recorded in the account “General production expenses” shall be distributed according to types of rendered works (services) in the amount of the general production expenses included in the calculation of the cost agreed in relation to these types of works.

Account “General economic expenses” shall be used for accounting of administrative expenses ensuring Company`s functioning as an integral business entity.

Revenues and expenses related to the sale of other works, services shall be recorded by account departments of branches and operating developments of Company`s branches (places of their occurrence) based on the data on subdivisions and heads of expenditure.

## **OTHER REVENUES AND EXPENSES**

As other revenues the Company shall recognize the revenues made owing to independent economic transactions which are not object of its activity but are conducted

with the aim of earning these revenues, such as:

- revenues related to the sale of Company`s assets different from cash assets, products, goods;
- revenues from the sale of fixed assets;
- revenues from the sale of intangible assets;
- revenues from the sale of materials and stock;
- revenues from the sale of other assets;
- revenues collected according to the terms of separate independent contracts;
- revenues from the owned securities;
- revenues earned in consequence of having a part in authorized capitals of other organizations;
- profit made as a result of collaboration;
- interests for using Company`s cash assets;
- other revenues.

## **DEFERRED REVENUES AND EXPENSES**

Records of deferred revenues shall be kept on the basis of the following items:

- gratuitously received fixed assets;
- other gratuitously received material values;
- expected inpayments of liabilities related to shortages revealed for previous years;
- difference between the sum callable from defaulters and the book value on shortages of assets;
- other deferred revenues.

Deferred revenues from gratuitously received property shall be attached to the account of other revenues in proportion to the cost of gratuitously received property recognized as expense: with respect to fixed assets – at the rate of accrued amortization, in relation to current assets – at a time, at the moment of writing off to the costs connected with the cost of materials or attachment to the account of sales record of the cost of goods.

The Company shall recognize the deferrals and allocate these costs to the ensuing periods in case the amount of expenditure is substantial and expenses make for the



collection of revenues within several accounting periods or the connection between the revenues and expenses cannot be well-defined or can be defined indirectly.

The term of deferrals write off shall be confirmed by the head on the basis of the Statement of deferrals recognition (form No.MPIO-2), drawn up by services and departments of executive bodies and branches (operating developments) of the Company or any other documentary evidence. The term specified in the contract (for works, services, software) or on the document (for licences and permits) shall serve as the documentary evidence of the term of the cost of DE item write off. Deferrals shall be written off monthly, evenly during the period to which they refer. In this case the computation of monthly insurance expenses write off shall be performed in “days”.

### **ADOPTED MANNERS OF INTERNAL FUNDS (CAPITAL) RECORDING**

The Company shall not reduce the amount of authorized capital recorded in hereof accounting statements, by the unpaid capital amount: the authorized capital and founders` actual liabilities related to investments in the authorized capital shall be recorded in accounting statements separately.

Capital reserves shall be made by the Company from hereof income on the basis of constituent documents and founders` (shareholders`) decision.

Company`s surplus shall consist of the increment of value of hereof property received from hereof revaluation and from additional paid-in capital.

Retained earnings shall be expended to achieve the following purposes:

- writing down of the Company`s non-current assets above the sums of surplus (accumulated on this written-down inventory item);
- goals defined by the Company`s founders (shareholders) including the payment of dividends, financial provision of production development and other analogous activities aimed at acquisition (producing) of new property etc.

### **ADOPTED MANNERS OF LIABILITIES RECORDING**

Accounts due to suppliers of products, works, services shall be entered in the sum of accepted accounts and the amount of accrued liabilities according to the settlement documents.

As a separate type of liabilities recorded in independent accounts the liability related to received borrowed current assets (loans and credits) shall be recognized. Recording of interest and borrowing charges shall be kept in accordance with RA 15/2008.

Charges on loans and credits attracted to purchase the items of fixed assets and intangible assets which cannot be recognized as investment assets shall be recorded along with other Company`s expenses according to the general procedure.

### **RECORDING OF PROFIT TAX ACCOUNTS**

Producing of information about profit tax accounts in accounting statements and the procedure for disclosure of information about profit tax accounts in accounting statements shall be specified in accordance with RA 18//02 “Recording of Profit Tax Accounts”.

The difference between accounting profit (loss) and taxable income (loss) of reporting year made as a result of applying different rules of profit and loss recognition which are stipulated by regulatory legal acts on accounting and by the RF legislation on taxes-and-duties shall consist of permanent and temporary differences.

Accounting of deferred tax liabilities and deferred tax assets shall be carried out by the executive bodies and Company`s branches in relation to each accounting item. Temporary differences formed during the reporting period shall be accrued and recorded in the Company`s branches in the accounts 09 “Deferred Tax Assets” and 77 “Deferred Tax Liabilities” in a developed form in correspondence with the account 68 “Profit Tax Calculation”. At the end of each reporting period the data on the occurred temporary differences shall be submitted by the branches through the subaccount of account 79 “In-House Settlements” in correspondence with the account 68 “Profit Tax Calculation” to the Company`s executive bodies to compile the summary data on the Company and compute the profit tax of the Company in general, as well as in hard-copy form, signed by the chief accountant of a branch and an executive according to the form approved by the Company. The date of submitting the specified documents to the accounting department of the Company`s executive bodies shall be considered to be the date of record of receipt made by a corresponding specialist of an accounting department.

A detailed sum of a deferred tax asset and deferred tax liability shall be recorded in accounting statements.

## **EVENTS AFTER THE REPORTING DATE**

In accordance with RA 7/98 “Events After the Reporting Date” the Company shall record in the accounting statements the events after the reporting date which have exerted or can exert influence on the financial condition, cash flow or on the results of company`s functioning and which took place in the period between the reporting date and the date of signing the accounts of a reporting year.

Events after the reporting date shall be recorded in accounting statements by means of ascertainment of data on corresponding assets, liabilities, capital, receipts and expenditures of the Company and the corresponding information shall be disclosed in the explanatory note.

To evaluate in money terms the consequences of an event after the reporting date the corresponding computation shall be carried out and the evidence of such computation shall be ensured. The calculation shall be executed by a structural subdivision (department, service, section) to which, in accordance with the functions performed, this event refers.

## **CONTINGENT FACTS OF BUSINESS ACTIVITIES**

The Company`s accounting statements shall represent contingent facts of business

activities in relation to the consequences and future probability of which uncertainty occurs.

The following facts shall be considered contingent facts:

- proceedings not completed on the reporting date in which an enterprise is a plaintiff and decisions on which can be taken only in the ensuing reporting periods;
- disagreements with tax authorities concerning payments in budget not resolved on the reporting date;
- issued before the reporting date guarantees, warranties and other means of liability confirmation issued for benefit of third parties the date of performance according to which has not come;
- recorded (discounted) before the reporting date bills the payment date according to which has come before the reporting date;
- other analogous facts according to RA 8/01 “Contingent Facts of Business Activities” approved by the order of the RF Ministry of Finance No.96H dated 28.11.2001.

#### **INFORMATION ON DISCONTINUED OPERATION**

Procedure for disclosure of information on discontinued operation including the information produced in consequence of Company`s reorganization shall be carried out in accounting statements in accordance with RA 16/02 “Information on Discontinued Operation”, approved by the order of the RF Ministry of Finance No.66H dated 02.07.2002.

#### **INFORMATION ON RELATED PARTIES**

In accordance with RA 11/2008 “Information on Related Parties” the Company shall include information on related parties as a separate section in the explanatory note which is a part of accounting statements. In this case the specified data shall not be taken into account when preparing the accounts for internal purposes as well as accounts drawn up for the state statistical observation and for a lending agency or for other special purposes.

List of related parties the information on which is disclosed in the accounting statements shall be determined by the Company on an independent basis proceeding from the substance of relations between the Company and a related party in consideration of the substance over form requirement.

#### **INFORMATION ON SEGMENTS**

Information on geographical segments shall be recognized as source information for the purposes of generation of data on reportable segments since Company`s main risks and profits depend on the activity differences in different geographical regions. As secondary one – information on operational segments.

Regulations on accounting policy for the purpose of book keeping of JSC “IDGC of the South” in 2009, has been disclosed at corporate website of the Company in the Internet at: <http://www.mrsk-yuga.ru/rus/stockholders/finance/index.shtml>.

#### **7.5 DATA ON TOTAL EXPORT AMOUNT, AND ON EXPORT SHARE IN THE TOTAL AMOUNT OF SALES**

The Issuer did not export products (goods, works, services) outside the Russian Federation.

#### **7.6 DATA ON COST OF REAL ESTATE OF THE ISSUER AND THE ESSENTIAL CHANGES WHICH OCCURRED IN THE STRUCTURE OF PROPERTY OF THE ISSUER AFTER THE END DATE OF THE LAST COMPLETED ACCOUNTING YEAR**

Cost of real estate of JSC “IDGC of the South” as of 31.03.2009 is represented in the following table:

(rubles in thousands)

<b>Item No</b>	<b>Item</b>	<b>Initial cost</b>	<b>Accrued depreciation</b>	<b>Depreciated book value</b>
1	Real estate	12914902	644272	12270630

There were no material changes to the structure of real estate of the Issuer during the accounting period.

Acquisitions or retirements on any basis of any property of the Issuer if its balance sheet cost exceeds 5 percent of balance sheet cost of the Issuer’s assets, as well as any other changes which are significant for the Issuer in the structure of other property of the Issuer for 12 months prior to termination of the accounting quarter: none.

## 7.7 DATA ON PARTICIPATION OF THE ISSUER IN LITIGATIONS IF SUCH PARTICIPATION CAN HAVE SIGNIFICANT EFFECT ON THE FINANCIAL AND ECONOMIC ACTIVITIES

Item No	Litigation parties	Litigation subject (claim, complaint)	Charge amount	Proceedings in court of 1 <sup>st</sup> instance	Proceedings on review of judicial acts		Supervisory body	Claimant, date of consideration and results	Claimant, date of consideration and results	Claimant, date of consideration and results
					II (cassation/ appeal) instance	Court of cassation (arbitral process)				
	Suitor/ Claimant	Respondent/ Interested person	Third persons		Date of consideration and results	Claimant, date of consideration and results	Claimant, date of consideration and results	Claimant, date of consideration and results		
	JSC “Volzhskiy Abrasive Plant”	JSC “IDGC of the South”, JSC “FGC UES”	JSC “IDGC of the Centre”	Claim on repayment of unjust enrichment in form of difference between tariffs of JSC “Volgogradenergo” and JSC “FGC UES”	71 975 336, 71 rubles		By the decision of arbitral court of Moscow as of 23.07.2008 on application of “Volgograd engo” proceedings on the charge are terminated			
	JSC “YuGC TGC-8”	JSC “IDGC of the South” (“Astrakhane nergo)	---	Order of procedure delivery for compulsory execution of arbitration decision at JSC RAO “UES of Russia”	137 244 163, 57 rubles.		By decision of arbitration court of Moscow order of procedure was delivered for compulsory execution of arbitration decision at JSC RAO “UES of Russia”		By decision of Federal Arbitration Court of the Moscow area dd 30.03.09, decision of arbitration court of Moscow about order of procedure delivery was cancelled, claim on order of procedure delivery was declined	

	LLC “Neft-Aktiv”	JSC “IDGC of the South”, JSC “Kubanener go”, JSC “CMD”		Contestation of votig results on the issue of affiliation by “IDGC of the South”		By decision of arbitration court of Moscow dd 11.06.2008, claims were satisfied	By Decree dd 01.10.2008, Decision of 1 <sup>st</sup> instance court was upheld	By Decree dd 22.01.2009, Decision of 1 <sup>st</sup> instance court and decision of appeal court were upheld	Arbitration has been submitted to the Supreme Arbitration Court of the RF about cancellation of the previous judicial acts in form of supervision
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## VIII Additional data on the Issuer and on the issue securities placed

### 8.1 ADDITIONAL DATA ON THE ISSUER

8.1.1 Data on the amount and structure of the Issuer's authorized capital:

Authorized capital in rubles: **4 981 109 606 rubles 40 kopecks**

Breakdown of the authorized capital into categories of shares	Amount, units	Nominal, rub.	Stake in the authorized capital, %
Ordinary shares	49 811 096 064	4 981 109 606, 4	100
Privileged shares	0	-	0

8.1.2 Data on the change of the Issuer's authorized (share) capital (share fund) amount

Accounting period date	Ordinary shares		Privileged shares		Name of the management authority who took the decision of changing the amount of the authorized capital	No. and date of the minutes of the management authority who took the decision of changing the authorized capital	Authorized capital total, rub.
	rub.	%	rub.	%			
1	2	3	4	5	6	7	8
31.12.2007	10 000 000	100	-	-	Management Board of JSC RAO "UES of Russia" (decision on foundation)	Executive order No192p dd 22.06.2007	10 000 000
31.03.2008	4 981 109 606, 4	100	-	-	Management Board of JSC RAO "UES of Russia" acting as the General Shareholders Meeting dd 31.03.2008	Minutes No1795 np/6 dd 25.12.2007.	4 981 109 606, 4
30.06.2008	4 981 109 606, 4	100	-	-	The Issuer's managing authorities did not take decisions about change of the amount of the authorized capital.	-	4 981 109 606, 4
30.09.2008	4 981 109 606, 4	100	-	-	The Issuer's managing authorities did not take decisions about change of the amount of the authorized capital.	-	4 981 109 606, 4
31.12.2008	4 981 109 606, 4	100	-	-	The Issuer's managing authorities did not take decisions about change of the amount of the authorized capital.	-	4 981 109 606, 4

31.03.2009	4 981 109 606, 4	100	-	-	The Issuer's managing authorities did not take decisions about change of the amount of the authorized capital.	-	4 981 109 606 ,4
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### 8.1.3 Data on formation and use of the reserve fund and other funds of the Issuer

The Company accumulated reserve fund intended for covering the Company's losses, and for bond retirement and repurchase of own stock in case if there are No.other funds. Reserve fund cannot be used for other purposes. Reserve fund is formed from net profit.

Name of the fund: **Reserve fund**

Amount of the fund according to the constituent documents: **5 (five) percent of the authorized capital of the Company**

Reserve fund in monetary terms as of the termination date of the corresponding accounting period, percent from the authorized (share) capital (share fund): as of 31.03.2009 – 118 565 thousand rubles (2,38 % of the authorized capital).

In quarter I of 2009 assignments were not made to the fund.

Assets of the fund were not utilized during the accounting period.

Name of the fund: **accumulation fund**

Amount of the fund according to the constituent documents: amount of the fund is determined by decisions of annual General Shareholders Meetings of JSC “IDGC of the South” dd 30.05.2008 - by way of income of 2007 redistribution.

Amount of the fund in monetary terms as of the termination date of the corresponding accounting period, percent from the authorized (share) capital (share fund): as of 31.03.2009 – 6 539 thousand rubles. (0,13 % of the authorized capital).

In the accounting period assignments were not made to the fund.

Assets of the fund were not utilized during the accounting period.

### 8.1.4 Data on the order of convocation and holding of the meeting (proceedings) of the supreme management authority of the Issuer

Name of the supreme management authority of the Issuer: **General Shareholders Meeting.**

Order of informing the Issuer's shareholders (participants) about the upcoming General Shareholders Meeting

In accordance with p. 11.5. of article 11 of the Charter of JSC “IDGC of the South”, the message on the upcoming 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.

In conformity with p. 11.6. of article 11 of the Charter of JSC “IDGC of the South”, voting ballots on the agenda of the meeting are sent by registered letter on the address from the list of persons who have right to participate in the General Shareholders Meeting, not later than 20 (twenty) days from the date of holding General Shareholders Meeting.

People (authorities) who have a right to convene (demand) holding extraordinary General Shareholders Meeting, and the order of applying with such demands (submitting such applications)

According to pp. 14.2, 14.3, 14.4, 14.5 of article 14 of the Charter of JSC “IDGC of the South”, extraordinary General Shareholders Meeting shall be held on the decision of Board of Directors (by its own initiative), demand of the Company’s Audit 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 an extraordinary General Shareholders Meeting of the Company, except for the case specified in p. 14.9. of clause 14 of the Company’s Charter.

In the claim for holding an extraordinary General Shareholders Meeting the items must be presented which are subject to including on the agenda of the meeting.

Person (persons) submitting proposals about extraordinary General Shareholders Meeting are entitled to introduce a project of the decision of the extraordinary General Shareholders Meeting, a suggestion on the form of holding the General Shareholders Meeting. In case if the proposal about convening an extraordinary General Shareholders Meeting contains a suggestion as to nomination of candidates, such a proposal is to conform to the regulations of clause 13 of JSC “IDGC of the South” Charter.

The Company’s Board of Directors is not entitled to change the wording of agenda items, the 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) holding 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 should contain the name of the shareholder (shareholders) demanding convocation of the meeting and indication of quantity, category (type) of the Company shares belonging to them.

The demand on convocation of the Company extraordinary General Shareholders Meeting shall be signed by the person (persons) demanding convocation of the extraordinary General Shareholders Meeting of the Company.

Procedure of fixing the date for holding the meeting (proceedings) of the supreme management body of the Issuer

In accordance with Articles 11 and 14 of JSC “IDGC of the South” 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 fiscal year.

Extraordinary General Shareholders Meeting convoked upon demand of the Company's Audit Committee, the Company's Auditor or shareholder(s) who own of at least 10 (ten) percent of the Company's shares shall be held within 40 (forty) days from the moment of representation of the demand on carrying out an extraordinary General Shareholders Meeting of the Company.

Persons entitled to submit proposals to the agenda of the Issuer's Supreme management body meeting (proceedings), and procedure of submission of such proposals:

In accordance with clause 13 of JSC “IDGC of the South” Charter, shareholders (shareholder) of the Company who are in aggregate owners of at least 2 (two) percent of the Company's voting shares in the term not later than 60 (sixty) days after termination of the fiscal year are entitled to propose items for the agenda of the annual General Shareholders Meeting and to nominate candidates for the Board of Directors and the Audit committee of the Company, whereas the number of the candidates must not exceed the quantitative structure of the corresponding body.

Proposal on inclusion of items on the agenda of the General Shareholders Meeting and the proposal on nomination of candidates shall be submitted in writing with indication of the name of the shareholders (shareholder) who presented them, quantity and category (type) of shares belonging to them and shall be signed by the shareholders (shareholder).

Proposal moving items in the agenda of General Shareholders Meeting shall formulate each proposed item, and the proposal on nomination of candidates should contain name and data of the document proving the identity (series and (or) number of the document, date and place of its issuing, the body which issued the document) of each proposed candidate, name of body he/she is proposed to.

The Company's Board of Directors shall be obliged to consider the received proposals and to make the decision on their inclusion on the agenda of the General Shareholders Meeting of the Company or on refusal to include them in the specified agenda not later than 5 (five) days after termination of the term specified in item 13.1 of clause 13 of the Company's Charter.

Board of Directors of the Company shall be entitled to refuse to include the items proposed by the shareholder (shareholders) on the agenda of the General Shareholders Meeting and also to refuse to include the proposed candidates on the list of nominees for voting at election to the corresponding body of the Company on the bases stipulated by the Federal Law “On Joint-Stock Companies” and other legal statements of the Russian Federation.

Grounded decision of Board of Directors of the Company on refusal to include an item in the agenda of the 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 an item or a nominee not later than 3 (three) days from the moment of its taking.

The Company’s Board of Directors shall not be entitled to change the wording of the items proposed for inclusion on the agenda of the General Shareholders Meeting, and (if available) the wording of decisions on such items

In addition to the items proposed for inclusion on the agenda of the 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, the Board of Directors of the Company shall be 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 JSC “IDGC of the South” Charter, 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, 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 to the persons taking part General Shareholders Meeting during the meeting.

Procedure of examining information (materials) on the agenda items of General Shareholders Meeting and the list of such information (materials) by persons entitled to participate in General Shareholders Meeting shall be determined by the decision of the Company’s Board of Directors.

Procedure of 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:

Results of voting and decisions taken by the General Shareholders Meeting of the Company may be announced at the Company’s General Shareholders Meeting.

If the results of voting and the decisions taken by the Company’s General Shareholders Meeting were not announced at the General meeting, they must be announced not later than 10 (ten) days after drawing up the minutes on results of voting on the decisions taken by the Company’s General Shareholders Meeting and the results of voting 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 the authorized (share) capital (share fund) or at least 5 percent of ordinary shares**

1. Full company name: **Open Joint Stock Company “Astrakhanelektrosetremont”**

Short company name: **JSC “Astrakhanelektrosetremont”**

Location: **204 Kramatorskaya Str., Astrakhan, Russian Federation**

Issuer’s stake in the authorized capital: **100,00%**

Issuer’s stake of the ordinary shares: **100,00%**

Stake of the commercial organization in the Issuer’s authorized capital: **0%**

Stake of the Issuer’s ordinary shares held by the commercial organization: **0%**

2. Full company name: **Open Joint Stock Company “Volgogradsetremont”**

Short company name: **JSC “Volgogradsetremont”**

Location: **1a Granovitaya Str., Volgograd, Russia**

Issuer’s stake in the authorized capital: **100,00%**.

Stake of the commercial organization in the Issuer’s authorized capital: **0%**.

Stake of the Issuer’s ordinary shares held by the commercial organization: **0%**.

3. Full company name: **Open Joint Stock Company “Grechko A.A. Enterprise of Agriculture”**

Short company name: **JSC “Grechko A.A. PSKh”**

Location: **21 Teatralnaya Str., village Kuibyshevo, Kuibyshevskiy district, Rostov area, Russia**

Issuer’s stake in the authorized capital: **100,00%**

Issuer’s stake of the ordinary shares: **100,00%**

Stake of the commercial organization in the Issuer’s authorized capital: **0%**

Stake of the Issuer’s ordinary shares held by the commercial organization: **0%**

4. Full company name: **Open Joint Stock Company “Agricultural enterprises Sokolovskoye”**

Short company name: **JSC “Sokolovskoye PSKh”;**

Location: **32 Kurskaya Str., settlement Sokolovo-Kurduchenskiy, Novoshakhtinsk, Russia;**

Issuer’s stake in the authorized capital: **100,00%**

Issuer’s stake of ordinary shares: **100,00%**

Stake of the commercial organization in the Issuer’s authorized capital: **0%**

Stake of the Issuer’s ordinary shares held by the commercial organization : **0%**

5. Full company name: **Open Joint Stock Company “Recreation Centre “Energetik”;**

Short company name: **JSC “Recreation Centre “Energetik”;**

Location: **3 Shkolnaya Str., village Shepsi, Tuapsinskiy district, Krasnodar region, Russian Federation**

Issuer’s stake in the authorized capital: **100,00%**

Issuer’s stake of ordinary shares: **100,00%**

Stake of the commercial organization in the Issuer’s authorized capital: **0%**

Stake of the Issuer’s ordinary shares held by the commercial organization: **0%**

6. Full company name: **Closed Joint Stock Company “Sphere - Income”;**

Short company name: **CJSC “Sphere - Income”;**

Location: **13 Prazhskaya Str., Volgograd, Russia;**

Issuer’s stake in the authorized capital: **12,89%**

Issuer’s stake of ordinary shares: **12,89%**

Stake of the commercial organization in the Issuer’s authorized capital: **0%**

Stake of the Issuer’s ordinary shares held by the commercial organization: **0%**

7. Full company name: **Open Joint Stock Company “Joint Stock Electric Grid Company”;**

Short company name: **JSC “Joint Stock Electric Grid Company”;**

Location: **27 Osipenko Str., Moscow3, Russia**

Issuer’s stake in the authorized capital: **5,22%**

Issuer’s stake of ordinary shares: **5,22%**

Stake of the commercial organization in the Issuer’s authorized capital: **0%**

Stake of the Issuer’s ordinary shares held by the commercial organization: **0%**

#### **8.1.6 Data on important transactions closed by the Issuer**

In the accounting period the Issuer did not make transactions (groups of associated transactions) obligations on which amount to 10 and more percent of the balance sheet cost of the assets as of the accounting period prior to the date of transaction.

In the accounting period the Issuer did not make transactions (groups of associated transactions) obligations on which amount to 5 and more percent of the balance sheet cost of the assets as of the accounting period prior to the date of transaction.

#### **8.1.7 Data on credit ratings of the Issuer**

The Issuer has not been assigned credit ratings.

### **8.2 DATA ON EACH CATEGORY (TYPE ) OF THE ISSUER’S SHARES**

Share category: **ordinary;**

Nominal value of each share: **0,1 ruble;**

Amount of shares in circulation: **49 811 096 064 units;**

Amount of additional shares which are in the process of placement (amount of the shares of additional issue the report on the results of the issue on which has not been registered by state authorities): **0 unit**;

Amount of declared shares: **31 078 103 936 units**;

Amount of shares on the Issuer’s balance: **0 units**;

Amount 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**.

Number and date of state registration:

Issue, registration date	Volume, rub.	Number, units		Nominal value, rub.
		Ordinary	Privileged	
<b>1<sup>st</sup> issue of shares</b>				
No1-01-34956-E dd 20.09.2007	10 000 000	100 000 000	-	0,1
<b>Additional issues of shares</b>				
No1-01-34956-E-001D dd 20.03.2008	228 296 779,1	2 282 967 791	-	0,1
No1-01-34956-E-002D dd 20.03.2008	1 620 347 283, 7	16 203 472 837	-	0,1
No1-01-34956-E-003D dd 20.03.2008	439 059 322,3	4 390 593 223	-	0,1
No1-01-34956-E-004D dd 20.03.2008	2 029 712 678,4	20 297 126 784	-	0,1
No1-01-34956-E-005D dd 20.03.2008	192 111 155	1 921 111 550	-	0,1
No1-01-34956-E-006D dd 20.03.2008	461 582 387,9	4 615 823 879	-	0,1
<b>Note:</b> In accordance with notification from FFMS of Russia as of 12.08.2008 No08-EK -03/17099, individual numbers (codes) have been 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.				

### Shareholders’ rights on the shares:

In accordance with clause 6 of JSC “IDGC of the South” Charter, a shareholder of the Company is a person who holds the Company's shares on the principles provided by the legislation of the Russian Federation and the Company’s Charter. Each ordinary registered share of the Company gives to the shareholder (its owner) equal powers.

Shareholders-owners of ordinary registered shares of the Company have the following rights:

- 1) to participate personally or through representatives in the General Shareholders Meeting of the Company with a vote on all issues of his/ her competence;
- 2) to enter proposals to the General meeting’s agenda in the order stipulated by the legislation of the Russian Federation and the Charter;

- 3) to get information on the Company’s activity and study the Company’s documents in accordance with article 91 of Federal Law “On Joint-Stock Companies”, other regulatory acts and the Charter;
- 4) to get dividends declared by the Company;
- 5) 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 the legislation of the Russian Federation;
- 6) in case of the Company's liquidation to receive part of its property;
- 7) to carry out other rights provided by the legislation of the Russian Federation and the Company’s Charter.  
The Company has not issued preferred shares.

The Issuer’s shares cross-held by its subsidiaries and (or) affiliated companies: the Company’s subsidiaries and dependent entities do not hold the Company’s shares.

### **8.3 DATA ON PREVIOUS ISSUES OF SECURITIES OF THE ISSUER EXCEPT FOR THE SHARES OF THE ISSUER**

#### **8.3.1 Data on issues all securities of which were repaid (cancelled)**

The Issuer did not place securities except for shares.

#### **8.3.2 Data on issues securities on which are in circulation**

The Issuer did not place securities except for shares.

#### **8.3.3 Information on issues where the Issuer did not fulfill obligations on the securities (default)**

The Issuer did not place securities except for shares.

### **8.4 INFORMATION ABOUT THE PERSON (PERSONS) WHO PROVIDED SECURITY FOR THE ISSUED BONDS**

Data is not presented, because the Issuer did not issue bonds.

### **8.5 CONDITIONS OF SURETY FOR THE FULFILLMENT OF OBLIGATIONS ON THE ISSUED BONDS**

Data is not presented, because the Issuer did not issue bonds.

### **8.6 INFORMATION ON THE ENTITIES RECORDING THE RIGHTS TO THE ISSUED**

## SECURITIES OF THE ISSUER

Person keeping the register of the Issuer's bearer securities holders	<b>Registrar</b>
Full company name of the registrar	<b>Open Joint Stock Company “Central Moscow depository”</b>
Short company name of the registrar	<b>JSC “CMD” or JSC “Central Moscow depository”</b>
Location of the registrar	<b>Building B, 3 Orlikov per., Moscow, 107078.</b>
Number of the license for keeping the register of securities holders	<b>10-000-1-00255</b>
Issuing date of the license	<b>13.09.2002.</b>
License validity term	<b>Without limitation of the period of validity</b>
License issuing authority	<b>Federal securities and exchange commission of Russia</b>
Other data on keeping the register of the Issuer's bearer securities holders (entered at the Issuer's discretion)	<b>Postal address of the Registrar: Building 8, 34 Bolshaya Pochtovaya, Moscow, 105082</b> <b>Tel./fax: (495) 221-13-34, 221-13-30, 221-13-33, (495) 221-13-83</b> <b>E-mail address of the Registrar: <a href="mailto:info@mcd.ru">info@mcd.ru</a>, <a href="mailto:dre@mcd.ru">dre@mcd.ru</a></b>

<b>Data on the transfer agents of the Registrar working with Company's shareholders</b>	
Full company name	<b>Limited liability company “Registrar “DonFAO”</b>
Sort company name	<b>LLC (OOO) “Registrar “DonFAO”</b>
Location of transfer agent	<b>98-100 Pushkinskaya Str., Rostov-on-Don, 344002</b>
Number of the license for keeping the register of securities holders	<b>No.10-000-1-00310</b>
Date of issue of the license	<b>19.03.2004</b>
Validity term of the license	<b>Without limitation of the period of validity</b>
License issuing authority	<b>Federal securities and exchange commission of Russia</b>
Other data on keeping the register of the Issuer's bearer securities holders (entered at the Issuer's discretion)	<b>Postal address of the transfer agent: 344002, 98-100 Pushkinskaya Str., Rostov-on-Don</b> <b>Tel./fax: (863) 269-88-01, (863) 269-88-02, (863) 269-88-03</b> <b>E-mail address of the Registrar: <a href="mailto:info@mcd.ru">info@mcd.ru</a>, <a href="mailto:dre@mcd.ru">dre@mcd.ru</a></b>

Centralized deposit of the issue securities is not provided by the Issuer, because the Issuer did not issue certificated securities.

Data on the amount of remuneration of the Issuer's Registrar:

In 2008 agreements were concluded with the Registrar for rendering services of



preparation and mailing materials for annual General Shareholders Meeting; for rendering services of preparation and holding annual General Shareholders Meeting; for rendering services of preparation and submitting information from the system of register keeping through the Internet. In 2008 the Registrar was paid 1 851 197,4 rubles.

For quarter I of 2009 the Company’s Registrar is to be paid remuneration equal to 176 820 rubles for rendering services of keeping and storing the register of registered security holders.

### **8.7 DATA ON THE ACTS REGULATING ISSUES OF IMPORT AND EXPORT OF THE CAPITAL THAT CAN INFLUENCE DISTRIBUTION OF DIVIDENDS, INTEREST, AND OTHER PAYMENTS TO NONRESIDENTS**

Main regulatory acts on issues of import and export are as follows:

- Federal Law dd 10.12.2003 N173-Φ3 “On Currency Regulation and Currency Control” (further amended and revised);
- Federal Law dd 09.07.1999 N 160-Φ3 “On Foreign Investment in the Russian Federation” (further amended and revised);
- Federal Law dd 25.02.1999 N 39-Φ3 “On Investment Activities in the Russian Federation Performed in the Form of Capital Investments” (further amended and revised);

Besides:

- Federal Law as of 17 July, 1999 No.167-Φ3 “On Agreement Ratification Between the Government of the Russian Federation and the Cyprus Republic Government on Avoidance of Double Taxation on Income and Capital Taxes”;
- - Federal Law as of 8 February, 1998 No 18-Φ3 “On ratification of the Convention between
- the Government of the Russian Federation and the Government of the French Republic about avoidance of double taxation and prevention of tax evasion and infringement of tax laws concerning income and wealth taxes”;
- Federal law as of 19 March, 1997 No 65-Φ3 “On ratification of the Convention between
- the Government of the Russian Federation and the Government of the United Kingdom of Great Britain and Northern Ireland on avoidance of double taxation and prevention of tax evasion concerning income taxes and increase in property value, and Agreement between the Government of the Russian Federation and the Government of the United Kingdom of Great Britain and Northern Ireland as of 15 February, 1994, concluded in the form of an exchange by notes, on application of certain positions of the Convention”;
- Federal law as of 26 February, 1997 No 38-Φ3 “On ratification of the Agreement between the Russian Federation and the Swiss Confederation on avoidance of double taxation concerning income and capital taxes”;
- Federal law as of 26 February, 1997 No 42-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of Canada on avoidance of double taxation and prevention of tax evasion concerning income and wealth taxes”

- Federal law as of 18 December, 1996 No 158-Φ3 “On ratification of the Agreement between the Russian Federation and Federal Republic Germany on avoidance of double taxation concerning income and wealth taxes”;
- Contract between the Russian Federation and the United States of America on avoidance of double taxation concerning income and capital taxes (Washington, 17 June, 1992)
- Convention between the Government of the USSR and the Government of Japan on avoidance of double taxation concerning income taxes (Tokyo, 18 January, 1986);
- Federal law as of 26.04.2005 N 40-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Lithuanian Republic on avoidance of double taxation and prevention of tax evasion concerning income and capital taxes”;
- Federal law as of 23.06.2003 N 81-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Syrian Arab Republic on avoidance of double taxation concerning income taxes”
- Federal law as of 23.06.2003 N 80-Φ3 “On ratification of the Convention between the Government of the Russian Federation and the Government of the Iceland Republic on avoidance of double taxation and prevention of evasion from payment of income taxes”;
- Federal law as of 23.06.2003 N 79-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of New Zealand on avoidance of double taxation and prevention of tax evasion concerning income taxes”
- Federal law as of 26.11.2002 N 151-Φ3 “On ratification of the Agreement between the Russian Federation and the State Kuwait on avoidance of double taxation and prevention of tax evasion concerning income and capital taxes”;
- Federal law as of 26.11.2002 N 150-Φ3 “On ratification of the Agreement between
- the Government of the Russian Federation and the Government of Sri-Lanka Democratic Socialist Republic on avoidance of double taxation and prevention of tax evasion concerning income taxes”;
- Federal law as of 26.11.2002 N 149-Φ3 “On ratification of the Convention between the Russian Federation and the Norway Kingdom on avoidance of double taxation and prevention of tax evasion concerning income and capital taxes”;
- Federal law as of 26.11.2002 N 148-Φ3 “On ratification of the Agreement between
- the Government of the Russian Federation and the Government of the Indonesia Republic on avoidance of double taxation and prevention of evasion from payment of income taxes”;
- Federal law as of 26.11.2002 N 147-Φ3 “On ratification of the minutes to the agreement between the Government of the Russian Federation and the Government of the Finnish Republic on avoidance of double taxation concerning income taxes”;
- Federal law as of 26.11.2002 N 146-Φ3 “On ratification of the Convention between the Government of the Russian Federation and the Government of the Austrian Republic on avoidance of double taxation concerning income and capital taxes”;
- Federal law as of 26.11.2002 N 145-Φ3 “On ratification of the Convention between the Government of the Russian Federation and the Government of the Portuguese

Republic on avoidance of double taxation and prevention of tax evasion concerning income taxes”;

- Federal law as of 14.06.2002 N 69-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Tajikistan Republic on avoidance of double taxation and prevention of evasion from payment of income and capital taxes”;
- Federal law as of 08.10.2000 N 126-Φ3 “On ratification of the Convention between the Government of the Russian Federation and the Government of Israel on avoidance of double taxation and prevention of tax evasion concerning income taxes”;
- law as of 20.06.2000 N 86-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of Qatar on avoidance of double taxation concerning income taxes”;
- Federal law as of 20.06.2000 N 87-Φ3 “On ratification of the Convention between the Government of the Russian Federation and the Government of the Namibia Republic on avoidance of double taxation and prevention of tax evasion concerning income taxes”;
- Federal law as of 20.06.2000 N 85-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Islamic Republic of Iran on avoidance of double taxation and prevention of tax evasion concerning income and capital taxes”;
- Federal law as of 20.06.2000 N 88-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Southern - African Republic on avoidance of double taxation and prevention of tax evasion concerning taxes to the income”;
- Federal law as of 13.06.2000 N 81-Φ3 “On ratification of the Convention between the Government of the Russian Federation and the Government of the Kingdom of Spain on avoidance of double taxation and prevention of tax evasion concerning income and capital taxes”;
- Federal law as of 04.05.2000 N 66-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Macedonia Republic on avoidance of double taxation concerning income and wealth taxes”;
- Federal law as of 04.05.2000 N 63-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Korean National - Democratic Republic on avoidance of double taxation concerning income and capital taxes”
- Federal law as of 04.05.2000 N 62-Φ3 “On ratification of the Convention between the Government of the Russian Federation and the Government of the Lebanese Republic on avoidance of double taxation and prevention of tax evasion concerning income taxes”;
- Federal law as of 04.05.2000 N 61-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Arabian Republic of Egypt on avoidance of double taxation and prevention of tax evasion concerning income and capital taxes”;
- Federal law as of 30.12.1999 N 222-Φ3 “On ratification of the Agreement between
- the Government of the Russian Federation and the Government of the Turkish

Republic on avoidance of double taxation concerning income taxes”;

- Federal law as of 08.07.1999 N 146-Φ3 “On ratification of the Agreement between
- the Government of the Russian Federation and the Government of the Kirghiz Republic on avoidance of double taxation and prevention of evasion from payment of income taxes”;
- Federal law as of 08.07.1999 N 145-Φ3 “On ratification of the Agreement between
- the Government of the Russian Federation and the Government of the Ukraine on avoidance of double taxation of incomes and property and prevention of tax evasion”;
- Federal law as of 17.12.1998 N 185-Φ3 “On ratification of the Agreement between
- the Government of the Russian Federation and the Government of Turkmenistan on elimination of double taxation concerning income and wealth taxes”;
- Federal law as of 18.07.1998 N 105-Φ3 “On ratification of the Agreement between
- the Government of the Russian Federation and the Government of the Kingdom of Morocco on avoidance of double taxation concerning income and wealth taxes”;
- Federal law as of 18.07.1998 N 104-Φ3 “On ratification of the Agreement between
- the Government of the Russian Federation and the Government of the Kingdom of the Netherlands on avoidance of double taxation and prevention of tax evasion concerning income and wealth taxes”;
- Federal law as of 30.05.1998 N 82-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Azerbaijan Republic on avoidance of double taxation concerning income and wealth taxes”;
- Federal law as of 09.02.1998 N 22-Φ3 “On ratification of the Convention between the Government of the Russian Federation and the Government of the Mali Republic on avoidance of double taxation and establishment of rules of mutual help concerning income and wealth taxes”;
- Federal law as of 08.02.1998 N 19-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Indian Republic on avoidance of double taxation concerning income taxes”;
- Federal law as of 17.12.1997 N 151-Φ3 “On ratification of the Agreement between
- the Government of the Russian Federation and the Government of the Armenian Republic on elimination of double taxation on incomes and property”;
- Federal law as of 05.10.1997 N 129-Φ3 “On ratification of the Convention between the Government of the Russian Federation and the Government of the Italian Republic on avoidance of double taxation concerning income and capital taxes and prevention of tax evasion”;
- Federal law as of 05.10.1997 N 128-Φ3 “On ratification of the Agreement between
- the Government of the Russian Federation and the Government of the Finnish Republic on avoidance of double taxation concerning income taxes”
- Federal law as of 25.05.1997 N 81-Φ3 “On ratification of the Convention between the Russian Federation and the Hungarian Republic on avoidance of double taxation concerning income and wealth taxes”;
- Federal law as of 28.04.1997 N 74-Φ3 “On ratification of the Convention between

the Government of the Russian Federation and the Government of the Kazakhstan Republic on elimination of double taxation and prevention of tax evasion to the income and the capital”;

- Federal law as of 28.04.1997 N 72-ФЗ “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Moldova Republic on avoidance of double taxation of incomes and property and prevention of tax evasion”;
- Federal law as of 19.03.1997 N 64-ФЗ “On ratification of the Agreement between the Russian Federation and the Great Duchy of Luxembourg on avoidance of double taxation and prevention of tax evasion concerning income and wealth taxes”;
- Federal law as of 26.02.1997 N 41-ФЗ “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Slovak Republic on avoidance of double taxation of incomes and property”;
- Federal law as of 26.02.1997 N 43-ФЗ “On ratification of the Agreement between the Government of the Russian Federation and the Government of Mongolia on avoidance of double taxation concerning income and wealth taxes”;
- Federal law as of 26.02.1997 N 32-ФЗ “On ratification of the Convention between the Government of the Russian Federation and the Government of the Czech Republic on avoidance of double taxation and prevention of tax evasion concerning income and capital taxes”;
- Federal law as of 26.02.1997 N 36-ФЗ “On ratification of the Convention between the Government of the Russian Federation and the Government of the Albanian Republic on avoidance of double taxation concerning income and wealth taxes”;
- Federal law as of 26.02.1997 N 35-ФЗ “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Croatian Republic on avoidance of double taxation concerning income and wealth taxes”;
- Federal law as of 26.02.1997 N 39-ФЗ “On ratification of the Convention between the Government of the Russian Federation and the Government of the Republic of Slovenia on avoidance of double taxation concerning income and wealth taxes”;
- Federal law as of 26.02.1997 N 34-ФЗ “On ratification of the Convention between the Government of the Russian Federation and the Government of the Philippines Republic on avoidance of double taxation and prevention of tax evasion concerning taxes on Incomes”;
- Federal law as of 26.02.1997 N 40-ФЗ “On ratification of the Convention between the Government of the Russian Federation and the Government of the Kingdom of Denmark on avoidance of double taxation and prevention of tax evasion concerning income and wealth taxes”;
- Federal law as of 26.02.1997 N 33-ФЗ “On ratification of the Convention between the Government of the Russian Federation and the allied Government of the Union Republic of Yugoslavia on avoidance of double taxation concerning income and wealth taxes”;
- Federal law as of 26.02.1997 N 37-ФЗ “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Chinese National Republic on avoidance of double taxation and prevention of tax evasion concerning income taxes”;
- Federal law from 10.01.1997 N 14-ФЗ “On ratification of the Agreement between

the Government of the Russian Federation and the Government of Byelorussia on avoidance of double taxation and prevention of evasion as of payment of taxes concerning income and wealth taxes.”;

- Federal law as of 18.12.1996 N 157-Φ3 “On ratification of the Convention between the Government of the Russian Federation and the Government of the Kingdom of Belgium on avoidance of double taxation and prevention of tax evasion concerning income and wealth taxes”;
- Federal law as of 24.04.1995 N 51-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Uzbekistan Republic on avoidance of double taxation of incomes and property”;
- Federal law as of 24.04.1995 N 53-Φ3 “On ratification of the Convention between the Government of the Russian Federation and the Government of Romania on avoidance of double taxation concerning income and wealth taxes”;
- Federal law as of 24.04.1995 N 48-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Bulgarian Republic on avoidance of double taxation concerning income and wealth taxes”;
- Federal law as of 24.04.1995 N 50-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of the Vietnam Socialist Republic on avoidance of double taxation and prevention of tax evasion concerning income taxes”;
- Federal law as of 24.04.1995 N 55-Φ3 “On ratification of the Convention between the Government of the Russian Federation and the Government of the Kingdom of Sweden on avoidance of double taxation concerning income taxes”;
- Federal law from 24.04.1995 N 54-Φ3 “On ratification of the Agreement between the Government of the Russian Federation and the Government of Ireland on avoidance of double taxation concerning income taxes”;
- Federal law from 24.04.1995 N 49-Φ3 “On ratification of the Convention between the Government of the Russian Federation and the Government of the Korean Republic on avoidance of double taxation concerning income taxes”.

## 8.8 DESCRIPTION OF THE TAXATION SCHEME FOR THE REVENUE ON THE ISSUER'S SECURITIES THAT WERE PLACED OR ARE IN THE PROCESS OF PLACEMENT

### I Taxation of incomes of physical persons under the 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% (since 01.01.08)

<b>Order and terms of tax payment</b>	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). 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 its commission, into the accounts of the third parties in banks.	
<b>Peculiarities of taxation order this category of security holders</b>	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 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	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 its 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.
<b>Legal and standard acts that stipulate the taxation order of this income</b>	Tax Code of the Russian Federation, chapter 23 Tax on income of physical persons (revised and amended)	

## II Taxation of incomes of physical persons under the placed securities conversion

No	Categories of security holders	
	<b>Physical persons – RF tax residents</b>	<b>Physical persons – RF tax residents</b>
<b>Name of the income on the placed securities</b>	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.	
<b>Name of the securities income tax</b>	Taxes on incomes of physical persons	
<b>Tax rate</b>	13%	30%
<b>Order and terms of tax payment</b>	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	
<b>Peculiarities of taxation order this category of security holders</b>		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 its 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.
<b>Legal and standard acts that stipulate the taxation order of this income</b>	Tax Code of the Russian Federation Chapter 23 “Tax on income of physical persons”	

### III Taxation of juridical bodies' income from securities placed in the form of 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 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 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	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 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 deducted 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 income of juridical bodies under the placed securities conversion

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	Income from security sale 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	
Tax rate	20%	20%
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	The obligation of determining the sum of 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 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.	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.
<b>Peculiarities of taxation order this category of security holders</b>		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 deducted under lowered rates.
<b>Legal and standard acts that stipulate the taxation order of this income</b>	Tax Code of the Russian Federation, chapter 25 “Tax on income of organizations”	

## 8.9 DATA ON THE DECLARED (ACCRUED) AND PAID DIVIDENDS UNDER THE ISSUER'S SHARES AND ALSO ON REVENUE UNDER THE ISSUER'S BONDS

For the period of existence of “IDGC of the South” JSC, No.decisions were taken on payment of dividends on the shares placed.

The Issuer has not issued bonds for the time of its operation, and, correspondingly, has not paid revenues on bonds.

## 8.10 DATA ON THE ACTS REGULATING ISSUES OF IMPORT AND EXPORT OF THE CAPITAL THAT CAN INFLUENCE DISTRIBUTION OF DIVIDENDS, INTEREST, AND OTHER PAYMENTS TO NONRESIDENTS

### Review of the Issuer’s organizational structure and the basic functional relations between the key operational divisions

Organizational structure of JSC “IDGC of the South” has been worked out in conformance with joint executive order of JSC RAO “UES of Russia” and JSC “FGC UES” as of 08.06.2007 No.179p/188p “On Improving Organizational Structure of IDGC and DGC” approved at the meeting of the Company’s Board of Directors (minutes dd 28.01.2008 7/2008), brought into action since 01.04.2008 (Order of “IDGC of the South” dd 28.01.2008 No.11), modified by decisions of Board of Directors (minutes dd 25.07.2008 No.16/2008, dd 23.12.2008 No.21/2008).

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 development and rendering;
- Investments and capital construction;;
- Technical block;
- Corporate management;
- Security and controlling;
- Development of Sochi power district;
- Administrative issues.

The key sectors are attached to independent structural units directly subordinate to The Company’s General Director:

- Department for accounting and tax reporting;
- Department for technical inspection;
- Department for information technologies;
- Department for personnel management and organization design;
- Department for logistics and procurement.

In the organizational structure, Deputy CEOs (branch General Directors) are represented who (on the basis of powers of attorney issued by the Company’s CEO) manage operation of the following branches of the Company founded in accordance with the decision of the Company’s Board of Directors (minutes No6/2008 dd 11.01.2008):

“Astrakhanenergo” branch of JSC “IDGC of the South” (32 Krasnaya Naberezhnaya Str., Astrakhan, 414000);

2. “Volgogradenergo” branch of JSC “IDGC of the South” (15 prospect Lenina, Volgograd, 400066);

3. JSC “IDGC of the South” branch “Kalmenergo” (Northern industrial area, Elista, Republic of Kalmykia, 358007);

4. “Kubanenergo” branch of JSC “IDGC of the South” (2 Stavropolskaya Str., Krasnodar, Russian Federation);

5. “Rostovenergo” branch of JSC “IDGC of the South” (49 Bolshaya Sadovaya Str.,

Rostov-on-Don, 344002).

JSC “IDGC of the South” organizational scheme is available at the corporate website of the Company on the Internet at: <http://www.mrsk-yuga.ru/about/struktura/index.shtml>.

**The Issuer’s key calendar events and the news. Information on the Issuer’s participation in exhibitions and conferences, activity of international organizations**

1. From March 19 to March 21 of 2009, representatives of JSC “IDGC of the South” were taking part in forum “Create Yourself” in Krasndar exhibition centre “Krasnodar EXPO”.
2. On March 24 of 2009, representatives of JSC “IDGC of the South” took part in the IXth interregional specialized exhibition “Power Industry. Power Saving. Electrical Engineering”, which opened in Volgograd.

**Key events:**

On February 11 of 2009, Federal Financial Markets Service of the Russian Federation declined JSC “IDGC of the South” application for pwermit of shares circulation abroad.

Key news of the Company for the accounting period:

Item No.	Publication date	News	Place of publication
1	16.01.2009	“Kalmenergo” branch of “IDGC of the South”, JSC became all-Russia social and ecological responsibility rating leader	Corporate website of “IDGC of the South”, JSC, “Yuga.ru”
2	21.01.2009	Investment programme of “Astrakhanenergo” branch of “IDGC of the South”, JSC has been implemented in full.	Corporate website of “IDGC of the South”, JSC, newspaper ‘Zarya Caspian’
3	22.01.2009	In the area of Krasnodar Hidrostroiteley settlement, connection of new residential blocks of flats took place on permanent power supply scheme. The activities were preceded by large-scale operations of Kuban power engineers on key power objects’ renovation. In the period from 2004 to 2007, 2,7 MW capacity was connected in the residential area under construction by “Kubanenergo”, JSC specialists, and last December, “Kubanenergo”, JSC carried out connection of 1,3 MW. Last week, connection of another 3,8 MW was performed, which made it possible to provide dwellers higher quality power supply for dwellers of newly built houses.	Corporate website of “IDGC of the South”, JSC, corporate website of “Kubanenergo”, JSC
4	26.01.2009	Meeting of “IDGC of the South” took place summarizing results of 2008 in the spheres of labour protection, industrial and fire safety.	Corporate website of “IDGC of the South”, JSC,
5	27.01.2009	In 2008, “IDGC of the South”, JSC invested over 40 mln rubles into projecting and reconstructing electric substations telemechanic systems of “Volgogradenergo” branch of “IDGC of the South”, JSC.	Corporate website of “IDGC of the South”, JSC,
6	03.02.2009	“Volgogradenergo” branch of “IDGC of the South”, JSC completed renovation of “Leninskaya” electric substation, source of power supply of 35 thousand dwellers of Leninskiy district, Volgograd area.	Corporate website of “IDGC of the South”, JSC,
7	04.02.2009	“Astrakhanenergo” branch of “IDGC of the South”, JSC achieved planned loss reduction value, according to 2008 results.	Corporate website of “IDGC of the South”, JSC,
8	05.02.2009	“Rostovenergo” branch of “IDGC of the South”, JSC is opening new client service centre in Novocherkassk	Corporate website of “IDGC of the South”, JSC, Advis.ru,
9	10.02.2009	“IDGC of the South”, JSC started construction “Tsentralnaya” substation in Rostov-on Don.	Corporate website of “IDGC of the South”, JSC, “Yuga.ru”, “Komsomolskaya Pravda – Rostov-on-Don”
10	14.02.2009	Another session of power supply safety committee took place in Astrakhan area.	Corporate website of “Astrakhanenergo” branch of “IDGC of the South”, JSC,
11	24.02.2009	“Volgogradenergo” branch of “IDGC of the South”, JSC outstripped investment programme of 2008	“Power System and Industry of Russia”
12	25.02.2009	“Volgogradenergo” branch of “IDGC of the South”, JSC updated power grid for 1,78 mlrd rubles.	Corporate website of “IDGC of the South”, JSC, Kommersant Lower Volga No33 (4088), newspaper, Volgograd and

			Astrakhan regions
13	06.03.2009	“IDGC of the South”, JSC carries out construction of a unique substation for the Olympics in Sochi.	Newspapers “Izvestiya”, “Kuban news”, “Volgogradskaya pravda”, “government newspaper”, “Gorozhanin”, “Our time”
14	06.03.2009	Electric grid facilities reconstruction in Astrakhan is being proceeded. In Kirvskiy district, power engineers were renovating 6/10 KV cable lines, 5 new 10KV modular integrated transformer substations, new 10KV cable lines with total length of 40 km have been brought to operation.	Corporate website of “Astrakhanenergo” branch of “IDGC of the South”, JSC
15	11.03.2009	Over 1320 clients applied to customer service centres (CSCs) of “Volgogradenergo” branch of JSC “IDGC of the South” in 2008.	Corporate website of “Volgogradenergo” branch of “IDGC of the South”, JSC
16	13.03.2009	In “Astrakhanenergo” branch of JSC “IDGC of the South”, antiflooding activities aimed at safe electrical equipment operation provision have been started, for the period of water passage from Volga upper reach.	Corporate website of “Astrakhanenergo” branch of “IDGC of the South”, JSC, “Yuga.ru”
17	13.03.2009	JSC “Kubanenergo” is celebrating its 65 <sup>th</sup> anniversary.	Corporate website of “IDGC of the South”, JSC, website of “Kubanenergo”, JSC, magazine “Kuban fuel and power sector”
18	16.03.2009	JSC “IDGC of the South” transferred over two milliard rubles of taxes in 2008.	“Yuga.ru”, website of “IDGC of the South”, JSC
19	17.03.2009	Regulation on technical policy of JSC “IDGC of the South” has been approved.	website of “IDGC of the South”, JSC, “Yuga.ru”
20	25.03.2009	“Astrakhanenergo” branch of JSC “IDGC of the South” is successfully carrying out programme on reducing electric power losses, which is one of the key efficiency indicators. Thus, according to results of operation in February of 2009, losses were cut by 2,84 KWh on the plan (23,50%), with grid output of 333,17 mln KWh.	Corporate website of “Astrakhanenergo” branch of “IDGC of the South”, JSC
21	26.03.2009	The first application for capacity connection in “Azov City” has been submitted to “Rostovenergo” branch of “IDGC of the South”, JSC	Prime-Tass, Corporate website of “IDGC of the South”, JSC, Corporate website of “Rostovenergo” branch of “IDGC of the South”, JSC
22	27.03.2009	In 2008, “Rostovenergo” branch of JSC “IDGC of the South” specialists of consumer service centres processed 6352 applications, connection capacity exceeded 850 MV.	Corporate website of “IDGC of the South”, JSC, Corporate website of “Rostovenergo” branch of “IDGC of the South”, JSC
23	27.03.2009	Automatic information measurement system for commercial accounting of power consumption (AISCAPC) is being actively put to operation in “Rostovenergo” branch of “IDGC of the South”, JSC.	RusCable.ru, Corporate website of “Rostovenergo” branch of “IDGC of the South”, JSC

### Brief description of the Company's main internal regulations

Certain structures, procedures, and corporate management practice are regulated by the Charter and internal documents of the Company, including:

Item No.	Internal document	Description	Data on approval of internal document by the Company's management bodies
1	<b>Charter of "IDGC of the South", JSC (new revision)</b>	The basic internal document of the Company, it determines legal status.	Approved by the decision of sole shareholder JSC RAO "UES of Russia" (Minutes dd 28.02.2008No1829np/7).
2	<b>Regulations on the preparatory set and General Shareholders Meeting of JSC "IDGC of the South"</b>	The document specifies the order of convening, preparation, holding of the shareholders' meetings and also interaction between the operating bodies of the meetings.	Approved by the decision of sole shareholder JSC RAO "UES of Russia" (Minutes dd 28.02.2008No1829np/7).
3	<b>Regulations on the order of convening and holding the meetings of Board of Directors of the company</b>	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 the decision of sole shareholder JSC RAO "UES of Russia" (Minutes dd 28.02.2008No1829np/7).
4	<b>Regulations of JSC "IDGC of the South" Management Board</b>	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 the decision of sole shareholder JSC RAO "UES of Russia" (Minutes dd 28.02.2008No1829np/7).
5	<b>Regulations on JSC "IDGC of the South" Audit Committee</b>	The document specifies the objectives, the terms of activity of the Audit committee, regulates the questions of its interaction with the management bodies of the Company, also settles the rights and duties of the members of the Audit committee.	Approved by the decision of sole shareholder JSC RAO "UES of Russia" (Minutes dd 05.10.2007No1751np/4).
6	<b>Regulations on paying remunerations and compensations to JSC "IDGC of the South" members of Board of Directors (new revision)</b>	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, who hold at the same time the positions of CEO and/or members of Management Board).	Approved by the decision of annual General Shareholders Meeting of JSC "IDGC of the South dd 30.05.2008 (Minutes dd 04.06.2008 No.1)
7	<b>Regulations on paying remunerations and compensations to the members of the JSC "IDGC of the South" Audit Committee (new revision)</b>	The document specifies the amount and order of paying remunerations and compensations to the members of Audit Committee.	Approved by the decision of annual General Shareholders Meeting of JSC "IDGC of the South dd 30.05.2008 (Minutes dd 04.06.2008 No.1)
8	<b>Code of corporate management of JSC</b>	The documents the Company's self-imposed liabilities in the sphere of	Approved by the decision of Board of Directors of JSC "IDGC

	<b>“IDGC of the South”</b>	ensuring transparency of the Company’s management and conforming to standards of proper corporate management	of the South” (Minutes dd 30.08.2007 No2/2007).
9	<b>Regulations on information police of JSC “IDGC of the South”</b>  <b>(Changes to the Regulations on information policy of the Company)</b>	The document determines rules of information disclosure and to it, the list of information sources and documents subject to disclosure to shareholders, creditors, investors-to-be and other persons, as well as regulates the order, terms of disclosure and presentation of the specified information.	Approved by the decision of Board of Directors of JSC “IDGC of the South” (Minutes dd 30.08.2007 No.2/2007). (Amendments to the Regulations are approved by the decision of Board of Directors of JSC “IDGC of the South” (Minutes dd 18.04.2008 No12/2008)
10	<b>Regulations on JSC “IDGC of the South” insider information</b>	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 the decision of Board of Directors of JSC “IDGC of the South” (Minutes dd 30.08.2007 No.2/2007).
11	<b>Regulations on JSC “IDGC of the South” Corporate secretary</b>	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 the decision of Board of Directors of JSC “IDGC of the South” (Minutes dd 20.07.2007 No1/2007).
12	<b>Regulations on option programme of JSC “IDGC of the South”</b>	The document determines the order and terms of acquiring the Issuer’s shares by the employees	Approved by the decision of Board of Directors of JSC “IDGC of the South” (Minutes dd 23.07.2008 No16/2008).

Abovementioned internal documents of the Company are worked out in conformance with the legislation of the Russian Federation and the Company’s Charter and considers basic regulations of Corporate behaviour code recommended to implementation by FSEC (Executive order of FSEC dd 04.04.02 No.421/p).

Internal regulations on the Issuer’s management and audit authorities are made available on the Company’s corporate Internet website at: <http://www.mrsk-yuga.ru/rus/management/documents/index.shtml>.

**Data on the procedures of candidates’ promotion to Board of Directors of the Company, procedure of questions’ lodgment to Board of Directors of the Company. Brief review of Board of Directors’s activity in the accounting quarter with reference to the Company’s corporate Internet website**

**Procedure of promoting candidates to the Company’s Board of Directors**

Shareholders (shareholder) of the Company who in aggregate own of at least 2 (two) percent of the Company’s voting shares in the term not later than 60 (sixty) days after termination of the fiscal year are entitled to propose items for the agenda of the annual General Shareholders Meeting and to nominate candidates for the Board of Directors and the Audit committee of the Company, whereas the number of the candidates must not exceed the quantitative structure of the corresponding body.

Proposal on inclusion of items on the agenda of the General Shareholders Meeting and the proposal on nomination of candidates shall be submitted in writing with indication of the name of the shareholders (shareholder) who presented them, quantity and category (type) of shares belonging to them and shall be signed by the shareholders (shareholder).

Proposal moving items in the agenda of the General Shareholders Meeting should formulate each proposed item, and the proposal on nomination of candidates should contain name and data of the document proving the identity (series and (or) number of the document, date and place of its issuing, the body which issued the document) of each proposed candidate, name of body he/she is proposed to.

The Company’s Board of Directors shall be obliged to consider the received proposals and to make the decision on their inclusion on the agenda of the General Shareholders Meeting of the Company or on refusal to include them in the specified agenda not later than 5 (five) days after termination of the term specified in item 13.1 of clause 13 of the Company’s Charter.

Board of Directors of the Company shall be entitled to refuse to include the items proposed by the shareholder (shareholders) on the agenda of the General Shareholders Meeting and also to refuse to include the proposed candidates on the list of nominees for voting at election to the corresponding body of the Company on the bases stipulated by the Federal Law “On Joint-Stock Companies” and other legal statements of the Russian Federation.

Grounded decision of Board of Directors of the Company on refusal to include an item in 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 an item or a nominee not later than 3 (three) days from the moment of its taking.

The Company’s Board of Directors shall not be entitled to change the wording of the items proposed for inclusion on the agenda of the General Shareholders Meeting, and (if available) the wording of decisions on such items

In addition to the items proposed for inclusion on the agenda of the 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, the Board of Directors of the Company shall be entitled to include items or candidates for the list of nominees on the agenda of the General Shareholders Meeting at their own discretion.

#### Procedures submitting questions to the Company’s CEO

Order of submitting questions to Board of Directors of JSC “IDGC of the South” is stipulated by Regulations “On procedure of convocation and carrying out proceedings of the Board of Directors of JSC “IDGC of the South” (new revision) approved by the decision of the Management Board of JSC RAO “UES of Russia” (minutes dd 20.02.2008 No1829np/7).

In accordance with subpoint 5.3.3. of point 5.3. of clause 5 of Regulations On procedure of convocation and carrying out proceedings of the Board of Directors of JSC “IDGC of the South”, work schedule of the Board of Directors is made up on the basis of proposals of



the Board of Directors’s Chairman and members, the Audit committee, the Company’s CEO, the Company’s Auditor.

The specified proposals are directed to Board of Directors Chairman in a written form and copies of the proposals are at the same time sent to Corporate secretary by fax.

### **Brief review of activity of the Company’s managing authorities in the accounting quarter**

In quarter I of 2009 the following meetings took place:  
- General Shareholders Meetings – did not take place;  
- 3 (three) Board of Directors meetings (all of them by correspondence), 29 issues were considered.

Minutes of Board of Directors meetings are made available on the Internet corporate website of the Company at: <http://www.mrsk-yuga.ru/rus/management/info2/index.shtml>.

At Board of Directors meeting on February 27 of 2009, (minutes dd 02.03.2009 No.23/2009), decision was taken on establishing Board of Directors Technological Connection Committee to Electric Power Grid of JSC “IDGC of the South”, Committee members were elected earlier (minutes dd 11.02.2009 No.22/2009), Committee regulation was approved.

### **Brief review of Audit Committee activity in the accounting quarter with reference to the Company’s corporate Internet website**

In the accounting period, 1 JSC “IDGC of the South” Audit Committee meeting was held, where 3 items were considered. Minutes of meetings for the whole period of the Issuer’s activity are available on the Company’s Internet corporate website at: <http://www.mrsk-yuga.ru/rus/management/revision/index.shtml>

### **Information on corporate management assessment**

On March 23, 2009 Consortium of the Russian Institute and Directors and the rating agency “Expert RA” rated JSC “IDGC of the South” for corporate management as NPCM 5+ (“Normal practice of corporate management”).

This class of rating mark certifies that JSC “IDGC of the South” corporate management practice is assessed as exposed to moderate risks of corporate management. JSC “IDGC of the South” fulfills all the requirements of the Russian legislation in the sphere of corporate management.

Authority responsible for assignment and supporting corporate management rating of the Issuer: head of the section for corporate management and reforming of the Department of corporate management Shershukov S.Yu., tel. 8(861) 279-85-29.

Report on corporate management practice in JSC “IDGC of the South” is available on the Internet corporate website of JSC “IDGC of the South” at: <http://www.mrsk-yuga.ru/rus/stockholders/reiting/index.shtml>

JSC “Kubanenergo” in relation to which the Company carries out functions of sole executive body is rated as “B+”, described as normal level of corporate management practice.

Subsidiaries of JSC “IDGC of the South” were not rated for corporate management.

**Information on transactions made between the Issuer and state-owned companies and quarterly review of such transactions; quarterly review of internal corporate transactions of the Issuer**

In the accounting period the Issuer and its branches closed 257 transactions with state-owned companies for the total sum of **44 171 587,12** rubles (VAT inclusive).

Subject of the transactions with state-owned companies in the accounting period:

- - rendering services of technological connection;
- rendering services of electric power transmission;
- carrying out urban construction works;
- municipal property lease;
- rendering services of technical inventory;
- provision of services for a fee;
- rendering services of meteorological data provision for the districts of the Republic of Kalmykia;
- rendering services for carrying out the state expert examination of planning documentation;
- purchase of strong-box for correspondence;
- rendering services of training and instruction of the qualified personnel;  
rendering services of carrying out medical checkups.
- transaction between the Issuer and the Issuer’s shareholders holding at least 5% of voting shares of the Issuer;
- transactions between the Issuer’s subsidiaries and affiliated companies;
- transaction between the Issuer and the shareholders of the Issuer’s SACs holding at least 5% of voting shares;
- transactions between the Issuer and members of the Issuer’s SAC’s management.

Information on important transactions and quarterly review of the most important transactions of the Issuer’s SACs; quarterly report of the Issuer’s SAC’s transactions with the Company’s shareholders holding at least 5% of voting shares of the Company; quarterly report of intragroup transactions of SACs: data on these transactions is presented in p. “Additional data on the subsidiaries and affiliated companies of the Issuer”.

### **Other data on circulation of placed shares of the Issuer on the securities market**

Data on the trading organizations and quotation list on which the Company’s securities are included:

1.

1. Full company name:	<b>Closed Joint Stock Company “Stock exchange MICEX”</b>
Short company name:	<b>CJSC “SE MICEX”</b>
Location:	<b>13 Bolshoy Kislovskiy pereulok, Moscow, 125009</b>
Website:	<b><a href="http://www.micex.ru">www.micex.ru</a></b>
Number of the stock market license:	<b>No.077-10489-000001</b>
Issuing date of the stock market license:	<b>August 23, 2007.</b>
Validity term of the stock market license:	<b>Without limitation of the validity term</b>
Issuing authority of the stock market license:	<b>Federal financial markets service</b>
2. Full company name:	<b>Open Joint Stock Company “Stock exchange RTS”</b>
Short company name:	<b>JSC “RTS”</b>
Location:	<b>Building 1, 38 Dolgorukovskaya Str., Moscow, 127006</b>
Website:	<b><a href="http://www.rts.ru">www.rts.ru</a></b>
Number of the stock market license:	<b>077-10519-000001</b>
Issuing date of the stock market license:	<b>06.09.2007</b>
Validity term of the stock market license:	<b>Without limitation of the validity term</b>
Issuing authority of the stock market license:	<b>Federal financial markets service</b>

As of 31.03.2009, the Issuer’s shares circulate at the following stock exchanges:

- JSC “RTS” - without listing at two trading floors – “Exchange Market” (ticker **MRKYG**) and “Classical Market” (ticker **MRKY**);
- CJSC “FE MICEX” – shares are included on the sector “Nonlisted stock” (ticker **MRKA**).

Data on the Issuer’s market-makers:

Full company name		<b>Open Joint Stock Company «Brokerage House “Otkrytiye”</b>
Short company name		<b>JSC “Brokerage House “Otkrytiye”</b>
Location		<b>Building 10,19 Protopopovskiy Per., Moscow, 129010</b>
Telephone and fax numbers		<b>Telephone: (495) 232-03-00; fax: (495) 956-47-00</b>
Internet website used by the financial advisor for information disclosure of data about the Issuer		<b><u><a href="http://www.bdopen.ru">http://www.bdopen.ru</a></u></b>
Number, date and validity term of the license for carrying out professional activities on the securities market		<b>License for broker’s activity No.177-06097-100000; date of issue: June 28, 2002, without limitation of the validity term</b>
License issuing authority (for consultants who are professional participants of the securities market)		<b>Federal securities market commission</b>
Amount of market-maker’s fee	RTS (classical market)	146 000 rubles (VAT inclusive) per month
	(Non-listed stock)	438 000 rubles a quarter
Information on the change of market-maker		<b>In quarter I of 2009 market-maker of JSC “Securities exchange RTS” did not change, market-maker agreement validity has expired.</b>
Criteria for making bids by the market-maker		<b>From the inception date of the contract, market maker services the securities circulation by way of making bids and their continuous supporting</b>

**Conditions of fulfilling obligations by the market-maker during the trade session of “Stock Market RTS” JSC (classical market) on the securities admitted to trading by organizer without listing procedure:**

1. Bilateral listing spread (in percent)	3
2. Bilateral listing volume (in USD)	30 000
3. Market making duration for bilateral listings (percent on duration of the trading session), at least	70
4. Maximum volume of transactions (in USD) closed under claims of the market-maker for the trading session on achieving which market-maker is discharged from liabilities on market-making for bilateral listings in the current trading session	1 000 000
5. Duration of market-making of bilateral listings in the last hour of the trading session (percent on duration of the last hour of the trading session), at least	33

**Information on total number and total amount of the Company’s security  
transactins made on stock exchanges in each month and each quarter of of the  
completed financial year**

**2008**

Total amount of transactions closed							Total cost of transactions closed								
month				quarter			month				quarter				
Period	RTS (USD) classical market	Period	RTS (USD) classical market	Period	RTS (USD) classical market	Period	RTS (USD) classical market	Period	RTS (USD) classical market	Period	RTS (USD) classical market	Period	RTS (USD) classical market		
July	13	14	330	3 KB.	35	59	720	July	568645,55	629346	5344546,88	q. III.	985784	8036971	25018061,7
August	15	21	292					August	318104,83	1257608	15323364,76				
September	7	24	98					September	99033,91	1150016,56	4350150,1				
October	2	0	102	4 KB.	3	1	616	October	59250	0	1474026	q. IV	67022,3	44955	26407109,7
November	1	0	19					November	7772,26	0	66419,73				
December	0	1	495					December	0	44955	24866663,93				
<b>TOTAL:</b>	<b>38</b>	<b>60</b>	<b>1336</b>		<b>38</b>	<b>60</b>	<b>1336</b>		<b>1052806,5</b>	<b>3081925,56</b>	<b>51425171,4</b>		<b>1052807</b>	<b>8081926</b>	<b>51425171,4</b>

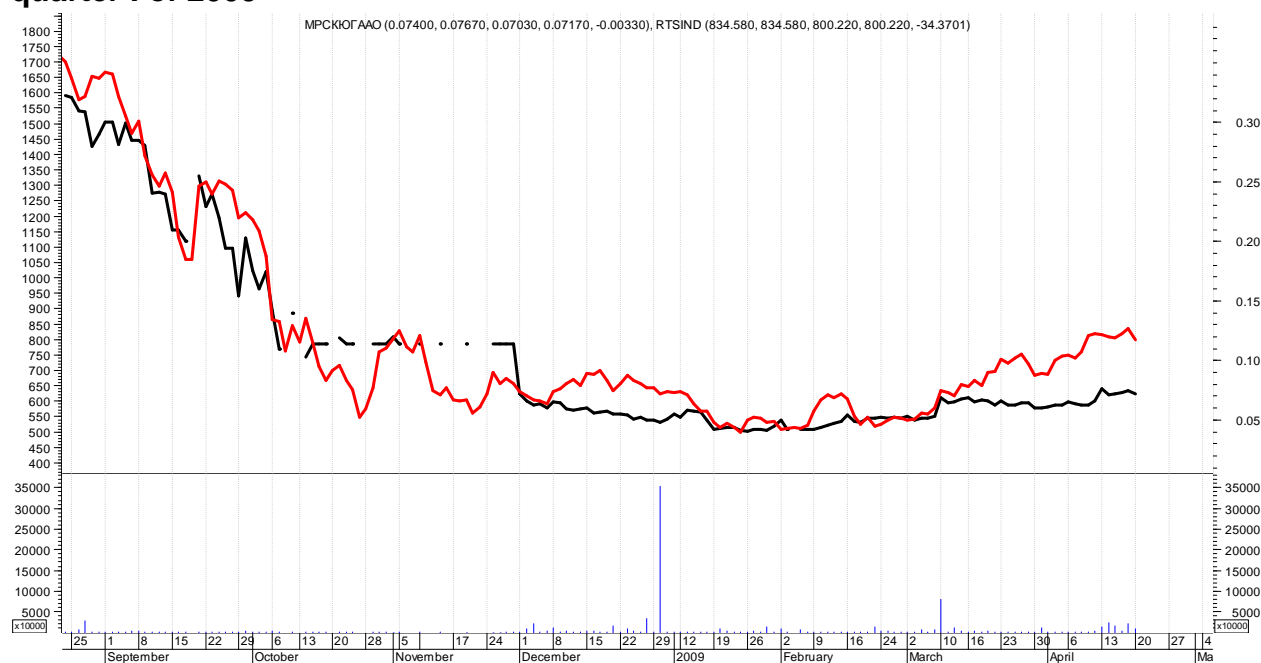
**2009**

Total amount of transactions closed							Total cost of transactions closed								
month				quarter			month				quarter				
Period	RTS (USD) classical market	Period	RTS (USD) classical market	Period	RTS (USD) classical market	Period	RTS (USD) classical market	Period	RTS (USD) classical market	Period	RTS (USD) classical market	Period	RTS (USD) classical market		
January	2	1	191	1 KB.	2	1	1158	January				q.I	19200	802	12567836,3
								January	19200	802	1219402,31				

Interregional Distribution Grid Company of the South”, Open Joint Stock Company  
6164266561

ry														
February	0	0	574					February	0	0	2508151,34			
March	0	0	420					March	0	0	8840282,62			
<b>TOTAL:</b>	<b>2</b>	<b>1</b>	<b>1158</b>		<b>2</b>	<b>1</b>	<b>1158</b>		19200	802	12567836,3	19200	802	12567836,3

## Dynamics of share prices change for the last completed financial year (2008) and quarter I of 2009



## Additional data on the Issuer’s subsidiaries and affiliated companies

### JSC “Astrakhanelektrosetremont”

#### Indicators of financial and economic activity of JSC “Astrakhanelektrosetremont”

Indicator description	Value of the indicator as of:	
	31.12.2008	Quarter I of 2009
Net asset worth of the Issuer, rub.	49 782 000	49 591 000
Raised funds to equity and reserves ratio, %	22,0	26, 4
Short-term liabilities to equity and reserves ratio, %	22,0	26, 4
Debt service payment coverage, %	-22,0	6,5
Past due debt rate, %	0	0
Receivables turnover	1,4	0,2
Labor productivity, rubles/person	709 830	164 110
Depreciation to earnings ratio, %	18,4	20,4
Equity to raised funds ratio, %	0,22	0,26

#### Indexes of profitability and loss

Indicator description	Value of the indicator as of:
-----------------------	-------------------------------

	2008	Quarter I of 2009
Revenue, rubles	12 777	2954
Cost of production, rubles	10 905	2255
Net profit, rubles	65	252
Gross profit, rubles	1872	699
Return on equity, %	0,13	0,51
Net profit ratio	0,51	8,53
Profitability of products (sales),%	8,60	16,93
Capital turnover	0,26	0,06
Amount of uncovered loss as of balance sheet date, rubles	-21 526 000	-21 969 000
Ratio between uncovered loss as of balance sheet date and the balance sheet total	0	0

Indicators of the Company's liquidity:

Indicator description	2008	Quarter I of 2009
Working capital, rubles	-313 000	859 000
Permanent asset index	1,01	0,98
Current liquidity ratio	0,97	1,06
Quick liquidity ratio	0,88	0,95
Equity Ratio	0,82	0,79

Data on the amount of accounts payable, rubles in thousands

Accounts payable	Maturity			
	Up to one year as of 31.12.2008	More than one year as of 31.12.2008	Up to one year as of 31.03.2009	More than one year as of 31.03.2009
Accounts payable to suppliers and contractors, rub.	8530011	X	9188449	X
- including overdue accounts, rub.	8530011	-	8530011	-
Accounts payable to	113865	X	164718	X



the personnel of the Organization, rub.				
- including overdue accounts, rub.		-		-
Accounts payable to the budget and state extrabudgetary funds, rub.	1562331	X	2281905	X
- including overdue accounts, rub.	425101		1547708	-
Credits, rub.		X		X
- including overdue accounts, rub.		-		-
Loans, total		X		X
- including overdue loans, rub.				
- including bond loans, rub.		X		X
- including overdue bond loans, rub.		-		-
Other accounts payable, rub.	771771	X	1497475	X
- including overdue accounts, rub.	771771	-	771771	-
Total, rub.	10977978	X	13132547	X
- including overdue accounts, rub.	9726883		10849490	

Data on the amount of accounts receivable

Account receivable	Maturity			
	Up to one year as of 31.12.2008	More than one year as of 31.12.2008	Up to one year as of 31.03.2009	More than one year as of 31.03.2009
Accounts receivable of buyers and customers, rub.	8812095	-	11823746	-
including accounts overdue, rub.	8015090	X	11742748	X
Notes payable, rub.		-		-

including accounts overdue, rub.		X		X
Accounts receivable of participants (founders) for contributions to authorized capital, rub.		-		-
including accounts overdue, rub.		X		X
Accounts receivable for advances paid, rub.		-		-
including accounts overdue, rub.		X		X
Other accounts receivable, rub.	412782	-	613865	-
including accounts overdue, rub.	83515	X	82367	X
Total, rub.	9224877	-	12437611	-
including accounts overdue, rub.	8098605	X	11825115	X

### Quarterly review of transactions made by JSC “Astrakhanelektrosetremont” in quarter I of 2009

Item No.	Subject of the transaction	Contractor	Transaction price, VAT inclusive, rubles	Data on approval of the transaction by management authorities of SAC in cases stipulated in the legislation of the RF and /or SAC Charter, with requisites of the document on transaction's approving
<p><u>1. Transactions (groups of associated transactions) made with the amount of obligations of at least 10 percent of the balance sheet asset cost of JSC “Asrakhanelektrosetremont”, based on its accounting reporting for the previous completed accounting period:</u></p> <p style="text-align: center;"><b>None</b></p>				
<p><u>2. Transactions between JSC “Astrakhanelektrosetremont” and JSC “IDGC of the South” or holders of more than 5 % of shares of JSC “IDGC of the South” (JSC “IDGC Holding”, CJSC “Promregion Holding” Oflamenta Trading Limited):</u></p> <p style="text-align: center;"><b>None</b></p>				
<p><u>3. Transactions between JSC “Astrakhanelektrosetremont” and subsidiaries of JSC “IDGC of the South” (JSC Volgogradsetremont, JSC “Grechko A.A. PSKh”, JSC “Sokolovskoye PSKh”, JSC “Recreation Centre “Energetik”)</u></p> <p style="text-align: center;"><b>None</b></p>				
<p><u>4. Transactions between JSC “Astrakhanelektrosetremont” and state-owned companies</u></p> <p style="text-align: center;"><b>None</b></p>				

Amount of JSC “Astrakhanelektrosetremont” total assets, according to the accounting

reporting for the previous completed quarter (as of March 31, 2009) makes up 62 724 000 rubles.

### JSC “Volgogradsetremont”

#### Indicators of financial and economic activity of JSC “Volgogradsetremont”

Indicator description	Indicator value as of:	
	31.12.2008	Quarter I of 2009
Net asset worth of the Issuer, rub.	41628	40608
Raised funds to equity and reserves ratio, %	7,66	7,73
Short-term liabilities to equity and reserves ratio, %	7,66	7,73
Debt service payment coverage, %	-285,4	-25,8
Past due debt rate, %	-	-
Receivables turnover	3,38	0,21
Labor productivity, rubles/person	813	144
Depreciation to earnings ratio, %	3,90	8,53
Equity to raised funds ratio, %	-	-

#### Indexes of profitability and loss

Indicator description	Indicator value as of:	
	2008	Quarter I ofm 2009
Revenue, rubles	36584	2450
Cost of production, rubles	44952	3355
Net profit, rubles	-10530	-1020
Gross profit, rubles	-8368	-905
Return on equity, %	-25,29	-2,51
Net profit ratio	-28,78	-41,63
Profitability of products (sales),%	-22,87	-36,94
Capital turnover	0,88	0,06
Amount of uncovered loss as of balance sheet date, rubles	-10530	-11550

Ratio between uncovered loss as of balance sheet date and the balance sheet total	-0,23	-0,26
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Indicators of the Company's liquidity:

Indicator description	2008	Quarter I of 2009
Working capital, rubles	23143	22332
Permanent asset index	0,44	0,45
Current liquidity ratio	8,25	8,11
Quick liquidity ratio	8,23	7,99
Equity Ratio	0,91	0,93

Data on the amount of accounts payable, rubles in thousands

Accounts payable	As of 31.12.2008		As of 31.03.2009	
	Maturity		Maturity	
	Up to one year	More than one year	Up to one year	More than one year
Accounts payable to suppliers and contractors, rub.	1823	-	1944	-
- including overdue accounts, rub.	-	-	-	-
Accounts payable to the personnel of the Organization, rub.	406	-	413	-
- including overdue accounts, rub.	-	-	-	-
Accounts payable to the budget and state extrabudgetary funds, rub.	867	-	649	-
- including overdue accounts, rub.	-	-	-	-
Credits, rub.	-	-	-	-
- including overdue accounts, rub.	-	-	-	-
Loans, total	-	-	-	-
- including overdue loans, rub.	-	-	-	-
- including bond loans, rub.	-	-	-	-
- including overdue bond loans, rub.	-	-	-	-
Other accounts payable, rub.	94	-	135	-

- including overdue accounts, rub.	-	-	-	-
Total, rub.	3190	-	3141	-
- including overdue accounts, rub.	-	-	-	-

Data on amount of accounts receivable, rubles in thousands

Account receivable	As of 31.12.2008		As of 31.03.2009	
	Maturity		Maturity	
	Up to one year	More than one year	Up to one year	More than one year
Accounts receivable of buyers and customers, rub.	9160	-	10047	-
including accounts overdue, rub.	-	-	-	-
Notes payable, rub.	-	-	-	-
including accounts overdue, rub.	-	-	-	-
Accounts receivable of participants (founders) for contributions to authorized capital, rub.	-	-	-	-
including accounts overdue, rub.	-	-	-	-
Accounts receivable for advances paid, rub.	325	-	320	-
including accounts overdue, rub.	-	-	-	-
Other accounts receivable, rub.	1350	-	1362	-
including accounts overdue, rub.	-	-	-	-
Total, rub.	10835	-	11729	-
including accounts overdue, rub.	-	-	-	-

### Quarterly review of transactions made by JSC “Volgogradsetremont” in quarter I of 2009

Item No.	Subject of the transaction	Contractor	Transaction price, VAT inclusive, rubles	Data on approval of the transaction by management authorities of SAC in cases stipulated in the legislation of the RF and /or SAC Charter, with requisites of the document on transaction's approving
<u>1. Transactions (groups of associated transactions) made with the amount of obligations of at least 10 percent of the balance sheet asset cost of JSC “Volgogradsetremont”, based on its accounting reporting for the previous completed accounting period:</u>				
<b>None</b>				
<u>2. Transactions between JSC “Volgogradsetremont” and JSC “IDGC of the South” or holders of more than 5 % of shares of JSC “IDGC of the South” (JSC “IDGC Holding”, CJSC “Promregion Holding” Oflamenta Trading Limited):</u>				
<b>None</b>				
<u>3. Transactions between JSC “Volgogradsetremont” and subsidiaries of JSC “IDGC of the South” (JSC Astrakhanelektrosetremont, JSC “Grechko A.A. PSKh”, JSC “Sokolovskoye PSKh”, JSC “Recreation Centre “Energetik”):</u>				
<b>None</b>				
<u>4. Transactions of JSC “Volgogradsetremont” with state-owned companies</u>				
<b>None</b>				

Amount of JSC “Astrakhanelektrosetremont” total assets, according to the accounting reporting for the previous completed quarter (as of March 31, 2009) makes up 40 608 thousand rubles.

### JSC “Recreation Centre “Energetik”

#### Indicators of financial and economic activity of JSC “Recreation Centre “Energetik”

Indicator description	Value of the indicator as of:	
	31.12.2008	Quarter I of 2009
Net asset worth of the Issuer, rub.	95344	88651
Raised funds to equity and reserves ratio, %	0.1	7.6
Short-term liabilities to equity and reserves ratio, %	0,08	7,6
Debt service payment coverage, %	-	-
Past due debt rate, %	-	-
Receivables turnover	0.1	0.7

Labor productivity, rubles/person	86833	21636
Depreciation to earnings ratio, %	26	22
Equity to raised funds ratio, %	99.9	92.9

Indicators of profitability and loss

Indicator description	Value of the indicator as of:	
	31.12.2008	31.12.2008
Revenue, rubles	2084	476
Cost of production, rubles	12336	2368
Net profit, rubles	-6825	-1698
Gross profit, rubles	-10252	-1892
Return on equity, %	-6,65	-1.68
Net profit ratio	-327.5	-356.7
Profitability of products (sales),%	-491,94	-397,48
Capital turnover	0,02	0,005
Amount of uncovered loss as of balance sheet date, rubles	-8706	-10404
Ratio between uncovered loss as of balance sheet date and the balance sheet total	-0,08	-0,096

Indicators of the Company's liquidity:

Indicator description	2008	Quarter I of 2009
Working capital, rubles	55712	24175
Permanent asset index	0,46	0,76
Current liquidity ratio	688,8	4,13
Quick liquidity ratio	673.09	3.98
Equity Ratio	1	0.93

Data on the amount of accounts payable, rubles in thousands

Accounts payable	As of 31.12.2008	As of 31.03.2009

	Maturity		Maturity	
	Up to one year	More than one year	Up to one year	More than one year
Accounts payable to suppliers and contractors, rub.	7	-	7214	-
- including overdue accounts, rub.	-	-	-	-
Accounts payable to the personnel of the Organization, rub.	-	-	239	-
- including overdue accounts, rub.	-	-	-	-
Accounts payable to the budget and state extrabudgetary funds, rub.	63	-	163	-
- including overdue accounts, rub.	-	-	-	-
Credits, rub.	-	-	-	-
- including overdue accounts, rub.	-	-	-	-
Loans, total	-	-	-	-
- including overdue loans, rub.	-	-	-	-
- including bond loans, rub.	-	-	-	-
- including overdue bond loans, rub.	-	-	-	-
Other accounts payable, rub.	11	-	108	-
- including overdue accounts, rub.	-	-	-	-
Total, rub.	81	-	7724	-
- including overdue accounts, rub.	-	-	-	-

Data on the amount of accounts receivable, rubles in thousands

Account receivable	As of 31.12.2008		As of 31.03.2009	
	Maturity		Maturity	
	Up to one year	More than one year	Up to one year	More than one year
Accounts receivable of buyers and customers, rub.	121	-	202	-



including accounts overdue, rub.	-	-	-	-
Notes payable, rub.	-	-	-	-
including accounts overdue, rub.	-	-	-	-
Accounts receivable of participants (founders) for contributions to authorized capital, rub.	-	-	-	-
including accounts overdue, rub.	-	-	-	-
Accounts receivable for advances paid, rub.	20079	-	5192	-
including accounts overdue, rub.	-	-	-	-
Other accounts receivable, rub.	1681	-	1647	-
including accounts overdue, rub.	-	-	-	-
Total, rub.	21881	-	7041	-
including accounts overdue, rub.	-	-	-	-

**Quarterly review of transactions made by JSC “Recreation Centre “Energetik” in quarter I of 2009**

Item No.	Subject of the transaction	Contractor	Transaction price, VAT inclusive, rubles	Data on approval of the transaction by management authorities of SAC in cases stipulated in the legislation of the RF and /or SAC Charter, with requisites of the document on transaction's approving
<p><u>1. Transactions (groups of associated transactions) made with the amount of obligations of at least 10 percent of the balance sheet asset cost of JSC “Recreation Centre “Energetik”, based on its accounting reporting for the previous completed accounting period:</u></p>				
<b>None</b>				
<p><u>2. Transactions between JSC “Recreation Centre”Energetik” and JSC “IDGC of the South” or holders of more than 5 % of shares of JSC “IDGC of the South” (JSC “IDGC Holding”, CJSC “Promregion Holding” Oflamenta Trading Limited):</u></p>				
<b>None</b>				
<p><u>4. Transactions of JSC “Recreation Centre “Energetik” with state-owned companies</u></p>				
<b>None</b>				

Amount of JSC “Recreation Centre “Energetik” total assets, according to the accounting reporting for the previous completed quarter (as of March 31, 2009), makes up 108 693 000 rubles.

**JSC “Grechko A.A. PSKh”**

**Indicators of financial and economic activity of JSC “Grechko A.A.”**

Indicator description	Value of the indicator, as of:	
	31.12.2008	Quarter I of 2009
Net asset worth of the Issuer, rub.	81720	82271
Raised funds to equity and reserves ratio, %	32	21
Short-term liabilities to equity and reserves ratio, %	32.3	21.3
Debt service payment coverage, %	6,4	4,2
Past due debt rate, %	0	0
Receivables turnover	6,3	2,8
Labor productivity, rubles/person	187191	50112
Depreciation to earnings ratio, %	3,8	4,1
Equity to raised funds ratio, %	27.3	8.6

**Indicators of profitability and loss**

Indicator description	Value of the indicator as of:	
	2008	Quarter I of 2009
Revenue, rubles	41182	8920
Cost of production, rubles	37181	7187
Net profit, rubles	90	355
Gross profit, rubles	4001	1733
Return on equity, %	0,11	0,41
Net profit ratio	0,22	3,8
Profitability of products (sales),%	9,72	19,43
Capital turnover	0,50	0,11
Amount of uncovered loss as of balance sheet date, rubles	0	0
Ratio between uncovered loss as of balance sheet date and the balance sheet total	0	0

### Indicators of the Company's liquidity

Indicator description	2008	Quarter I of 2009
Working capital, rubles	27308	31004
Permanent asset index	0,67	0,62
Current liquidity ratio	2,09	2,79
Quick liquidity ratio	0,26	0,19
Equity Ratio	0,76	0,82

### Data on the amount of the accounts payable, rubles in thousands

Accounts payable	As of 31.12.2008		As of 31.03.2009	
	Maturity		Maturity	
	Up to one year	More than one year	Up to one year	More than one year
Accounts payable to suppliers and contractors, rub.	9814	-	8457	-
- including overdue accounts, rub.				
Accounts payable to the personnel of the Organization, rub.	958	-	1434	-
- including overdue accounts, rub.				
Accounts payable to the budget and state extrabudgetary funds, rub.	864	-	1058	-
- including overdue accounts, rub.				
Credits, rub.	4776	-	0	-
- including overdue accounts, rub.				
Loans, total	2680	-	2680	-
- including overdue loans, rub.				
- including bond loans, rub.				
- including overdue bond loans, rub.				
Other accounts payable, rub.	6012	-	3641	-
- including overdue accounts, rub.				

Total, rub.	25104	-	17270	-
- including overdue accounts, rub.				

Data on the amount of accounts receivable, rubles in thousands

Account receivable	As of 31.12.2008		As of 31.03.2009	
	Maturity		Maturity	
	Up to one year	More than one year	Up to one year	More than one year
Accounts receivable of buyers and customers, rub.	4902	-	2537	
including accounts overdue, rub.	2222		2222	
Notes payable, rub.	0		0	
including accounts overdue, rub.				
Accounts receivable of participants (founders) for contributions to authorized capital, rub.	0		0	
including accounts overdue, rub.				
Accounts receivable for advances paid, rub.	319		248	
including accounts overdue, rub.				
Other accounts receivable, rub.	1364		382	
including accounts overdue, rub.				
Total, rub.	6585		3167	
including accounts overdue, rub.	2222		2222	

**Quarterly review of transactions made by JSC “Grechko A.A. PSKh” in quarter I of 2009**

Item No.	Subject of the transaction	Contractor	Transaction price, VAT inclusive, rubles	Data on approval of the transaction by management authorities of SAC in cases stipulated in the legislation of the RF and /or SAC Charter, with requisites of the document on transaction's approving
<p><b>1. Transactions (groups of associated transactions) made with the amount of obligations of at least 10 percent of the balance sheet asset cost of JSC “Grechko A.A. PSKh”, based on its accounting reporting for the previous completed accounting period::</b></p>				
<b>None</b>				

2. Transactions between JSC “Grechko A.A. PSKh” and JSC “IDGC of the South” or holders of more than 5 % of shares of JSC “IDGC of the South” (JSC “IDGC Holding”, CJSC “Promregion Holding” Oflamenta Trading Limited):
<b>None</b>
3. Transactions between JSC “Grechko A.A. PSKh” and subsidiaries of JSC “IDGC of the South” (JSC Volgogradsetremont, JSC “Astrakhanelektrosetremont”, JSC “Sokolovskoye PSKh”, JSC “Recreation Centre “Energetik”)
<b>None</b>
4. Transactions of JSC “Grechko A.A. PSKh” with state-owned companies
<b>None</b>

Amount of JSC “A.A Grechko PSKh” total assets, according to the accounting reporting for the previous completed quarter (as of March 31, 2009), makes up 99 555 000 rubles.

### JSC “Sokolovskoye PSKh”

#### Indicators of financial and economic activity of JSC “Sokolovskoye PSKh”

Indicator description	Indicator value as of:	
	31.12.2008	Quarter I of 2009
Net asset worth of the Issuer, rub.	167049	163656
Raised funds to equity and reserves ratio, %	7,40	9,93
Short-term liabilities to equity and reserves ratio, %	5.3	7,8
Debt service payment coverage, %	27,68	7,54
Past due debt rate, %	10,37	2,29
Receivables turnover	11,5 raz	0,98 raz
Labor productivity, rubles/person	380312	31237
Depreciation to earnings ratio, %	7	4
Equity to raised funds ratio, %	575	427

#### Indicators of profitability and loss

Indicator description	Indicator value as of:	
	2008	Quarter I of 2009
Revenue, rubles	48680	4092
Cost of production, rubles	47650	3781
Net profit, rubles	157	-2994

Gross profit, rubles	1030	311
Return on equity, %	0,09	-1,83
Net profit ratio	0,32	-73
Profitability of products (sales),%	2,12	7,60
Capital turnover	0,29	0,02
Amount of uncovered loss as of balance sheet date, rubles	0	-2994
Ratio between uncovered loss as of balance sheet date and the balance sheet total	0	-0,02

Indicators of the Company's liquidity:

Indicator description	2008	Quarter I of 2009
Working capital, rubles	54393	51611
Permanent asset index	0,67	0,68
Current liquidity ratio	8.26	5,46
Quick liquidity ratio	1,03	0,42
Equity Ratio	0,93	0,91

Data on the amount of accounts payable, rubles in thousands

Accounts payable	As of 31.12.2008		As of 31.03.2009	
	Maturity		Maturity	
	Up to one year	More than one year	Up to one year	More than one year
Accounts payable to suppliers and contractors, rub.	3040	236	6888	236
- including overdue accounts, rub.	827	236	0	236
Accounts payable to the personnel of the Organization, rub.	280	0	818	0
- including overdue accounts, rub.	0	0	0	0
Accounts payable to the budget and state extrabudgetary funds, rub.	254	0	246	0
- including overdue accounts, rub.	0	0	0	0

Credits, rub.	4000	3490	4000	3434
- including overdue accounts, rub.	0	0	0	0
Loans, total	0	0	0	0
- including overdue loans, rub.	0	0	0	0
- including bond loans, rub.	0	0	0	0
- including overdue bond loans, rub.	0	0	0	0
Other accounts payable, rub.	37	126	26	126
- including overdue accounts, rub.	0	126	0	126
Total, rub.	7611	3852	11978	3796
- including overdue accounts, rub.	827	362	0	362

Data on the amount of accounts receivable, rubles in thousands

Account receivable	As of 31.12.2008		As of 31.03.2009	
	Maturity		Maturity	
	Up to one year	More than one year	Up to one year	More than one year
Accounts receivable of buyers and customers, rub.	387	670	0	670
including accounts overdue, rub.	0	670	0	670
Notes payable, rub.	0	0	0	0
including accounts overdue, rub.	0	0	0	0
Accounts receivable of participants (founders) for contributions to authorized capital, rub.	0	0	0	0
including accounts overdue, rub.	0	0	0	0
Accounts receivable for advances paid, rub.	945	13	1230	27
including accounts overdue, rub.	20	13	19	27
Other accounts receivable, rub.	978	1420	595	1424
including accounts overdue, rub.	3	1420	15	1424
Total, rub.	2310	2103	1825	2121
including accounts overdue, rub.	23	2103	34	2121

### Quarterly review of transactions made by JSC “Sokolovskoye PSKh” in quarter I of 2009

Item No.	Subject of the transaction	Contractor	Transaction price, VAT inclusive, rubles	Data on approval of the transaction by management authorities of SAC in cases stipulated in the legislation of the RF and /or SAC Charter, with requisites of the document on transaction's approving
<p><u>1. Transactions (groups of associated transactions) made with the amount of obligations of at least 10 percent of the balance sheet asset cost of JSC “Sokolovskoye PSKh”, based on its accounting reporting for the previous completed accounting period::</u></p>				
<p><b>None</b></p>				
<p><u>2. Transactions between JSC “Sokolovskoye PSKh” and JSC “IDGC of the South” or holders of more than 5 % of shares of JSC “IDGC of the South” (JSC “IDGC Holding”, CJSC “Promregion Holding” Oflamenta Trading Limited):</u></p>				
<p><b>None</b></p>				
<p><u>3. Transactions between JSC “Sokolovskoye PSKh” and subsidiaries of JSC “IDGC of the South” (JSC Volgogradsetremont, JSC “Astrakhanelektrosetremont”, JSC “Grechko A.A. PSKh”, JSC “Recreation Centre “Energetik”)</u></p>				
<p><b>None</b></p>				
<p><u>4. Transactions of JSC “Sokolovskoye PSKh” with state-owned companies</u></p>				
<p><b>None</b></p>				

Total assets of **JSC “Sokolovskoye PSKh”**, according to the accounting reporting for the last completed quarter (as of March, 2009) are equal to 179 430 000 rubles.

#### 8.11 DATA ON THE REPRESENTED SECURITIES AND THE ISSUER OF REPRESENTED SECURITIES WITH THE PROPERTY RIGHT CERTIFIED BY THE RUSSIAN DEPOSITARY RECEIPTS

As of the end of the quarter under report, the Issuer did not issue Russian depositary receipts.