

QUARTERLY REPORT

Interregional Distribution Grid Company of the South

Joint Stock Company

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

for quarter I, 2013

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

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

CEO of "IDGC of the South" JSC

Date: May 14, 2013

_____ Vashkevich V.F.
signature

Chief Accountant of "IDGC of the South" JSC

Date: May 14, 2013

_____ Savin G. G.
signature

Contact person: Kuznetsova Larisa Nikolaevna, deputy head of Department for Corporate Management and Interaction with shareholders of "IDGC of the South" JSC

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Internet website used by the issuer for the information disclosure: <http://www.mrsk-yuga.ru>

Introduction

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

The Issuer had the securities Prospectus registered;

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

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

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

The report contains additional information to be disclosed according to requirements of Regulations on Information Policy of Open Joint Stock Company "Interregional Distribution Grid Company of the South" approved by decision of Board of Directors of "IDGC of the South", JSC on 30.08.2007 (Minutes No.2/2007 dated 03.09.2007).

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

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

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

1.1. Persons Forming Management Authorities of the Issuer

List of Board of Directors of the Issuer:

Name	Year of birth
Goncharov Valeriy Anatolievich (chairperson)	1963
Arkhipov Sergey Aleksandrovich	1967
Branis Aleksandr Markovich	1977
Dyakov Fedor Aleksandrovich	1958
Katina Anna Yurievna	1982
Kuvaeva Valeriya Dmitrievna	1987
Osipov Aleksandr Mikhailovich	1969
Prokhorov Egor Vyacheslavovich	1982
Repin Igor Nikolaevich	1966
Filkin Roman Alekseevich	1983
Shevchyuk Aleksandr Viktorovich	1983

Sole Executive Body of the Issuer

Name	Year of birth
Vashkevich Vladimir Frantishkovich	1972

Collegiate executive body

Name	Year of birth
Vashkevich Vladimir Frantishkovich (chairperson)	1972
Alaev Timur Ulyumdzhievich	1971
Goncharov Pavel Viktorovich	1966
Ivanov Vitaliy Valerievich	1970
Kalenyuk Yegor Vladimirovich	1970
Savin Grigoriy Grigorievich	1952

1.2. Data on Bank Accounts of the Issuer

Data on Credit Organization

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

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

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

TIN: **7728168971**

RCBIC: **046015207**

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

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

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **040707644**

Number of the bank account: **40 702 810 260 300 102 037**

Correspondent account number: **30101810100000000644**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **040707644**

Number of the bank account: **40 702 810 360 300 102 034**

Correspondent account number: **30101810100000000644**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **040707644**

Number of the bank account: **40 702 810 060 300 102 033**

Correspondent account number: **30101810100000000644**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **041806647**

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

Correspondent account number: **30101810100000000647**

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

Data on Credit Organization

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

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

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

TIN: **7744001497**

RCBIC: **041806779**

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

Correspondent account number: **30101810900000000779**

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

Data on Credit Organization

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

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

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

TIN: **7744001497**

RCBIC: **041806779**

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

Correspondent account number: **30101810900000000779**

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

Data on Credit Organization

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

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

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

TIN: **7744000302**

RCBIC: **040349556**

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

Correspondent account number: **30101810900000000556**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **046015602**

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

Correspondent account number: **30101810600000000602**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **046015602**

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

Correspondent account number: **30101810600000000602**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **046015602**

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

Correspondent account number: **30101810600000000602**

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

Data on Credit Organization

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

Russia, Joint Stock Company, Rostov-on-Don

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

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

TIN: **7707083893**

RCBIC: **046015602**

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

Correspondent account number: **30101810600000000602**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **046015602**

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

Correspondent account number: **30101810600000000602**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **046015602**

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

Correspondent account number: **30101810600000000602**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **046015602**

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

Correspondent account number: **30101810600000000602**

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

Data on Credit Organization

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

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

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

TIN: **7728168971**

RCBIC: **046015207**

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

Correspondent account number: **30101810300000000570**

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

Data on Credit Organization

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

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

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

TIN: **6163011391**

RCBIC: **046015762**

Number of the bank account: **40 702 810 200 000 012 604**

Correspondent account number: **30101810100000000762**

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

Data on Credit Organization

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

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

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

TIN: **6163011391**

RCBIC: **046015762**

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

Correspondent account number: **30101810100000000762**

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

Data on Credit Organization

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

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

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

TIN: **6163011391**

RCBIC: **046015762**

Number of the bank account: **40 702 810 900 000 012 603**

Correspondent account number: **30101810100000000762**

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

Data on Credit Organization

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

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

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

TIN: **6163011391**

RCBIC: **046015762**

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

Correspondent account number: **30101810100000000762**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **041203602**

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

Correspondent account number: **30101810500000000602**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **041203602**

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

Correspondent account number: **30101810500000000602**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **041203602**

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

Correspondent account number: **30101810500000000602**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **041203602**

Number of the bank account: **40 702 810 505 000 003 515**

Correspondent account number: **30101810500000000602**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **046015602**

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

Correspondent account number: **30101810600000000602**

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

Data on Credit Organization

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

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

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

TIN: **6163011391**

RCBIC: **046015762**

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

Correspondent account number: **30101810100000000762**

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

Data on Credit Organization

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

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

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

TIN: **6163011391**

RCBIC: **046043903**

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

Correspondent account number: **30101810700000000903**

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

Data on Credit Organization

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

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

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

TIN: **6163011391**

RCBIC: **046015762**

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

Correspondent account number: **30101810100000000762**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **041203602**

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

Correspondent account number: **30101810500000000602**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **041203602**

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

Correspondent account number: **30101810500000000602**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **041203602**

Number of the bank account: **40 702 810 805 000 003 516**

Correspondent account number: **30101810500000000602**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **041203602**

Number of the bank account: **40 702 810 10500 000 003 517**

Correspondent account number: **30101810500000000602**

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

Data on Credit Organization

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

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

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

TIN: **6163011391**

RCBIC: **046015762**

Number of the bank account: **40 702 810 900 000 013 068**

Correspondent account number: **30101810100000000762**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **041203602**

Number of the bank account: **40 702 810 405 000 003 518**

Correspondent account number: **30101810500000000602**

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

Data on Credit Organization

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

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

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

TIN: **7728168971**

RCBIC: **046015207**

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

Correspondent account number: **30101810300000000570**

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

Data on Credit Organization

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

Short company name: **Branch No. 5, CB “Center-Invest”, JSC, Taganrog**

Location: **Taganrog, Rostov region**

TIN: **6163011391**

RCBIC: **046013993**

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

Correspondent account number: **30101810700000000993**

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

Data on Credit Organization

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

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

Location: **Rostov-on-Don**

TIN: **7744001497**

RCBIC: **046015968**

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

Correspondent account number: **30101810700000000968**

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

Data on Credit Organization

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

Short company name: **“Gazprombank” Branch, JSC, Krasnodar**

Location: **36, Dzerzhinsky str., Krasnodar, 350051**

TIN: **7744001497**

RCBIC: **040349781**

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

Correspondent account number: **30101810500000000781**

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

Data on Credit Organization

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

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

Location: **Rostov-on-Don**

TIN: **6163011393**

RCBIC: **046015762**

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

Correspondent account number: **30101810100000000762**

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

Data on Credit Organization

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

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

Location: **Rostov-on-Don**

TIN: **7744000398**

RCBIC: **047026269**

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

Correspondent account number: **30101810800000000269**

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

Data on Credit Organization

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

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

Location: **20 Lenin str., Astrakhan**

TIN: **3015011755**

RCBIC: **041203729**

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

Correspondent account number: **30101810700000000729**

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

Data on Credit Organization

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

Short company name: **Open Joint-Stock Company**

Location: **46 Lenin prospect, Volgograd**

TIN: **6164266561**

RCBIC: **041806903**

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

Correspondent account number: **30101810200000000903**

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

Data on Credit Organization

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

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

Location: **Rostov-on-Don**

TIN: **7744000398**

RCBIC: **047026269**

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

Correspondent account number: **30101810800000000269**

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

Data on Credit Organization

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

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

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

TIN: **7707083893**

RCBIC: **041203602**

Number of the bank account: **40 702 810 605 000 003 965**

Correspondent account number: **30101810500000000602**

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

Data on Credit Organization

Full company name: **Open Joint Stock Company “Alfa-Bank”**

Short company name: **“Alfa-Bank” JSC**

Location: **27 Kalanchevskaya str., Moscow 101078**

TIN: **7728168971**

RCBIC: **044525593**

Number of the bank account: **40702810701200002885**

Correspondent account number: **30101810200000000593**

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

Data on Credit Organization

Full company name: **Open Joint Stock Company “Alfa-Bank”**

Short company name: **“Alfa-Bank” JSC**

Location: **27 Kalanchevskaya str., Moscow 101078**

TIN: **7728168971**

RCBIC: **044525593**

Number of the bank account: **40702810001200002886**

Correspondent account number: **30101810200000000593**

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

1.3. Data on Auditor (Auditors) of the Issuer

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

Full company name: **Closed joint stock company “KMPG”**

Abbreviated name: **“KMPG” CJSC**

Location: office 3035, 18/1 Olimpiyskiy prospect, Moscow, Russi 123110

TIN: 7702019950

PSRN: 1027700125628

phone: (495) 937-4477

fax: (495) 937-4400

e-mail: moscow@kpmg.ru

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

Full company name: Non-profit Partnership “Russian Audit Chamber”

Location: building 3, 3rd Syromyatnicheskiy pereulok 3/9, Moscow, 105120;

Additional information:

Phone/fax: (495) 781-24-79; e-mail: apr@aprussia.ru ;

Certificate dated 28.12.2009 with principal number of registration entry No.255

Principal Number of Registration Entry: 10301000804.

Financial year(s) among the last five completed financial years and current financial year which the auditor carried out (will carry out) an annual independent audit of financial (accounting) statements of the issuer

Accounting (financial) report, year	Aggregate accounting report, year	Consolidated accounting report, year
2012		2012

Terms within last five years for which the auditor performed (or will perform) independent audit of interim accounting (financial) report of the issuer

Accounting (financial) report, year	Aggregate accounting report, year	Consolidated accounting report, year
30.09.2012		31.12.2012

Factors that may influence the independence of the auditor from the issuer, including information on presence of significant interest between the auditor (auditor's officers) with the issuer (issuer's officials)

Factors that may influence the independence of the auditor from the issuer, including information on presence of significant interest between the auditor (auditor's officers) with the issuer (issuer's officials) are absent

Procedure for Selecting Auditor for the Issuer

Tender procedure connected with auditor selection and the main terms:

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

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

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

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

According to articles No.No.47, 48, 54 and 88 of the Federal Law on Joint Stock Companies; according to subclause 11 of cl.10.2 of article 10; cl.11.1 of article 11; cl.24.8 of article 24 of the Charter of "IDGC of the South", JSC General Shareholders Meeting annually approves the Auditor Company for audit and check of annual financial statements of the Company.

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

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

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

For the purpose of auditing financial statements and financial (accounting) reports for 2012 the Board of Directors of “IDGC of the South” JSC has recommended (Minutes No. 87/2012 dd 05.05.2012) and appointed “KMPG” CJSC as the auditor of the Company on June 18, 2012 by the decision of the Annual General Shareholders Meeting of the Company (Minutes No. 7 dd 21.06. 2012).

Information on the works conducted by the auditor with the frameworks of special auditor tasks: during the reporting quarter in accordance with contract No.CSKZ-130025/6100013000009 dated 11.02.2013 service on consultations regarding the preparing the report by IFRS were rendered, services impairment testing and actuarial accounting.

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

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

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

The amount of payment for the auditors services rendered to “IDGC of the South”, JSC on audit of RAS financial (accounting) report for 2012 (period from January 1, 2012 to December 31, 2012) is determined by the decision of Board of Directors of “IDGC of the South”, JSC dated 23.08.2012 and amounts to 1 558 788 (one million five hundred fifty eight thousand seven hundred eighty eight), including VAT (18%). (Minutes of meeting No.94/2012 dd 24.08.2012).

Actual amount of the fee paid by the Issuer to the auditor for each accounting year

when independent audit of the Issuers financial statements and financial (accounting) reports was carried out by the auditor is as follows:

Auditor	Financial year	Subject of Agreement	Remuneration amount (including VAT), rbs
“Fineart-Audit”, LLC	2007	Carrying out audit of financial (accounting) reports of the Issuer	354 000
“Fineart-Audit”, LLC	2008	Carrying out audit of financial (accounting) reports	9 763 910
“Nexia Pacioli” LLC	2009	Carrying out audit of financial (accounting) reports	2 973 600
“Auditinform” JSAF”	2010	Carrying out audit of financial (accounting) reports	2 600 000
“FinEXpertiza” LLC	2011	Carrying out audit of financial (accounting) reports	2 000 005
“KMPG” CJSC	2012	Carrying out audit of financial (accounting) reports	1 558 788

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

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

1.4. Data on Appraiser of the Issuer

The Issuer did not engage any appraisers.

1.5. Data on Advisors of the Issuer

The Issuer did not engage any advisors.

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

There are no other individuals who signed the quarterly report.

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

2.1. Financial and Economic Performance Indicators of the Issuer

Performance indicators that characterize issuer's activity shown according to the accounting report

Standards (rules) used for making the accounting report – RAS (Russian Accounting Standards)

Unit of measurement for index of performance: rubles/employee

Indicator	2012	3 months of 2013
Workforce productivity	138.5	154.61
Debt-to-equity ratio	2.65	2.78
Long-term debt to total sum of debt and equity ratio	0.58	0.58
Current ratio	14.8	10.07
Overdue debt, %	20.16	31.5

All indicators are calculated on the basis of recommended methods of calculation:
yes

Analysis of the issuer's business activity on the basis of the abovementioned indicators:

The coefficient of work productivity for the comparability of the data is given for 1

month. During the 1st quarter of 2013 an average one person had 154.61 thousand rubles of revenue. The positive dynamic characterizes the increase in labor productivity, improvement of efficiency of human resource management. The labour productive was influenced by seasonal growth of consumption of electric energy and higher average tariff on its transmission via grids.

The ratio of debt to equity ratio characterizes the proportion of borrowed funds and shows the extent of their use in the total amount of funds invested in the organization. Compared with 2012 this figure increased by 4.8%, which is due to an increase in accounts payable in the reporting quarter.

The ratio of long-term debt to total long-term debt and equity capital in quarter 1 of 2013 amounted to 0.58%. The size of the long-term debt exceeds the amount of equity capital to 4 766 131 thousand rubles. It is considered as valid if the amount of long-term debt does not exceed the value of equity (i.e. the difference between current assets and short-term debt).

The index level of the current coverage of debt income (profit) describes how the sources have their own rubles per rouble liabilities, payable in the reporting period.

The level of outstanding debt is the proportion of time the outstanding accounts receivable in total obligations of the enterprise and as of 31.03.2013 it was 31.5%.

The positive dynamics characterizes the labour productivity and improvement in human resources management.

Indicators Additionally Exposed in Accordance with Regulation Concerning Information Policy of “IDGC of the South”

Dynamics of Indicators Forming Financial Result of the Company (in rubles):

indicators	2012	1st quarter 2013
Sales proceeds	23 464 348	6 433 913
Cost value	21 056 317	5 965 977
Gross profit	2 408 031	467 936
Pretax profit	-3 461 347	313 813
Clear profit	-3 302 948	38 251

Expenditure Structure (in items of rouble):

indicators	2012	1st quarter 2013
Tangible inputs, including	5 339 380	1 899 898
Power purchased	4 489 521	1 790 418
Power purchased for industrial and business needs	188 373	52 603
Raw materials	849 859	109 480
Industrial work and service	7 391 475	1 893 006
Labor cost expenditure	3 752 903	987 672
Single Social Tax	1 087 879	297 523
Non state pensionary insuring	0	0
Amortization	2 369 282	638 648

Other including	1 115 399	249 232
Third-party organizations service pay	408 342	79 896
Insurance pay	114 214	27 684
Taxes- and-dues	121 447	45 029
Cost of production and product sale	21 056 317	5 965 977

Cost behavior:

Period	Thousand rubles	Growth rates, %
4 th quarter 2012	5 961 772	100.1
1 st quarter 2013	5 965 977	

Insignificant cost escalation in the 1st quarter of 2013, compared with the 4th quarter of 2012 amounts 0.1%, is explained mostly by the growth of costs, seasonal growth of costs (heating, electric energy for domestic purposes, etc). Programme of financial recovery helped to make savings by a number of cost items and to prevent from growth of costs.

Income growth (decline) rate:

Period	Thousand rubles	Growth rates, %
4 th quarter 2012	5 358 453	120.1
1 st quarter 2013	6 433 913	

Growth of revenue in the 1st quarter of 2013 in comparison to the previous year is 20.1%. The growth of revenue is explained by increase in energy consumption and by lower income in the 4th quarter of 2012.

Efficiency indicators, %:

Indicators	2012	1 quarter of 2013
ROE, return on equity	-24.5	0.3
ROA, return on assets	-0.17	0.03
ROTA, return on total assets	-7.9	0.7

Structure of proceeds in business lines (in items of ruble):

Indicators	2012	1 quarter of 2013
Total product (service) sales proceeds	23 464 348	6 433 913
Principal activity output (service)	23 448 447	6 423 862
Network service	23 316 266	6 410 290
Grid power supply service	21 362 644	6 330 271
Technical connection service	1 953 622	80 019
Other output (service) of principal activity	132 181	13 572
Output (services) of auxiliary activity	15 902	10 051

2.2. Market Capitalization of the Issuer

Market capitalization is calculated by way of multiplying the corresponding

category (class) shares amount by a share market price disclosed by Securities Market Maker and fixed in conformity with Order of fixing the market price of securities, cash price of securities as well as the limits of fluctuations of market prices of securities in purposes of Tax Code of RF approved by Order of Federal Market Service No. 10-65/ПЗ-Н dated 09.11.2009.

Unit of measurement: **rubles.**

Indicator	2012	1 quarter of 2013
Market capitalization	2 591 173 217.24	2 422 811 712.55

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

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

The information additionally disclosed by the issuer in accordance with the Regulation on Information Policy of "IDGC of the South, JSC

Information on market capitalization for the five financial years in accordance with the results of the auction each organizer of trade, which were admitted to trading shares of the Company:

Period		RTS (USD) (classical market)	RTS (RUB) stock market	MICEX (RUB)
Year	Quarter	Capitalization		
2008	III	567846495,00	11954663055,36	14011861322,80
	IV	99622192,00	8999370725,88	2485573693,59
2009	I	64754425,00	8703990926,22	2988665763,84
	II	214187713,10	8467886330,88	6062010390,98
	III	308828796,00	6724497969,00	10530065707,90
	IV	293885467,0	9090026920,72	8866375099,39
2010	I	318791015,0	8886797648,78	10405537967,7
	II	273961028,0	8866375099,39	7949850931,81
	III	273961028,0	8965997292,00	8183963083.31
	IV	288904357,0	8970978401,0	8831507332,14
2011	I	249055480,0	7471664410,0	6929221573,46
	II	219168823,0	7471664410,0	5879701779,39
	III	219168823,0	7471664410,0	4 049 642 110,0
	IV	174338836,0	3735832205,0	3283547452,53
2012	I	-	-	3332362326,68
	II	-	-	2626539095,45
	III	-	-	2 610 599 544,71
	IV	-	-	2 591 173 217,24
2013	I	-	-	2 422 811 712,55

The Company's shares were admitted to trading on "RTS" JSC to 19.12.2011 (date of reorganization of "RTS" JSC)

2.3. Obligations of the Issuer

2.3.1. Accounts Payable

2012

Structure of Issuer's borrowings

Unit of measurement: thousand rubles

Indicator	
Long-term borrowings	16 500 000
including:	
Credits	11 942 322
Loans, except bonded loans	0
bonded loans	4 557 678
Short-term borrowings	2 841 890
including:	
Credits	2 402 548
Loans, except bonded loans	0
bonded loans	439 342
Total amount of overdue loan debt	0
including:	
credits	0
Loans, except bonded loans	0
bonded loans	0

Accounts payable

unit of measurement: thousand rubles

Indicator	
Total for accounts payable	10 462 059
overdue	2 109 439
including	
Payable to budget and state off-budget funds	143 614
overdue	0
payable to suppliers and contractors	5 092 305
overdue	1 101 372
payable to staff	10 888
overdue	0
other	495 787
overdue	17 958

If there are overdue accounts payable, including credit contracts or loan contracts, as well as Issuer's debt securities (bonds, notes and others), causes of non-

fulfilment and consequences following or likely to follow as resulting from the abovementioned credit default, including sanctions imposed on the Issuer and terms (approximate terms) of overdue accounts payable satisfaction shall be specified as follows:

Overdue accounts payable of “IDGC of the South” JSC as of 31.12.2012 amounted to 20.16% of the total amount payable.

The main consequence of default by the issuer's creditors could reclaim arrears in court in accordance with the provisions of the Civil Code. However, in order to minimize the risks of on-demand accounts payable through the court is working on pre-trial settlement of disputes and the possible restructuring of existing debt.

Its obligations to credit organizations the Company performs in a timely manner and in full volume.

Creditors Accounting for at Least 10 % of the Total Payables

Full company name: “Federal Grid Company of Unified Energy System” Open Joint-Stock Company

Short company name: “UES FGC” JSC

Location: Moscow

TIN: 4716016979

RCBIC: 1024701893336

Amount of accounts payable: **2 966 675 thousand rubles**

Amount and terms of overdue accounts payable (rate per cent, fines and penalty fees):

As of 31.12.2012 the issuer does not have the overdue accounts payable to “FGC UES” JSC

The creditor is not an affiliate of the Issuer.

3 months of 2013

Structure of the Issuer’s loan funds

Unit: thousand rubles

Indicator	
Long-term loans	16 500 000
including:	
credits	11 942 322
loans, except bonded loans	0
bonded loan	4 557 678
Short-term loans	2 752 225
including:	
credits	2 405 936
loans, except bonded loans	0
bonded loan	346 289
Total sum of overdue loan	0

including:	
credits	0
loans, except bonded loans	0
bonded loan	0

Structure of the Issuer's credit debts

Unit: thousand rubles

Indicator	
Total amount of credit debts	12 633 506
overdue	3 979 479
including	
to budget and state non-budgetary funds	209 552
overdue	0
to suppliers and contractors	6 947 575
overdue	3 044 871
to staff	212 649
overdue	0
other	582 306
overdue	37 333

Presence of overdue accounts payable including credit facility agreements or loan agreements, as well as Issuer's debt securities (bonds, notes, etc.), causes of non-fulfillment should be mentioned as well as consequences following or likely to follow the abovementioned outstanding commitments, including sanctions imposed on the Issuer and terms (approximate terms) of overdue accounts repayment.

Overdue debt of IDGC of the South JSC as of 31.03.2013 is 31.5% from the total credit payable. The main consequences of default in Issuer's overdue debts payment may be creditor's juridical debt reclaim performed in accordance with the norms of RF Civil Code. However, the Company fulfills its obligations before lending agencies in due terms. To minimize risks of debts reclaimed the Company is suing out pretrial litigation settlement and legal restructuring of liabilities existing.

Creditors Accounting for at Least 10 % of the Total Payables

Full company name: "Federal Grid Company of Unified Energy System" Open Joint-Stock Company

Short company name: "UES FGC" JSC

Location:

TIN: 4716016979

RCBIC: 102470189333

Amount of accounts payable, rbs: **3 182 005 thousand rubles**

Amount and terms of overdue accounts payable (rate per cent, fines and penalty fees): 731 564 thousand rubles

The creditor is not an affiliate of the Issuer.

2.3.2. Credit History of the Issuer.

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

Type and identification characteristics of liability	
1. Debenture issue, series 02, placing through "MICEX Stock Exchange" CJSC	
Terms of liability and information of its fulfilling	
Full company name	Purchasers of securities
Sum of debt as of the moment of creation of obligations, RUR	6 000 000 RUR X 1000
Sum of debt as of the end of reporting quarter, RUR	4557678 RUR X 1000
Credit (loan) period, years	5
Average interest rate, % per annum	8,1
Number of interest (coupon) periods	10 coupon periods 182 days each
Overdue on interest payments	no
Planned credit payment period	26.08.2014
Actual credit payment period	26.08.2014
Other information on obligations specified by the issuer	no

2.3.3. The Issuer's Obligations from Collateral Furnished to Third Parties

Absent

2.3.4. Other Obligations of the Issuer

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

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

Issuer's Policy in the Sphere of Risk Management:

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

Risk management is an integral part of corporate management system of OJSC

“IDGC of the South”. It makes it possible for the authorities of the Company to make economically efficient decisions it is closely connected with the process of strategy and operating planning and presupposes active participation of all the structures of the Company in risks revelation and evaluation.

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

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

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

- Regulation about Procedures of Internal Control within “IDGC of the South”, JSC, determining internal control as that aimed at preventing risks in the Issuer’s activity and timely measures to minimize (terminate) the risks;
- Risk management policy and internal control policy, approved by the Board of Directors on 06.09.2010 (Minutes dd 11.06.2010 No.47/2010) define the strategy of internal control and risk management of the Company;
- Guidelines on Risk Management at "IDGC of the South" JSC approved by order of "IDGC of the South" JSC dd 07.09.2011 No. 538 determine the basic methods of identifying, evaluating, managing and monitoring risks;
- Regulations on the control environment and the risks of business processes, "Custody and implementation of electricity transmission services," "Procurement", "The implementation of technological connection services", "Operating activities", approved by the Board of Directors (Minutes dd 09.06.2011 No.66/2011), describe the control environment of the business process through the definition of control points, identification of risks of the business process and the incorporation of control procedures in the business process in order to reduce risks;

Improving the system of internal control and risk management

The Company has a working group that implements and improves the system of internal control and risk management, the competence of this group is the implementation of local regulations on internal control and risk management, risk assessment, with the formation of a quarterly report to be submitted to the executive bodies, improving the monitoring of the control environment by standardizing key business processes of the Company. The working group includes the heads of departments and employees of the Company.

The Company has secured the key risk owners that are responsible for a quarterly update of risk and personal responsibility for the organization of risk management. The owners of the risks on a quarterly basis by the identification and risk assessment, development and implementation of measures for risk management,

risk monitoring. After evaluation, the Department of Internal Audit and Risk Management formed a quarterly report on key risks, including information on risk classification, risk factors, the distribution of the integral values of risks for business processes, risk map, the data on the most significant risks, their assessment, management activities risk information on the implementation risks, the conclusions and suggestions for further monitoring and control risks. A report on the key risks considered quarterly meetings of the Management Board and the Audit Committee of the Board of Directors, which provides information about the most significant risks in the context of key business processes, control the level of risk the Company to monitor the activities of risk management, to integrate information on key risks Society to further decision-making on risk management.

Specialized units of the Company in accordance with their functional responsibilities by monitoring the current through the existing local regulations and is working on adapting the approved Regulations on the control environment and the risks of business processes, "Custody and implementation of electricity transmission services," "Procurement", "Implementation of technological connection services ", " Operating activities "to the existing control procedures: developed plans for adapting to these Terms, including the development of local regulations (amendments to existing local regulations), followed by changes to the provisions of subdivisions and the job descriptions of employees .

Due to the fact that the Company currently operates only in the domestic market of the Russian Federation and has no plans to enter the foreign market, the following risks are considered only in the context of the internal market.

2.4.1. Industry Risks

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

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

The Issuer carries out its activity in power industry.

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

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

Operational Risks

Deterioration of the Company's fixed assets may result in negative change in the

industrial sector such as loss of power supply reliability. To reduce the risks mentioned the Company reconstructs operating and constructs new power grids as well as technical re-equipment of fixed assets.

Technical Industrial Risks

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

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

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

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

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

Electricity transmission over grids, which do not belong to Unified Federal (All-Russian) Power System and line voltage of which does not exceed 220 kV, is among key activities of the Issuer.

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

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

To reduce the specified risks, the Issuer purchases materials and equipment, selects service providers by means of competitive and regulated procurement of materials, equipment, input and other services.

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

Obligations under the Securities

Electricity transmission over grids, which do not belong to Unified Federal (All-Russian) Power System and line voltage of which does not exceed 220 kV, is among key activities of the Issuer.

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

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

To reduce the specified risks, the Issuer purchases materials and equipment, selects service providers by means of competitive and regulated procurement of materials, equipment, input and other services.

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

2.4.2 Country and Regional Risks

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

The Company is registered in Rostov-on-Don and carries out Its operating activity on the territory of Astrakhan, Volgograd and Rostov region regions as well as in the Republic of Kalmykia.

Specified regions are politically stable and risk of military conflicts and emergency situation is practically absent there. Nevertheless, there is a risk of terrorist attack and the Company makes security measures supporting industrial safety.

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

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

In case political or economic situation in Russia or in a certain region destabilizes, the Company will take a number of measures of anticrisis management with the purpose of maximum decrease of the negative impact of the situation on "IDGC of the South", JSC including cutting costs and other expenditures, reducing investment plans.

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

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

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

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

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

2.4.3. Financial Risks

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

In the course of carrying out its primary activity, the Issuer uses borrowed funds, which makes the Issuer subject to risks connected with credit and loan interest rate changes. But the Issuer, on account of constant analysis of the own financial condition, floating interest rate behavior, considers the risk to be insignificant.

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

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

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

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

dollar, euro) variations on the Issuer's financial state is estimated as inconspicuous.

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

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

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

The Issuer is subject to risk of interest rate change. Along with interest rate growth, the commercial bank credit interest payments increase, and the Company's profit falls.

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

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

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

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

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

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

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

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

2.4.4. Legal Risks

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

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

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

Risks Connected with Currency Legislation Changes

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

Risks Connected with Tax Law Changes

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

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

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

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

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

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

Federation.

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

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

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

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

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

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

Courts orders are used for legal norms to be interpreted and applied in the correct way.

2.4.5. Risks Connected with the Issuer' Activity

Labour Protection Risks

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

Accidents at the manufacture endanger life and health of the staff and may cause suspension of work as well as property damage. To reduce the risk of staff injury the Company follows the principles of corporate "Policy in the sphere of labour protection and industrial safety" approved by the Board of Directors of OJSC "IDGC of the South".

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

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

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

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

Risks Connected with the Current Litigations of the Issuer

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

“Kubanenergo” JSC and “FGC UES” JSC have a contract o rent of electric grid facilities in accordance with which the issuer was provided for usage and possession a number of facilities of the Unified National Russian Power Grid using which the issuer performs core type of activity – services on transmission of electric energy. The list of facilities was approved by the order of RF Ministry of power industry. However, at the present moment a number of consumers disputed this order in court. In case the claim is satisfied, the risk of shortage of income

arises.

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

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

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

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

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

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

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

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

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

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

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

III. Detailed Information on the Issuer

3.1. Incorporation History and Development of the Issuer

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

Full company name of the Issuer: Open Joint Stock Company: Открытое акционерное общество "Межрегиональная распределительная сетевая компания Юга" (Open Joint Stock Company "Interregional Distribution Grid Company of the South")

Date of introducing the current company name: **28.06.2007**

Short company name of the Issuer: ОАО "МРСК Юга" ("IDGC of the South", JSC)

Date of introducing the current company short name: **28.06.2007**

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

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

- Open Joint Stock Company “Interregional Distribution Grid Company of the Northwest” (“IDGC of the 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 Volga region, Urals, Volga, the Northern Caucasus, Siberia, the Northwest.

All previous company names of the Issuer throughout the Company’s lifetime: the Issuer’s company name has not changed throughout the Company’s lifetime.

3.1.2. Data on State Registration of the Issuer

Primary State Registration Number of juridical entity: 1076164009096

Date of registration: 28.06.2007

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

3.1.3. Data on the Issuer’s Incorporation and Development

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Board of Directors of “IDGC of the South”, JSC (Minutes of meeting dd 29.10.2010 No. 55/2010) considered as appropriate termination of the contract No. 407/30-1143/26 dated 14.09.2007 on transfer of the authority of the sole executive body of "Kubanenergo" to management organization - “IDGC of the South”, JSC from 01.12.2010

On December 1, 2010 regions of the Company's presence are: Astrakhan, Volgograd, Rostov regions and the Republic of Kalmykia. The Company is responsible for the transport of electricity through grids of 110 kV and lower in four of the abovementioned territorial subjects of the Russian Federation.

"IDGC of the South", JSC serves a total area of more than 330.000 square kilometers with a population of about 9 million people. The length of overhead power lines served by the Society, about 160,000 kilometers. The number of employees is about 15.000 people.

At present "IDGC of the South", JSC is occupying a dominant position in the market for electricity transmission services in the Southern Federal District, is a part of "IDGC Holding" (from 04.04.2013 renamed to "Rosseti" JSC), one of the largest infrastructure companies in Russia that controls about eighty percent of the distribution grid complex.

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

The Mission of "IDGC of the South" JSC

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

Vision Statement of "IDGC of the South" JSC

- By 2016 "IDGC of the South" JSC will have become an up-to-date distribution grid company representing a team of professionals, sharing a common goal, managing unified high-tech grids with low depreciation percentage.
- "IDGC of the South" JSC is an attractive employer at high level of social responsibility. Efficient structure provides for optimal balance in sharing functions of structural subdivisions between the Company's management levels.
- Quality of our services makes it possible for us to take leading positions among distribution grid companies of Eastern Europe and expand our regular customers' base.
- The financial status provides for accumulation of assets for the further stable development of not only our company but Southern Federal District of Russia as well.

Values of "IDGC of the South" JSC

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

Strategic goals of “IDGC of the South” JSC for 2016 are to:

- reduce deterioration of equipment from 78.8% as of 01.01.2010 to 64% by 01.01.2016
- increase fundraising from 75% as of 01.01.2010 to 100% by 01.01.2016
- reach the level of net profit under RAS from the loss – 1.1 billion rubles as of 01.01.2010 to + 5 billion rubles by 01.01.2016.
- increase the capitalization of the Company from 8.9 billion rubles as of 01.01.2010 to 30 billion rubles by 01.01.2016.
- enlarge the regional network facilities (wholly integrated with the downstream power supply network).
- increase the average wage of 24.000 rubles as of 01.01.2010 up to 35.000 rubles by 01.01.2016.

The main strategic goal of the Company is to provide uninterrupted power supply to consumers and improve the quality of services.

One of the main tasks of improving the quality and reliability of electricity supply for consumers is a gradual transition (in the five-year term) to the calculation of the production and use of international indicators of reliability of power supply SAIDI, SAIFI, periodic assessment of their values and dynamics to correct production problems.

In “IDGC of the South” JSC the efficiently and effectively integrated management system that meets international standards ISO 9001:2008 “Quality Management Systems. Requirements“, ISO 14001:2004 “Environmental Management Systems. The requirements and guidance on the application”, OHSAS 18001:2007 “Management System Occupational Health and Safety. Requirements” was developed, implemented, certified and put into operation.

The Company has carried out the previously not existing system of accounting cut-offs in 0.4 kV grids.

In 2011 “IDGC of the South” JSC has confirmed the compliance with international quality standards (ISO 9001:2008 “Quality management systems. Requirements”), Environment (ISO 14001:2004 “Environmental management systems. Requirements”), safety (OHSAS 18001: 2007, “Management systems, occupational health and safety. Requirements”).

As certification body acted the company “SGS East Ltd” CJSC a part of SGS group of companies, a world leader in inspection, testing and certification.

Auditors from “SGS East Ltd” CJSC stated the Company demonstrates the ability of an integrated management system to systematically achieve the set of requirements for the services, policies and objectives.

“IDGC of the South” JSC is recognized as a company with the advanced practice of corporate governance, the Consortium of the Russian Institute of Directors and the rating agency “Expert RA” confirmed the level of national corporate governance rating of the Company 6 +.

This class rating indicates that the “IDGC of the South” JSC has a low risk of corporate governance. The Company complies with the requirements of Russian legislation on corporate governance, should be most of the recommendations of the Russian Corporate Conduct Code, and some of the recommendations of the international best practice corporate governance

3.1.4. Contact Information

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

Telephone: (861)279-88-08

Fax: (861)279-88-09

E-mail: office@mrsk-yuga.ru

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

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

Location of the division: Room 325, 2nd Krasnodarskaya str., Rostov-on-Don, Russia

Telephone: (861)279-85-38

Fax: (861)279-85-54

E-mail: pavlovaen@mrsk-yuga.ru

3.1.5. Taxpayer Identification Number

6164266561

3.1.6. Branches and Regional Offices of the Issuer

Branches and regional offices of the Issuer according to Its Charter (constitutive

documents):

Full branch name: “Volgogradenergo” branch of “IDGC of the South” JSC

Location: 15 Lenin prospect, Volgograd, 400066

Opening date: 31.03.2008

Branch (office) manager

Full name: Kalenyuk Egor Vladimirovich

Term of warrant: 31.12.2013

Full branch name: “Astrakhanenergo” branch of “IDGC of the South”, JSC

Location: 32 Krasnaya Naberezhnaya st., Astrakhan, 414000

Opening date: 31.03.2008

Branch (office) manager

Full name: Goncharov Pavel Viktorovich

On 25.03.2013 Goncharov P.V. was appointed other position; until the Board of Director makes a decision Alaev Timur Ulyumdzhevich shall temporary performs function of director of “Astrakhanenergo” branch of “IDGC of the South”, JSC without leaving his principal post.

Term of warrant: 31.12.2013

Full branch name: “Kalmenergo” branch of “IDGC of the South”, JSC

Location: Northern industrial area, Elista, Republic of Kalmykia, 358007

Opening date: 31.03.2008

Branch (office) manager

Full name: Alayev Timur Ulumdzhevich

Term of warrant: 31.12.2013

Full branch name: “Rostovenergo” branch of “IDGC of the South”, JSC

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

Opening date: 31.03.2008

Branch (office) manager

Full name: Fyodorov Nikolay Vladimirovich

Term of warrant: 31.12.2013

Full branch name: “Kubanenergo” branch of “IDGC of the South”, JSC

Location: 2 Stavropolskaya st., Krasnodar, 350033

Pestov Dmitry Vladimirovich

Opening date: 14.04.2008

Branch (office) manager

Full name: Yaschenko Aleksey Mikhailovich, acting director

Term of warrant: 31.12.2013

3.2. Ordinary Economic Activity of the Issuer

3.2.1. Company's Industry of the Issuer

OKVED codes
40.10.2
40.10.3
40.10.5
74.14
74.15.2
64.20.11

3.2.2. Principal Business Activity of the Issuer

Types of business activity (types of activity, types of goods (works, services)), providing not less than 10% of the Issuer's proceeds (income) for the accounting period

In items of thousand rbs

Type of activity: Electricity transmission in grids

Indicator	2011	2012
Volume of proceeds (income) of the type of business activity	22 688 104	21 362 644
Share of proceeds volume in the type of activity related to the total volume of the proceeds (income) of the Issuer, %	93.2	91

Indicator	3 months of 2012	3 months of 2013
Volume of proceeds (income) of the type of business activity	6 276 799	6 330 271
Share of proceeds volume in the type of activity related to the total volume of the proceeds (income) of the Issuer, %	97.3	98.4

Change of proceeds volume of the Issuer from its principal business activity accounts for 10% in comparison with the correspondent reported period of the previous year which resulted from the following: changes did not occur

Data on Electricity Transmission Tariffs and Charge for Technical Connection to Distribution Grids

In 2013 uniform (“boiler”) method of making rate of transport services is in force in the territory of all RF entities within liability area of “IDGC of the South” JSC. A peculiarity of the method is in the fact that electricity is transmitted to absolutely all consumers of one and the same voltage class as per uniform tariff, irrespective of the type of company the grid of which they are connected to.

Thus, pursuant to Resolution of the RF Government dated December 29, 2011 No. 1178 the single (boiler) tariffs for the transmission of electrical energy in 2012 are set by semester, with periods:

from 1 January 2013 to June 30, 2013;

July 1, 2013 December 31, 2013.

“Astrakhanenergo” Branch of “IDGC of the South” JSC

“Boiler” model acting in the region – “upper boiler”. The holder of the “boiler” is “Astrakhanenergo” branch “IDGC of the South” JSC. “Astrakhanenergo” branch of “IDGC of the South” JSC brings under control the whole grid Indispensable Gross Receipt of the four power selling companies (hereinafter – PSC) of the region as per “boiler” tariffs and pays traffic through local grid organizations’ grids (hereinafter – LGO) as per individual tariffs. All the consumers of transport services pay “Astrakhanenergo” branch of “IDGC of the South” JSC as per flat-rate tariffs.

“Boiler” tariffs for 2012 are calculated by return on invested capital method (RAB method) and determined by the Decree of Tariff Service of Astrakhan region No. 1 dd. 31.12.2011.

“Volgogradenergo” Branch of “IDGC of the South” JSC

In 2013 “mixed boiler” pattern of settling was introduced in the region, “Volgogradenergo” branch of “IDGC of the South” JSC being the boiler holder. “Volgogradenergo” branch of “IDGC of the South” JSC receives revenue from transport service consumers as per boiler and flat-rate tariffs (from “Volgogradoblelektro” JSC, “Volgograd Interdistrict Electric Grids” Municipal Unitary Manufacturing Enterprise, “Volzhskie Interdistrict Electric Grids” Municipal Fiscal Enterprise). Transport service consumers pay “Volgogradenergo” branch of “IDGC of the South” JSC as per two-part tariffs and flat-rate tariffs.

“Boiler” tariffs for 2013 are calculated by long-term indexation method and approved by Resolution of Regional Tariffs Service of Volgograd region No. 36/10 dd. 26.12.2012. Individual tariffs for mutual settlement of accounts between “Volgogradenergo” branch of “IDGC of the South” JSC and “Volgogradoblelektro” JSC, “Volgograd Inter-District Electric Grids” Municipal Unitary Manufacturing Enterprise, “Volzhskie Inter-District Electric Grids” Municipal Fiscal Enterprise are approved by Resolution of Regional Tariffs Service No.36/10 dd. 26.12.2012.

Kalmenergo” Branch of “IDGC of the South” JSC

“Boiler from Below” pattern of settling is used in the region. “Kalmenergo” branch of “IDGC of the South” JSC makes up its revenue according to “boiler” tariffs for productive supply of consumers of “Kalmenergosbyt” JSC connected to grids of “Kalmenergo” branch of “IDGC of the South” JSC and at residential rates of output of the grid of “Kalmenergo” branch of “IDGC of the South” JSC to grids of Territorial Grid Companies. Transport service consumers settle with “Kalmenergo” branch of “IDGC of the South” JSC as per flat-rate tariffs.

“Boiler” tariffs and residential rates for 2013 have been calculated by return on invested capital method (RAB method) and are approved by Order of Regional Tariffs Service of Republic of Kalmykia No. 8/п/э dated 06.02.2012.

Necessary gross income for 2012-2017 is formed by method of RAB.

“Rostovenergo” branch of “IDGC of the South” JSC

“Two Boilers” pattern of settling is used in the region. There are two big grid companies in the region which are “boiler” holders: “Rostovenergo” branch of “IDGC of the South” JSC and “Donenergo” JSC. “Rostovenergo” branch of “IDGC of the South” JSC collects its share of the grid “boiler” from all Power Supply Companies as per “boiler” tariffs and at residential rates - from “Donenergo” JSC. The company shares part of its grid receipt with its subordinate Territorial Grid Companies at residential rates. “Donenergo” JSC collects its share of the grid boiler from “Donenergosbyt” LLC, “Energosbyt Rostovenergo” JSC as per boiler tariffs and shares the revenue with “Rostovenergo” branch of “IDGC of the South” JSC and the subordinate Territorial Grid Companies at residential rates. Transport service consumers settle with “Rostovenergo” branch of “IDGC of the South” JSC as per two-part tariffs and flat-rate tariffs.

“Boiler” tariffs for 2013 were calculated by return on invested capital method (RAB method) and approved by Resolution of Regional Tariffs Service of Rostov region No. 55/7 dated 27.12.2012.

Residential rates for settling between “Rostovenergo” branch of “IDGC of the South” JSC and “Donenergo” JSC are approved by Resolution of Regional Tariffs Service of Rostov region No. 55/8 dated 27.12.2012.

Necessary gross income for 2012-2017 is formed by method of RAB.

Transmission Tariff Menu for the period of January 1, 2013 to June 30, 2013

Unified (Boiler) Transport Service Tariffs for 01.06.2013-30.06.2013			
No., date of tariff design/consumer group	Two-part tariff		Flat-rate tariff (rbs/MW*h)
	Rate of electric grid maintenance (rbs/MWmonth)	Rate of payment for electric energy losses in grids (rbs/MW*h)	

"IDGC of the South" JSC					
"Astrakhanenergo"					
1	Resolution of tariffs service of Astrakhan region No. 273 dd. 17.12.2012 (source of publication: "Collection of Laws and Regulatory Legal Acts of Astrakhan Region", No. 56 dd. 20.12.2012)	HV	188 597,22	407,80	680,12
		MV1	246 590,80	394,28	883,03
		MV2	524 698,54	314,51	1 421,33
		LV	787 027,09	622,35	2 012,91
		population	—	—	1 272,69
"Volgogradenergo"					
2	Order of Regional Tariffs Board at Administration of Volgograd region dd 26.12.2012 No.36/10 (published at "Volgogradskaya pravda" newspaper, No. 247, 29.12.2012)	other consumers			
		HV	640 042,55	63,58	923,58
		MV1	780 482,06	112,25	1 285,14
		MV2	1 055 370,15	244,90	2 123,52
		LV	1 062 712,66	802,94	3 235,28
		Urban	—	—	975,87
		consumers equated as population	—	—	975,87
		Rural	—	—	297,90
Urban population with electric hot plate	—	—	297,90		
"Kalmenergo"					
3	Order of Regional Tariffs Service at Kalmykiya Republic dd 25.12.2012 No.143-п/э (published at "Khalmg Unn" newspaper No.29 (16637), 20.02.2013)	other consumers			
		HV	724 412,67	114,05	1 939,54
		MV1	940 114,61	225,39	2 594,44
		MV2	1 138 214,10	360,05	2 749,84
		LV	1 391 618,35	544,57	3 505,71
		Urban population consumers equated as population	—	—	1 673,098
urban and rural population with electric hot plate	—	—	876,488		
"Rostovenergo"					
4	Order of Regional Tariffs Service at Rostov region dd 27.12.2012 No. 55/7	Other consumers			
		HV	546 869,10	697,46	1 664,20
		MV1	576 742,60	767,17	1 828,99
MV2	841 850,10	801,78	1 842,08		

(published at "Nashe Vremya" newspaper dated 29.12.2012 No.788-794.)	LV	1 090 599,20	809,32	2 330,07
	population	—	—	1 348,54

Residential Transport Service Rates for Mutual Settlements between Regional Distribution Companies and Allied Grid Companies for the period of 01.01.2013-30.06.2013

No.	No. and date of tariff design adoption	Name of entity	Two-part tariff		Flat-rate tariff
			Rate of maintenance	Rate of electric energy losses payment	
			rbs/MWmo	rbs/MWh	Rbs/MWh
"IDGC of the South" JSC					
"Volgogradenergo"					
1	Resolution of Regional Tariffs Department at Administration of Volgograd region No 36/11 dated 26.12.2012 "Volgogradskaya Pravda" No. 247 dated 29.12.2012)	"Volgogradoblectro" JSC	0,00	99,79	99,79
		"Volgograd Interdistrict Electric Grids" Municipal Unitary Operational Enterprise	202 368,19	183,45	703,11
		"Volzhskie Interdistrict Electric Grids" Municipal Fiscal Enterprise	121 883,43	334,82	541,61
		"Oboronenergo" LLC	838 850,26	563,59	2 474,51
		Branch of "VgAz" JSC "SUAL"	840 898,70	59,37	1393,93
"Kalmenergo"					
2	Order of Regional Tariffs Service of Kalmykia Republic No.143 п/э dated 25.12.2012 №143-п/э (published in "Khalmg Ynn" newspaper No 29 dd 20.02.2013 (16637)	"KalmEnergoKom" JSC	453 164,852	219,452	1 283,252
		"Multi-Industry Production Association of Communal Services at Iki-Burulsky Rural Municipality of Republic of Kalmykia" Municipal Unitary Enterprise	248 809,072	335,037	946,346
		"Gazpromenergo" LLC	914 406,221	327,230	2 431,063
		"RZhD" JSC	323 827,860	174,984	993,780
"Rostovenergo"					

3	Resolution of Regional Tariffs Service of Rostov Region No.55/8 dated 27.12.2012 ("Nashe Vremya" no.788-794 dd 27.12.2012)	"Donenergo" JSC	78 011,960	0,187	158,868
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Technological Connection Tariff Menu for 2013 (from 01.01.2013)

Date of tariff adoption	Connection category		In items of	Payment rate (VAT excluded)
	Power range, kW/conductor type/transformer capacity	Connection point voltage level, kV		
"Volgogradenergo" branch of "IDGC of the South" JSC				
Resolution of Regional Tariffs Department of Volgograd Region No. 36/11 dated 26.12.2012 ("Volgogradskaya Pravda" No. 247 dated 29.12.2012) in revision dated 13.03.2013 No.12/2 ("Volgogradskaya Pravda" No. 48, 20.03.2013, No.53, 27.03.2013)	Standard tariff rates for technological connection			
	Standard tariff rate for covering losses for technological connection of energy receiving devices of consumers, electric grid facilities owned by grid organizations and other persons/entities, on activities specified in paragraph 16 of Recommendations on fixing the rate for technological connection to electric grids, approved by order of Federal Tariff Service of Russia No. 209-9/1 dated September 11 2012 (except subparagraphs "b" and "c"):			
	under 100 kW	0,4	rbs/kW	337,21
	above 100 kW	0,4	rbs/kW	87,88
	under 100 kW	6-10	rbs/kW	337,21
	above 100 kW	6-10	rbs/kW	87,88
	Standard tariff rate for covering costs of the grid company on construction of power lines (prices of 2001):			
	Power lines	0,4	rubles/km	187 663,04
	Overhead power lines with insulate conductor	0,4	rubles/km	180 621,22
	Power lines	6-10	rubles/km	399 508,92
	Overhead power lines with insulate conductor	6-10	rubles/km	229 988,05
	Standard tariff rate for covering costs of the grid company on construction of cable power lines (prices of 2001):			
	-	0,4	rubles/km	368 490,99
	-	6-10	rubles/km	694 314,85
	Standard tariff rate for covering costs of the grid company on construction of substations (prices of 2001):			
	63 kVA	6-10	rubles/kW	660,66
	100 kVA	6-10	rubles/kW	558,90
160 kVA	6-10	rubles/kW	489,91	
250 kVA	6-10	rubles/kW	423,97	

	400 kVA	6-10	rubles/kW	421,63	
	630 kVA	6-10	rubles/kW	408,16	
	2*400 kVA	6-10	rubles/kW	513,93	
	2*630 kVA	6-10	rubles/kW	474,38	
	2*1000 kVA	6-10	rubles/kW	519,18	
	2*1250 kVA	6-10	rubles/kW	373,95	
“Kalmenergo” branch of “IDGC of the South” JSC					
<p>Order of RTS of Kalmykia Republic dated 25.12.2012 No.146-п/э (published at official webpage of RTS on 27.12.2012, in newspaper “Khalmg Unn” on 29.12.2012 No.238 (16608)) with regard of amendments (Order of RTS of Kalmykia Republic dated 06.02.2013r No.9-п/э – published at official webpage of RTS on 06.02.2013, in newspaper “Khalmg Unn” on 20.02.2013 No.29(16637))</p>	Standard tariff rates for technological connection				
	Standard tariff rate for covering expenses on technological connection of energy receiving devices, facilities owned by grid organizations or other entities, on events specified in paragraph 16 of Recommendations on fixing the payment for technological connection to electric grids, approved by order of FTS of Russia on September 11, 2012 No. 209-э/1 (except subparagraphs b and c) (in current prices):				
	Up to 15 kW inclusive	0,4	6-20	rubles/kW	575,94
		6-20			
	from 15 to 150 kW	0,4	6-20	rubles/kW	575,94
		6-20			
	from 150 to 670 kW	0,4	6-20	rubles/kW	575,94
		6-20			
	Standard tariff rate for covering expenses on construction of overhead power lines (in prices of 2001):				
	Up to 15 kW inclusive	0,4	6-20	rubles/km	200 577,50
		6-20			228 672,50
	from 15 to 150 kW	0,4	6-20	rubles/km	200 577,50
		6-20			228 672,50
	from 150 to 670 kW	0,4	6-20	rubles/km	200 577,50
		6-20			228 672,50
	Standard tariff rate for covering expenses on construction of substations (in prices of 2001):				
	Up to 15 kW inclusive	0,4	6-20	rubles/km	11 140,04
		6-20			
	from 15 to 150 kW	0,4	6-20	rubles/km	3 429,80
		6-20			
Up to 15 kW inclusive	0,4	6-20	rubles/km	2 387,15	
	6-20				
Rates for unit of peak power for technological connection (in current prices), including:					
Preparation and provision of technical specifications to the applicant					
from 15 to 150 kW	0,4	6-20	rubles/kW	281,12	
	6-20			459,52	
from 150 to 670 kW	0,4		rubles/kW	97,72	

	6-20		49,16
Work out of detailed design on construction of last mile			
-	-	rubles/kW	-
Activities on construction of the last mile			
3.1. Construction of overhead lines			
from 15 to 150 kW	0,4	rubles/kW	3 392,52
	6-20		5 044,87
from 150 to 670 kW	0,4	rubles/kW	-
	6-20		-
3.2. Construction of cable lines			
-	-	rubles/kW	-
3.3. Construction of switches of sectioning			
-	-	rubles/kW	-
3.4. Construction of package transformer substations, distribution transformer substations with voltage level up to 35kV			
from 15 to 150 kW	0,4	rubles/kW	196,78
	6-20		-
from 150 to 670 kW	0,4	rubles/kW	-
	6-20		-
3.5. Construction of feeding centres, substations of 35kV and higher			
-	-	rubles/kW	-
Check by the grid company the implementation by the Applicant of the technical specifications			
from 15 to 150 kW	0,4	rubles/kW	229,55
	6-20		342,20
from 150 to 670 kW	0,4	rubles/kW	62,59
	6-20		32,97
Participation in inspection of Rostekhnadzor of connected devices of the Applicant			
from 15 to 150 kW	0,4	rubles/kW	-
	6-20		-
from 150 to 670 kW	0,4	rubles/kW	-
	6-20		-
Activities on connection and ensuring the operation of the devices			
from 15 to 150 kW	0,4	rubles/kW	299,66
	6-20		537,51
from 150 to 670 kW	0,4	rubles/kW	82,58
	6-20		58,53
Applicant for technological connection – legal entity – non-profit partnership for provision with electric energy to members of this partnership, calculated by common	-	For connection	N*466,1

	meter at input, with condition of connection each member of the organization for maximum 15kW			
	Applicant filing application for technological connection of energy receiving devices with maximum capacity, non-exceeding 15 kW inclusive, on condition that the distance from napplicant to facilities of grid complex does not exceed 300 meters in urban settlements and 500 meters in rural settlements			466,1
“Rostovenergo” branch of “IDGC of the South” JSC				
Resolution of Regional Tariffs Service of Rostov Region No. 55/1 dated 27.12.2012 (source publication newspaper “Nashe vremya” 788-794 (21444-21450), 29.12.2012)	Standard tariff rates of payment for technological connection			
	Rate of covering expenses of technological connection exclusive of construction and overhaul of electric grid facilities and design documentation (in current prices):			
	total, including:	-	rubles/kW	821,95
	preparing technical requirements by grid company and approving them by system operator	-	rubles/kW	337,56
	grid company’s verification of meeting technical requirements by the applicant.	-	rubles/kW	210,84
	Participation of the grid company in checking up devices under the connection by an official of federal executive body in charge of technological supervision, involving owner of the devices	-	rubles/kW	-
	Actual connection of the applicant’s facilities to electric grids and switching device by the grid company	-	rubles/kW	273,54
	Rate of covering expenses of grid company in the part of expenditures for construction of overhead lines at i-level of voltage (prices of 2001):			

-	Low voltage	rubles/km	290 532,31
	Medium voltage 2		457 243,61
Rate of covering expenses of grid company in the part of expenditures for construction and overhaul of cable power lines at i-level of voltage (prices of 2001):			
-	Low voltage	rubles/km	291 225,00
	Medium voltage 2		764 360,92
Rate of covering expenses of grid company for construction of substations (prices of 2001), including:			
Construction of sectioning switches, electrical distribution points, switchgears, switching equipment (cubicles, chutes, panels and circuit breakers)	Low voltage	rubles/kW	-
	Medium voltage 2		273,75
Construction of package transformer substations, Distribution Transformer Substations of under 35 kV voltage	Low voltage	rubles/kW	820,00
	Medium voltage 2		-
Construction of feeding centres, substation of 35kV and higher	Low voltage	rubles/kW	-
	Medium voltage 2		1 508,21
Rates for unit of peak capacity for technological connection			
Rate for unit of peak capacity for organizational activities except construction of "last mile" and working out of detailed design (in current prices):			
Rate, total, including	-	rubles/kW	821,95
preparing technical requirements by grid company and approving them by system operator	-	rubles/kW	337,56
grid company's verification of meeting technical requirements by the applicant.	-	rubles/kW	210,84
Participation of the grid company in checking up devices under the connection by an official of federal executive body in charge of	-	rubles/kW	-

	technological supervision, involving owner of the devices			
	Actual connection of the applicant's facilities to electric grids and switching device by the grid company	-	rubles/kW	273,54
Rate on activities on last mile, construction of overhead lines (in prices of 2001)				
-	Low voltage	Py6./ кВт	1 500,94	
	Medium voltage 2		3 104,28	
Rate on activities on last mile, construction of cable lines (in prices of 2001)				
-	Low voltage	rubles/kW	-	
	Medium voltage 2		7 800,32	
Rate for item of max capacity for activities on construction of switches of sectioning, package transformer substations, distribution transformer substations of 35kV and higher (in prices of 2001):				
Rate for construction of switches of sectioning (recloser, distribution units, switch units)	Low voltage	rubles/kW	-	
	Medium voltage 2		273,75	
Construction of package transformer substations, Distribution Transformer Substations of under 35 kV voltage	Low voltage	rubles/kW	820,00	
	Medium voltage 2			
Applicant for technological connection – legal entity – non-profit partnership for provision with electric energy to members of this partnership, calculated by common meter at input, with condition of connection each member of the organization for maximum 15kW	-	For connection	N*466,1	
Applicant filing application for technological connection of energy receiving devices with maximum capacity, non-exceeding 15 kW inclusive, on condition that the distance from applicant to facilities of grid complex does not			466,1	

	exceed 300 meters in urban settlements and 500 meters in rural settlements			
“Astrakhanenergo” branch of “IDGC of the South” JSC				
Order of regional tariff service (RTS) of Astrakhan region dated 28.12.2012 No.286 (published at official webpage of tariff service of Astrakhan region, "Laws and legal documents of Astrakhan region" No.1, 10.01.2013)	Standard tariff rate for covering expenses on technological connection, grid facilities owned by grid companies and other entities, construction and modernization expenditures are not included (in current prices)			
	Up to 15 kW inclusive, on condition that the distance from applicant to facilities of grid complex does not exceed 300 meters in urban settlements and 500 meters in rural settlements	Low voltage	rubles/kW	672,00
		Medium voltage 2		
	from 15 to 150 kW inclusive	Low voltage	rubles/kW	124,00
		Medium voltage 2		107,60
	from 150 to 670 kW inclusive	Low voltage	rubles/kW	24,3
		Medium voltage 2		21,65
	min 670 kW	Low voltage	rubles/kW	9,9
		Medium voltage 2		
	Standard tariff rate for covering expenses on construction and modernization of electric grid facilities at technological connection of energy receiving devices, for construction and modernization of electric grid complex during technological connection of energy receiving devices, facilities owned by grid organizations or other entities, in part of expenditures on construction and modernization of overhead lines of III category of reliability (in prices of 2001)			
	Up to 15 kW inclusive, on condition that the distance from applicant to facilities of grid complex does not exceed 300 meters in urban settlements and 500 meters in rural settlements	Low voltage	rubles/km	163 388
		Medium voltage 2	rubles/km	225 594
	from 15 to 150 kW inclusive	Low voltage	rubles/km	182 576
		Medium voltage 2	rubles/km	225 594
	from 150 to 670 kW inclusive	Low voltage	rubles/km	184 914*
Medium voltage 2		rubles/km	234 612	
min 670 kW	Low voltage	rubles/km	184 914*	
	Medium voltage 2	rubles/km	234 612*	
Standard tariff rate for covering expenses on construction and modernization of				

<p>electric grid facilities at technological connection of energy receiving devices, for construction and modernization of electric grid complex during technological connection of energy receiving devices, facilities owned by grid organizations or other entities, in part of expenditures on construction and modernization of cable lines of III category of reliability (in prices of 2001)</p>			
Up to 15 kW inclusive, on condition that the distance from applicant to facilities of grid complex does not exceed 300 meters in urban settlements and 500 meters in rural settlements	Low voltage	rubles/km	146 568
	Medium voltage 2	rubles/km	191 133
from 15 to 100 kW inclusive	Low voltage	rubles/km	150 377
	Medium voltage 2	rubles/km	203 721
from 100 to 670kW inclusive	Low voltage	rubles/km	201 977
	Medium voltage 2	rubles/km	214 664
min 670 kW (C3)	Low voltage	rubles/km	249 125**
	Medium voltage 2	rubles/km	488 055**
<p>Standard tariff rate for covering expenses on construction and modernization of electric grid facilities at technological connection of energy receiving devices, for construction and modernization of electric grid complex during technological connection of energy receiving devices, facilities owned by grid organizations or other entities, in part of expenditures on construction of substations for connection by III category of reliability (in prices of 2001)</p>			
Construction of one substation for applicants up to 15 kW inclusive, on condition that the distance from applicant to facilities of grid complex does not exceed 300 meters in urban settlements and 500 meters in rural settlements	Low voltage	rubles/kW	2 962,97
	Medium voltage 2		
Construction of one substation for applicants from 15 to 100 kW inclusive	Low voltage	rubles/kW	748,75
	Medium voltage 2		
Construction of one substation for applicants from 100 to 670 kW inclusive	Low voltage	rubles/kW	608,01
	Medium voltage 2		
Construction of one substation for applicants	Low voltage	rubles/kW	281,50

	on min 670 kW	Medium voltage 2		
	Construction of distribution unit for applicants on min 670kW	Low voltage	rubles/kW	701,35
		Medium voltage 2		
	Construction of one switch sectioning for connection of applicant from 15 to 150 kW inclusive	Low voltage	rubles/kW	2 165,97
		Medium voltage 2		
	Construction of one switch sectioning for connection of applicant from 150 and less than 670 kW	Low voltage	rubles/kW	379,49
		Medium voltage 2		
	Construction of one switch sectioning for connection of applicant of less than 670 kW	Low voltage	rubles/kW	129,42
		Medium voltage 2		
Rate for unit of max capacity for technological connection				
	For energy supply to consumer that needs energy capacity up to 15kW, on condition that the distance from applicant to facilities of grid complex does not exceed 300 meters in urban settlements and 500 meters in rural settlements	-	rubles/kW	671,52
	Preparation and provision of technical specifications	-	rubles/kW	246,75
	Working out by the grid company the project documentation on construction of last mile	-	rubles/kW	-
	Activities related to construction of last mile	-	rubles/kW	-
	Check by the grid company the implementation by the applicant of technical specifications	-	rubles/kW	133,68
	Participation of the grid company in checking up devices under the connection by an official of federal executive	-	rubles/kW	-

	body in charge of technological supervision, involving owner of the devices			
	Actual connection of the applicant's facilities to electric grids and switching device by the grid company	-	rubles/kW	291,09
	For energy supply to consumer that needs energy capacity from 15kW to 150 kW inclusive, as well as:	Low voltage	rubles/kW	123,67
		Medium voltage 2	rubles/kW	107,60
	Preparation and provision of technical specifications Working out by the grid company the project documentation on construction of last mile	Low voltage	rubles/kW	45,44
		Medium voltage 2	rubles/kW	39,54
	Activities related to construction of last mile	Low voltage	rubles/kW	-
		Medium voltage 2	rubles/kW	-
		Low voltage	rubles/kW	-
		Medium voltage 2	rubles/kW	-
	Check by the grid company the implementation by the applicant of technical specifications	Low voltage	rubles/kW	24,62
		Medium voltage 2	rubles/kW	21,42
	Participation of the grid company in checking up devices under the connection by an official of federal executive body in charge of technological supervision, involving owner of the devices	Low voltage	rubles/kW	-
		Medium voltage 2	rubles/kW	-
	Actual connection of the applicant's facilities to electric grids and switching device by the	Low voltage	rubles/kW	53,61
		Medium voltage 2	rubles/kW	46,64

	grid company			
	For energy supply to consumer that needs energy capacity from 150kW to 670 kW inclusive, as well as	Low voltage	rubles/kW	24,27
		Medium voltage 2	rubles/kW	21,65
	Preparation and provision of technical specifications	Low voltage	rubles/kW	8,22
		Medium voltage 2	rubles/kW	7,38
	Working out by the grid company the project documentation on construction of last mile	Low voltage	rubles/kW	-
		Medium voltage 2	rubles/kW	-
	Activities related to construction of last mile	Low voltage	rubles/kW	-
		Medium voltage 2	rubles/kW	-
	Check by the grid company the implementation by the applicant of technical specifications	Low voltage	rubles/kW	4,30
		Medium voltage 2	rubles/kW	3,82
	Participation in inspection of Rostekhnadzor	Low voltage	rubles/kW	2,39
		Medium voltage 2	rubles/kW	2,13
	Actual connection of the applicant's facilities to electric grids and switching device by the grid company	Low voltage	rubles/kW	9,36
		Medium voltage 2	rubles/kW	8,32
	For energy supply to consumer that needs energy capacity less than 670 kW, including:	-	rubles/kW	9,95
	Preparation and provision of technical specifications	-	rubles/kW	4,05
	Working out by the grid company the project documentation on construction of last mile	-	rubles/kW	-
	Activities related to construction of last mile	-	rubles/kW	-
	Check by the grid	-	rubles/kW	1,37

	company the implementation by the applicant of technical specifications			
	Participation in inspection of Rostekhnadzor	-	rubles/kW	1,53
	Actual connection of the applicant's facilities to electric grids and switching device by the grid company	-	rubles/kW	2,99
	Applicant for technological connection – legal entity – non-profit partnership for provision with electric energy members of this partnership/organization, paying by common meter, on condition that capacity is max 15kW		For connection	N*466,1
	Applicant for technological connection of energy receiving devices with max connection capacity 15kW inclusive 15, on condition that the distance from applicant to facilities of grid complex does not exceed 300 meters in urban settlements and 500 meters in rural settlements		For connection	466,1

Total capacity and specification for IDGC of the South assets (data on substations and power lines) as of 01.04.2013

Item	Unit of measurement	Total	Astrakhan energo	Volgograd energo	Kalme nergo	Rostovenergo
Amount and capacity of 35-220 kV substations, total	pieces	1 218	136	396	117	569
	MVA	18 511	2 140	6 581	1 112	8 678
including 220 kV substations	pieces	4	0	2	2	0
	MVA	516	0	126	390	0
110 kV substations	pieces	638	90	260	46	242
	MVA	14 727	1 777	5 660	512	6 779
35 kV substations	pieces	576	46	134	69	327
	MVA	3269	364	795	210	1 899
Length of overhead lines, total	km	155 893	19 069	44 937	19 319	72 825

Length of 35-220 kV overhead lines	km	27 733	3 023	8 976	4 156	11 578
including 220 kV overhead lines	km	386	0	141	245	0
110 kV overhead lines	km	15 696	2 354	5 995	1 958	5390
35 kV overhead lines	km	11 651	669	2 840	1 954	6 188
Length of 0.38-10 kV overhead lines	km	128 160	16 046	35 705	15 162	61 247
including 10 kV overhead lines	km	72 340	9 266	20947	12 002	30 126
6 kV overhead lines	km	3845	1 103	900	24	1 818
0,38 kV overhead lines	km	51 975	5 678	13 857	3 137	29 303
Length of cable lines, total	km	2071	1 136	422	1	512
including 110-35 kV cable lines	km	89	2		0	87
10-0.38 kV cable lines	km	1982	1 134	422	1	426
Amount and capacity of transformer substations , distribution substations 6.10/0.38 kV	pieces	30446	3 452	9 973	3 206	13 815
	MVA	5334	919	1 940	367	2107

Data on energy transmission

Branch names of "IDGC of the South", JSC	Grid output	Productive supply	General power loss	
	kWh in thousands	kWh in mln	kWh in mln	%
1st quarter of 2013				
"Astrakhanenergo"	1 086,1	823,1	263,0	24,21
"Volgogradenergo"	3 119,9	2 797,7	322,2	10,33
"Kalmenergo"	133,2	104,7	28,4	21,35
"Rostovenergo"	3 844,5	3 402,7	441,8	11,49
TOTAL in "IDGC of the South", JSC	8 183,6	7 128,2	1 055,4	12,90

Note: Grid output – electric power volume delivered to the electric grid of the grid company delivered from other grids or electric power producers; productive supply - electric power volume consumed by power receivers of the User connected to this grid along with electric power transmitted by other grid companies; power loss – difference between power grid output and productive supply.

By the results of IDGC of the South activity in the 1st quarter of 2013 the grid output was 8 183.6 million kW*h, where the productive supply was 7 128.2 million kW*h. Actual losses in the 1st quarter of 2013 were 1 055.4 million kW*h or 12.90%.

Services rendered

Indicator	Measurement units	plan	actual	Deviations, %
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1 st quarter of 2013				
Services performed, including:	mln kWh	7 498,5	7 051,2	-6,0
“Astrakhanenergo”	mln kWh	880,0	817,0	-7,2
“Volgogradenergo”	mln kWh	2 897,9	2 773,1	-4,3
“Kalmenergo”	mln kWh	110,2	104,7	-5,0
“Rostovenergo”	mln kWh	3 610,4	3 356,4	-7,0
Revenue, including:	mln rbs	6 590,9	6 330,3	-4,0
“Astrakhanenergo”	mln rbs	1 028,5	923,4	-10,2
“Volgogradenergo”	mln rbs	2 148,7	2 237,8	4,1
“Kalmenergo”	mln rbs	166,9	160,9	-3,6
“Rostovenergo”	mln rbs	3 246,8	3 008,2	-7,3

Actual volume of rendered services on transmission of electric energy amounted to 7 051.2 million kW*h in the 1st quarter of 2013, which is 447.35 million kW*h or 6% less than the planned indicator. Revenue from the rendered services was – 6 330.3 million rubles, VAT excluded. Reduce in revenue in the 1st quarter of 2013 by 260.6 million rubles or 4% is explained by decrease of grid output to grid of the branches.

Data on Technological Connection of Consumers to Electric Grids (Inclusive of Generation)

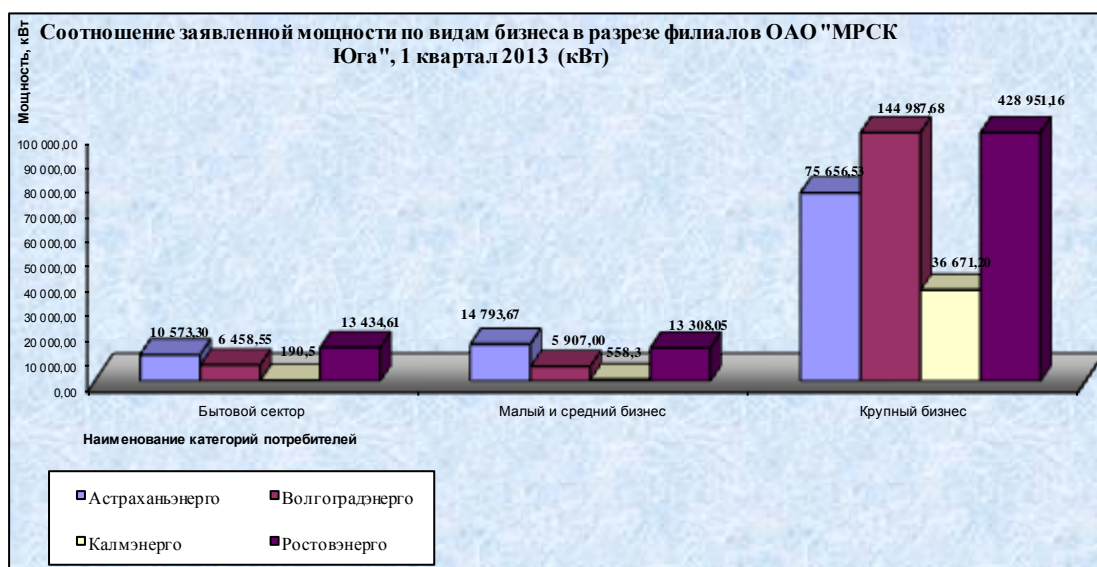
In the first quarter of 2013 there were 5 293 applications for technological connection. Consumers applied for technological connection to electric grids of branches of “IDGC of the South”, JSC: “Astrakhanenergo”, “Volgogradenergo”, “Rostovenergo” and “Kalmenergo”. The total power applied for amounted to 751 490.55 kW. There were 2 949 contracts for technological connection concluded; total power of the contracts amounted to 94 842.09 kW.

There were 2 953 connections made; total power of them equaled 73 444.65 kW.

Branches of IDGC of the South JSC	Applications accepted, pcs.	Total power, kW	Contracts concluded, pcs	Total power, kW	Connections made	Total power, kW
Astrakhanenergo	2 054	101 023,50	1 143	23 053,16	775	12 080,15
Volgogradenergo	964	157 353,23	587	33 727,20	414	14 148,40
Kalmenergo	88	37 420,00	54	468,40	52	1 005,02
Rostovenergo	2 187	455 693,82	1 165	37 593,33	1 712	46 211,08
TOTAL in IDGC of the South JSC	5 293	751 490,55	2 949	94 842,09	2 953	73 444,65

Structure of Applications in Terms of Business Types

Consumer category type	Amount of applications for technological connection (in process)									
	Astrakhanenergo		Volgogradenergo		Kalmenergo		Rostovenergo		IDGC of the South JSC	
	pcs	total power applied for (N), kW	pcs	total power applied for (N), kW	pcs	total power applied for (N), kW	pcs	total power applied for (N), kW	pcs	total power applied for (N), kW
Domestic household	1 410	10 573,30	563	6 458,55	36	190,50	1 226	13 434,61	3 235	30 656,96
Small and medium enterprises	564	14 793,67	264	5 907,00	48	558,30	572	13 308,05	1 448	34 567,02
Large scale business	80	75 656,53	137	144 987,68	4	36 671,20	389	428 951,16	610	686 266,57
TOTAL	2 054	101 023,50	964	157 353,23	88	37 420,00	2 187	455 693,82	5 293	751 490,55



Quarterly Operation and Financial Results Forecast

Repair-and-maintenance programmes of branches of “IDGC of the South”, JSC shall be implemented according to approved work plans and schedules for the 1st quarter of 2013.

According to business-plan for the 1st quarter of 2013, the following costs are planned for repair activities:

Branches of “IDGC of the	repair of own property, total,	Incl. overhaul, rubles in	Including current repair,
--------------------------	--------------------------------	---------------------------	---------------------------

South”, JSC	thous. rbs	thousands	thous. rbs
“Astrakhanenergo”	34 653	28 744	5 909
“Volgogradenergo”	32 619	24 675	7 944
“Kalmenergo”	16 835	15 690	1 145
“Rostovenergo”	11 248	5 516	5 732
“IDGC of the South”, JSC, total	95 355	74 625	20 730

Seasonal Character of the Issuer’s Principal Economic Activity

Principal economic activity of the Issuer is not regarded as seasonal.

General Structure of the Issuer’s Expenses

Indicator	2012	3 months of 2013.
Store,%	4.04	1.84
Purchased components and intermediates, %	0	0
Works and production, maintenance and delivery services performed by external agencies, %	35.1	31.73
Fuel, %	0.98	0.75
Power, %	21.32	30.01
Labour costs, %	17.82	16.56
Interest on credits, %	7.7	7.74
Quasi rent, %	0.45	0.32
Fringe benefit expenses,%	5.17	4.99
Capital consumption,%	11.25	10.7
Taxes released to production costs,%	0.58	0.75
Miscellaneous expenses (to be accounted for)		
Intangible assets depreciation, %	0	0
remuneration for rationalization proposal, %	1.94	1.34
Obligatory insurance paymentes, %	0.54	0.46
hospitality expenditures, %	1.79	1.3
other, %		
Costs of production and selling (of works, services) (self-cost), %	100	100
For reference only: product (works, service) proceeding, %	111.44	107.84

New Essential Types of Products (Works, Services), Offered by the Issuer on its Principal Activity Market to the Extent Matching Common Information Concerning such Products (Works and Services): New essential types of products (works, services) are absent.

Standards (Regulations) for the Financial Statements to Comply with and Settlements covered by this item of the quarterly report to be Performed

- Federal Law “On Accounting” No. 129-Φ3 dd. November 21, 1996 ;
- Regulation on Accounting Records and Preparation of Accounting Statements of Russian Federation, approved by Order of Russian Ministry of Finance No. 34H dated 29.07.1998;
- Tax Code of the Russian Federation;
- Chart of Accounts, approved by Order of Russian Ministry of Finance No. 94H dd. 31.10.2000 and Its Application Sheet as amended;
- Order of Russian Ministry of Finance “On Forms of Financial Statements in Organizations” No. 66H dated 22.07.2010;
- Accounting and Taxation Standard

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

2012

Full company name: **Closed joint stock company Novelties and business in power industry”**

Location: **1 Zavodskaya str., Yuzhnouralsk, Chelyabinskaya oblast., 457040**

TIN: **7424022191**

PSRN: **1057436009531**

Part in the total volume of supplies, %: **20.5**

Data on Change in Prices for More than 10% of Basic Materials and Goods (Raw Materials) during the Accounting Period as Compared with Corresponding Accounting Period of the Previous Year:

	Goods	Change in price (in %)	notes
1	Circuit-breakers	10,00%	increase
2	Cable fittings	17,74%	increase
3	Cabling and wiring	17,4%	increase
4	Fittings for self-supporting insulated wire	32,28%	increase
5	Varnish-and-paint products	18,60%	increase
6	Overhead line hardware	33,58%	increase
7	Protection devices	14,48%	reduce
8	Insulators	52,0%	increase
9	Network reinforced concrete	12,7%	increase

Share of import in materials and goods supply, import sources availability forecast and potential alternative sources: There is no import supply.

3 months of 2013

Suppliers of the Issuer sharing not less than 10% of all the materials and goods (raw materials) supplied:

Full company name: **Closed joint stock company Novelties and business in power industry”**

Location: **1 Zavodskaya str., Yuzhnouralsk, Chelyabinskaya oblast., 457040**

TIN: **7424022191**

PSRN: **1057436009531**

Part in the total volume of supplies, %: **26.33**

Data on Change in Prices for More than 10% of Basic Materials and Goods (Raw Materials) during the Accounting Period as Compared with Corresponding Accounting Period of the Previous Year: no changes occurred

Share of import in materials and goods supply, import sources availability forecast and potential alternative sources:

There is no import supply.

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

Basic Markets of the Issuer’s Operation:

“IDGC of the South” JSC brings together distribution grid complexes of 4 constituent entities of the Russian Federation: Republic of Kalmykia, Astrakhan region, Volgograd region and Rostov region.

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

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

Electric power transmission services provided by the branches of “IDGC of the South”, JSC are consumed by participants of wholesale and retail electric power markets. According to accounting data of quarter I of 2013, eight guarantee suppliers, 25 independent power supply companies, 348 “direct” consumers and 68 territorial grid entities were registered.

Share of market of services of energy transmission to end-users of IDGC of the South grids in the 1st quarter of 2013

Branch of "IDGC of the South", JSC	Share of market, %
"Astrakhanenergo"	95.7%
"Volgogradenergo"	43.2%
"Kalmenergo"	46.1%
"Rostovenergo"	26.7%
"IDGC of the South", JSC, total	41.5%

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

As part of the issuer's services on electricity transmission there might be reduction in the amount of such services by reducing the energy consumption of existing enterprises (manufacturing recession).

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

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

3.2.5. Data on the Issuer' Licenses

License issuing authority: Subsurface Management Department in Volgograd region

License number: **БЛГ № 01548 БЭ**

Type of activity (activities): Abstraction of underground water for domestic and industrial needs, watering planted land of Voroshilovskiy district

Date of issue: **05.05.1993**

Valid until: **01.01.2032**

License issuing authority: Subsurface Management Department in Volgograd region

License number: **БЛГ № 01550 БЭ**

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

Date of issue: **26.05.2008**

Valid until: **01.01.2034**

License issuing authority: Volgograd Area Office for Subsurface Use

License number: **БЛГ № 01540 БЭ**

Type of activity (activities): Extraction of underground water for domestic and industrial needs, irrigation of green spaces at Log worker's settlement, Ilovliyskiy district Date of issue: **16.05.2008**

Valid until: **01.01.2033**

License issuing authority: Volgograd Area Office for Subsurface Use

License number: **БЖГ No. 01549 БЭ**

License number: **БЖГ № 01550 БЭ**

Type of activity (activities): Abstraction of underground water for domestic and industrial needs

Date of issue: **26.05.2008**

Valid until: **01.01.2034**

License issuing authority: Volgograd Area Office for Subsurface Use

License number: **БЖГ No. 02041 БЭ**

Type of activity (activities): Extraction of technical groundwater

Date of issue: **06.03.2013**

Valid until: **24.01.2018**

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

License number: **PCT 01952**

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

Date of issue: **29.12.2008**

Valid until: **28.12.2013**

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

License number: **PCT 02227 БЭ**

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

Date of issue: **05.10.2010**

Valid until: **04.10.2030**

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

License number: **PCT 02228 БЭ**

Type of activity (activities): Extraction of technical groundwater for process water supply of the industrial facility from the hole in Volgodonsk, Rostov region

Date of issue: **05.10.2010**

Valid until: **04.10.2030**

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

License number: **PCT 02327 BЭ**

Type of activity (activities): Extraction of technical groundwater for process water supply of the industrial facility from the hole in Bolshaya Martynovka village, Martynovskiy district

Date of issue: **21.01.2011**

Valid until: **20.01.2031**

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

License number: **PCT 02414 BЭ**

Type of activity (activities): Extraction of technical groundwater for process water supply of the industrial facility from the hole in Klyuchnikova Balka village, Neklinovskiy district, Rostov region

Date of issue: **21.04.2011**

Valid until: **20.04.2031**

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

License number: **PCT 02024 BЭ**

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

Date of issue: **01.07.2009**

Valid until: **30.06.2029**

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

License number: **БП-29-001130**

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

Date of issue: **15.01.2010**

Valid until: **15.01.2015**

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

License number: **№ 0265.03-2011-6164266561-C-060**

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

Date of issue: **21.11.2011**

Valid until:

Perpetual licence

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

License number: **П-0251-02-2010-0262**

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

Date of issue: **22.07.2011**

Valid until:

Perpetual licence

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

License number: **68956**

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

Date of issue: **06.08.2009**

Valid until: **06.08.2014**

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

License number: **68957**

Type of activity (activities): Providing services on communication channels lease in Volgograd Area

Date of issue: **06.08.2009**

Valid until: **06.08.2014**

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

License number: **68958**

Type of activity (activities): Providing services on communication channels lease in Rostov region

Date of issue: **06.08.2009**

Valid until: **06.08.2014**

License issuing authority: **RF Federal Security Service in Krasnodar region**

License number: **№ 911**

Type of activity (activities): **License for activities that include usage of information constituting state secret, classified documents of executive office of IDGC of the South JSC**

Date of issue: **01.07.2010**

Valid until: **01.07.2015**

License issuing authority: **RF Federal Security Service in Krasnodar region**

License number: **№ 911/1**

Type of activity (activities): **License for activities that include usage of**

information constituting state secret, classified documents of executive office of Rostovenergo

Date of issue: **01.07.2010**

Valid until: **01.07.2015**

License issuing authority: **RF Federal Security Service in Krasnodar region**

License number: **№ 911/2**

Type of activity (activities): **License for activities that include usage of information constituting state secret, classified documents of executive office of Volgogradenergo**

Date of issue: **01.07.2010**

Valid until: **01.07.2015**

License issuing authority: **RF Federal Security Service in Krasnodar region**

License number: **№ 911/3**

Type of activity (activities): **License for activities that include usage of information constituting state secret, classified documents of executive office of Kalmenergo**

Date of issue: **01.07.2010**

Valid until: **01.07.2015**

License issuing authority: **RF Federal Security Service in Krasnodar region**

License number: **№ 911/4**

Type of activity (activities): **License for activities that include usage of information constituting state secret, classified documents of executive office of Astrakhanenergo**

Date of issue: **01.07.2010**

Valid until: **01.07.2015**

License issuing authority: **RF Federal Security Service in Krasnodar region**

License number: **№ 911/4/1**

Type of activity (activities): **License for activities related to protection of state secret of Astrakhanenergo**

Date of issue: **01.07.2010**

Valid until: **01.07.2015**

License issuing authority: **RF Federal Security Service in Rostov region**

License number: **3022**

Type of activity (activities): **License for activities that include usage of information constituting state secret, classified documents of executive office of IDGC of the South.**

Date of issue: **19.06.2012**

Valid until: **01.07.2015**

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

3.2.6. Additional requirements to issuers being joint stock investment funds, insurance or lending institutions, mortgage agents

3.2.7. Additional requirements to issuers which main activity is the extraction of minerals

Mining is not the core activities of the issuer

3.2.8. Additional requirements to issuers which main activity is the provision of telecommunications services

Provision of telecommunications services is not the core activities of the issuer

3.3. Plans for Future Activity of the Issuer

In nowadays situation the strategic goals of "IDGC of the South" JSC are:

- increase of reliability and quality of services rendered by the Company, including the reduction of deterioration of Company's transmission facilities;
- increase of efficiency of power grid facilities, buildings and structures and provision of innovation-based development of the Company;
- increase of the availability of grid infrastructure, including:
 - meeting of demand and the creation of a reserve of electrical power to the extent advance economic development for 3-5 years;
 - increase in market share of grid services on the service area;
- increase operational efficiency, including:
 - reduction of transaction costs and the level of energy losses;
 - increasing the profitability of the Company;
- improving the investment attractiveness of the securities of "IDGC of the South" JSC including increase in the level of capitalization of the Company, transition to RAB-regulation;
- development of human capital.

Information on plans of organization of rendering the basic services of "IDGC of the South" JSC

Organization of production, development of new products, changes in core activities are not planned by the issuer.

Development of power supply network is performed in accordance with the approved scheme of long-term development of electric networks and the requirements of technical conditions for the organization of technological connection of consumers to the grid of the Company.

Information on the investment projects, including on the expected level of funding for the planned investment projects

The purpose of issuer's activity on technological connection for the near future is to ensure that the needs of a growing economy generating capacity in the South of

Russia.

In the 1st quarter of 2012 IDGC of the South JSC conducted construction and maintenance works on project “Modernization of 110kV distribution grid adjoining Thermal power station in Znamensk” under the contract for technological connection to grids “Astrakhanenergo” JSC the units of Thermal power station in Znamensk with generating capacity of 44mW (applicant – “Lukoil-Astrakhanenergo” LLC). “Astrakhanenergo” JSC plans to perform the following construction works:

Two power lines of 110kV “Kiri-kili – PGU – PGU-235”;

Overhang of 110kV line “TsRP-Buzanskaya” to PGU-235;

Two line switch-bays of 110kV at 110/10kV Kiri-Kili substation.

Cooperation of IDGC of the South JSC and RZhD JSC on the territory of Rostov region in the sphere of energy supply of railway substation is proved by the contracts, one of which is contract on technological connection to grids of “Rostovenergo” branch of IDGC of the South JSC of 110kV substation, the connect capacity is 17800kW. It is planned to accomplish works in the 4th quarter of 2013.

IDGC of the South connect not only large facilities but also socially important ones.

In the 1st quarter of 2013 “Volgogradenergo” has concluded contract on technological connection of building of culture centre of Kotelnikovskiy district, buildings of kindergartens, school; total capacity more than 30kW. Another facility that was connect to grids is paper recycling plant in Volgograd (applicant – “BUM-BAS” LLC), maximum capacity of energy receiving devices is about 1500 kW.

Also “Volgogradenergo” branch of IDGC of the South JSC has completed works under the contract on technological connection of baby food production plant (applicant – “Sady Prodoniya” JSC) maximum capacity – 1200 kW.

In Astrakhan region under the contracts on technological connection concluded in the 1st quarter of 2013 it is planned to connect facilities of Southern search-and-rescue detachment of EMERCOM (applicant – Head office of The Ministry of the Russian Federation for Civil Defense, Emergencies and Elimination of Consequences of Natural Disasters (EMERCOM) in Astrakhan region), as well as building of Astrakhan state university.

In Rostov region a contract for technological connection of feed plant and poultry processing plant (applicant – “Donstar” LLC) was concluded, capacity of energy receiving devices is 6.2mW. For technological connection of facilities to electric grid it is planned to reconstruct the feeding center of branch of “IDGC of the South” JSC – “Rostovenergo” of 110kV Promzona substation. Design and construction documents are completed and intradepartmental expertise is being carries out.

To implement the connection of Rostov regional automated sorting center (Federal State Unitary Enterprise “Russian Post”)within the frameworks of fulfillment of the obligations under the contract for technological connection it is required to perform activities both on the upgrade of 110/10 kV BOS substation and

construction of cable lines. In the 1st quarter of 2013 statement of work was approved for preparation of the project and documentation, and procurement procedures are in process.

Large-scale project implemented by “IDGC of the South” JSC and “KTK-R” CJSC is the construction of new substations in the Republic of Kalmykia and the reconstruction of the existing power grid facilities in the Astrakhan region.

In order to timely commission the 110/10 kV NPS-2 substation in the 1st quarter of 2013, the works on installation of the main equipment of 110 kV distribution device are carried out. Projected date for completion of work on site with the commissioning of works is June 2013.

In addition, the construction and commissioning works on the project “Reconstruction of 110 kV distribution device of substation 110/35/10 kV Zenzeli” are in its final stage, under the contract for technological connection of electric oil-platform Station A-NPS-5A “Caspian Pipeline Consortium-R” to electric grids of branch of “IDGC of the South” JSC– “Astrakhanenergo”, the declared capacity 19,500 kW in Bass settlement of Liman distruc of region Astrakhan region, consumer if I-category of reliability.

For each branch of “IDGC of the South” JSC in the investment program there are scheduled capital investments to carry out works for the construction of substations, reconstruction and expansion of the existing substation to the replacement of power transformers, construction and reconstruction of high-voltage transmission lines.

Scheduled investment volume of “IDGC of the South”, JSC for 2013 - 2018 is estimated follows:

branch of “IDGC of the South”, JSC	Investments, mln rbs						
	2013	2014	2015	2016	2017	2018	2013-2018
“Astrakhanenergo”	857.736	900.000	950.000	1 000.000	1 100.000	1 110.944	5 918.680
“Volgogradenergo”	840.342	653.045	995.000	1 580.000	2 055.001	1 807.213	7 930.601
“Kalmenergo”	181.354	72.640	153.304	180.000	190.000	191.520	968.818
“Rostovenergo”	² 000.000	2 594.995	3 893.004	4 097.002	4 166.000	3 092.223	19 843.226
Executive office	-	-	-	-	-	-	-
“IDGC of the South”, JSC, total	³ 879.432	4 220.680	5 991.308	6 857.002	7 511.001	6 201.901	34 661.325

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

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

Primary implementation areas of investment programme of “IDGC of the South” JSC (scheduled and actual indicators of the 1st quarter of 2013) are represented in the following table

branch of IDGC of the South JSC	Plan for Q 1, 2013				Actual in Q 1, 2013							
	Assimilation	Introduction into service			Assimilation of CAPEX		Introduction into service					
	mln rbs	mln rbs	M V A	km	mln rbs	%	mln rbs	%	MV A	%	km	%
Astrakhanenergo	18.132	31.426	-	10	157.195	867	36.661	117	2	100	13	126
Volgogradenergo	28.369	39.712	1	12	58.568	206	92.132	232	42	5789	4	37
Kalmenergo	20.010	1.991	-	3	27.207	136	3.558	179	0	100	3	119
Rostovenergo	61.706	17.247	-	-	380.800	617	196.694	1140	2	100	63	100
Executive office	-	-	-	-	10.725	100	0.042	100	-	100	-	100
IDGC of the South JSC, total	128.217	90.376	1	25	634.496	495	329.087	364	47	6373	84	333

In order to increase quality of services and satisfaction of consumers the Company opens clients service centres, as of March 31, 2013 there are 118 subdivisions responsible for interaction with consumers, among the subdivisions there are: 10 Central Offices for Customer Service and 108 Offices for Customer Service

In “Astrakhanenergo” there is 1 Central Office for Customer Service and 15 Offices for Customer Service:

- 1) Central Office for Customer Service Astrakhan;
- 2) Office for Customer Service Akhtubinsky distribution zone, Akhtubinsk village;
- 3) Office for Customer Service Volodarsky distribution zone, Volodarsky village;
- 4) Office for Customer Service Enotaevsky distribution zone, Enotaevka village;
- 5) Office for Customer Service Kamyzyaksky distribution zone, Kamyzyak village;
- 6) Office for Customer Service Ikryaninsky distribution zone, Ikryanoye village;
- 7) Office for Customer Service Krasnoyarsk distribution zone, Krasny Yar village;
- 8) Office for Customer Service Limansky, distribution zones, Lyman village;
- 9) Office for Customer Service Right Bank distribution zone, Solyanka village;

- 10) Office for Customer Service Privolzhskiy distribution zone, Nachalovo village;
- 11) North KLO RES, Znamensk;
- 12) Office for Customer Service Harabalinskiy distribution zone, Kharabali village;
- 13) Central Office for Customer Service distribution zone, Astrakhan;
- 14) Office for Customer Service Zaboldinsky distribution zone, Astrakhan;
- 15) Office for Customer Service Trusovsky, distribution zone, Astrakhan;
- 16) Office for Customer Service Chernoyarsky distribution zone, Cherniy Yar village;

In branch of “IDGC of the South” JSC – “Volgogradenergo” – there are 6 customer service centres and 36 quality assurance departments of distribution zones:

- 17) Customer service centre of “Levoberezhnye electric grids”, Volzhskiy;
- 18) Quality assurance departments of Volzhskiy distribution zone, Volzhskiy;
- 19) Quality assurance departments of Sredneakhtubinskiy distribution zone, worker’s settlement Srednyaya Akhtuba;
- 20) Quality assurance departments of Leninskiy distribution zone, Leninsk;
- 21) Quality assurance departments of Bykovskiy distribution zone, worker’s settlement Bykovo;
- 22) Quality assurance departments of Nikolaevskiy distribution zone, Nikolaevsk;
- 23) Quality assurance departments of Pallasovskiy distribution zone, Pallasovka;
- 24) Quality assurance departments of Staropoltavskiy distribution zone, worker’s settlement Staraya Poltavka;
- 25) Customer service centre of “Pravoberezhnye electric grids”, Volgograd;
- 26) Quality assurance departments of Kotelnikovskiy distribution zone, Kotelnikovo;
- 27) Quality assurance departments of Oktyabrskiy distribution zone, worker’s settlement Oktyabrskiy;
- 28) Quality assurance departments of Surovinskiy distribution zone, Surovikino;
- 29) Quality assurance departments of Chernyshovskiy distribution zone, worker’s settlement Chernyshovskiy;
- 30) Customer service centre of “Volgograd electric grids”, Volgograd;
- 31) Quality assurance departments of Dubovskiy distribution zone, Dubovka;
- 32) Quality assurance departments of Gorodishenskiy distribution zone, worker’s settlement Gorodishe;
- 33) Quality assurance departments of Gorodskoy distribution zone, Volgograd;
- 34) Quality assurance departments of Kalachaevskiy distribution zone, Kalach-on-Don;
- 35) Quality assurance departments of Krasnoarmeyskiy distribution zone, Volgograd;
- 36) Quality assurance departments of Parkhomenskiy distribution zone, village Parkhomenko;
- 37) Customer service centre of “Kamyshinskiy electric grids”, Kamyshin;
- 38) Quality assurance departments of Petrovskiy distribution zone, Petrov Val;

- 39) Quality assurance departments of Olkhovskiy distribution zone, village Olkhovka;
- 40) Quality assurance departments of Krasnoyarskiy distribution zone, worker's settlement Krasniy Yar;
- 41) Quality assurance departments of Kotovskiy distribution zone, Kotovo;
- 42) Quality assurance departments of Danilovskiy distribution zone, worker's settlement Danilovka;
- 43) Quality assurance departments of Rudnyavskiy distribution zone, worker's settlement Rudnya;
- 44) Quality assurance departments of Elanskiy distribution zone, worker's settlement Elan;
- 45) Customer service centre of "Mikhailovskie electric grids", Mikhailovka;
- 46) Quality assurance departments of Mikhailovskiy distribution zone, Mikhailovka;
- 47) Quality assurance departments of Kumylzhenskiy distribution zone, village Kumylzhenskaya;
- 48) Quality assurance departments of Logovskiy distribution zone, village Log;
- 49) Quality assurance departments of Serafimovichskiy distribution zone, Serafimovich;
- 50) Quality assurance departments of Kletskiy distribution zone, village Kletskaya;
- 51) Quality assurance departments of Frolovskiy distribution zone, Frolovo;
- 52) Customer service centre of "Uryupinskie electric grids", Uryupinsk;
- 53) Quality assurance departments of Uryupinskiy distribution zone, Uryupinsk;
- 54) Quality assurance departments of Novoanninskiy distribution zone, Novoanninskiy;
- 55) Quality assurance departments of Nekhaevskiy distribution zone, village Nekhaevskaya;
- 56) Quality assurance departments of Alxeevskiy distribution zone, village Alexeevskaya;
- 57) Quality assurance departments of Novonikolaevskiy distribution zone, worker's settlement Novonikolaevskiy;
- 58) Quality assurance departments of Kikvidzenskiy distribution zone, village Preobrazhenskaya;

In branch of "IDGC of the South" JSC – "Rostovenergo" – there are 2 customer service centres and 44 quality assurance departments of distribution zones:

- 59) Customer service centre of Rostov-on-Don;
- 60) Customer service centre of Taganrog;
- 61) Quality assurance departments of Aksaiskiy distribution zone, Aksay;
- 62) Quality assurance departments of Bagaevskiy distribution zone, village Bagaevskaya;
- 63) Quality assurance departments of Veselovskiy distribution zone, village Veseliy;

- 64) Quality assurance departments of Semikarakorskiy distribution zone, Semikarakorsk;
- 65) Quality assurance departments of Krasno-Sulinskiy distribution zone, Krasniy Sulin;
- 66) Quality assurance departments of Oktyabrskiy distribution zone, Kamenolomni;
- 67) Quality assurance departments of Rodionovo-Nesvetaiskiy distribution zone, settlement Rodionovo-Nesvetaiskaya;
- 68) Quality assurance departments of Ust-Donetskiy distribution zone, village Aparinskiy;
- 69) Quality assurance departments of Volgodonskiy distribution zone, village Romanovskaya;
- 70) Quality assurance departments of Dubovkiy distribution zone, village Dubovskoe;
- 71) Quality assurance departments of Konstantinovskiy distribution zone, Konstantinovsk;
- 72) Quality assurance departments of Martynovskiy distribution zone, settlement B. Martynovka;
- 73) Quality assurance departments of Zimovnikovskiy distribution zone, village Zimovnikovskiy;
- 74) Quality assurance departments of Zavetinskiy distribution zone, village Zavetnoe;
- 75) Quality assurance departments of Tsymlyanskiy distribution zone, Tsymlyansk;
- 76) Quality assurance departments of Remontnenskiy distribution zone, village Remontnoe;
- 77) Quality assurance departments of Azovskiy distribution zone, Azov;
- 78) Quality assurance departments of Zernogradskiy distribution zone, Zernograd;
- 79) Quality assurance departments of Kagalnitskiy distribution zone, village Kagalnitskaya;
- 80) Quality assurance departments of Egorlytskiy distribution zone, village Egorlytskaya;
- 81) Quality assurance departments of Taganrogskiy distribution zone, Taganrog;
- 82) Quality assurance departments of Matveevo-Kurganinskiy distribution zone, village Matveevo-Kurgan;
- 83) Quality assurance departments of Kuibyshevskiy distribution zone, village Kuibyshevo;
- 84) Quality assurance departments of Neklinovskiy distribution zone, village Troitskoe;
- 85) Quality assurance departments of Chaltyrskiy distribution zone, village Chaltyr;
- 86) Quality assurance departments of Tarasovskiy distribution zone, village Tarasovskiy;
- 87) Quality assurance departments of Kamenskiy distribution zone, village Stanitsa;

- 88) Quality assurance departments of Belokalitvenskiy distribution zone, Belaya Kalitva;
- 89) Quality assurance departments of Tatsynskiy distribution zone, village Tatsynskaya;
- 90) Quality assurance departments of Morozovskiy distribution zone, Morozovsk;
- 91) Quality assurance departments of Milyutinskiy distribution zone, village N. Kuznetsov;
- 92) Quality assurance departments of Oblivskiy distribution zone, village Oblivskaya;
- 93) Quality assurance departments of Sovetskiy distribution zone, village Sovetskaya;
- 94) Quality assurance departments of Orlovskiy distribution zone, village Orlovskiy;
- 95) Quality assurance departments of Peschanokopskiy distribution zone, village Peschanokopskoe;
- 96) Quality assurance departments of Proletarskiy distribution zone, Proletarsk;
- 97) Quality assurance departments of Salskiy distribution zone, Salsk;
- 98) Quality assurance departments of Tselinskiy distribution zone, village Tselina;
- 99) Quality assurance departments of Millerovskiy distribution zone, Millerovo;
- 100) Quality assurance departments of Kasharskiy distribution zone, village Kashary;
- 101) Quality assurance departments of Chertkovskiy distribution zone, village Chertkovo;
- 102) Quality assurance departments of Bokovskiy distribution zone, village Bokovskaya;
- 103) Quality assurance departments of Verkhnedonskiy distribution zone, village Kazanskaya;
- 104) Quality assurance departments of Sholokhovkiy distribution zone, village Veshenskaya;

In branch of “IDGC of the South” JSC – “Kalmenergo” - 1 customer service centre and 13 quality assurance departments of distribution zone:

- 105) Customer service centre of Elista;
- 106) Quality assurance departments of Laginskiy distribution zone – Lagan;
- 107) Quality assurance departments of Chernozemelskiy distribution zone – village Komsomolskiy;
- 108) Quality assurance departments of Sarpinskiy distribution zone – village Sadovoe;
- 109) Quality assurance departments of Ketchenerovskiy distribution zone – village Ketchenery;
- 110) Quality assurance departments of Yustinskiy distribution zone – village Tsygan-Aman;
- 111) Quality assurance departments of Oktyabrskiy distribution zone – village Bolshoy Tsaryn;

- 112) Quality assurance departments of Maloderbetovskiy distribution zone – village Malye Derbety;
- 113) Quality assurance departments of Gorodovikovskiy distribution zone – Gorodovikovsk;
- 114) Quality assurance departments of Yashaltinskiy distribution zone – village Yashalta;
- 115) Quality assurance departments of Yashkulskiy distribution zone – village Yashkul;
- 116) Quality assurance departments of Priyutnenskiy distribution zone – village Priyutnoe;
- 117) Quality assurance departments of Troitskiy distribution zone – village Troitskoe;
- 118) Quality assurance departments of Iki-Burulskiy distribution zone – village Iki-Burul

The total number of staff, including the executive staff and services for interaction with customers of management bodies of the branches of “IDGC of the South”, employed in the system of centralized customer service: 185 employees.

There were no changes in the accounting period in the structure of the CSC and in the staffing table of employees of centralized service of consumers.

In order to increase control over the timing of processing the applications from consumers in the 1st quarter of 2013 in the branches of “IDGC of the South” JSC was implemented the automation of work with applications of employees customer service offices and technical support team with usage of module “Applications” of enterprise software complex “Software of customer service offices”.

In order to implement the Plan of measures on bringing the customer service system in correspondence with the requirements of the Proprietary Standard 80980011-ИА-ИСМ 028-2011 “The system of centralized customer service of “IDGC of the South” JSC” for the implementation of SAP CRM - system in the 1st quarter of 2013 a technical task “Introduction of corporate information system “IDGC of the South” JSC was developed.

In order to increase level of customer’s satisfaction with Company's services in the branch of “IDGC of the South” JSC – “Volgogradenergo” on 25.01.2013 was opened a round the clock hot-line (8442) 96-45-50.

The branch of “IDGC of the South” JSC – “Rostovenergo” opened a server of call centre and installed software “MODUS” of version 5.20.63.

As of 31.03.2013 is tuned “Journal of applications “Modus” was adjusted and possibility of information exchange between the centralized customer service and the districts of electrical networks of “IDGC of the South” JSC – “Rostovenergo” was provided.

Branches of “IDGC of the South” JSC are working to ensure the connection between the module of registration process failures and the server through the “Journal of Technological violations” of software “MODUS”.

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

Name of group, holding, concern or association: The Issuer is part of the group of companies headed by “IDGC Holding”, JSC (from 04.04.013 – “Russian Grids” JSC).

Beginning of participation: from 01.07. 2008

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

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

Functions of the Issuer in the group of companies:

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

3.5. Organizations of significant importance controlled by Issuer.

Issuer does not have organizations of significance importance.

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

3.6.1. Fixed Assets

2012

In items of rbs

fixed assets	Baste (Replacement) cost	Depreciation Charge
Land plots	12 033 450	0
Buildings	3 910 639 194	530 936 131
Construction and transmission devices	19 421 887 369	4 997 795 378
Machinery and equipment	12 886 000 713	4 519 304 367
Transportation equipment	697 614 991	367 880 912
Other fixed assets	92 031 665	67 233 792
Total	37 020 207 382	10 483 150 580

Data on Methods of Depreciation Charges Accounting for Fixed Assets Item Group:

Depreciation for fixed assets items is accounted by straight-line method, issuing

from terms of benefit period of the items. Accounting of depreciation for the facilities acquired by the Company on lease agreement and booked on its balance is carried out by method, stipulated by the agreement.

Accounting date: **31.12.2012**

As of the end of the reporting period

In items of rbs

fixed assets	Baste (Replacement) cost	Depreciation Charge
Land plots	12 049 652	0
Buildings	3 912 151 715	562 607 831
Construction and transmission devices	19 567 016 783	5 290 263 676
Machinery and equipment	13 034 609 550	4 818 651 233
Transportation equipment	720 971 384	385 758 352
Other fixed assets	92 070 894	69 648 958
Total	37 338 869 978	11 126 930 050

Data on Methods of Depreciation Charges Accounting for Fixed Assets Item Group:

Depreciation for fixed assets items is accounted by straight-line method, issuing from terms of benefit period of the items. Accounting of depreciation for the facilities acquired by the Company on lease agreement and booked on its balance is carried out by method, stipulated by the agreement.

Accounting date: **31.03.2013**

Results of the last fixed assets revaluation and long-term leased fixed assets revaluation carried out for 5 completed financial years, followed by the accounting quarter or for each of completed financial years, followed by the accounting quarter, in case the Issuer has been carrying out its activity for less than 5 years, and for the accounting quarter: For the period pointed out the fixed assets revaluation was not carried out.

Data is pointed out referring to plans on acquisition, replacement, and retirement of fixed asset, value of which amounts 10% and more of the Issuer's fixed assets value and other fixed assets at the Issuer's option. Data on all facts of fixed assets of the Issuer encumbrance (with indication of encumbrance character, moment of encumbrance its validity term and other conditions at the Issuer's opinion), which exist for the date of the last completed accounting period is indicated as well: the company does not have such plans

Data on Encumber Assets of “IDGC of the South”, JSC as of 31.12.2012.

Fixed Assets Leased						
	Short characteristics of property		Encumbrance grounds (number and date of lease agreement)	Lessee	Starting and termination date of encumbrance	
	Name, address	Area, square m.			Original term of lease according to the agreement	Renewal of agreement
1	2	3	4	5	6	7
“Astrakhanenergo” branch of “IDGC of the South”, JSC						
1.	Non-residential Premises (Akhtubinsk Electric Grid District)	11	No. 49-12-192 dated 23.11.10	“Astrakhan GSM” CJSC	from 01.01.11 to 30.12.11	absent
2.	Non-residential Premises (“Astrakhanenergo”, JSC 19, 32 Sov Militzii Kr. Naberezhnaya st.)	3	No. 49-12-207 dated 28.12.10	“Astrakhan GSM” CJSC	from 01.01.10 to 30.12.10	absent
3.	Non-residential Premises (“Astrakhanenergo”, JSC 1 Energetikov high road	6.1	No. 49-12-208 dated 28.12.10	“Astrakhan GSM” CJSC	from 01.01.10 to 30.12.10	absent
4.	Container Installation Place and Lamp Pole Place for Sky Hooks Setup (“Tsarevskaya” Substasion 2 B.Khmelnitskiy st.)	15.85	No. 49-12-209 dated 27.12.10	“Astrakhan GSM” CJSC	from 01.01.10 to 30.12.10	absent
5.	Non-residential Premises (Ikryaninsk Distribution Zone)	6	No. 49-12-187 dated 22.11.10	“MegaFon”, JSC	from 01.01.11 to 31.12.11	absent
6.	Non-residential Premises (Ikryaninsky Distribution Zone)	6	No. 49-12-198 dated 24.12.10	“MegaFon”, JSC	from 01.10.11 to 30.12.11	absent
7.	Non-residential Premises (1 Energetikov high road Astrakhan)	6.5	No. 49-12-202 dated 25.12.10	“MegaFon”, JSC	from 01.01.11 to 30.12.11	absent
8.	Container Installation Pace and Place in Metal Lighting Tower for Antenna-feeder Arrangement (Volgograd Electric Grid District)	10.81	No. 49-12-191 dated 23.11.10	“MegaFon”, JSC	from 01.01.11 to 30.12.11	absent
9.	Non-residential Premises (Chernoyarsky Distribution Zone)	7.6	No. 49-12-188 dated 22.11.10	“MegaFon”, JSC	from 01.01.11 to 30.12.11	absent
10.	Container Installation Pace and Place on Concrete Pole for Antenna-feeder Arrangement (Ikryaninsky distribution zone)	2.3x3.5	No. 49-12-190 dated 23.11.10	“MegaFon”, JSC	from 01.01.11 to 30.12.11	absent
11.	Non-residential Premises (“Tsarevskaya” Substasion 1 B.Khmelnitskiy st. Astrakhan)	15.85	No. 49-12-200 dated 24.12.10	“MegaFon”, JSC	from 01.01.11 to 30.12.11	absent
12.	Non-residential Premises (Enotaevsk Distribution Zone)	3.2	No. 49-12-185 dated 22.11.10	“VypelCom” JSC	from 01.01.11 to 30.12.11	absent
13.	Non-residential Premises (Akhtubinsk Distribution Zone)	26.1	No. 49-12-194 dated 23.11.10	“VypelCom” JSC	from 01.01.11 to 30.12.11	absent
14.	Container Installation Pace and Place on Concrete Tower for Antenna-feeder	7	No. 49-12-184 dated 22.11.10	“VypelCom” JSC	from 01.01.11 to	absent

	Arrangement (Ikryaninsk Electric Grid District)				31.12.11	
15.	Antenna-feeder Arrangement Place ("Oktyabrskaya" Substation Trusov District)	6	No. 49-12-186 dated 22.11.10	"VypelCom" JSC	from 01.01.11 to 30.12.11	absent
16.	Non-residential Premises (1 Energetikov high road Astrakhan)	6	No. 49-12-199 dated 24.12.10	"VypelCom" JSC	from 01.01.11 to 30.12.11	absent
17.	Non-residential Premises "Neftebasa" Substation, Ilyinka village	15	No. 49-12-189 dated 23.11.10	"VypelCom" JSC	from 01.01.11 to 30.12.11	absent
18.	Non-residential Premises (Akhtubinsk Electric Grid District)	10,1	No. 49-12-195 dated 25.11.10	"Mobile TeleSystems" JSC	from 01.01.11 to 31.12.11	absent
19.	Non-residential Premises (1 Energetikov high road Astrakhan)	6	No. 49-12-201 dated 01.01.11	"Mobile TeleSystems" JSC	from 01.01.11 to 31.12.11	absent
20.	Non-residential Premises ("Astrakhanenergo", JSC 32 Kr. Naberezhnaya st. Astrakhan)	565.4	No. 49-12-142/29 dated 25.08.10	"Construction Company - Central Dispatch of Unified Energy System – Astrakhan Regional Dispatching Office", JSC	from 31.12.09 to 29.12.12	absent
21.	Non-residential Premises (1 Energetikov high road Astrakhan)	189.1	No. 49-12-210 dated 01.01.11	Mikhailova Aleksandra Vladimirovna (business owner)	from 01.01.11 to 30.12.11	absent
22.	Non-residential Premises (18 I.Franko st. Akhtubinsk)	11.1	No. 49-12-203 dated 28.12.10	"Zolotukhinsk District Hospital", Municipal Health Care Institution	from 01.01.11 to 30.12.11	absent
23.	Non-residential Premises (1 Energetikov high road Astrakhan)	13	No. 49-12-206 dated 28.12.10	"Real Medical Service", LLC	from 01.01.11 to 30.12.11	absent
24.	Non-residential Premises (75/69 Sunyat-Sen/Kulikov st.)	11.9	No. 49-12-204 dated 28.12.10	"Real Medical Service", LLC	from 01.01.11 to 30.12.11	absent
25.	Non-residential Premises (18 Franko st., Akhtubinsk)	10.1	No. 49-12-205 dated 28.12.10	"Real Medical Service", LLC	from 01.01.11 to 30.12.11	absent
26.	1, D. Rid Square, Astrakhan	407.5	No. 49-12-215 dated 03.06.11	"Atlas" LLC	from 03.06.11 to 01.06.12	absent
27.	171, Dzerzhinskiy street, Astrakhan	94.9	No.49-12-218 dated 20.09.11	"Astrakhangazservice" JSC	from 20.09.11 to 19.08.12	absent
28.	1, D. Rid Square, Astrakhan	50.7	No. 49-12-214 dated 03.06.11	Business owner I.V. Zhidkov	from 03.06.11 to 01.06.12	absent
"Volgogradenergo" Branch of "IDGC of the South" JSC						
29.	Administration Building (rooms), (15 Lenin pr. Volgograd)	733.8	No. 679 dated 01.07.11	"Construction Company of Unified Energy Systems" JSC	from 01.04.11 to 31.07.11	Is in actual use
30.	Administration Building (room), (15 Lenin pr. Volgograd)	6.4	No. 347011059 dated 02.06.11	"Airport – Service" Agency of the air	from 02.06.11	absent

				traffic, LLC		
31.	Administration Building (room No. 201), (15 Lenin pr. Volgograd)	21.51	No. 3470110143 dated 24.02.11	“Cobalt – S” Private Security Firm, LLC	from 02.01.11	absent
32.	Industrial Building of Repair and Maintenance Department at Kletskaya Repair and Maintenance Department, III floor (48 Dymchenko st. Kletskaya Cossack village Volgograd region)	53	No. 1192 dated 19.12.07	“Volgogradenergobyt” JSC	from 01.11.07	The contract was terminated on 31.08.11
33.	Industrial building. 4, Energeticheskaya street, Oktyabrskiy district, Volgograd region	92.91	No. 1192 dated 19.12.07	“Volgogradenergobyt” JSC	from 01.11.07	The contract was terminated on 31.08.11
34.	Administrative and Domestic Building, inventory number 3456010019 (139 Lenin pr. Uryupinsk Volgograd region)	212.7	No. 1192 dated 19.12.07	“Volgogradenergobyt” JSC	from 01.11.07	The contract was terminated on 31.08.11
35.	Part of non-residential premises in administrative building (liter B). 2A, Volzhskiy prospect, Volgograd	79.5	No. 3470111184 dated 12.07.11	“Proplex” LLC	from 01.04.11	absent
36.	Part of non-residential premises in administrative building (liter G). 2A, Volzhskiy prospect, Volgograd	291.98	No. 3470111184 dated 12.07.11	“Proplex” LLC	from 01.04.11	absent
37.	Part of non-residential premises in administrative building inventory number 3455014662 (2A Volzhskiy prospect, Volgograd)	125,8	No. 644 dated 01.08.11	“Volgogradsetremont” JSC	from 01.06.11	absent
38.	Industrial building liter D (2A, Volzhskiy prospect, Volgograd)	164,0	No. 644 dated 01.08.11	“Volgogradsetremont” JSC	from 01.06.11	absent
39.	Garage, liter G1 (2A, Volzhskiy pr., Volgograd)	74,8	No. 644 dated 01.08.11	“Volgogradsetremont” JSC	from 01.06.11	absent
40.	Non-residential premises (205 B, Lenina street, Mikhailovka, Volgograd region)	286,8	No. 3454100055 dated 08.07.10	Business owner A.N. Sekachev	from 08.07.10 to 08.06.11	Is in actual use
41.	Non-residential premises (205 B, Lenina street, Mikhailovka, Volgograd region)	16,5	No. 3454100822 dated 29.10.10	Business owner N.S. Albegova	from 01.11.10 to 30.09.11	absent
42.	Non-residential premises. 39, Sovetskaya street, Kamyshin	78	No. 3452101022 dated 05.08.10	Independent non-commercial organization training centre “Electric grids of Kamyshin”	from 01.04.11 to 31.12.11	present
“Kalmenergo” Branch of “IDGC of the South” JSC						
43.	Non-residential Premises of Administrative Building in “Kalmenergo” branch, 5th floor	9	No. 37 dated 01.12.10	“Transmission System Operator of Unified Energy System represented by Rostov Regional Dispatching Office	from 01.12.10 to 30.10.11	present
44.	Non-residential Premises Type (group)of Capital Asset: buildings: 1)Ketchenerovsk Electric Grid District; 2)Iki-burulsk Electric Grid District;	72.26 88.6 57.3	No. F-04-262 dated 08.12.07	“Kalmenergosbyt” JSC	from 01.12.07 to 31.10.08	Is in actual use

	3)Yashkul'sk Electric Grid District; 4)Preyutnensk Electric Grid District; 5)Gorodovikovsk Electric Grids; 6)Kaspiysk Electric Grids; 7)Chernosemelsk Electric Grids; 8)Sarpin Tidal Electric Station; 9)Elista (car park boxes, Garages); Movable Assets: 1)Type (group)of Capital Asset: machinery and equipment: refrigerator, fax machine, switchboard etc. (18 items in all) 2) Type (group)of Capital Asset: industrial and household equipment: safe, storage wall etc (13 items in all)	66.5 79.9 56.0 76.0 157.4 172.0				
“Rostovenergo” Branch of “IDGC of the South” JSC						
45.	Part of non-residential Premises No. 10-11 located on the ground floor of Culture Centre “Energetic” at the address: 48 Semashko lane, Rostov-on-Don	25,0	01/112134 dated 10.01.11	“NIKOL” LLC	from 01.11.10 to 30.09.11	Without prolongation
46.	Non-residential Premises No. 30-31 located in basement of Culture Centre “Energetic” at the address: 48 Semashko lane, Rostov-on-Don	11.5	107818/10 dated 01.11.10	Business owner T.A. Krutko	from 01.11.10 to 30.09.11	Without prolongation
47.	Non-residential Premises for core activity of the contractor No. 10-13-14, S=54.3 sq. m, part of No. 21...25, S=50 sq. m, No. 19, S=78.7 sq. m, No. 22, S=31.1 sq. m, located in Culture Centre “Energetic” at the address: 48, Semashko lane, Rostov-on-Don.	214,1	135141/25/11 dated 26.09.11	Independent non-commercial educational organization	from 26.09.11 to 26.07.12	Unlimited prolongation
48.	Non-residential Premises No 55x, located in basement of Culture Centre “Energetic” at the address: 48, Semashko lane, Rostov-on-Don.	11,9	111562 dated 09.02.11	“Agameda” LLC	from 09.02.11 to 09.01.12	Without prolongation
49.	Parts of non-residential premises No. 19, No. 21-22-23-24-25, No. 10-13-14, No. 10, No.45 located on the ground and first floors of the Culture Center “Energetic” at the address: 48, Semashko lane, Rostov-on-Don. Parts of premises for dance training according to schedule.	238,6	111380/11 dated 04.02.11	V.M. Radchenko	from 01.11.10 to 30.09.11	Without prolongation
50.	Parts of non-residential premises No. 10-13-14 located on the first floor of the Culture Centre “Energetic” at the address: 48, Semashko lane, Rostov-on-Don. Parts of premises for dance training according to schedule.	54,3	110977/11 dated 26.01.11	O.A. Voznykh	from 01.11.10 to 30.09.11	Without prolongation
51.	Parts of non-residential premises No. 19, No. 29, No. 29A, No. 29C, No. 17 located in the basement of Culture Centre “Energetic” at the address: 48, Semashko lane, Rostov-on-Don. Parts of premises for dance training according to schedule.	92.13	110978/11 dated 26.01.11	Business owner K.B. Kovalev	from 01.11.10 to 30.09.11	Without prolongation
52.	Part of non-residential premises No. 10-	34.1	111260/11 dated	N.V. Ankudinova	from	Without

	11, located on the ground floor of Culture Centre "Energetic" at the address: 48, Semashko lane, Rostov-on-Don. Parts of premises for English classes according to schedule.		03.02.11		01.01.11 to 30.11.11	prolongation
53.	Non-residential premises to install bank machine on the ground floor at the address: 49, B. Sadovaya street, Rostov-on-Don.	13,62	68895/08 dated 12.12.08	Bank "Center-Invest" JSC	from 01.01.09 to 30.11.09	Unlimited prolongation
54.	One-roomed flat. Area: 21.3 sq.m. Including residential area – 12.4 sq.m. Located 69, 85/5 Eremenko street, Rostov-on-Don.	21,3	9474/07 dated 29.12.06	G.A. Apanasova	from 29.12.06 to 29.12.46.	-
55.	Flat. Area: total 83 sq.m. Second floor. Liter A. 1, 35 Krepostnoy lane, Rostov-on-Don.	83,0	No. 295 dated 05.01.04 No. 298 dated 05.01.04	A.V. Lapteva A.A. Nichaev	Is not fixed	If residents refuse to sign the new rental agreement a declaration had been applied on 26.05.10 No. RE/1300/802 to sign the rental agreement.
56.	Flat. Area: total 68.5 sq.m. Second floor. Liter A. 2, 35 Krepostnoy lane, Rostov-on-Don Rostov region, Russia.	68,5	No. 296 dated 05.01.04 No. 297 dated 05.01.04	N.U. Starchenko A.A. Leiko	Is not fixed	
57.	Flat. Area: total 32.2 sq. m. Fourth floor. Liter A. 23, 23/5 Kommunisticheskiy pr., Rostov-on-Don.	32.2	82589/10 dated 16.03.10	V.U. Raikova	16.02.11	Unlimited prolongation
58.	Residential house. Area: total 71.6 sq.m. Inventory number: 10471. Liter A. Number of floors – 1. Kolodezny lane, Krasny Sulin, Krasnosulinsky district, Rostov-on-Don region.	71.6	Commorancy of Pugachev S.A. family (5 persons in all) domiciled by authority of Nesvetay SDPP director in 1991 (previously – an item of Nesvetay SDPP balance; presently – "Experimental TPP		Corporate activities for the sale of the object are implemented in accordance with register of non-core assets proved by Board of Directors 29.10.2010	
Central Power Plant						
59.	Premise at Substation BT – 1 (8 Pervoy Pyatiletki st., Bataysk)	58.0	497/01/10-110328/11 dated 01.11.10	"Energosbyt Rostovenergo" JSC	from 01.11.10 to 30.09.11	Without prolongation
60.	Premise of 5 type Circuit Breaker RPB of Distribution Electric Grid System (10 Energetikov st. Ssemikarakorsk)	54.9	497/01/10-110328/11 dated 01.11.10.	"Energosbyt Rostovenergo" JSC	from 01.11.10 to 30.09.11	Without prolongation
61.	Part of non-residential Premises 303 Office and Amenity Building Central Power Station located at the address: 9, Futbolnaya street, Rostov-on-Don, 344039.	2.0	96757/09/10 dated 13.08.10	"Rostovenergoservice" LLC	from 13.08.10 to 13.07.11	Without prolongation
62.	Non-residential Premises of 15 sq.m.	15.0	63635/9/08/AP-12-	"Rostov	from	Terms are

	total area and tower area on 50 m above grade high, located: 54 Narodnaya st. Novocherkassk		H/97 dated 28.10.1997	Cellular Communications” CJSC	28.10.1997 to 31.12.2012	not defined if there is no failure of the parties
63.	Flat. Area: total 53.4 sq. m. Floor: 9. Liter: A (79, 66/9 Eremenko st., Rostov-on-Don)	53.4	61538/08 dated 30.03.2008.	I.N. Pogorely	from 30.03.08 to 30.03.18	Without prolongation
64.	Flat. Area: Total 46.8 sq. m. Floor: 1 (18, 119 Komsomolskaya st., Bataysk, Rostov Region)	46.8	78728/09/10, additional agreement No. 1 dated 01.09.10	Y. V. Kolesnikov (deom 01.09.10 T.V. Kolesnikova)	from 01.10.08 to 01.08.09	Duration of charge has been extended to 30.06.11 with additional agreement No. 1
Northeast Electric Grids						
65.	Substation House (124 Lunacharskiy st. Morosovsk, Rostov Region)	99.60	497/01/10-110328/11 dated 01.11.10	“Energosbyt Rostovenego” JSC	from 01.11.10 to 30.09.11	absent
66.	Administrative offices. 162, Gagarina street, stanitsa Oblivskaya, Oblivsky district, Rostov region.	49.06	497/01/10-110328/11	“Energosbyt Rostovenego” JSC	from 01.11.10 to 30.09.11	absent
67.	Garage Building (4 Garazhnaya st. Kamensk-shakhtinskiy, Rostov Region)	25.80	497/01/10-110328/11	“Energosbyt Rostovenego” JSC	from 01.11.10 to 30.09.11	absent
68.	Garage for 5 automobiles at Repair and Maintenance Base (2-a Zavodskaya st. Bolshaya Kalitva, Rostov Region)	38.50	497/01/10-110328/11	“Energosbyt Rostovenego” JSC	from 01.11.10 to 30.09.11	absent
69.	Non-residential Premises workers of Rostovenego SVES canteen, area 46.9 sq. m. Address: 26, Geroev Pionerov Street, Kanesk-Shakhtinskiy, Rostov region.	46.9	135392/25/11 dated 27.09.11	Business owner G.K. Galaktionov	from 27.09.11 to 27.07.12	Unlimited prolongation
70.	Part of a Premise of 39.1 sq.m. total area within the facility: Service Men Post. Area: total area of 100.7 sq.m. Inventory number: 5722. Letter: A. (3, Centralnaya street, khutor Chebotovka, Tarasovskiy district, Rostov region)	39.1	-	Since 1978 - domicile of Baidakova N.I., a pensioner	“Gratuitous Transfer” strategy is applied to the indicated part of the object with total area of 39.1 sq. m. in accord with roster of non-core assets proved by Board of Directors 09.04.2009.	
71.	Part of a Premise of 50.9 sq. m. total area within the facility: Service Men Post. Area: total area of 102.3 sq. m. Inventory number: 6721. Letter: A. Number of storeys: 1. 57, Sadovaya st. Voikovo settlement, Tarasovskiy dc, Rostov Region	50.9	-	Domicile of Shurov M.P. family, 2 persons in all	“Gratuitous Transfer” strategy is applied to the indicated part of the object with total area of 50.9 sq.m. in accord with roster of non-core assets proved by Board of Directors 09.04.2009.	
72.	Building of Electric Grid Item at “Tatsinskaya Agrarian Partnership” Substation, function: non-residential. Area: 150 sq.m. total Inventory	150	-	Domicile of families: Tkachev N.F. – 3	“Gratuitous Transfer” strategy is applied to the entire object in accord with roster of non-core	

	number: 1/1819. Letter: A,A1,A2,A4,A3,a,a1. Number of storeys: 1 (61 Mayakovskiy st., Cossack village Tatsinskaya, Tatsinskaya dc, Rostov region).			persons in area of 62.7 sq.m. since 2001, Dorofeev V.V. – 3 persons in area of 73.6 sq.m. since 2003	assets proved by Board of Directors 09.04.2009.
73.	Building of Electric Grid Item at “Б – 12 Ulegorskaya” Substation. Area: 172.7 sq.m. total Inventory number: 9/237. Letter: A,A1,A2,a. Number of storeys: 1 31 Gagarin st., Ulegorskiy settlement, Tatsinskaya dc, Rostov Region.	172.7	-	Domicile of families: Tsvikalova N.A. – 3 persons since 1988 and Shepelev V.L. – 3 persons	“Gratuitous Transfer” strategy is applied to the entire object in accord with roster of non-core assets proved by Board of Directors 09.04.2009.
74.	Building of Electric Grid Item at Tatsinskaya Distribution Zone. Area: 171.7 sq.m. total Inventory number: 1/3426. Letter: A. Number of storeys: 1 20-a Sosnovaya st., Cossack village Tatsinskaya, Rostov region.	171.7	-	Domicile of families: Abramov V.A. – 3 persons, Zakharov A.V. – 3 persons	“Gratuitous Transfer” strategy is applied to the indicated part of the object with total area of 171.7 sq.m. in accord with roster of non-core assets proved by Board of Directors 09.04.2009.
75.	Premises with total area of 42.5 sq. m. within the facility: Service Men Post Building at “Verkhnekoltsov” Substation. Area: 89.3 sq. m. total Inventory number: 5/629. Letter: A, a, a1. Number of storeys: 1. 23 Zarechnaya st., Khutor Verkhnekoltsov, Tatsinskaya dc, Rostov Region	42.5	-	Domicile of Zadavin R.V., the pensioner, family since 1986	“Gratuitous Transfer” strategy is applied to the indicated part of the object with total area of 42.5 sq.m. in accord with roster of non-core assets proved by Board of Directors 09.04.2009.
76.	Premises with area of 48.7 sq. m. within the facility: Motor housing. Area: 95.9 sq. m. total Inventory number: 8/580. Letter: A, a, a1. Number of storeys: 1. 12, Lenin st., Khutor Aliphanov, Tatsinskaya district, Rostov Region.	48.7	-	Domicile of Bezrodnaya N.M., the pensioner, family since 1980	“Gratuitous Transfer” strategy is applied to the indicated part of the object with total area of 48.7 sq.m. in accord with roster of non-core assets proved by Board of Directors 09.04.2009.
77.	Premise with total area of 38.1 sq. m. within the facility: Motor housing. Area: 95.9 sq. m. total Inventory number: 199. Letter: A, a, a1. Number of storeys: 1. (13, Stepnaya st., Khutor Novonikolaevskiy, Tatsinskaya dc, Rostov Region)	38.1	-	Domicile of family of Tupeko N.I., Electric Grid Item foreman	“Gratuitous Transfer” strategy is applied to the indicated part of the object with total area of 38.1 sq.m. in accord with roster of non-core assets proved by Board of Directors 09.04.2009.
78.	Service Men Post at Oblievskaya-1 Substation. Area: 129.3 sq.m. total Inventory number: 5202. Letter: A2, A3. Number of storeys: 1.(Ростовская обл., Обливский район, ст-ца Обливская, ул. Гагарина, 162 Gagarin st.,	129,3	-	Domicile of families of: Ivanov F.I. – 52.45 sq.m. (since 1987); Malyshkin A.T.(since	“Gratuitous Transfer” strategy is applied to the entire object in accord with roster of non-core assets proved by Board of Directors 09.04.2009.

	Oblievskaya Cossack village, Oblievskaya dc, Rostov Region).			1977), area – 42.2 sq.m.; Chuchalin V.A.(since 1979) area – 34.6 sq.m.	
79.	Service Men Post. Area: 105.3 sq. m. total. Inventory number: 5102. Letter: A, a, a1. Number of storeys: 1. (13 Vostochnaya st. Kashtanovskiy settlement, Oblievskaya district, Rostov Region).	105.3	-	Domicile of Tkachenko N.V., an electrician, family, 4 persons since 1990	“Gratuitous Transfer” strategy is applied to the entire object in accord with roster of non-core assets proved by Board of Directors 09.04.2009.
80.	Premise with total area of 122 sq. m. within the facility: Service Men Post. Area: 144 sq. m. total inventory number: 5102. Letter: A, a, a1. Number of storeys: 1. (6, Dachnaya st., Sosnovy settlement, Olievskaya district, Rostov Region).	122	-	Domicile of Motorkin F.A., an electrician, family, since 1981	“Gratuitous Transfer” strategy is applied to the entire object (144 sq. m.) in accord with roster of non-core assets proved by Board of Directors 09.04.2009.

Southern Electric Grids

81.	Part of Garage Building (garage box No. 5), Egorlykskaya Distribution Zone, 4b Gagarin st. Egorlykskaya	67.7	497/01/10-110328/11 dated 01.11.10	“Energosbyt Rostovenergo” JSC	from 01.11.10 to 30.09.11	absent
82.	Residential house. 24 a, Kooperativnaya street, Azov.	54.1	69153/08 dated 29.11.08	A.I. Peshkov, employee of Production Department “Southern Electric Grids Rostovenergo”	to 29.11.13	-
83.	Residential house. 24 a, Kooperativnaya street, Azov.	54.5	69152/08 dated 04.10.08	A.V. Anferov, employee of Production Department “Southern Electric Grids Rostovenergo”	to 04.10.13	-
84.	Residential house. 24 b, Kooperativnaya street, Azov.	29.9	69154/08 dated 04.10.08	A.V. Mokryakov, employee of Production Department “Southern Electric Grids Rostovenergo”	to 04.10.13	-
85.	Residential house. 24 b, Kooperativnaya street, Azov.	33.3	8781/06 dated 13.09.06	V.N. Skripniichenko	to 13.09.26	-
86.	Residential house. 24 b, Kooperativnaya street, Azov.	44.7	The agreement on distribution of area of 44.7square meters between Moryakov A.V. and Skripnichenko V.N. is being prepared			

Eastern Electric Grids

87.	Non-residential Premises in maintenance building. 22, Grishina street, Tsymlyansk.	222.2	497/01/10-110328/11 dated 01.11.10	“Energosbyt Rostovenergo” JSC	from 01.11.10 to 30.09.11	absent
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88.	Office premise. 10, Tsymlyanskoe highway, Volgodonsk.	90.5	497/01/10-110328/11 dated 01.11.10	“Energosbyt Rostovenergo” JSC	from 01.11.10 to 30.09.11	absent
89.	Office premise. 18, Pervomaiskaya street, settlement Dubovskoe.	75.4	497/01/10-110328/11 dated 01.11.10	“Energosbyt Rostovenergo” JSC	from 01.11.10 to 30.09.11	absent
90.	Office premise. 7, Gvardeiskaya street, settlement Zavetnoe.	61.0	497/01/10-110328/11 dated 01.11.10	“Energosbyt Rostovenergo” JSC	from 01.11.10 to 30.09.11	absent
91.	Office premise. 9, Sosnoviy lane, settlement B. Martynovka.	59.2	497/01/10-110328/11 dated 01.11.10	“Energosbyt Rostovenergo” JSC	from 01.11.10 to 30.09.11	absent
92.	Part of non-residential premise. Area 3 sq. m. Address: 22, Grishina street, Tsymlyansk.	3	2-C/55079/07 dated 29.12.06.	Bank Center-Invest JSC	from 29.12.06 to 31.10.07	For 11 months
93.	Non-residential Premise, located: 39 Sovetskaya st., Progress settlement, Volgodonsk region	68.7	389/08/64660/08 dated 01.01.2008.	“Southern Telecommunications Company” JSC	dated 01.01.08 to 30.11.08	For 11 months
94.	Premise with total area of 147.2 sq. m., located: 10 Tsimlyansk high road, Volgodonsk, Rostov Region. Premise with total area of 32.2 sq.m., located: 22 Grishin st., Tsimlyansk, Rostov Region	32,3	79619 dated 22.01.10	Business owner Cherednyakova S.L.	from 01.01.10 to 30.11.10	absent
95.	Premise with total area of 31.9 sq. m. located: 22 Grishin st. Tsimlyansk	31.9	0-11/73619 dated 01.04.2006.	Mengel V.T.	from 01.04.06 to 30.04.07	Prolonged on the basis of an additional agreement
96.	Premise with total area of 22.9 sq. m. located: 22 Grishin st. Tsimlyansk	22.9	0-10/73618 dated 01.04.2006.	Turichenko A.A.	from 01.04.06 to 30.04.07	Prolonged on the basis of an additional agreement
97.	Premise with total area of 30.3 sq. m. located: 22 Grishin st. Tsimlyansk	30.3	0-6/73613 dated 01.04.2006.	Shlyakhtin O.N.	from 01.04.06 to 30.04.07	Prolonged on the basis of an additional agreement
98.	Premise with total area of 21.8 sq. m. located: 22 Grishin st. Tsimlyansk	21.8	0-4/73612 dated 01.12.2008	Losev A.I.	from 01.12.08 to 31.12.09	Prolonged on the basis of an additional agreement
99.	Premise with total area of 30.5 sq. m. located: 22 Grishin st. Tsimlyansk	30.5	0-3/73611 dated 01.04.2006.	Bezverkhova M.A.	from 01.04.06 to 30.04.07	Prolonged on the basis of an additional agreement
100.	Premise with total area of 31.5 sq. m. located: 22 Grishin st. Tsimlyansk	31.5	0-2/73610 dated 01.04.2006	Kalmykov S.I.	from 01.04.06 to 30.04.07	Prolonged on the basis of an additional agreement
101.	Premise with total area of 37 sq. m.	37	0-9/73616 dated	Ladygin	from	Prolonged

	located: 22, Grishin st. Tsimlyansk		05.05.2006	S.V.	05.05.06 to 31.05.07	on the basis of an additional agreement
102.	Premise with total area of 23 sq. m. located: 22, Grishin st. Tsimlyansk	23	0-1/73576 dated 01.04.2006	Veresova E.G.	from 01.04.06 to 30.04.07	Prolonged on the basis of an additional agreement
Sotheastern Electric Grids						
103.	Main Building of Tselinskaya Electric Grids District (letter A), 3 Prodolnaya st., Tselina settlement	84.1	497/01/10-110328/11 dated 01.11.10	“Energosbyt Rostovenergo” JSC	from 01.12. 06 to 01.11.07	absent
104.	Main Building of Tselinskaya Electric Grids District (Letter A), 3 Prodolnaya, Tselina settlement	49.3	497/01/10-110328/11 dated 01.11.10	“Energosbyt Rostovenergo” JSC	from 01.11.10 to 30.09.11	absent
105.	Main Building of Tselinsk Electric Grids District (Letter A),3 Prodolnaya st., Tselina settlement	0.5	67794 dated 23.10.2008	“Soglasie” LLC	from 23.10.08 to 01.07.09	Number of renewals is not limited
106.	Flat with total area of 79.2 sq.m. Floor: 2. (27, 15 Beregovaya st. Salsk, Salsk dc, Rostov Region)	79.2	-	Director of “Rostovenergo” Production Association of Southeastern Electric Grids District Lisovoy A.N.	Corporate activities for the sale of the object are implemented in accordance with register of non-core assets	
Nothern Electric Grids						
107.	Premise (34, Artilleriyskaya st., Millerovo)	49.67	104008/98 dated 01.11.2010	Business owner “Berezhnova”	from 01.11.10 to 30.09.11	
108.	Premise (Floor No. 1 room 2, 34 Artilleriyskaya st. Millerovo, Rostov Region)	11.8	49/102011/93 dated 01.10.2010	Insutance Company “Russia”, JSC	from 01.10.10 to 31.08.11	-
Southwest Electric Grids						
109.	Canteen building. Address: 144, Dzerzhiskiy street, Taganrog.	179.6	No. 95773 dated 02.08.2010	“Salen” LLC	from 02.08.10 to 02.07.11	Still used
110.	Administrative Building of Repair and Production Base-3, type of Southwest Electric Grids Production Association, Letter A, ATM, 144 Dzerzhinskiy st. Taganrog	8	No. 95779 dated 02.08.2010	“Centre-Invest” Commercial Bank, JSC	from 02.08.10 to 02.07.11	Prolonged for the same period
111.	Checkpoint Building, 144 Dzerzhinskiy st. Taganrog	24.8	No. 95779 dated 02.08.2010	“Centre-Invest” Commercial Bank, JSC	from 02.08.10 to 02.07.11	Prolonged for the same period

Fixed Assets under Arrest			
	Brief Description of the Property	Basis of Encumbrances	Start Date and End Encumbrances
	Name		
1	1) Monitor-4 pc,	Order of Seizure dated	Seized since

	2) System unit-4 pc, 3) Key board-4 pc, 4) Computer Mouse-4 pc, 5) Printer-1 pc.	27.12.2007 in accord with consolidated enforcement proceeding Execution No. 47/07 dated 11.01.2007	27.12.2007
2	1) 10 kv HV Branch line from 5/250 Package Transformer Substation with length of 0.8 km laid by Service Team-1, 12 electricity pylons of wood on ferro-concrete, 2.4 km of AC-35 wire 10/0.4-250 kVA PTS; 2) 10 kv HV Branch line from 1/250 kVA "Zernotok" PTS with length of 0.75 km laid by Service Team-1, 4 electricity pylons of wood on ferro-concrete; 3)) 10 kv HV Branch line from 1/250 kVA PTS with length of 3/6 km laid by Service Team-1, 4 electricity pylons of wood on ferro-concrete;	Order of Seizure dated 06.12.2007 in accord with consolidated enforcement proceeding Execution No. 47/07 dated 11.01.2007	Seized since 06.12.02007
3	1) 35/10 kv Pump Electric Grid Company; 2) 35 kv HV Tavn-Gashunskaya Pump Line; 3) 35/10 kv HV Chernozemelskaya-Zulturganskaya Line; 4) 35/10 kv Kirovskaya Electric Grid Company; 5) 35/10 kv "Improver" Electric Grid Company;	Order of Seizure dated 21.10.2007 in accord with enforcement proceeding Execution No. 934/74 dated 06.02.2007	Seized since 27.09.2007

Fixed Assets Transferred to the Operational Management				
	Brief Description of the Property		Basis of Encumbrances (Rulings had been made by management body before the moment "Rostovenergo" JSC was affiliated to "IDGC of the South" JSC)	Start Date and End Encumbrances
	Name	Area, sq.m.		
1	Building, Letter A, located: 147 2-aya Krasnodarskaya st., Svetskiy dc, Rostov on Don, Rostov region	321.6	Basis: Ruling of Board of Directors of "Rostovenergo" JSC dated 26.04.2004, Minutes No. 22 (as to the agenda item No. 14 "Regarding Property Settled on "Training Centre "Energetik", Non-state Non-commercial Educational Institution on the basis of operational management) (Certificate of State Registration of Rights 61 АГ No. 981624 dated 26.08.2008)	Since 01.12.2012 – without time restrictions
2	Building, Letter A, location: 147/2 2-aya Krasnodarskaya st., Sovetskiy dc, Rostov on Don, Rostov Region	4789.1	Basis: Ruling of Board of Directors of "Rostovenergo" JSC dated 26.04.2004, Minutes No. 22 (as to the agenda item No. 14 "Regarding Property Settled on "Training Centre "Energetik", Non-state Non-commercial Educational Institution on the basis of operational management) (Certificate of State Registration of Rights 61 АГ No. 981623 dated 26.08.2008)	Since 26.08.2008 – without time restrictions
3	Movable Assets to the number of 9531 ea amounting to 2133	-	Basis: Ruling of Board of Directors of "Rostovenergo" JSC dated 26.04.2004, Minutes No. 22 (as to the agenda item No. 14 "Regarding Property Settled on "Training	Since 01.07.2004 –

	048.67 rub		Centre “Energetik”, Non-state Non-commercial Educational Institution on the basis of operational management)	without time restrictions
4	Production Base Building of Training Centre totaling to 12052190.08 rub, Letter of Building No. 65, location: Industrial hub at Thermoelectric Plant-2, Privolzhskiy dc, Astrakhan Region	1158.5	Basis: Ruling of Board of Directors of “Astrakhanenergo” JSC dated 29.04.2003, Minutes No. 100 (as to the agenda item “Regarding Participation of “Astrakhanenergo” JSC in “Astrakhan Training Complex” Non-state Non-commercial Educational Institution by means of property transferred under the operational management), Treaty on the Right of Operational Asset Management No. 01-25-24/37 dated 05.01.2004, Additional Agreement No. 1 dated 24.03.2008 to treaty No. 01-25-24/37 dated 05.01.2004, Certificate of State Registration of Rights 30 CP No. 009108 dated 12.05.2004.	Since 12.05.2004 - without time restrictions
5	Movable Assets to the number of 100 ea amounting to 36500.47 rub.	-----	Basis: Ruling of Board of Directors of “Astrakhanenergo” JSC dated 29.04.2003, Minutes No. 100 (as to the agenda item “Regarding Participation of “Astrakhanenergo” JSC in “Astrakhan Training Complex” Non-state Non-commercial Educational Institution by means of property transferred under the operational management), Treaty on the Right of Operational Asset Management No. 01-25-24/35 dated 05.01.2004, Additional Agreement dated 20.12.2006 to treaty No. 01-25-24/35 dated 05.01.2004, Additional Agreement No. 2 dated 24.03.2008 to treaty No. 01-25-24/35 dated 05.01.2004.	Since 05.01.2004 - without time restrictions
6	Movable Assets to the number of 4 ea amounting to 12988.10 rub.	-----	Basis: Ruling of Board of Directors of “Astrakhanenergo” JSC dated 29.04.2003, Minutes No. 100 (as to the agenda item “Regarding Participation of “Astrakhanenergo” JSC in “Astrakhan Training Complex” Non-state Non-commercial Educational Institution by means of property transferred under the operational management), Treaty on the Right of Operational Asset Management No. 01-11/03-Д117-1P dated 29.06.2004, Additional Agreement No. 3 dated 24.03.2008 to treaty No. 01-11/03-Д117-1P dated 29.06.2004.	Since 29.06.2004 - without time restrictions
7	Movable Assets to the number of 2 ea amounting to 21310.43 rub.	-----	Basis: Ruling of Board of Directors of “Astrakhanenergo” JSC dated 29.04.2003, Minutes No. 100 (as to the agenda item “Regarding Participation of “Astrakhanenergo” JSC in “Astrakhan Training Complex” Non-state Non-commercial Educational Institution by means of property transferred under the operational management), Treaty on the Right of Operational Asset Management No. 01-11/03-Д117-1P dated 13.08.2004, Additional Agreement No. 4 dated 24.03.2008 to treaty No. 01-11/03-Д117-1P dated 13.08.2004.	Since 13.08.2004 - without time restrictions

IV. Data on Financial and Economic Activity of the Issuer

4.1. Results of Financial and Economic Activity of the Issuer

Business activity dynamics, including company's (un)profitability complied on the basis of accounting report

Standard (rules) applied for accounting (financial report): **RAS (Russian Accounting Standards)**

In items of rubles

Indicator	2012	2013, 3months
Net profit, %	-14.1	0.6
Return on equity, %	0.54	0.14
Return on assets, %	-0.17	0.03
Ratio of net profit, %	-24.5	0.3
Uncovered loss amount as of the reported date	7 878 410	7 840 159
Ratio of uncovered loss rate as of the reported date to balance sheet	17.97	17.22

All indicators are calculated on the basis of existing methods of calculation

Economic analysis of profitability/unprofitability of Issuer, based on the dynamics of these indicators, and also reasons that caused the unprofitability/profitability of Issuer showed in accounting (financial) report:

Ratio of net profit shows share of net profits, remaining at the disposal of the Company, percentage of total sales revenue. In comparison with the 1st quarter of 2012 the net profit has increased from minus 14.1% to +0.65% due to the presence of net profit.

Asset turnover ratio characterizes the efficiency of the Company's usage of all available resources, regardless where they originated from, that is, shows how many times during the period under review makes a complete cycle of production and circulation. Indicator of assets turnover in the 1st quarter of 2013 has slightly increased.

Return of assets characterizes the efficiency of Company's funds application, i.e. the efficiency of Issuer's funds managing and returning through the every ruble invested in assets, and shows the generating of Company's profit. In comparison with last year indicator increased and equals to 0.3%.

Return of assets characterizes the efficiency of Company's funds application, i.e. the efficiency of Issuer's funds managing and returning through the every ruble invested in assets, and shows the generating of Company's profit. In comparison with last year indicator values increased from minus 24.5% to plus 0.3.

Additional indicators describing the results of financial and economic activities, thousand rubles

Indicator	2012, 3 months	2013, 3 months
Profit	6 453 453	6 433 913
Total profit	891 575	467 936
Net profit (undistributed profits (unrecovered loss))	163 932	38 251

Product profitability (sale), %	10,9	4,4
Capital turnover, times	0,4	0,5

Profit for 1st quarter 2013 amounted 6 433 913 thousand rubles, in comparison with indicator for 1st quarter 2012 it is less for 0.3%. The main cause of decline in revenue is lower power consumption due to warmer winters in the reporting period.

Gross profit in the reporting period decreased in comparison to the same period of last year by 423.639 rubles or (-47.5%).

Net profit in the 1st quarter of 2013 was 38 251 thousand rubles, which is 125.681 rubles lower than in 1st quarter of 2012. The negative dynamics of the financial results of the issuer is mainly due to the decrease in the volume of electricity transmission and technological connection, which is partially offset by cost savings on production costs, administrative expenses, interest expense, lowering other expenses and an increase in other incomes.

Sales profitability factor characterizes the efficiency of industrial and commercial activity, estimates the cost of sales, operating profit shows the amount of sales of the issuer. This is the main and most frequently mentioned indicator of profitability. In other words, this ratio shows how much profit is retained by the Company after covering the cost of production. In the 1st quarter of 2013 it was 4.4%, which is 6.5% lower than in the previous year.

Total assets turnover ratio shows the speed of ratio turnover of Issuer, and it amounts 0.5 on accounting date, in comparison with similar period of last year it has grown.

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

indicator	2012, 3 months	2013, 3 months
Revenues (net) from sales of products (services), total, rub	6 453 453	6 433 913
Cost of products (services), total, rub	5 561 878	5 965 977
Gross profit, total, rub	891 575	467 936
Net profit (loss)	163 932	38 251
ROE (Return on equity, cumulative), %	1,0	0,3

The structure of the Issuer's revenue in the reporting period was as follows:

- revenue from the transfer and transit of electricity - 6 330 271 rubles or 98.4%;
- revenue from technological connection of consumers – 80.019 rubles or 1.2%;
- revenue from other activities - 23 623 thousand rubles or 0.4%.

Increase in cost, compared to the same period last year amounted to 404 099 thousand rubles or 7.3%.

Opinions of issuer's management bodies in relation to the causes or the effects on results of financial and economic activities are not the same: no

Member of the Board of Directors (Supervisory Board) of the Issuer, or a member of the collegial executive body has a special opinion on the above reasons and / or

their impact on the financial performance of the issuer, as reflected in the minutes of the meeting (session) of the Board of Directors (Supervisory Board) of the Issuer or the collective executive body, which considered the relevant issues, and insists on including such opinion in the quarterly report: no

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

The dynamics of indicators of Issuer's liquidity, calculated on the basis of accounting (financial) report.

Standard (rules) applied for preparing accounting (financial) report: RAS

In items of thousand rubles

Indicator	2012	2013, 3 months
Net fixed assets index	3 600 268	3 632 106
Current ratio	0.86	0.85
Quick ratio	0.73	0.72

At the Issuer's discretion it shows the additional dynamic of indicators, characterizing Issuer's liquidity, calculated on the basis of consolidated accounting (consolidated financial) report of Issuer, which is included in year report: **No**.

All figures are based on the recommended methods of calculations: **Yes**

An economic analysis of Issuer's liquidity and solvency, the Issuer's capital adequacy ratio for the performance of short-term obligations and meet current operating expenses, based on economic analysis of the dynamics of these indicators with a description of factors that, in the opinion of the Issuer, had the most significant impact on the liquidity and solvency of the Issuer:

Net working capital is the difference between value of working capital and current liabilities.

This indicator characterizes the value of floating capital, devoid of short-terms (current) liabilities, i.e. the share of Company's floating assets, which has been financed from long-term sources and it cannot be used for discharging of current debt.

Increase in net working capital relative to 2012 indicates about increasing of Company's liquidity.

Current ratio indicates the extent to which current assets cover current liabilities of organization, and allows estimating how much current assets accounted for one ruble of current liabilities. As of 31.03.2013 this coefficient amounts 0.85. Quick ratio shows how the most liquid assets cover current liabilities of the organization. As of 31.03.2013 the coefficient was 0.72. Recommended value of quick ratio is not less than 0.5.

The opinions of the Issuer's administration with respect to the causes or extent of their influence on the results of the Issuer's financial activities does not match: **No**.

A member of the Issuer's Board of the directors (supervisory council) or a member of the Issuer's collegial executive body has a special opinion on the reasons

mentioned and / or the degree of their influence on the results of the Issuer's financial activities, as reflected in the minutes of the meeting (conference) Issuer's Board of directors (supervisory council) or the collective executive body, which considered the issues involved, and insists on reflecting this view in the quarterly report: **No.**

4.3. Financial Investments of the Issuer

In 2012

List of the Issuer's Financial Investments which Amount at Least 10% of Its Total Financial Investments as of the Closing Date of the Accounting Period

Investments in equity securities

Types of securities: **shares.**

Full Company name of the Issuer: **in Russian - Открытое акционерное общество "Астраханьэлектросетьремонт"; in English - "Astrakhanelektrosetremont" Joint Stock Company.**

Short Company name of the Issuer: **in Russian - ОАО "Астраханьэлектросетьремонт"; in English - "Astrakhanelektrosetremont" JSC**

Location of the Issuer: **204 Kramatorskaya st. Astrakhan Russian Federation.**

TIN: 3015003313

OGRN (sort code): 1043001301606

Date of state registration of the issue (issues)	Register number	Registrating authority
14.05.2004	1-01-33954-E	Regional Department of Russian FCSM in Southern Federal District
14.12.2010	1-02-33954-E	Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer: **71 308.**

Total nominal value of the securities owned by the Issuer: **71 308 000**

Currency: **RUR**

Total book value of securities owned by the Issuer, rub: **60 416 668.33**

Dividends were not declared.

Additional information: no

Type of securities: **shares.**

Full Company name of Issuer: **in Russian Открытое акционерное общество "Волгоградсетремонт"; in English "Volgogradsetremont" Joint Stock Company.**

Short Company name of the Issuer: **in Russian - ОАО "Волгоградсетремонт"; in English- "Volgogradsetremont" JSC.**

Location of the Issuer: **1a Granatovaya st. Volgograd Russia.**

TIN: **3445067291**

PSRN: **1043400418984**

Date of state registration of the issue (issues)	Register number	Registrating authority
17.05.2004	1-01-33955-E	Regional Department of Russian FCSM in Southern Federal District
02.03.2011	1-02-33955-E	Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer: **40 648 000**

Total nominal value of the securities owned by the Issuer: **40 648 000**

Currency: **rubles**

Dividends were not declared.

Additional information: no

Type of securities: **shares.**

Full Company name of Issuer: **“Sokolovskoe Agricultural Enterprise”, Open Joint Stock Company**

Short Company name of the Issuer: **“Sokolovskoe Agricultural Enterprise”, JSC**

Location of the Issuer: **32 Kurskaya st. Sokolovo-Kundruchinskiy settlement, Novoshakhtinsk Russia**

Date of state registration of the issue (issues)	Register number	Registrating authority
15.01.2004	1-01-33837-E	Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer: **161 713 447**

Total nominal value of the securities owned by the Issuer: **161 713 447**

Currency: **RUR**

Total book value of securities owned by the Issuer, rub: **178 640 453.77**

Dividends were not declared.

Additional information: no

Type of securities: **shares.**

Full Company name of Issuer: **“Grechko A.A. Agricultural Enterprise”**

Open Joint Stock Company

Short Company name of the Issuer: **“Grechko A.A. Agricultural
Entreprise”JSC**

Location of the Issuer: **21 Teatralnaya st. Kuibyshevo village, Kuibyshev
dc, Rostov Region, Russia**

Date of state registration of the issue (issues)	Register number	Registrating authority
15.01.2004	1-01-33837-E	Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer: **77 686 000**

Total nominal value of the securities owned by the Issuer: **77 686 000**

Currency: **RUR**

Total book value of securities owned by the Issuer, rub: **79 972 216.44**

Dividends were not declared.

Additional information: no

Type of securities: **shares.**

Full Company name of Issuer: **“Energetik” Recreation Base” Open Joint
Stock Company**

Short Company name of the Issuer **“Energetik” Recreation Base” JSC**

Location of the Issuer: **3 Shkolnaya st. Shepsy village, Tuapse dc,
Krasnodar Region, Russian Federation**

Date of state registration of the issue (issues)	Register number	Registrating authority
15.01.2004	1-01-33856-E	Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer: **111 279 355**

Total nominal value of the securities owned by the Issuer **111 279 355**

Currency: **RUR**

Total book value of securities owned by the Issuer, rub: **65 417 247.18**

Dividends were not declared.

Additional information: no

Type of securities: **shares.**

Full Company name of Issuer:

in Russian: **Открытое акционерное общество “Энергосервис Юга”**,

in English: **“Energoservis of the South” Open Joint Stock Company**

Short Company name of the Issuer in Russian: **ОАО «Энергосервис Юга»**,
in English: **“Energoservis of the South” JSC**

Location of the Issuer: 49 Bolshaya Sadovaya st., Rostov-on-Don, Russian Federation, 344002

Date of state registration of the issue (issues)	number	Registration authority
25.02.2011	1-01-35378-E	Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer: 2 500

Total nominal value of the securities owned by the Issuer 2 500 000

Currency: RUB

Total book value of securities owned by the Issuer, rbs: 2 500 000

Dividends were not declared.

Additional information: no

Investments in non-equity securities

Investments in non-equity securities, which account for 5 % and more of the entire financial investment, are absent

The issuer made a reserve for impairment of investments in securities

The amount of provision for impairment of securities at the beginning and the end of the last completed financial year prior to the date of the last reporting quarter:

As of 01.01.2012 a provision for impairment of investments in the amount of 51 397 387.33 rubles, including contributions to the charter capital of subsidiary companies – 51397387.33 rubles.

As of 31.12.2012 the reserve for impairment of financial investments in the amount of 329 598 619.24 rubles was made, including:

- investments in the subsidiaries' authorized capital – 165 335 386.55 rubles.
- investments in in joint activity – 48.263 232.69 rubles.
- acquisition of accounts receivable under the contract on transfer of rights – 116 000 000.00 rubles.

Other Financial Investment

Financial investment project: Construction and maintenance of Elista Gas and

Steam Turbine Power Plant

Investment monetary value: **40 425 376.53**

Currency: RUB

level of income from financial investment project or the order of its determination, terms of payment:

Construction work is not completed which resulted in absence of income.

Additional information: no

Financial investment project: Construction and maintenance of Kalmykia Wind-power Plant

Investment monetary value: 7 837 856.16

Currency: RUB

Level of income from financial investment project or the order of its determination, terms of payment:

Construction work is not completed which resulted in absence of income.

Additional information: no

Data on value of potential losses connected with bankruptcy of the Companies (enterprises) as investment projects in reference of every type of the abovementioned investments:

Data on losses is disclosed along with the Issuer's assessment of financial investments posted by the Issuer for the period from the beginning of the accounting year to closing date of the last accounting quarter.

Standards (regulations) of accounting reporting, in accordance with which the Issuer performed settlements, exposed in the present paragraph of the quarterly report:

- Federal Law dated November 21, 1996 N129-Φ3 "Concerning Accounting";
- Regulations on Accounting and Preparation of Financial Statements in RF, approved by the Order of Ministry of Finance of the Russian Federation No.34H dated 29.07.1998;
- Internal Revenue Code of Russian Federation;
- Order of Ministry of Finance of the Russian Federation No. 126H "On Approval of Accounting Regulations "Accounting for Investments" ПБУ 19/02".

as of the end of reporting quarter

List of the Issuer's Financial Investments which Amount at Least 5% of Its Total

Financial Investments as of the Closing Date of the Accounting Period

Investments in equity securities

Types of securities: **shares**.

Full Company name of the Issuer: **in Russian - Открытое акционерное общество “Астраханьэлектросетьремонт”**; **in English - “Astrakhanelektrosetremont” Joint Stock Company.**

Short Company name of the Issuer: **in Russian - OAO “Астраханьэлектросетьремонт”**; **in English - “Astrakhanelektrosetremont” JSC**

Location of the Issuer: **204 Kramatorskaya st. Astrakhan Russian Federation.**

Date of state registration of the issue (issues)	Register number	Registrating authority
14.05.2004	1-01-33954-E	Regional Department of Russian FCSM in Southern Federal District
14.12.2010	1-02-33954-E	Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer: **71 308**.

Total nominal value of the securities owned by the Issuer: **71 308 000**

Currency: **RUR**

Total book value of securities owned by the Issuer, rub: **60 416 668.33**

Dividends were not declared previously.

Additional information: on 31.01.2013 an entry was made to Unified State Register of Legal Entities on dissolution of “Astrakhanelektrosetremont” JSC as a legal entity (certificate series 30 No. 001409142)

Type of securities: **shares**.

Full Company name of Issuer: **in Russian Открытое акционерное общество “Волгоградсетремонт”**; **in English “Volgogradsetremont” Joint Stock Company.**

Short Company name of the Issuer: **in Russian - OAO “Волгоградсетремонт”**; **in English- “Volgogradsetremont” JSC.**

Location of the Issuer: **1a Granatovaya st. Volgograd Russia.**

TIN: **3445067291**

PSRN: **1043400418984**

Date of state registration of the issue	Register number	Registrating authority
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(issues)		
17.05.2004	1-01-33955-E	Regional Department of Russian FCSM in Southern Federal District
02.03.2011	1-02-33955-E	Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer: **40 648 000**

Total nominal value of the securities owned by the Issuer: **40 648 000**

Currency: **RUR**

Total book value of securities owned by the Issuer, rub: **14 902 153.84**

Additional information: no

Type of securities: **shares**.

Full Company name of Issuer: **“Sokolovskoe Agricultural Enterprise”, Open Joint Stock Company**

Short Company name of the Issuer: **“Sokolovskoe Agricultural Enterprise”, JSC**

Location of the Issuer: **32 Kurskaya st. Sokolovo-Kundruchinskiy settlement, Novoshakhtinsk Russia**

Date of state registration of the issue (issues)	Register number	Registrating authority
15.01.2004	1-01-33837-E	Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer: **161 713 447**

Total nominal value of the securities owned by the Issuer: **161 713 447**

Currency: **RUR**

Total book value of securities owned by the Issuer, rub: **178 640 453.77**

Dividends were not declared previously.

Additional information: no

Type of securities: **shares**.

Full Company name of Issuer: **“Grechko A.A. Agricultural Enterprise” Open Joint Stock Company**

Short Company name of the Issuer: **“Grechko A.A. Agricultural Enterprise” JSC**

Location of the Issuer: **21 Teatralnaya st. Kuibyshevo village, Kuibyshev dc, Rostov Region, Russia**

Date of state registration of the issue (issues)	Register number	Registrating authority
15.01.2004	1-01-33837-E	Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer: **77 686 000**

Total nominal value of the securities owned by the Issuer: **77 686 000**

Currency: **RUR**

Total book value of securities owned by the Issuer, rub: **79 972 216.44**

Dividends were not declared previously.

Additional information: no

Type of securities: **shares.**

Full Company name of Issuer: **“Energetik” Recreation Base” Open Joint Stock Company**

Short Company name of the Issuer **“Energetik” Recreation Base” JSC**

Location of the Issuer: **3 Shkolnaya st. Shepsy village, Tuapse dc, Krasnodar Region, Russian Federation**

Date of state registration of the issue (issues)	Register number	Registrating authority
15.01.2004	1-01-33856-E	Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer: **111 279 355**

Total nominal value of the securities owned by the Issuer **111 279 355**

Currency: **RUR**

Total book value of securities owned by the Issuer, rub: **65 417 247.18**

Dividends were not declared previously

Additional information: no

Type of securities: **shares.**

Full Company name of Issuer:

in Russian: **Открытое акционерное общество “Энергосервис Юга”**,

in English: **“Energoservis of the South” Open Joint Stock Company**

Short Company name of the Issuer in Russian: **ОАО «Энергосервис Юга»**,
in English: **“Energoservis of the South” JSC**

Location of the Issuer: 49 Bolshaya Sadovaya st., Rostov-on-Don, Russian Federation, 344002

Date of state registration of the issue (issues)	number	Registration authority
25.02.2011	1-01-35378-E	Regional Department of Russian FCSM in Southern Federal District

Number of securities owned by the Issuer: 2 500

Total nominal value of the securities owned by the Issuer 2 500 000

Currency: RUB

Total book value of securities owned by the Issuer, rbs: 2 500 000

Additional information: no

Other Financial Investment

Financial investment project: Construction and maintenance of Elista Gas and Steam Turbine Power Plant

Investment monetary value: **40 425 376.53**

Currency: RUB

level of income from financial investment project or the order of its determination, terms of payment:

Construction work is not completed which resulted in absence of income.

Financial investment project: Construction and maintenance of Kalmykia Wind-power Plant

Investment monetary value: 7 837 856.16

Currency: RUB

Level of income from financial investment project or the order of its determination, terms of payment:

Construction work is not completed which resulted in absence of income.

Data on value of potential losses connected with bankruptcy of the Companies (enterprises) as investment projects in reference of every type of the abovementioned investments:

Data on losses is disclosed along with the Issuer's assessment of financial investments posted by the Issuer for the period from the beginning of the accounting year to closing date of the last accounting quarter.

Standards (regulations) of accounting reporting, in accordance with which the Issuer performed settlements, exposed in the present paragraph of the quarterly report:

- Federal Law dated November 21, 1996 N129-ФЗ “Concerning Accounting”;
- Regulations on Accounting and Preparation of Financial Statements in RF, approved by the Order of Ministry of Finance of the Russian Federation No.34Н dated 29.07.1998;
- Internal Revenue Code of Russian Federation;
- Order of Ministry of Finance of the Russian Federation No. 126Н “On Approval of Accounting Regulations “Accounting for Investments” ПБУ 19/02”.

4.4. Intangible Assets of the Issuer

2012

In rubles

intangible assets group	Undepreciated (replacement) value	Amortization charge
Trademark	24 100	9 451
Total	24 100	9 451

data on its intangible assets are as follows:

Accounting Regulation “Intangible Assets Accounting” (ПБУ 14/2007), approved by Order of Ministry of Finance of the Russian Federation No. 153Н dated 27.12.2007.

Intangible Assets are not reassessed. Amortization expenses for all types of Intangible Assets are charged by straight-line method.

31.12.2012

As of the end of reporting date

In rubles

Trademark	Undepreciated (replacement) value	Amortization charge
Total	24 100	10 194
Trademark	24 100	10 194

data on its intangible assets are as follows:

Accounting Regulation “Intangible Assets Accounting” (ПБУ 14/2007), approved by Order of Ministry of Finance of the Russian Federation No. 153Н dated 27.12.2007.

Intangible Assets are not reassessed. Amortization expenses for all types of Intangible Assets are charged by straight-line method.

Reporting date: 31.03.2013

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

Information about the policy in the area of scientific and technological development.

In 2011 on the meeting of the Board of the directors of “IDGC of the South” JSC 29.07.2011 approved the Program of innovate development of Company for 2011-2016 (minutes of meeting dated 01.08.2011 No. 69/2011).

In the 1st quarter 2012 the Program of innovate development of Company for 2011-2016 was corrected.

The main directions of innovate development of Company:

- development of methodological (regular) support;
- development of human capital (staff training);
- planning and implementation of scientific and research and development projects (R&D);
- introduction of “finished” effective innovate development;
- improvement of basic business processes of Company;
- development of information technology and IT infrastructure;
- energy efficiency.

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

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

The adjusted programme includes the approved “Plan of research, development and technological works of IDGC of the South JSC for 2012, providing for the implementation in 2012 research and development activities (hereinafter - R&D) performed by contractors in accordance with the terms of contracts concluded with them, the result of the implementation of which will be the preparation for introduction in the distribution grid complex of the Company's the latest models of electrical equipment and devices, as well as the most efficient and advanced

technologies.

As of March 31, 2013 the Company signed with the contractors 14 listed below contracts with a total sum of 134.551 million rubles, of which 2 contracts are completed and 12 agreements are in progress, and the actual payment by the Company for completed by contractors stages of R&D amounts to 63.695 million rubles, when the planned sum was 75.895 million rubles in accordance with the schedule of implementation of works, which are specified in the contract (works completed – 84%).

Thus, the total value of the of the Company's current accounts payable to the counterparties is 12.20 million rubles.

Completed R&D contracts:

The contract on R&D works on project “Operational testing of device short-circuit neutral in 10 kV network on the basis of reclosers for the needs of IDGC of the South JSC branch – “Volgogradenergo”, signed with “Tavrida Elektrik GK” CJSC on September 19, 2011 No.743 and consisting of 3 stages of R&D works, the total sum is 3.142 million rubles (including VAT).

As of March 31, 2013, all stages of R&D works are carried out, the actual results of their implementation are as follows:

Report on the implementation of the 1st phase of researches was made, comprising:

- Results of the study of regimes of electrical networks 6-10 kV with overhead lines in single-phase ground fault
- The results of study of technical solutions, algorithms of system functioning and schemes of the developed device, as well as the results of patent research and patent searches
- The results of calculation of the cost of industrial design in mass production with the conclusion of the feasibility of creating a test model
- Technical documentation on the development, installation, commissioning and operation of the industrial design in accordance with the developed technical solutions was prepared, as well as documentation for the re-use of these technical solutions was worked out and formed an annotated report on completed research.

A final report on the full-scale testing of the developed experimental-industrial model, which on December 14, 2011 was discussed at meeting of the Scientific and Technical Council of “IDGC Holding” JSC with the direct participation of representatives of “Tavrida Elektrik” CJSC contains:

- the results of developing the industrial design and introduction of technical solutions at one of the substations of production division “Kamyshinskye electric grids “Volgogradenergo”
- the results of field tests for confirmation of the achievement of the goals

The Company has fully paid for R&D works; the total sum is 3.142 million rubles.

2. R & D works under contract on project "Research and development of methods of determining the indicators of efficiency of electric energy transmission taken in

conjunction with var flow and indicators of quality of electric energy in grids of 110kV" concluded with "National research technical university of Tomsk" on September 19, 2011 No.2-476/11u/742 and including 3 stages of R & D works of total sum of 9.0 million rubles (including VAT).

As of March 31, 2013, all stages of R&D works are carried out in full extent and the actual results of their implementation are as follows:

2.1. The modes of 110kV electric grids of IDGC of the South JSC branches – “Rostovenergo” and “Volgogradenergo” with the definition of the basic properties of their frequency response and defining of their impact on the value of the additional losses of electricity and performance indicators of its transport were examined.

2.2. The technique of determining the efficiency of power transmission in conjunction with the cross flow of reactive power, power quality in electrical grids of 110 kV and frequency properties was elaborated.

2.3. A final report on the implemented researches was made, including:

2.3.1. system of organizational and technical measures to reduce the basic and additional power losses and ensuring control of reactive power flows and correcting the frequency characteristics of electrical networks as a whole and in particular the overhead lines for increasing efficiency of transport of electric energy in electric grids of 110 kV;

2.3.2. technical and economic assessment of the feasibility of the abovementioned programme of activities.

Actual payment of the Company for the performance by a counterparty of stages of R&D project was carried out in full and amounted 9.0 million rubles.

The existing contracts on performance of R&D works are:

The contract on R&D works under the project “Development of technical requirements and characteristics of sources of DC control power installed in RP 6-10 kV, substations of 35-110 kV, performed with using modern components, with the development of re-use projects, concluded with “Interregional production union of technical acquisition “Tekhnokomplekt” dated September 16, 2011 No. 706 and providing 5 stages of R&D, amounting 3.15 million rubles (including VAT).

As of March 31, 2013, all stages of R&D works are carried out in full, the actual results of the implementation are as follows:

An annotated report on the implementation of the 1st phase of R&D works was prepared, comprising:

- analysis of the composition and characteristics of the load of operating DC voltage system depending on the main circuit of the substation and its voltage class;
- the schemes of the elements of operating DC voltage system and technical requirements to them, as well as the method of choice of the main circuit of

operating DC voltage system depending on the main circuit of the substation and its voltage class.

The agreement to perform R&D works on project "Introduction of a modern system for early detection of icing on 35-110 kV overhead lines" (branches "Volgogradenergo", "Rostovenergo"), concluded with "Scientific Centre Instrument-Micro" dated 19 September 2011 No. 745 provides 5 stages of implementation, and the total value of it is 18.78 million rubles (including VAT).

As of March 31, 2013 1-4 stages of R&D are performed in full, the actual results of their implementation are as follows:

The following activities were performed: a patent search, the comparative analysis, and the selection and approval of prototype device of detecting icing and frost deposits on the phase conductors and ground wire 35-110 kV and, in addition, documents were prepared and an application for a patent of the Russian Federation as filed, followed by its receipt and publication on May 27, 2012

Project works were performed and a final report on completed research was prepared.

The design of the devices for detecting deposits was made, as well as experimental models for introduction into operation at the overhead line and upgrade of existing control points system for early detection of icing and, in addition, a single system of monitoring overhead lines.

A final report on the implementation of the researches was prepared, comprising:

- technical and economic calculation of the cost of industrial design in mass production with the obligatory conclusion of whether to continue the work on the creation of an experienced industrial design detection devices deposits;
- technical documentation for a sample of device deposits detection.

Along with it, the Company paid 6 756 million rubles for the performance by a counterparty of stages of R&D.

The agreement to perform R&D work on project "Development of information system for monitoring and forecasting parameters of electricity distribution networks" concluded with the "Kuban State Technological University" on September 19, 2011 No. 8.64.01.07-11/714 and providing the implementation of 4 stages of R&D works, total value of the contract is 1695 million rubles (VAT is not stipulated).

As of 31st March 31, 2013 1 and 2 stages of R&D were performed in full, the actual results of their implementation are as follows:

A report on the implementation of the project includes:

basic, not detailed requirements for information system;

information about the basic types of users (including the number and powers);

information on the number of work places;

the results of identification of the degree of distribution of developed information systems;

the structure, composition and functions of the territorial divisions;
structure and composition of facilities;
detailed range of equipment for which the level of wear and tear will be monitored;
controlled parameters of the equipment;
analysis of means of receiving the parameter values and their changes over time;
analysis of the possibility of automatic or manual collection of monitored parameters;
range of emergencies and technological failures;
list of indicators for each hazard and technological violations;
analysis of the methods of obtaining the values of the indicators and their changes over time;
analysis of the possibility of automatic, automated or manual collection of monitored parameters;
results of research and analysis of the parameters that describe the network load;
analysis of the ways to get the network boot parameters and their changes over time.

A report on the implementation of R&D works includes:
results of structural modeling of information system with the evaluation of dynamic features;
description of the general functioning of the algorithms;
analytical model of the domain and the results of its normalization;
model of database;
description of algorithms for data collection;
classification of the types of forecasting for each monitored parameter (short, medium and long term), and the results of the forecast;
comparative analysis of the results and the choice of forecasting methods, depending on the particular subject area;
mathematical models of forecasting and selection criteria for evaluating the results of the quality of prognosis and the possibility of its adaptation to conditions;
analysis of requirements to retrospective data (for each of the monitored parameters) in order to ensure the required quality of the forecasts.

For the performed by the Contractor works the Company paid in total 0.847 million rubles.

The agreement to perform R&D on project “Survey of the influence of traction and other non-linear loads on 110 kV power grids on the quality and level of electricity losses” was concluded with the “National Research Tomsk Polytechnic University” on September 19, 2011 No. 2-475/11u / 741 and includes 3 stages of researched works; the price of contract is 12.0 million rubles (including VAT).

As of March 31, 2013, all stages of R&D works are carried out in full, with the following results:

Reports on the implementation of the 1st and 2nd phases of research were prepared, containing:

the results of the survey of modes and daily schedules of power consumption by traction substations and other non-linear loads in branches of IDGC of the South - "Rostovenergo" and "Volgogradenergo" (0.5 of the required volume);
the results of the survey of modes and daily schedules of consumption by other substations and 110 kV overhead lines of the above-mentioned branches (0.5 of the required volume);

A final report on the implementation of the research was prepared, comprising:
the results of calculations of modes and the value of the additional losses in electric networks of 110 kV;
the results of studies of the main parameters of 110kV electric grids and its frequency characteristics that define additional power losses;
methodology of survey of additional losses in 110kV electric grids V;
program of measures to reduce additional losses in 110kV electric grids of the abovementioned branches of IDGC of the South.

The actual payment by the Company for the performance by the counterparty of the R&D stages amounted to 8.0 million rubles, when the planned sum was 12.0 million rubles, so that the actual total current debt of the Company to the counterparty is 4.0 million rubles.

The agreement on R&D works under the project "Development of estimate and regulatory base for determine the cost of repair and maintenance of electrical installations with the prices of January 1, 2012" was concluded with "Siberian Center for Pricing in Construction, Industry and Energy" JSC on 19 September 2011 No. 726 and provides the implementation of R&D works in 4 stages, a total sum of the agreement is 12 057 million rubles (including VAT).

As of 31 March 2013, 1-3 stages of R&D were performed, the actual results of the implementation are as follows:

The necessary information was gathered and analytical work was carried out for the development of collection of cost standards for the repair of equipment of the branch of IDGC of the South - "Rostovenergo".

The necessary information was gathered and analytical work was carried out for the development of collection of cost standards for the repair of equipment of the branch of IDGC of the South - "Rostovenergo", the procedure for applying the abovementioned collections was described, and a method to determine the index of increased cost was worked out.

Operational testing of estimate and regulatory base for the repair was performed and the consolidated results of its analysis of the effectiveness were presented.

The actual sum the Company paid for the performance by the counterparty of these stages of R&D project is 12 057 million rubles.

The agreement on project "Introduction of the microprocessor blocks for 110 kV disconnectors of new generation" (micro-electronic and microprocessor-based system with a magnetic lock installation of a prototype at substation switchgear of

“Rostovenergo”) was concluded with Research and development Institute of Energy Technology” on 27 September 2011 No.727 and includes 3 stages; the total price of the agreement is 2.9 million rubles (no VAT).

As of March 31, 2013, 1st and 2nd stages of R&D works were performed in full, the actual results of their implementation are as follows:

6.1. Annotated report on the implementation of the 1st phase of research was prepared, including:

results of a study of the electromagnetic environment on three substations of 110/35/6 kV;

analysis of technical solutions and the results of the choice options for building microelectronic and microsystems blocking switching devices of 110/35/10/6 kV contactless position sensors and the possibility of integration into the information system of the substation;

the results of the preparation of the necessary documentation and the application for the patent of the Russian Federation.

Report on the implementation of 2nd phase, comprising:

results of the development of physical and mathematical models for tests of the locking system;

results of design of the system blocking switching devices of 110/35/10/6 kV substations with contactless sensors.

The actual payment by the Company for the performance of these works amounted 1.8 million rubles.

Information about creating and obtaining legal protection for the main objects of intellectual property and risk factors.

Inventions, utility models, industrial designs in the accounting quarter were not created, patents (certificate) did not issued, the application for the invention did not filed, and therefore, the risk factors associated with the possibility of the expiration of main patents for the issuer, license to use trademarks, are absent

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

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

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

Level 2. Interregional Distribution Grid Companies (IDGC), formed in the result of AO- energees reorganization as distinguished on the basis of their activity types and subsequent association of Regional Grid Companies.

IDGC own 110-0.4 kV grids, provide services for the transmission and distribution of electric energy on the territory of Russian Federation Subdivisions the Regional Grid Companies of which are their constituents.

Level 3. Local Grid Companies formed as municipal enterprises (serving customers of one and the same municipal entity) owning mostly 10-0.4 kV grids.

The process of reorganization resulted in association of enterprises of this level: local Grid Companies serve consumers of several municipal districts and some of the Companies serve consumers of the entire Russian Federation subdivision territory.

Presently, “IDGC of the South” JSC is an Interregional Distribution Grid Company of the second Level, technologically connected to UNEG and dominating in transmission service market of Southern Federal District of the Russian Federation.

Meanwhile any other grid company located on the territory of “IDGC of the South” service is considered subordinate and to operate in 2008 was to conclude a service contract for the transfer of electricity with “IDGC of the South (this concerns organizations of the third level, having technological connection to electric grids of “IDGC of the South”).

The consumers of the Company’s service are mostly power supply companies, consumers are participants in the wholesale- and retail electricity markets as well as local grid organizations.

Considerable part of electricity, supplied to the consumers on the service territory of “IDGC of the South”, is transmitted by electric grids of the Company.

4.6.1. Analysis of Factors and Conditions Influencing the Issuer’s Activity

As of 31.03.2013, “IDGC of the South”, JSC is a large power company of the Southern Federal District.

Development of infrastructure in regions of the Company’s service area and construction of various facilities are followed by electricity consumption growth.

Situation arises when substantial risks of consumers reliability supply emerge; safe and stable operation of the power system is endangered by transmission lines and transformers overload in normal and post emergency conditions. Power equipment deterioration makes the situation more complicated as well.

In the framework of performing the state regulated activity, state regulation of tariff becomes the basic Issuer’s operation influencing factor.

The most significant factors influencing the Issuer’s activity and the results are as follows: changes in the industry legal basis and in the RF in branches, which regulates the activity of electric grid companies in sphere of technological connection.

Increasing in the number of preferential categories of applicants, the application of long-term installment payment under the contracts for technological connection in accordance with current legislation of Russian Federation in the field of technological connection. To fulfill its obligations to the category of privileged applicants under contracts for technological connection network organization is forced to raise additional loan funds to pay interest on borrowed credit.

Forecast Concerning the Mentioned Factors and Conditions' Duration

In response to of the Issuer's monopolistic business activity (rendering the services in electric power transmission), in the nearest future no changes are expected as concerns to authority for electric power transmission tariff regulation. Regarding the index of limit levels of power transmission tariff, the Issuer does not predict acute fluctuations of this index to either side in the next while.

Significant events/ factors which can improve the results of the Issuers' performance:

- Electric energy consumption increase in the Company's service areas;
- Implementation in the Company the programme of financial recovery;
- Introduction of energy saving technologies.

Significant events/ factors which can have the utmost negative effect on the Issuer's future possibility to show similar or better results compared to the last accounting period can be described as follows:

- Decrease in electric power consumption because of production recession and, correspondingly, incurrance of Issuer's income deficiency;
- Power equipment deterioration;
- Increase of inflation rate (when actual growth exceeds the predicted level);
- Change of tariffs for rendering the services in electric power transmission;
- Opportunity of consumers connection to sources of power supply through higher voltage transmission lines (for example, from MV-1 to HV), which will cause the change of productive output structure and decrease in transmission proceeds;
- Rival power grid companies emerging, disaggregating electric grid utility (emerging of a great number of small grid companies instead of several large ones);
- Occurrence of uncovered expenditures for translation of electric power purchase or loss price;
- Risk of cancelling of "FGC UES", JSC equipment sublease agreements ("last mile" agreements);
- Risk of subjective tariff-rating decisions taken by Ministry of Energy, Federal Tariff Service of Russia, Regional Tariffs Service of Russia, including decisions on electric power losses norm;
- Rise in price of credit resources in case of the global "second wave" financial crisis.

Methods implemented by the Issuer and methods the Issuer plans to implement in the future in order to reduce the negative impact of factors and conditions influencing the Issuer's activity can be specified as follows:

- Optimization of the structure of operational expenditures;
- Reconstruction the existing power grids and construction of new grids;
- Technical re-equipment of fixed assets;

- Elaboration and implementation of medium-term investment program;
- Implementation of medium-term leasing programs;
- Elaboration and implementation of medium-term programs to decrease technological loss in the Company's grid
- Adoption of new management methods based on IT technologies' development
- Initiating the process of forming tariff decisions on the basis of parity ratio of federal and regional parameters
- Switching to tariff regulation based on invested capital profitability estimate (RAB management).

Summarizing it may be added that the investment program implementation would have a positive impact on perspectives of infrastructure development of regional power grids, make it possible to increase reliability of power supply of consumers. In perspective power grids branches development will offer the opportunity to connect a number of investment and socially important facilities that will be the opportunity to receive some extra branch revenues from energy sales for future projects fulfillment.

4.6.2. Business Competitors of the Issuer.

The Company performs its principal activity in the natural monopoly regulated by the State in terms of setting of transmission tariffs and taxes on technological connection, consumers of electric energy do not have the possibility to choose the organization for connecting the equipment

V. Detailed Data on Members of Management Authorities of the Issuer, Authorities of the Issuer Undertaking Control over Financial and Economic Activities, and Brief Data on the Staff (Employees) of the Issuer

5.1. Data on Structure and Competence of the Issuer's Management Authorities

Full description of structure and competence of the Issuer's management authorities in conformance with the Charter (constituent documents) of the Issuer:

The Issuer's management authorities include:

1. General Shareholders Meeting;
2. Board of Directors;
3. Management Board;
4. CEO.

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

According to paragraph 10.2 of clause 10 of the Charter of JSC "IDGC of the South, the following items are within the scope of the General Shareholders Meeting competence:

1. introducing alterations and amendments to the Charter or approving the revised Charter;
2. reorganization of the Company;
3. liquidation of the Company; appointing liquidation commission and the approving the interim and final liquidation balances;
4. determining the quantity, nominal value, category (type) of the declared shares and the rights provided on them;
5. increase in the authorized capital of the Company by way of increasing nominal value of the shares or through additional placements;
6. decrease in the authorized capital of the Company by way of decreasing nominal value of the shares, through acquiring part of shares with the purpose to reduce their total amount, and by retirement of acquired or bought shares;
7. fractioning and consolidation of the Company's shares;
8. taking decision on the Company's placing bonds convertible to shares, other issue securities convertible to shares;
9. determining quantitative structure of the Board of Directors, electing members and early termination of their powers;
10. electing members of Auditing Committee of the Company and early termination of their powers;
11. approving Auditor of the Company;

12. taking decision on transfer of powers of sole executive body of the Company to the managing organization (managing director) and on early termination of his powers;
13. approval of annual reports, annual accounting balances, including the reports on profit and loss (accounts of profit and loss) of the Company, and distribution of its profits (including payment (statement) of dividends, except for the profit distributed as dividends at the end of quarter I, year half, nine months of financial year) and loss of the Company at the end of financial year;
14. payment (statement) of dividends at the end of quarter I, year half, nine months of the financial year;
15. determination of the procedure of General Shareholders Meeting of the of the Company;
16. taking decision on approval of deals in cases envisaged by Article 83 of Federal Law “On Joint Stock Companies”;
17. taking decision on approval of large deals in cases envisaged by Article 79 of Federal Law “On Joint Stock Companies”;
18. taking decision on participation in financial and industrial groups, associations and other unions of commercial organizations;
19. approving internal documents regulating activity of the bodies of the Company;
20. taking decision to pay remunerations and (or) compensations to the members of the Auditing committee of the Company;
21. taking decision to pay remunerations and (or) compensations to the members of the Board of Directors of the Company;
22. solving other problems envisaged by Federal Law “On Joint Stock Companies”.

Issues of General Shareholders Meeting’s competence cannot be delegated to Board of Directors, Management Board or CEO of the Company.

General Shareholders Meeting has no right to discuss items or take decisions on the items outside its competence as stated by Federal Law “On Joint Stock Companies”.

General management of the Company’s activities is carried out by the Board of Directors.

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

1. singling out priority areas of the Company’s activity;
2. convocation of the annual and extraordinary General Shareholders Meetings

of the Company, except for the cases stipulated by item 14.8 of clause 14 of JSC “IDGC of the South” Charter, and announcing the date of the next shareholders meeting instead of a meeting that was called off on the reason of absence of quorum;

3. approving the Company General Shareholders Meeting agenda;
4. electing of the Secretary of the Company General Shareholders Meeting;
5. determining the date of drawing up the list of persons entitled to participate in the Company General Shareholders Meeting, and solving other issues connected with preparation and carrying out of the Company General Shareholders Meeting;
6. introducing issues envisaged by subpoint 2,5,7,8,12-20 of point 10.2 of Clause 10 of the Charter for the decision of General Shareholders Meeting of the of the Company, as well as on the reduction of the authorized capital of the Company through the decrease in nominal value of shares;
7. placement of bonds and other issue securities by the Company, except for cases stipulated by the legislation of the Russian Federation and the Charter;
8. approving decision on the issue of securities, prospect of securities and the report on the results of the securities issue, approving reports on the results of acquisition of the Company’s shares from the shareholders, reports on retirement of shares, reports on the results of demands by the shareholders of the Company on retirement of the shares owned by them;
9. determining the price (monetary value) of property, price of placement and acquisition of issue securities in cases envisaged by Federal Law “On Joint Stock Companies”, as well as while solving issues stipulated in subpoints 11, 21, 22, 38 of point 15.1 of clause 15 of JSC “IDGC of the South” Charter;
10. acquisition of shares, bonds and other securities placed by the Company in cases envisaged by Federal Law “On Joint-Stock Companies”;
11. alienation (sale) of the shares of the Company acquired by the Company as a result of their purchase or retirement from the shareholders of the Company, as well as in other cases envisaged by Federal Law “On Joint Stock Companies”;
12. election of CEO of the Company and early termination of his/her powers (including decisions on early termination of the labour contract with him/her);
13. determining quantitative structure of Management Board of the Company, election of members of Management Board, setting remunerations and compensations paid to them, early termination of their powers (including early termination of labour contracts with them);
14. recommendations to General Meeting of Company Shareholders on the amount of remunerations and compensations paid to the members of Auditing Committee and determination the fee size for Auditor’s services;

15. recommendations on the amount of dividend on the shares and payment order;
16. approving internal documents of the Company determining the procedure for the formation and use of the Company's funds;
17. taking decision on the use of the Company's funds, approving cost estimates for the use of special purpose funds and consideration of cost estimates implementation results for the use of special purpose funds;
18. approving internal documents of the Company, with the exception of internal documents which are to be approved by General Shareholders Meeting, and other internal documents approval of which is the competence of the Company's executive authorities;
19. approving business-plan (revised business plan), including the investment programme and report on results of its execution, as well as approving (revising) key indicators of the Company's cash flows;
20. creating branches and opening representative offices of the Company, liquidating them, as well as amending the Charter of the Company in connection with creating branches, opening representative offices of the Company (including change of the data on names and locations of branches and representative offices of the Company) and their liquidation;
21. taking decision on participation of the Company in other entities (on incorporation to an operating entity or creation of a new entity, including coordination of the foundation documents), as well as (in view of provisions of subpoint 22 of point 15.1 of clause 15 of the Charter) on purchase, alienation and encumbrance of shares and stakes in the authorized capitals of organizations in which the Company participates, change of the stake of participation in the authorized capital of the corresponding entity, and termination of participation of the Company in other entities;
22. taking decision on one or several associated deals of the Company on alienation, pledging or other encumbrance of shares and stakes of SACs (subsidiaries and affiliated companies) which are not engaged in production, transmission, dispatching, distribution and sales of electric and thermal power in case if the market value of shares or stakes under the transaction determined according to the report of the independent appraiser, exceeds 30 million Rubles and in other cases (amounts) determined by separate decisions of the Company's Board of Directors;
23. determination of the credit policy of the Company as to providing loans by the Company, making credit and loan contracts, issuing guarantees, acquisition of liabilities on bills (issuing ordinary and transfer bill), pledging property and making decisions on the above mentioned transactions of the Company in cases when the procedure is not determined by the credit policy of the Company as well as decision making in the order envisaged by the credit policy of the Company on bringing the debt situation of the Company

- to the limits determined by the credit policy of the Company;
24. approving large deals in cases envisaged by Chapter X of Federal Law “On Joint Stock Companies”;
 25. approving transactions envisaged by Chapter XI of Federal Law “On Joint Stock Companies”;
 26. approving the Company’s Registrar, terms of the agreement with him, as well as termination of the agreement;
 27. electing Chairman of Board of Directors and early termination of his powers;
 28. electing Deputy Chairman of Board of Directors and early termination of his powers;
 29. electing Corporate secretary of the Company and early termination of his powers;
 30. preliminary approval of decisions on the Company’s transactions connected with the gratuitous transfer of property of the Company or property rights (requirements) to itself or the third party, transactions connected with liberation from property liabilities to itself or the third party, transactions connected with the gratuitous provision of services by the Company (carrying out works) for the third party, in cases (amounts) determined by separate decisions of Board of Directors of the Company, and decision-making on the stated transactions by the Company in cases when the above-mentioned cases (amounts) are not determined;
 31. taking decision on suspension of powers of the managing entity (manager);
 32. taking decision on appointing Acting Chief Executive Officer of the Company, as well as calling him to disciplinary responsibility;
 33. calling General Director and members of Board of Directors to disciplinary responsibility and their remuneration according to the labour legislation of the Russian Federation;
 34. considering the reports of CEO on the activity of the Company (including the report on carrying out of his/her functions), on the implementation of the decisions of the General meeting of the Company and its Board of Directors;
 35. approving of the procedure for interaction of the Company with entities in which the Company participates;

determining the Company’s position (position of the Company’s representatives), including the assignment to take or not to take part in voting on the agenda items, to vote under draft decisions “for”, “against” or “abstained”, on the following items of the agenda of General Shareholders (participants) Meetings of subsidiaries and affiliated companies (further on referred to as SACs) (except for cases when functions of the SACs of General Shareholders Meetings are carried out by Board of Directors of the Company), and meetings of SACs’ Board of Directors (except for the item on

approval of agenda of General Shareholders Meetings of SACs when functions of SACs' General Shareholders Meetings are carried out by Board of Directors of the Company):

- a) on determining agenda of the General Shareholders (participants) Meeting of SAC;
- b) on reorganizing, liquidation of SAC;
- c) on determination of quantitative structure of SAC's Board of Directors, nominating and electing its members and early termination of their powers, on nomination and election of sole executive body of SAC and early termination of its powers;
- d) on determination of amount, nominal value, category (type) of announced shares of SAC and rights on the shares;
- e) on increasing the SAC's authorized capital by increasing nominal value of shares or additional share placements;
- f) on placement of SAC's securities convertible to ordinary shares;
- g) on fractioning, consolidating SAC shares;
- h) on approving large transactions of SAC;
- i) on participation of SAC in other entities (on incorporating to an existing entity or creating a new entity), and on acquiring, alienating and charging shares and authorized capital stakes of entities where the SAC participates, change of stake in the authorized capital of the corresponding entity;
- j) on making transactions by SAC (including several associated transactions) connected with alienation or possibility of alienation of property which is part of fixed assets, intangible assets, construction-in-process objects used for the purpose of electric and thermal power production, transmission, dispatching, distribution in cases (amounts) determined by the procedure of the Company's cooperation with entities it participates in and approved by the Company's Board of Directors;
- k) on amending and revising SAC's constituent documents;
- l) on determining the procedure of paying remuneration to Board of Directors and Auditing committee of the SAC;
- m) on determining target values of key efficiency indicators (revised target values of key efficiency indicators);
- n) on approving report on implementation of planned values of annual and quarter key efficiency indicators;
- o) on approving business-plan (revised business-plan) including investment program and on approving of quarterly report on the results of implementation of business plan and investment program;
- p) on approval (consideration) of report on business-plan implementation;

- q) on approval of profit and loss distribution at financial year end;
 - r) on recommendations concerning amount of share dividend and payment order;
 - s) on payment (declaration) of dividends at the end of quarter I, year half, nine months of financial year, and at financial year end;
 - t) on consideration of investment program including amendments made to it;
 - u) on approving (considering) the report on implementation of investment program;
36. determining the Company's position (position of the Company's representatives) on the following items of agenda of SAC's Board of Directors meetings (including the assignment to take or not to take part in voting on the agenda items, to vote under draft decisions "for", "against" or "abstained"):
- a) on determining position of SAC's representatives on the agenda items of General Shareholders (participants) Meetings and meetings of Board of Directors of subsidiary and affiliated companies of SAC concerning making (approving) transactions (including several associated transactions) connected with alienation or possibility of alienation of property which is part of fixed assets, intangible assets, construction-in-process-objects used with the purpose of electric and thermal energy production, transmission, dispatching and distribution in cases (amounts) determined by the procedures of the Company's cooperation with entities the Company participates in and approved by the Company's Board of Directors;
 - b) on determining position of SAC representatives on issues of agendas of General Shareholders (participants) Meetings and meetings of Board of Directors of subsidiary and affiliated companies of SAC carrying out production, transmission, dispatching, distribution and sales of electric and thermal energy, on reorganizing, liquidation, increasing authorized capital of such companies by way of increasing nominal value of shares or through additional share placement, placement of securities convertible to ordinary shares;
37. preliminary approval of the following Company's transactions:
- a) transactions with the Company's noncurrent assets in the amount exceeding 10 percent of the balance sheet value of the Company's assets according to the accounts as of the last accounting date;
 - b) transactions (including several associated transactions) connected with alienation or possibility of alienation of property which is part of fixed assets, intangible assets, construction-in-process objects for the purpose of electric or thermal power production, transmission, dispatching, distribution in cases (amounts) determined by special decisions of the Company's Board of

Directors;

c) transactions (including several associated transactions) connected with alienation or possibility of alienation of property which is part of fixed assets, intangible assets, construction-in-process objects not for the purpose of electric or thermal power production, transmission, dispatching, distribution in cases (amounts) determined by special decisions of the Company's Board of Directors;

d) preliminary approval of transactions with the Company's immovable assets, including land plots and objects of construction-in-process in cases determined by special decisions of the Company's Board of Directors (for example, by stating the size and/or listing), and any of the specified transactions with immovable assets, including land plots and construction-in-process objects if such cases (sizes, list) are not determined;

38. nominating candidates by the Company for election to the position of sole executive authority, other management authorities, auditing authorities, and candidates of auditor for entities where the Company participates, performing production, transmission, dispatching, distribution and sales of electric and heat power, as well as repairs and service;
39. singling out activity sectors for providing insurance protection of the Company, including approval of the Company's Insurer;
40. approving structure of the Company's executive office and introduction of alterations into it;
41. approval of candidates for certain positions in the executive office of the Company as those determined by the Company's Board of Directors;
42. approval of regulation concerning material encouragement of the Chief Executive Officer, regulation on material encouragement of top managers of the Company, approval of top managers list;
43. preliminary approval of the collective agreement and contracts concluded by the Company as part of regulation of social and labor relations, as well as approval of documents related to non-state pension provision of the Company's employees;
44. creating committees of the Company's Board of Directors, electing members of Committees of the Board of Directors and early termination of their powers, election and early termination of powers of Chairmen of the Board of Directors Committees;
45. approving candidacy for the role of independent appraiser (appraisers) for pricing shares, property and other assets of the Company in cases envisaged by Federal Law "On Joint Stock Companies", the Charter, and special decisions of the Company's Board of Directors;
46. approving the candidacy for the role of financial adviser involved for cooperation in conformance with Federal Law "On Securities Market", and

- candidates for the positions of securities issue organizers and advisers on transactions closely related to attraction of funds in the form of public loans;
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 efficiency growth of electric distribution complex and that of other electric grid facilities, including approval of the Company's strategic programs for increase of electric grid complex efficiency, electric grid complex development and safety;
 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 performed by sole executive authority – CEO and the collegial authority - Management Board of the Company.

Competence of CEO of the Company includes all the issues of managing the Company's current activity, except for the items of competence of the General Shareholders Meeting, Board of Directors and Management Board of the Company.

In accordance with items 23.2, 23.3 of clause 20 of JSC "IDGC of the South" Charter, the Company's CEO:

- ensures accomplishment of the Company's performance plan necessary for meeting the objectives;

- organizes accounting and accounting in the Company;
- disposes of the Company's property, closes transactions on behalf of the Company, issues powers of attorney, opens the Company's settlement and other accounts in banks, other credit organizations (and, where the law permits, in entities who are professional participant of securities market);
- issues orders, approves (adopts) instruction, local regulative acts and other internal documents of the Company within the scope of his competence, gives binding directions to all employees of the Company;
- approves regulation on branches and representative offices of the Company;
- in accordance with organizational structure of the executive office, approves staff schedule and position salaries of the Company's employees;
- exercises in respect to the Company's employees the rights and responsibilities of the employer envisaged by the labour legislation;
- fulfills functions of the Chairman of the Company's Management Board;
- distributes responsibilities among Deputy CEOs;
- submits reports on financial and economic activity of subsidiary and affiliated entities whose shares (stakes) the Company holds for consideration of Board of Directors, as well as information on other entities in which the Company participates, except for the cases envisaged by subpoint 6 of point 22.2 of JSC "IDGC of the South" Charter;
- not later than 45 (forty-five) days prior to the date of the annual General Shareholders Meeting, submits annual report, annual accounting, the Company's profit and loss account, the Company's profit and loss distribution for consideration of Board of Directors;
- resolves other issues of the current activity of the Company, except for the items included on the competence of General Shareholders Meeting and Management Board.

The Issuer approved corporate code of conduct or other similar document.

Data on corporate conduct code or similar document are as follows:

Corporate Management Code of Open Joint Stock Company "Interregional Distribution Grid Company of the South" (a new edition), approved by the decision of the Board of Directors of "IDGC of the South" JSC, 06.03.2013 (Minutes No. 105/2013 dated 11.03.2013).

Full text of the document is available on the Company's website in the Internet at: <http://en.mrsk-yuga.ru/management/regulations/>

5.2. Data on Members of the Issuer's Management Authorities

5.2.1. Structure of the Board of Directors (Supervisory Body) of the Issuer

Surname, name, patronymics: **Goncharov Valeriy Anatolievich (chairperson)**

Year of birth: 1963

Education:

Leningrad shipbuilding institute, specialization “Engineer - electrician”

Degree: Doctor of Economics.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	to		
2006	2012	Roszheldorsnab branch of RZhD JSC	First deputy director
2012	2012	Roszheldorproekt JSC	Director general
2012	now	FGC UES JSC	Deputy Chairperson of Management Board
2012	now	IDGC Holding JSC	Deputy executive director on investment activity

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Arkhipov Sergey Aleksandrovich**

Member of Board of Directors

Year of birth: 1967

Education: Alma-ata Institute for Energetics; qualifications: Electric-power Systems and Grids.

Professional training at the Academy of National Economy under the Government of the Russian Federation on the program: "Management of the company."

Federal State Institution of Continuing Professional Education "Institution of Advanced Training of administrative officers and specialists of fuel and energy complex" on the topic "Organization of classified information security".

Conferred a degree on Ph.D.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	to		
2008	2008	"Smolenskenergo" JS	Executive Director
2008	2008	"Smolenskenergo" branch of "IDGC of Centre" JSC	Deputy CEO, Director of the Branch
2008	2010	"IDGC of Centre" JSC	First Deputy CEO
2010	2010	"Kubanenergo" JSC	Management Board Chairperson
2010	08.10. 2012	"IDGC of the South" JSC	Chief Executive Officer, Management Board Chairperson
2012	now	"Holding IDGC" JSC	Deputy executive director – technical director

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Branis Aleksandr Markovich**

Year of birth: 1977

Education: **Russian Presidential Academy of National Economy and Public Administration (ANE), Bachelor of Management**

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity	Position
from	up to		
2005	present day	Prosperity Capital Management Ltd (RF)	Director
2005	present day	“Territorial generating company - 6”JSC	Board of Directors Member
2006	2009	Representative Offices of Prosperity Capital Management Ltd (RF)	Head of Analytical department
2006	2009	“Territorial generating company - 4”JSC	Board of Directors Member
2006	2009	“Territorial generating company - 2”JSC	Board of Directors Member
2007	2009	“Prokatmontazh” JSC	Board of Directors Member
2007	2011	“Bashkirenergo” JSC	Board of Directors Member
2007	Present time	“IDGC of Centre” JSC	Board of Directors Member
2008	2009	Prosperity Capital Management Ltd	Director general
2008	2009	“Novgorod energy selling company”, “IDGC of Centre and Volga region”, JSC	Board of Directors Member

2008	2011	Prosperity Capital Management Ltd	Chief accountant
2009	2011	Prosperity Capital Management Ltd	Chairman of liquidation committee
2009	present day	Representative office of Prosperity Capital Management Ltd	Investments director
2010	Present time	“IDGC of Centre and Volga region”, JSC	Board of Directors Member
2012	Present time	“Territorial generating company - 2”JSC	Board of Directors Member

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Diyakov Fyodor Aleksandrovich**

Year of birth: 1958

Education: Kiev institute of civil aviation engineering, faculty “Radio engineering”

Further education:

Institution of Advanced Training of Power engineers, Moscow school of management Skolkovo, State academy advanced training for top-managers and specialists in investments, Petersburg Power Engineering Institute for advanced training.

Degree on: Doctor of Science.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	to		
2006	present day	FGC UES JSC branch – “Bulk power systems of the South”	Director general

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Katina Anna Yurievna**

Year of birth: 1982

Education: Moscow State Humanities University, specialization “Jurisprudence”

Further education:

Trainings for managers in the sphere of RF national economy, specialization “Management”

Institute for stock market and management, programme “Foundation programme on stock market”

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	to		
2008	present day	IDGC Holding JSC	Head of sector, deputy head of department for corporate governance and interaction with shareholders
2009	present day	RETO plant JSC	BoD member
2009	present day	Berendeyevskoye JSC	BoD member
2010	present day	Energy company Tsrskoselskaya CJSC	BoD member
2011	present day	Lenenergo energy-servise JSC	BoD member
2012	present day	Scientific and research centre of Ural JSC	BoD member
2012	present day	Yekaterinbourgenenergoby JSC	BoD member
2012	present day	Ural energy-servise JSC	BoD member
2012	present day	“IDGC of the South” JSC	Member of Committee on Audit of BoD

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Kuvaeva Valeria Dmitrievna**

Year of birth: 1987

Education: State University of Management, faculty “Corporate governance”

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	to		
2006	2010	Multifunctional expert and evaluation centre LLC	Manager, head of sector
2010	2010	Central Control Administration of the Fuel and Energy Complex	Specialist of marketing sector
2010	31.08.2012	RF Ministry of Energy	Chief specialist – expert, consultant
2011	2012	GruzRosenergo interconnected system	BoD member
2011	2012	Ust – Srednekanskaya hydroelectric power plant, JSC	BoD member
2011	2012	Kurstopprom JSC	BoD member
2011	2012	Luzhskiy Gortopsbyt JSC	BoD member
2011	2012	Sevennergostroy JSC	BoD member
2011	2012	Institute Enrgosetproekt JSC	Member of Audit committee
2012	Present day	Merged Energy Company JSC	Head lawyer of Corporate management department
2012	present day	Mosenergoremont JSC	BoD member
2012	present day	IDGC of the Centre and Volga region JSC	BoD member
2012	present day	IDGC of Siberia JSC	BoD member
2012	present day	IDGC of Ural JSC	BoD member
2012	present day	Holding IDGC JSC	Member of Audit committee

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law

related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Osipov Aleksandr Mikhailovich**

Vice-president of Russian public organization “Delovaya Rossia”, chairperson of Expert committee, director general of “Centre of evaluation and audit” LLC

Year of birth: 1969

Education:

1. Kharkov Higher Military Engineering College of Missile Arms, specialization “economic informatics and control system”
2. Stavropol State University, specialization “Jurisprudence”

Advanced training: Russian Presidential Academy of National Economy, specialization “master of business administration”

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	to		
2006	2009	Open joint stock company Commercial bank “EVROFINANSMOSNARBANK”	Head of directorate for development of regional network
2009	now	“Centre of evaluation and audit” LLC	director general
2012	now	Russian public organization “Delovaya Rossia”	Vice-president, chairperson of Expert committee
2012	Now	IDGC of the South JSC	Member of Committee on Audit of BoD

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial

and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Prokhorov Yegor Vyacheslavovich**

Year of birth: 1982

Education: State University of St.-Petersburg, specialization “Mathematical methods in economics”

Degree on: Ph.D. in Economics

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	to		
2007	2009	OGK-1 (third generation company of the wholesale electricity market) JSC	Head of sector
2009	2009	INTER RAO UES JSC	Head of directorate
2009	2012	FGC UES JSC	Head of department
2011	present day	Index of Energy - FGC UES LLC	Director general (as a second job)
2011	present day	Glavsetservis ENES JSC	BoD member
2011	present day	Elektrosetservis ENES JSC	BoD member
2011	present day	Energostroysnabkomplekt ENES JSC	BoD member
2011	present day	GVTS of Power industry (major computer center of RF power industry) JSC	BoD member
2012	present day	FGC UES JSC	Finance director
2012	present day	IDGC Holding JSC	Finance director (по совместительству)

2012	present day	Property of VNIPIenergoprom JSC	BoD member
2012	present day	Scientific and Research centre of UES JSC	BoD member
2012	present day	North-Western Scientific and Research centre JSC	BoD member
2012	present day	Southern Scientific and Research centre JSC	BoD member
2012	present day	Centre of engineering and construction management JSC	BoD member
2012	present day	Kubanenergo JSC	BoD member
2012	present day	“IDGC of the South” JSC	Chairperson of Committee on Audit of BoD

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Repin Igor Nikolaevich**

Year of birth: 1966

Education: Moscow State University, faculty of geography, specialization “land hydrology”

Further education: Federal committee on RF stock market (certificate of 1st category).

Higher school of economics, programme advanced training of companies board of directors members.

Russian jurisprudence academy at RF Ministry of justice, court-appointed manager programme

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	to		
2000	now	Non-profit Partnership Association for investors rights protection	Deputy executive director
2012	now	“IDGC of the South” JSC	Member of Committee on strategy, development, investment and reforming, Human Resources and Compensation Committee, Audit Committee, Reliability Committee and Committee on technological connection to electricity networks

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Filkin Roman Alekseevich**

Co-director of representative office of Prosperity Capital Management Ltd (RF)

Year of birth: 1983

Education: Finance Academy under the Government of the Russian Federation, speciality “Finance and Cred

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Name of entity	Position
From	Up to		
2006	2009	Representation of Prosperity Capital Management LLC	Deputy head of representation
2006	2009	“Mordova energy sales company” JSC	Member of BoD
2006	2009	“Novgorod energy sales company” JSC	Member of BoD
2006	2009	“Penza energy sales company” JSC	Member of BoD
2006	2009	“Ryazan energy company” JSC	Member of BoD
2006	2009	“Tver energy sales company” JSC	Member of BoD
2006	2009	“Territorial generating company No. 4” JSC	Member of BoD
2006	2010	“Arkhangelsk energy sales company” JSC	Member of BoD
2006	2010	“Yaroslavl energy sales company” JSC	Member of BoD
2006	2011	“Dagestan energy sales company” JSC	Member of BoD
2006	2011	“Penza energy maintenance company” JSC	Member of BoD
2006	2011	“Smolensk energy maintenance company” JSC	Member of BoD
2006	2011	“Smolensk energy service company” JSC	Member of BoD
2006	2011	“Tver energy maintenance company” JSC	Member of BoD
2006	now	“Territorial generating company No. 6” JSC	Member of BoD
2007	2009	“Bryansk energy sales company” JSC	Member of BoD
2007	2009	“Mosenergosetstroy” JSC	Member of BoD
2007	2009	“Oryol energy sales company” JSC	Member of BoD

2007	2009	“Kursk energy sales company” JSC	Member of BoD
2007	2009	“Territorial generating company No. 2” JSC	Member of BoD
2007	2010	“Voronezh energy sales company” JSC	Member of BoD
2007	2011	“Novgorodsetstroy” JSC	Member of BoD
2008	2009	“Prosperity Capital Management” LLC	Controller
2008	2009	“Chemical and pharmaceutical plant “Akrihin” JSC	Member of BoD
2008	2009	“Smolenskenergosbyt” JSC	Member of BoD
2008	2009	“Tambov energy sales company” JSC	Member of BoD
2008	2010	“Krasnyi kotelschik” JSC TCNR	Member of BoD
2008	2011	“Dalenergomontazh” JSC, “NOVAYA ERA” JSC	Member of BoD
2008	2011	“NOVGORODOBLKOMUNELECTRO” JSC	Supervisory Board member
2008	now	“Energospetsmonyazh” JCS	Member of BoD
2009	2009	Bank “Yuzhniy region” JSC	Member of BoD
2009	2009	“Spetssetstroy” JSC specialized on construction of high-voltage transmission lines and substations	Member of BoD
2009	2010	“Severtruboprovodstroy” JSC	Member of BoD
2009	2010	“Voronezh joint-stock aircraft building company” JSC	Member of BoD
2009	2011	Joint-stock company of power and electrification “Bashkirenergo”	Member of BoD
2009	2011	“Urengoytruboprovodstroy” JSC	Member of BoD
2009	2011	Joint-stock company of power and electrification “Magadanenergo”	Member of BoD
2009	2011	Joint-stock company of building of major pipelines on the South of Russia “Yuzhtruboprovodstroy”	Member of BoD
2009	Now	Representative office of “Prosperity capital management (RF)” Ltd.	Co-director, electrification, machinery
2009	Now	“IDGC of Centre” JSC, “IDGC of Centre and Volga region” JSC	Member of BoD
2010	2010	“Tambov energy sales company” JSC	Member of BoD
2011	2012	“Prokatmontazh” JSC	Member of BoD

2011	Now	“IDGC of North-West” JSC	Member of BoD
2012	Now	“Dalenergomontazh” JSC	Member of BoD
2012	Now	“Smolensk energy maintenance company” JSC	Member of BoD
2012	now	“Kurganinsk machinery plant” JSC	Member of BoD
2011	Now	“IDGC of the South” JSC	Member of committee on audit of BoD
2011	Now	“IDGC of the South” JSC	Member of Committee on strategy, development, investment and reforming of BoD
2012	now	“IDGC of the South” JSC	Member of Personnel and Remuneration Committee

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymic: **Shevchyuk Aleksandr Viktorovich**

Year of birth: 1983

Education: Financial University under the Government of the Russian Federation, faculty of Finance and Crediting

All positions held by person in the Issuer and other organizations for the last 5 years and now in chronological sequence including part-time

Period		Name of entity	Position
From	Up to		
2004	present day	Non-profit Partnership "Association for protection of investors' rights	Deputy acting director general
2006	2011	“Dalsvayz” JSC	Board of Directors Member
2007	2008	“Centretelecom” JSC	Board of Directors Member
2007	2009	IDGC of North Caucasus JSC	Board of Directors Member
2009	2010	NCC, CJSC	Board of Directors Member
2010	2011	“Centretelecom” JSC	Board of Directors Member
2010	2011	Southern Telecommunications Company JSC	Board of Directors Member
2010	2011	Sibirtelecom JSC	Board of Directors Member
2011	present day	IDGC of Centre, JSC	Board of Directors Member
2011	present day	IDGC of North Caucasus JSC	Board of Directors Member
2011	present day	“Volgogradgorgaz” JSC	Board of Directors Member
2011	present day	“Urengoytruboprovodstroy” JSC	Board of Directors Member
2011	present day	"IDGC of the South" JSC	Member of Audit Committee, Personnel and Remuneration Committee, Committee for Strategy, Development, Investments and Reforming
2012	Present day	“MOSTOTREST” JSC	Board of Directors Member

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial

and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

**Additional Data Disclosed in Accordance with Regulation
on Information Policy of “IDGC of the South”, JSC**

Information on transactions concluded by the issuer and persons included in management bodies:

All members of “IDGC of the South” BoD are RF citizens.

Information on transaction concluded between the issuer and persons constituting the Board of Directors: such transactions were not concluded in the reporting period.

Data on Board of Directors’ members training at the Company’s expense: no members of the Board of Directors of the Company were trained at Company’s expense in I quarter, 2013.

**Data on the Company’s Board of Directors Nominating Process, Procedure of
Items Submission to the Company’s Board of Directors**

Shareholders (shareholder) of the Company owning at least 2 (two) % of the Company’s voting shares in total are entitled to contribute issues to the agenda of Annual General Meeting of Shareholders and to nominate candidates to the Board of Directors and Audit Committee of the Company within 60 (sixty) days after the end of fiscal year. Number of candidates should not exceed quantity of the corresponding body.

Proposal to contribute issues to the agenda of General Meeting of Shareholders as well as proposal to nominate candidates are accepted in the written form with names of shareholders (shareholder) contributing; quantity and categories (types) of shares owned should be indicated by the shareholders (shareholder).

Proposal to contribute items to the agenda of General Meeting of Shareholders should contain wording of each of the item contributed, and proposal to nominate

candidates should contain name and data of the identity document (series and (or) number, date and place of issue, the authority which issued the document) of each of the nominated candidates, name of the body the candidate is nominated to be elected in.

Board of directors of the Company should consider contributed proposals and take decision either on their inclusion in the agenda of General Meeting of Shareholders or on refusal to include them in this agenda within 5 (five) days after the end of the terms, indicated in point 13.1 of article 13 of the Company Charter.

Board of Directors of the Company may refuse to include items contributed to the agenda by shareholder (shareholders) as well as to enlist nominees for election to the appropriate body of the Company on the grounds provided by the Federal Law “On Joint Stock Companies” and other legal acts of the Russian Federation.

Reasoned Decision of the Board of Directors on the Company’s refusal to include the item in the agenda of the General Meeting of Shareholders of the Company or to include a candidate in the list of nominees for election to the appropriate body of the Company should be sent to the shareholder (shareholders) contributed the item or nominating the candidate within the next 3 days after the moment of the contribution.

The Board of Directors of the Company does not have the right to make any changes in the wording of items proposed for inclusion in the agenda of General Meeting of Shareholders and (in case there are such) in wording of decisions on such issues.

Apart from the questions proposed by shareholders for inclusion in the agenda of General Meeting of Shareholders as well as in case of absence of such proposals, absence or lack of candidates, nominated by shareholders to form the proper unit, the Board of Directors of the Company has right to include items into the agenda of General Meeting of Shareholders or names of candidates into the list of nominees as they see fit.

Procedures of Items Submitting to the Board of Directors of the Company

Order of items submitting to the Board of Directors of “IDGC of the South”, JSC is defined by the Regulation “On the Procedure for Convening and Holding Meetings of the Board of Directors of “IDGC of the South”, new edition approved by Company BoD 18.06.2012 (Minutes No. 7 dated 21.06.2012).

In accordance with sub point No.5.3.3 point 5.3 of article 5 in regulation “On the Procedure for Convening and Holding Meetings of the Board of Directors of “IDGC of the South”, schedule of the Board of Directors is formed on the basis of proposals of the Chairman and Members of the Board of Directors, Audit Commission, Chief Executive Officer of the Company and Company Auditor.

Indicated proposals are submitted to the Chairman of Board of Directors in written form and their copies are simultaneously sent by fax to Corporate Secretary.

Brief review of decisions adopted by the Board of Directors

In the 1st quarter of 2013 the BoD held 4 meetings and discussed 32 issues.

IDGC of the South Board of Directors 14.02.2013 (Minutes No. 103/2013 dated 18.02.2013):

Vashkevich Vladimir Frantishkovich was appointed director general of “IDGC of the South” JSC for three years up to 13.02.2016 inclusive.

IDGC of the South Board of Directors 14.02.2013 (Minutes No. 104/2013 dated 02.03.2013):

The following reports were taken into consideration: report of acting director general on implementation of Schedule of activities aimed at reducing the overdue accounts receivable for the services of transfer of electric energy settlement of disputes as of 01.07.2012; on implementation of Schedule of introducing the system of production asset management in IDGC of the South JSC; on observance of Regulations on information policy of the Company for the 3rd quarter of 2012, on fulfillment of annual purchasing programme of IDGC of the South JSC; on technical audit of fiber-optic communication lines in the 3rd quarter of 2012.

Budgets of Committees attached to the BoD of IDGC of the South JSC for 2013 were approved.

Term of office of a member of the Committee for strategy, development, investments and reforms attached to the BoD of IDGC of the South JSC – Akilin P.E., was early terminated. Rybin A.A. was elected member of the Committee for strategy, development, investments and reforms attached to the BoD of IDGC of the South JSC.

Authorities of Management Board members were terminated: Akilin Pavel Evgenievich, Vosmirko Aleksandr Vladimirovich, Karpenko Vadim Vladimirovich, Kuzhilin Aleksandr Vladimirovich.

Members of Management Board were elected: Fedorov Nikolai Vladimirovich, Savin Grigoriy Grigorievich.

The candidature of Pechenkin Nikolai Vladimirovich was approved for the position of head of department of internal audit and risks management of “IDGC of the South” JSC.

The candidature of Khramtsev Denis Vladimirovich was approved for the position of deputy director general on corporate management of “IDGC of the South” JSC.

The additional agreement to the contract on keeping the registry of securities holders dated 02.12.2010 No.4035/504 concluded by IDGC of the South JSC and “Registrar R.O.S.T.” JSC was approved.

IDGC of the South Board of Directors 14.02.2013 (Minutes No. 105/2013 dated 11.03.2013):

The propositions of shareholders on agenda items of annual general meeting of Company shareholders and on nominating candidates to management and control bodies of the Company were taken into consideration.

The internal document of the Company: restated Regulations on investment activity was approved.

The organizational structure of executive body of IDGC of the South JSC was approved.

Corporate ethics code and restated Corporate management code were approved.

IDGC of the South Board of Directors 14.02.2013 (Minutes No. 106/2013 dated 28.03.2013):

Contract on provision of fee-based services of engineering supervision between FGC UES JSC and IDGC of the South JSC which considered as transaction of interest was approved.

Company expressed its opinion on agenda item of BoD meeting of “Sokolovskoye PSKh” JSC: “On determining terms of labour contract, precisely term of office of director general of the Company.

The decision on conclusion by the Company a transaction related to selling of immovable property that constitutes fixed assets, which purpose of usage is not production, transmission, dispatching, distribution of electric heat energy, was preliminary approved.

Minutes of meeting IDGC of the South BoD are published at company’s website: http://www.mrsk-yuga.ru/corporate_management/resh_sov_direct/

5.2.2. Information on Sole Executive Body of the Issuer

Surname, name, patronymics: **Vashkevich Vladimir Frantishkovich**

Year of birth: 1972

Education:

Leningrad higher Military and Political Academy n.a. Andropov Yu.V., speciality: “Command, tactical air defense”; State University of Saint-Petersburg, speciality “Law”

Advanced education: 1997-1998 – Saint-Petersburg Financial and Economical College, speciality: “Finances”, qualification: lawyer;

Kuban State Technical University, speciality: “Energy supply” (completes education).

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity Name	Position
form	up to		
2007	2007	“Gazkomplektimpex” LLC	Deputy head of department for steel and building materials

2007	2009	“Gazavtomatika” LLC	Head of sales and marketing department; Head of department for contract projects management
2009	2009	“Elektrogaz” LLC	Deputy director general in charge of inventory and technical resources, acting director general
2009	2010	“Elektrogaz” LLC	Deputy director general in charge of inventory
2010	2011	“Elektrogaz” LLC	Deputy director general in charge of business affairs
2011	08.10.2012	“IDGC of the South” JSC	Deputy director general in charge of capital construction, member of BoD
2011	2012	“IDGC of the South” JSC	Member of Committee on strategy, developing, investments and reforming of BoD
09.10.2012	14.02.2013	“IDGC of the South” JSC	Acting Director General
14.02.2013	Now	“IDGC of the South” JSC	Director General

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

5.2.3. Structure of Collegiate Executive Body of the Issuer

Surname, name, patronymics: **Vashkevich Vladimir Frantishkovich (chairperson)**

Year of birth: 1972

Education:

Leningrad higher Military and Political Academy n.a. Andropov Yu.V., speciality: “Command, tactical air defense”; State University of Saint-Petersburg, speciality “Law”

Advanced education: 1997-1998 – Saint-Petersburg Financial and Economical College, speciality: “Finances”, qualification: lawyer;

Kuban State Technical University, speciality: “Energy supply” (completes education).

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity Name	Position
form	up to		
2007	2007	“Gazkomplektimpex” LLC	Deputy head of department for steel and building materials
2007	2009	“Gazavtomatika” LLC	Head of sales and marketing department; Head of department for contract projects management
2009	2009	“Elektrogaz” LLC	Deputy director general in charge of inventory and technical resources, acting director general
2009	2010	“Elektrogaz” LLC	Deputy director general in charge of inventory
2010	2011	“Elektrogaz” LLC	Deputy director general in charge of business affairs
2011	08.10.2012	“IDGC of the South” JSC	Deputy director general in charge of capital construction, member of BoD
2011	2012	“IDGC of the South” JSC	Member of Committee on strategy, developing, investments and reforming of BoD
09.10.2012	14.02.2013	“IDGC of the South” JSC	Acting Director General, Chairman of Board
14.02.2013	Now	“IDGC of the South” JSC	Director General

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Alaev Timur Ulyumdzhievich**

Year of birth: 1971

Education:

Novocherkassk Polytechnic Institute in honor of Order of the Red Banner of Labour named after Sergo Ordzhonikidze, speciality “Automated control of electric energy systems”, qualification “Electrical engineer”.

Advanced education:

State academy of professional retraining and advanced training for managers and specialists of investment sphere, program “Provision by managers and specialists of management system the environmental safety”;

Institute of professional retraining and advanced training for managers and specialists at Plekhanov Russian Academy of Economics, federal program “Management”, specialization “Strategic management”.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity name	Position
From	Up to		
2007	2008	“Kalmenergo” JSC	Deputy director general on technical issues – technical director

2008	Now	Branch of “IDGC of the South” JSC – “Kalmenergo”	Deputy director general – director of the branch
2009	2010	“IDGC of the South” JSC	Member of Management Board
2011	Now	“IDGC of the South” JSC	Member of Management Board
2013	Now	Branch of “IDGC of the South” JSC – “Astrakhanenergo” JSC	Acting deputy director general – director of the branch

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Goncharov Pavel Viktorovich**

Year of birth: 1966

Education:

Industrial Institute of Pavlodar, speciality “Electric systems”, qualification “Electrical engineer”

Advanced education:

1. Volgograd Academy of State service, retraining on “State and municipal management”,
2. Institute for advanced retraining of managers and specialists of power industry, program “Protection of commercial secret”,
3. Professional retraining at State university of management, program “Management of energy companies in market economy” with right to perform activity in the sphere of economy and management in energy industry.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity Name	Position
From	Up to		
2007	2008	“Astrakhanenergo” JSC	First deputy director general– chief engineer
2008	2010	Branch of “IDGC of the South” JSC - “Astrakhanenergo”	Deputy director general of technical issues – chief engineer
2010	Now	Branch of “IDGC of the South” JSC - “Astrakhanenergo”	Deputy director general– director of the branch
2011	Now	“IDGC of the South” JSC	Member of Management Board
2011	Now	“Astrakhanelektrosetremont” JSC	Member of Board of Directors
2013	Now	“IDGC of the South” JSC	Acting deputy director general in charge of technical issues – chief engineer

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Ivanov Vitaliy Valerievich**

Year of birth: 1970

Education:

Higher education, Omsk Institute of Railway Engineers, with specialization in “Railway Automation, Telemechanics and Communications”;

The Academy of National Economy of the Russian Federation Government, with specialization in “Corporate Development Management”

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity name	Position
From	Up to		
2006	2010	“IDGC of Siberia” JSC	Deputy CEO in charge of Engineering, Engineering Manager
2010	2010	“IDGC Holding” JSC	Advisor of the CEO Executive Office
2010	now	“IDGC of the South” JSC	Deputy CEO in charge of Engineering, Engineering Manager
2011	now	“Astrakhanelectrosetremont”, JSC, “Volgogradsetremont”, JSC	Chairman of Board of Directors
2011	now	“Energoservice Yuga”, JSC	Member of Management Board

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment

fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Kalenyuk Yegor Vladimirovich**

Year of birth: 1970

Education: 1. Khabarovsk Polytechnic Institute, speciality “Economy and management in mechanic engineering”, qualification “Engineer-economist”;
2. Far Eastern National University of transport routes, speciality “Energy systems and networks”, qualification “Engineer”.

Advanced

education:

1. Academy of National Economy of the Russian Federation Government , program “Management in power industry”;
2. “Institute of management” at RAO UES of Russia, program “Preparation of reserve of administrators at energy enterprises in conditions of restructuring of management system: directors, chief engineers, deputies”;
3. Institute of economy, management and social relations, program “Debt management in housing and public utilities system: new legal acts and methods of debts collection” ;
4. Institute for advanced training for power engineers, program “Increase of efficiency of energy selling activity”;
5. Non-profit partnership “Corporate educational centre of UES”, program “Development, introduction and monitoring of quality management system”;
6. International seminar in Belgium - Netherland, program “Organization of effective marketing and commercial activity of energy enterprise”;
7. State educational institution for professional education “Polytechnic institute of Tomsk”, program “Heat electric stations”;
8. Short-term course on federal law “On energy safety and increase of energy

efficiency: practice”;
 9. Non-state non-profit partnership “Educational centre “Kubanenergo”, program “Model of leadership”

Positions held in issuing company and other entities in chronological order within the last 5 years and now:

Period		Name of entity	Position
from	to		
2007	2010	“Generating Company of Far East” JSC	Deputy director general
2010	2010	Branch of “IDGC of the South” JSC – “Volgogradenergo”	Acting deputy director general – director of branch
2010	Now	Branch of “IDGC of the South” JSC – “Volgogradenergo”	Deputy director general– director of branch
2011	Now	“Volgogradsetremont”, JSC	Member of BoD
2011	Now	“IDGC of the South” JSC	Member of Management Board

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Savin Grigoriy Grigorievich**

Year of birth: **1952**

Education:

Russian Distance Institute of Finance and Economics, specialization “Labour economics”

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Name of Entity	Position
From	Up to		
2006	2010	“Kubanenergo” JSC	Chief accountant, Member of Management Board
2007	2008	“Recreation centre “PLamya” JSC, “Recreation centre “Energetik” JSC	Board of directors member
2007	2008	“IDGC of the South”, JSC	Chief accountant
2008	2011	“IDGC of the South”, JSC	Member of Management Board
2008	now	“IDGC of the South”, JSC	Chief accountant –head of department for accounting and tax reporting
2013	now	“IDGC of the South”, JSC	Member of Management Board

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: Фёдоров Николай Владимирович

Year of birth: 1960

Education:

Novocherkassk Institute of Technology, specialization "Electric power plants", qualification "electrotechnical engineer".

Positions held in issuing company and other entities in chronological order within the last 5 years and now:

Period		Name of entity	Position
from	to		
2008	2008	“Rostovenergo” branch of IDGC of the South JSC	Deputy Director in charge of development and selling of services
2008	2010	“Smolenskenergo” branch of IDGC of Center JSC	Deputy general director – head of “Smolenskenergo” branch of IDGC of Center
2010	2012	“Rostovenergo” branch of IDGC of the South JSC	Deputy Director in charge of development and selling of services
2012	now	“Rostovenergo” branch of IDGC of the South JSC	Deputy general director – director of “Rostovenergo” branch of IDGC of the South JSC
2013	now	IDGC of the South JSC	Member of Management Board

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law

related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Date of electing Management board of “IDGC of the South” JSC:

Vashkevich Vladimir Frantishkovich: member of Management Board on 30.05.2011, Chairperson of Management Board from 09.10.2012

Akilin Pavel Evgenievich: 22.12.2010 – 26.02.2013

Alaev Timur Ulyumlzhievich: 16.09.2011– 26.02.2013

Vosmirko Aleksandr Vladimirovich: 31.08.2010

Goncharov Pavel Viktorovich: 16.09.2011

Ivanov Vitaliy Valerievich: 22.12.2010

Karpenko Vadim Vladimirovich: 23.12.2011– 26.02.2013

Kuzhilin Aleksandr Vladimirovich: 29.08.2011– 26.02.2013

Kalenyuk Egor Vladimirovich: 16.09.2011

Savin Grigoriy Grigorievich: 26.02.2013

Fyodorov Nikolay Vladimirovich: 26.02.2013

All members of Management board of “IDGC of the South” JSC are citizens of Russian Federation

5.3. Data on Amount of Remuneration, Benefits and/ or Reimbursement of Expenses of Each Management Authority of the Issuer

Data on the amount of remuneration to each management authority of the Issuer (except for the physical person functioning as sole executive authority of the Issuer): All kinds of remuneration are specified, including wages, bonuses, awards, benefits and (or) reimbursement of expenses and other property advancements discharged by the Issuer for the last completed financial year:

Unit of measurement: rub

Board of Directors

indicator	2012	2013, 3 months
Remuneration,	8 382 335	1 610 344
Wages	12 082 026	
Bonuses	0	0
Awards	0	0
Benefits	0	0
Reimbursement for expenses	1 129 483	0

Other property advancements	0	0
TOTAL	21 593 844	1 610 344

Payment of remunerations and compensations to the members of the Board of Directors is carried out in compliance with the Regulations “On Remuneration and Compensation Payment to Members of the Board of Directors of the Open Joint Stock Company “Interregional Distribution Grid Company of the South” (new revision) approved by the decision of “IDGC of the South”, JSC Annual General Shareholders Meeting (Minutes No. 1 dated June 04.2008).

According to p. 4.1 of these regulations, for participation in an absentee meeting (by way of filling in a questionnaire), a member of the Board of Directors is paid an equivalent of eight minimum monthly wages of a 1st category worker fixed in the sectoral tariff agreement of the electric power industry of the RF (hereinafter referred to as Agreement) as of the date of the Executive board meeting, indexed in conformity with the Agreement, during one month from the date of the Board of Directors meeting.

For participating in the 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 monthly wages of a 1st category worker fixed in the sectoral tariff agreement of the electric power industry of the RF (hereinafter 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 the 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 the 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.

Collegiate executive body:

Unit of measurement: rub

Indicator	2012	2013, 3 months
Remuneration	2 276 639	294 272
Wages	99 773 055	5 590 186
Bonuses	0	0
Awards	0	0
Benefits	0	0
Reimbursement for expenses	3 699 118	198 709
Other property advancements	0	0
TOTAL	105 748 812	6 083 167

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

In conformance with labour contracts concluded between the Company and members of the Management Board, remuneration to the member of the Management Board is paid in amount and in order specified by Regulations "On Material Motivation of Top Managers of JSC "IDGC of the South" (new revision) approved by the decision of the Board of Directors on 14.06.2011 (Minutes No.67/2011 dd 16.06.2011).

Members of the Management Board are motivated by:

- by making, in accordance with order of Company Director general, bonus payments in amount up to 15% from the fixed salary of top manager;
- paying quarterly and annual remuneration to members of the Management Board as top managers for achieving target values of key performance indicators

On the basis of decision adopted by "IDGC of the South" JSC Board of Directors (minutes dd 22.05.2008 No.13/2008, minutes dd 01.12.2008 No.20/2008, minutes dd 11.02.2009 No.22/2009, minutes dd 25.12.2009 No.38/2009, minutes dd 05.02.2010 No. 39/2010, minutes dd 28.04.2010 No. 44/2010, minutes dd 28.06.2010 No. 49/2010, minutes dd 08.07.2010 No. 50/2010, minutes dd 01.09.2010 No.53/2010, minutes dd 29.10.2010 No. 55/2010, minutes dd 24.12.2010 No. 57/2010, minutes dd 01.06.2011 No.65/2011, minutes dd 30.08.2011 No. 71/2011, minutes dd 19.09.2011 No. 72/2011, minutes dated 26.12.2011 No. 77/2011, minutes dd 30.07.2012 No. 92/2012, minutes dated 01.03.2013 No. 104/2013) on determining the amount of members of Management Board and on electing members to the Board, as well as in accordance with article 21 of the Company Charter and articles 15 and 57 of RF Labour Code additional agreements to the labour contracts are concluded with members of the Management Board of the Company on exercising powers of members of the Collegiate Executive Body of the Company - Management Board.

From the date of creation of the Board of JSC "IDGC of the South" (19.05.2008) to 31.08.2011 the Board members of the Company for exercise of powers is paid monthly remuneration in the amount of five (5) times the monthly minimum wage rates of a first rate worker, established by industry tariff agreement in the power sector of the Russian Federation

Starting from 01.09.2011 members of Management Board receive monthly payments in amount of 11% from fixed top manager's salary for exercising their authorities.

Additional information:

Remuneration of Director General of the Issuer:

Questions of material incentives of CEO of the Company governs by the terms of his employment contract, the Regulations on material incentives for the Director General of "IDGC of the South" JSC, approved by the Board of Directors (Minutes

No. 67/2011 dd. 16.06.2011), with changes (the report dd 26.04. 2012 No. 85/2012 and No.102/2012 dd 13.01.2013)

5.4. Data on Structure and Competence of Authorities Undertaking Control over the Issuer's Financial and Economic Activities

Full description of structure and competence of authorities undertaking control over the Issuer's business activity is provided according to the Charter (constituent documents) of the Issuer:

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

Should Auditing Committee is elected by Extraordinary General Shareholders Meeting, members of Auditing Committee are considered to be elected for the period until the date of Annual General Shareholders Meeting of the Company.

Quantitative structure of Auditing Committee of the Company includes 5 (five) persons.

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

According to p.24.3 of clause 24 of the Company's Charter, Auditing Committee's competence includes the following:

- confirmation of reliability of data contained in the annual report, annual accounting statements, profit-and-loss account of the Company;
- analysis of financial condition of the Company, revelation of reserves improving the financial condition of the Company and working-out of recommendations for the Company's management bodies;
- development and implementation of a check (audit) of financial and economic activity of the Company, namely:
- check (audit) of the financial, accounting, payment-and-calculation and other documents of the Company related to execution of the Company's finance and business activities concerning the compliance to the legislation of the Russian Federation, the Charter, internal and other documents of the Company;
- control over safety and handling of fixed assets;
- control over observing of the established order of writing-off debts of insolvent debtors on the Company's losses;
- control over expenditure of monetary assets of the Company, according to the approved business plan and the Company's budget;

- control over developing and utilizing reserve and other special funds of the Company;
- check of accuracy and timeliness of distribution and payments of dividends on Company's equity issues, percentage on bonds and income under other securities;
- check of existing instructions fulfillment on elimination of violations and drawbacks revealed during previous checks (audits);
- other actions (activities) regarding check of the Company's financial and economic activities.

Order of the Auditing Committee proceedings is determined by Regulations on the Audit Committee of Open Joint Stock Company "Interregional Distribution Grid Company of the South" approved by decision of General Shareholders Meeting of "IDGC of the South", JSC – Management Board of RAO "UES of Russia", JSC (Minutes No.1751п/4 dd. 05.10.2007).

Auditing Committee according to the check (audit) decision has a right to involve specialists of the corresponding branches of legislation, economy, finance, accounting, management, economic security and others, including specialized entities.

Check (audit) of the Issuer's financial and economic activity is divided into scheduled and unscheduled. Scheduled check of the Company's financial and economic activity is held according to approved Annual Activity plan of Auditing Committee. Unscheduled check of the Company's financial and economic activity may be performed at any time following the initiative of Auditing Committee of the Issuer, decision of General Shareholders Meeting, Board of Directors of the Issuer or upon demand of a shareholder (shareholders) of the Issuer owning in aggregate at least ten percent of the Issuer's voting shares.

Text of Regulations on Auditing Committee of "IDGC of the South", JSC is available on website at:

<http://www.mrsk-yuga.ru/rus/management/documents/index.shtml>.

On the basis of check results of the Company's financial and economic activity, Auditing Committee is making a report that shall include:

- confirmation of reliability of the information contained in reports and other financial documents of the Company;
- information on facts of the Company's violation of accounting order and financial reporting stated in the legal acts of the Russian Federation, and also violation of legal acts of the Russian Federation on performing the Company's financial and economic activity.

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

The Issuer has established Internal Audit Service (**other than the audit commission (auditor), the body which carries out internal control over financial and economic activity of the issuer**).

Information on the availability of internal audit (other than the audit commission (auditor), the authority conducting the internal control over financial and economic activity of the issuer), its membership and the term of its operation:

For the purpose of effective functioning of the internal control system in 2008 the Department of Internal Control and Audit has been established in the Company which consists of Internal Audit Service, the Internal Control Section and Methodology and Risks Section.

According to the decision of “IDGC of the South”, JSC Board of Directors dated 05.08.2010 (minutes No.52/2010 dd 06.08.2010) in the third quarter of 2010 the structure of Department of internal control and audit has changed: the Department was given as new name (Department of internal control and risks management), also instead of three sectors two sectors were formed (sector for internal audit and sector for internal control and risks management).

In the 3rd quarter of 2011 as a result of the Company held by organizational and staff activities of the internal audit functions were redistributed in the Department of Internal Audit and Risk Management.

In the 1st quarter of 2012 a new sector was created in the Department – sector for control of insider information.

In the 3rd quarter of 2012 the department internal control and risk management was closed.

In accordance with organizational structure the department of internal audit and risks management is reported to Director General of the Company.

Acting head of Department of internal audit and risks management – Pechenkin Nikolay Vladimirovich.

Department staff carries out its activity in accordance with job descriptions. Specialists of the Department are independent from executive departments of the issuer and from authorities of the company and its branches.

Basic functions of Internal Audit Service; subordination of Internal Audit Service, cooperation with the Issuer’s executive management authorities and Board of Directors (supervisory board) of the Issuer:

- inspection and assessment of the effectiveness of internal control and risk management system in the Company;
- assessment of the economic feasibility and effectiveness of business operations by the Company;
- control the efficiency and safety of assets (property) of the Company;
- inspection of the reliability and objectivity of accounting and management reporting;
- monitoring of compliance with the requirements of legislation and internal local normative documents;

- monitoring of elimination of violations and deficiencies identified in the control measures;
- involvement of structural units in the risk management process;
- forming of permanent and formal process of identification, assessment and risk management;
- standardization of the control environment and risk of key business processes through the initiation of the development and implementation of the Regulations on the control environment and the risks of business processes, identify control points, risk management, internal and external factors of risks, control procedures.

Cooperation with executive bodies of the Issuer's management and Board of Directors (supervisory board) of the Issuer: cooperation is carried out according to current Issuer's Regulations on Department of Internal Control and Audit and Regulation on Internal Control Procedures in "IDGC of the South" JSC. Apart from that, Internal Control Policy of "IDGC of the South" JSC and Risk Management Policy of "IDGC of the South" JSC (Minutes No. 47/2010 dated 11.06.2010) were approved by decisions of Board of Directors of "IDGC of the South" JSC in the accounting quarter.

Since December 1, 2009 Audit Committee at the Board of Directors of "IDGC of the South" JSC is acting in the Company. Main goal of the Committee is to provide efficient work of the Board of Directors solving problems regarded to its competence. Working out and submission of recommendations (decisions) to the Board of Directors of the Company in the sphere of Audit and Accounts of the Company are objectives of the Company.

Coordination of Internal Audit Service and outside Auditor of the Issuer: not stipulated by the Issuer's internal documents.

The Issuer has adopted (approved) internal document regulating rules of preventing service (insider's) information use.

Data on the issuer's internal document establishing rules to prevent the misuse of confidential and insider information:

Monitoring the use of insider information in the Company are based on the Regulation on Insider Information of JSC "IDGC of the South" (as amended), approved by the Board of Directors of JSC "IDGC of the South" (Minutes No. 78/2011 dd 29.12.2011).

5.5. Data on Members of Authorities Undertaking Control over the Issuer's Financial and Economic Activities

Name of authority controlling Issuer's financial and economic activities: Auditing Committee of "IDGC of the South", JSC.

Surname, name, patronymics: **Alimuradova Izumrud Aligadzhievna (chairperson)**

Year of birth: 1971

Education: Lenin State University of Dagestan, specialty: "Economics", qualification: "Economist".

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity name	Position
form	up to		
2003	2009	"Energokonsalting" JSC	Development Director
2009	now	"IDGC Holding", JSC	Head of Internal Audit Department (Head of Department of internal Audit and risks management)

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Arkhipov Vladimir Nikolaevich**

Year of birth: 1956

Education:

Novosibirsk Electronic Technical Institute of Communication,

Telecommunications Engineer

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Entity name	Position
from	up to		
2006	2009	“Rustel” CJSC	Director General
2009	now	“IDGC Holding”, JSC	Head of Security Department

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Popova Olga Viktorovna**

Year of birth: **1975**

Education:

Plekhanov Russian Academy of Economics, qualification – global economics.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	to		
2007	2008	GK Nezavisimost	IRFS specialist
2008	2010	Media-3 CJSC	IRFS leading specialist
2010	now	IDGC Holding JSC	Head of Sector for Internal Audit at Department of Internal Audit and Risks Management

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Kormushkina Lyudmila Dmitrievna**

Year of birth: 1956

Education: Far-East State Academy of Economics and Management, speciality accounting and audit

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period	Entity name	Position
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from	up to		
2004	2008	RAO UES of Russia	Chief expert
2008	now	“IDGC Holding” JSC	Head of sector internal audit, inspections and certifications at Department of internal control and risks management

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Sinitsina Olga Sergeevna**

Year of birth: **1979**

Education: Novosibirsk State academy of economics and management, specialization – economist

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
From	To		
2005	2010	FinExpertiza LLC	Head of projects at Audit department

2010	now	IDGC Holding JSC	Chief expert at department of checks and certifications at Department of audit and risks management
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The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

If the issuer has internal audit service or other body to monitor its financial and business activities, other than the issuer's Audit Committee, which consists of more than 10 persons, the information required by this paragraph, is indicated for at least 10 persons who are members of the relevant of the issuer's control over its financial and economic activities, including the head of such body.

5.6. Data on Amount of Remuneration, Benefits and/ or Reimbursement of Expenses of Authority Undertaking Control over the Issuer's Financial and Economic Activities

All kinds of remuneration are specified, including wages, bonuses, awards, benefits and (or) reimbursement of expenses, and other property advancements discharged by the Issuer for the last completed financial year:

Unit of measurement: rub

Name of the authority undertaking control over the Issuer's financial and economic activity: Auditing Committee of "IDGC of the South", JSC

Remuneration for participation in work of supervisory body

Indicator	2012	2013, 3 months.
Remuneration	203 383	0
Wages	0	0
Bonuses	0	0
Awards		0
Benefits	0	0
Reimbursement for expenses	0	0
Other property advancements	0	0
TOTAL	203 383	0

Data on current agreements about such payments in the financial year:

According to cl. 3.1 of the Regulations, for participation in financial and economic activity check (audit), a member of Auditing Committee of the Company receives lump sum remuneration in the amount equivalent to five minimum monthly tariff rates of the first category worker established by the sectoral tariff agreement in electric energy complex of the Russian Federation (further on referred to as Agreement) for the period of carrying out the check (audit), indexed in conformity with the Agreement. Payment of the compensation specified in cl. 3.1 of the Regulations should be made within one week term after drawing up the report following the results of the check (audit) held. According to clause 3.3 of the Regulations, the amount of remunerations paid to Chairman of Audit Committee increases by 50 %.

According to clause 3.2 of the Regulations, extra fee can to be paid for each financial and economic activity check in amount not exceeding twenty minimum monthly tariff rates of the first category worker, indexed in conformity with the Agreement. The procedure and terms of such payment are defined by Board of Directors of the Company.

According to clause 2.1 of the Regulations, charges related to participation in the Company's Auditing Committee meeting and carrying out of a check are compensated to members of the Company's Audit Committee according to norms of compensation of travelling and living expenses of the Company actual by the moment of carrying out the meeting or the check,.

In accord with the Charter of "IDGC of the South" JSC, decisions on payment of remuneration and (or) reimbursement are taken by the General Shareholders Meeting of "IDGC of the South" JSC taking into account recommendations of the Board of Directors concerning the amount of such remunerations and (or) reimbursement. Volume and order of the payment are determined by the abovementioned Regulation.

Besides, members of Auditing Committee of "IDGC of the South", JSC holding staff positions in the Company at the same time are paid wages according to their positions in the staff schedule and Regulations on Payment for Labour.

Additional information:

In the 1st quarter of 2013 there were three meetings of the Company's Auditing Committee (Minutes No.7 dated 25.01.2013, No. 8 dated 31.01.2013 and No. 9 dated 26.03.2013) where 8 issues were discussed, precisely:

- on conducting the check (audit) of financial and economic activity of IDGC of the South JSC at the request of shareholder of the Company - IDGC Holding JSC (from 27.12.2012 No.449-AM);
- on the term and programme of check (audit) of financial and economic activity of IDGC of the South JSC;
- on inviting experts for the check (audit) of financial and economic activity of IDGC of the South JSC;
- on submitting to IDGC Holding JSC a copy of Opinion (Act) on the results of audit (check) in 2012;
- on considering the results of the check of expenditures on personnel management in 2012;
- on approval of the programme and period of the audit of the Auditing Committee of the Company in accordance with the work plan of the Auditing Committee of IDGC of the South JSC for 2012 -2013.

Minutes of meetings of the Audit Committee for the whole period of its activity are available at corporate website at:

http://www.mrsk-yuga.ru/corporate_management/revision/

5.7. Data on Headcount and Generalized Data on Education and Structure of the Issuer's Employees (Staff Members), and also on Headcount Change of the Issuer

Unit of measurement: thousand rubles.

Indicator	2012	2013, 3 months
Average number of employees	14 121.9	13 871.5
Volume of money transferred for remuneration of labour	4 612 146.8	1 092 705.8
Volume of money transferred for social benefits	33 148.9	7 950.2

No significant changes in amount of employees occurred. Other employees that may have significant impact (specified in clause 5.2 of the present quarterly report) on issuer's business activity are absent.

The labour unit was not established.

5.8. Data on any Obligations of the Issuer to Employees (Staff Members) Concerning Possibility of their Participation in the Authorized (Share) Capital (Share Fund) of the Issuer

The Issuer has no obligations to employees (staff members) concerning possibility of their participation in the authorized (share) capital (share fund) of the Issuer

VI. Data on Participants (Shareholders) of the Issuer and on the Issuer's Interested Parties Transactions

6.1. Data on the Total Amount of Shareholders (Participants) of the Issuer

Total number of persons indicated in the register of shareholders of the Issuer as of the expiration date of the last accounting quarter: 9 221

Total number of nominee shareholders of the Issuer: **5**

Total amount of shareholders included in the up-to-date list of persons entitled to participate in general meeting of shareholders: **12 254**

Date of making the list of shareholders included in the up-to-date list of persons entitled to participate in general meeting of shareholders: **05.07.2012**

Holders of ordinary shares of the issue that are subject to inclusion in such list: **12 254**

6.2. Data on Participants (Shareholders) of the Issuer Holding at least 5 percent of Authorized (Share) Capital (Share Fund) or at least 5 percent of Ordinary Shares, as well as Data on Participants (Shareholders) of the Bodies Holding at least 20 percent of Authorized (Share) Capital (Share Fund) or at least 20 percent of Ordinary Shares

Participants (shareholders) of the Issuer holding at least 5 percent of the Issuer's authorized (share) capital (share fund) or at least 5 percent of ordinary shares

Nominee holder

Information on nominee holder:

Full company name: **“Depository and Corporate Technologies” Limited Liability Company**

Short company name: **“DCT”, LLC**

Location

Building 1, 4 Stromynka St., Moscow, RF 107014

TIN: 7729520219

PSRN: 1057746181272

Telephone: (495) 641-3031

Fax: (495) 641-3031

E-mail address: dkd@depotech.ru

Data on license of professional participant of the securities market

Number: 177-11151-000100

Date of issue: 03.04.2008

Valid until:

Without limitation of validity period

License issuing authority: FSEC (FFMS) of Russia

Number of ordinary shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: 25 730 843 051

Number of preferred shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: 0

Nominee holder

Information on nominee holder:

Full company name: **Non-profit Partnership "National Depository Centre"**

Short company name: **"NDC", CJSC**

Location

Building 8, 1/13 Sredniy Kislovskiy lane, Moscow, Russia, 125009

TIN: **7702165310**

PSRN: **1027739132563**

Telephone: (495) 956-2790

Fax: (495) 956-0938

E-mail address: dc@ndc.ru

Data on license of professional participant of the securities market

Number: 177-12042-000100

Date of issue: 19.02.2009

Valid until:

Without limitation of validity period

License issuing authority: FSEC (FFMS) of Russia

Number of ordinary shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: **22 496 430 553**

Number of preferred shares of the Issuer registered in the Issuer's list of shareholders under the name of the nominal holder: 0

6.3. Data on State or Municipal Unit Stake in Authorized (Share) Capital (Share Fund) of the Issuer, Availability of Special Right ("golden share")

Information about the controllers of state, municipal shares.

Federal property

Federal property

Name: **Federal Agency of State Property Management**

Address: **9, Nikolskiy lane, Moscow, 109012**

The size of the authorized (share) capital (share fund) of the Issuer of municipal property, located in the state (federal, subjects of Russian Federation): **0.139**

Federal property

Name: **State Taxation Inspection of Taganrog**

Address: **22-24, A.Glushko lane, Taganrog 347900**

The size of the authorized (share) capital (share fund) of the Issuer of municipal property, located in the state (federal, subjects of Russian Federation): **0.003**

Persons who, on behalf of the Russian Federation, subject of Russian Federation or municipal entity shall perform the functions participant (shareholder) of the Issuer.

There are no such persons

Special right for participation of the Russian Federation, subjects of the Russian Federation, municipal units in management of the Issuer (Joint Stock Company) (“golden share”):

Specified right is not stipulated

6.5. Data on Changes in Composition and Amount of Participation of Shareholders (Participants) of the Issuer Holding at least 5 percent of Authorized (Share) Capital (Share Fund) or at least 5 percent of Ordinary Shares

Structure of the Issuer’s shareholders (participants) who held at least 5 percent of the Issuer’s authorized (share) capital (at least 5 percent of the Issuer’s ordinary shares – for Issuers representing joint stock companies) as of the date of drawing up the list of the persons entitled to participate in each General Shareholders Meeting for the 5 latest completed financial years prior to the termination date of the accounting period, or for each completed financial year preceding the termination date of the accounting period in case the Issuer has been functioning less than 5 years; and for the last quarter according to the list of the persons who had a right to participate in each of such meetings.

Date of drawing up the list of persons who are entitled to participate in the Issuer’s Shareholders (participants) Meeting: **05.10.2007**

List of shareholders (participants)

Full company name: **Russian Joint Stock Company of power and electrification “UES of Russia”**

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

Address: **Building 3, 101 prospect Vernadskiy, Moscow**

TIN: **7705018828**

PSRN: **1027700043293**

Stake of the person in the Issuer's authorized capital, %: 100

Stake of the Issuer's ordinary shares held by the person, %: 100

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **25.12.2007**

List of shareholders (participants)

Full company name: **Russian Joint Stock Company of power and electrification "UES of Russia"**

Short company name: **RAO "UES of Russia", JSC**

Address: **Building 3, 101 prospect Vernadskiy, Moscow**

TIN: **7705018828**

PSRN: **1027700043293**

Stake of the person in the Issuer's authorized capital, %: 100

Stake of the Issuer's ordinary shares held by the person, %: 100

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **28.02.2008**

List of shareholders (participants)

Full company name: **Russian Joint Stock Company of power and electrification "UES of Russia"**

Short company name: **RAO "UES of Russia", JSC**

Address: **Building 3, 101 prospect Vernadskiy, Moscow**

TIN: **7705018828**

PSRN: **1027700043293**

Stake of the person in the Issuer's authorized capital, %: 100

Stake of the Issuer's ordinary shares held by the person, %: 100

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **18.04.2008**

List of shareholders (participants)

Full company name: **Russian Joint Stock Company of power and electrification "UES of Russia"**

Short company name: **RAO "UES of Russia", JSC**

Address: **Building 3, 101 prospect Vernadskiy, Moscow**

TIN: **7705018828**

PSRN: **1027700043293**

Stake of the person in the Issuer's authorized capital, %: 51.66

Stake of the Issuer's ordinary shares held by the person, %: 51.66

Full company name: **Closed Joint Stock Company "Promregion Holding"**

Short company name: **"Promregion Holding", CJSC**

Address: **Building 2, 29 Shabolovka str., Moscow 115162**

TIN: **7706307082**

PSRN: **1037706044408**

Stake of the person in the Issuer's authorized capital, %: 16.21

Stake of the Issuer's ordinary shares held by the person, %: 16.21

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

Short company name: the Issuer does not have information

Address: **1065 Nicosia, Arch. Makariou III, 2-4, Capital Center, 9th Floor**

Is not resident of RF

Stake of the person in the Issuer's authorized capital, %: 5.22

Stake of the Issuer's ordinary shares held by the person, %: 5.22

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **08.05.2009**

List of shareholders (participants)

Full company name: **Open Joint Stock Company "Holding of Interregional Distribution Grid Companies"**

Short company name: **"IDGC Holding", JSC**

Location: 5a Akademicheskaya str., Moscow 117630

TIN: **7728662669**

PSRN: **1087760000019**

Stake of the person in the Issuer's authorized capital, %: 51.66

Stake of the Issuer's ordinary shares held by the person, %: 51.66

Full company name: **Oflamenta Trading Limited**

Short company name: the Issuer does not have information

Location: **Gr. Xenopoulou, 17, P.C. 3106, Limassol, Cyprus**
is not RF resident

Stake of the person in the Issuer's authorized capital, %: 21.15

Stake of the Issuer's ordinary shares held by the person, %: 21.15

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

Short company name: the Issuer does not have information

Location: **1065 Nicosia, Arch. Makariou III, 2-4, Capital Center, 9th Floor**
is not RF resident

Stake of the person in the Issuer's authorized capital, %: 5.05

Stake of the Issuer's ordinary shares held by the person, %: 5.05

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: **03.07.2009**

List of shareholders (participants)

Full company name: **Open Joint Stock Company "Holding of Interregional Distribution Grid Companies"**

Short company name: **"IDGC Holding", JSC**

Location: 5a Akademicheskaya str., Moscow 117630

TIN: **7728662669**

PSRN: **1087760000019**

Stake of the person in the Issuer's authorized capital, %: 51.66

Stake of the Issuer's ordinary shares held by the person, %: 51.66

Full company name: **Limited liability company "Management - Consulting" ("Trust Management") (performing trust management of mutual investment fund "Closed Mutual Investment Fund of Shares "Resource")**

Short company name: **"Management - Consulting", LLC**

Location: **building 1, 7 Meschanskaya str., Moscow 129090**

TIN: **7702203678**

PSRN: **1027700050168**

Stake of the person in the Issuer's authorized capital, %: 21.15

Stake of the Issuer's ordinary shares held by the person, %: 21.15

Full company name: **Limited Liability Company “Managing Company “AGANA” Trust management. Closed blend share fund “Strategic assets” managed by LLC “Managing Company “AGANA”**

Short company name: **“Managing Company “AGANA”, LLC**

Location: building 1, 9 Staromonetny lane, Moscow **119017**

TIN: **7706219982**

PSRN: **1027700076513**

Stake of the person in the Issuer’s authorized capital, %: 5.15

Stake of the Issuer’s ordinary shares held by the person, %: 5.12

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

Short company name: the Issuer does not have information

Location: **1065 Nicosia, Arch. Makariou III, 2-4, Capital Center, 9th Floor is not RF resident**

Stake of the person in the Issuer’s authorized capital, %: 5.08

Stake of the Issuer’s ordinary shares held by the person, %: 5.08

Date of drawing up the list of persons who are entitled to participate in the Issuer’s Shareholders (participants) Meeting: **07.05.2010**

List of shareholders (participants)

Full company name: **Open Joint Stock Company “Holding of Interregional Distribution Grid Companies”**

Short company name: **“IDGC Holding”, JSC**

Location: 5a Akademic Chalomey str., Moscow 117630

TIN: **7728662669**

PSRN: **1087760000019**

Stake of the person in the Issuer’s authorized capital, %: 51.66

Stake of the Issuer’s ordinary shares held by the person, %: 51.66

Full company name: **Limited liability company “Management - Consulting” (“Trust Management”) (performing trust management of mutual investment fund “Closed Mutual Investment Fund of Shares “Resource”)**

Short company name: **“Management - Consulting”, LLC**

Место нахождения: **129090 г. Москва, ул. Мещанская, д. 7, стр. 1**

ИНН: **7702203678**

ОГРН: **1027700050168**

Stake of the person in the Issuer's authorized capital, %: 21.36

Stake of the Issuer's ordinary shares held by the person, %: 21.36

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: 20.04.2011

List of shareholders (participants)

Full company name: **Open Joint Stock Company "Holding of Interregional Distribution Grid Companies"**

Short company name: **"IDGC Holding", JSC**

Location: 26, Ulanskiy lane, Moscow 107996

TIN: **7728662669**

PSRN: **1087760000019**

Stake of the person in the Issuer's authorized capital, %: 51.66

Stake of the Issuer's ordinary shares held by the person, %: 51.66

Full company name: **Lancrenan Investment limited**

Short company name: **no information**

**Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus
is not RF resident**

Stake of the person in the Issuer's authorized capital, %: 9.18

Stake of the Issuer's ordinary shares held by the person, %: 9.18

Full company name: Prosvetanie Holding Limited Company

Short company name: **no information**

**Location: 9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus
is not resident of RF**

Stake of the person in the Issuer's authorized capital, %: 6.8

Stake of the Issuer's ordinary shares held by the person, %: 6.8

Date of drawing up the list of persons who are entitled to participate in the Issuer's Shareholders (participants) Meeting: 06.05.2011

List of shareholders (participants)

Full company name: **Open Joint Stock Company “Holding of Interregional Distribution Grid Companies”**

Short company name: **“IDGC Holding”, JSC**

Location: 26 Ulanskiy lane, Moscow 107996

TIN: **7728662669**

PSRN: **1087760000019**

Stake of the person in the Issuer’s authorized capital, %: 51.66

Stake of the Issuer’s ordinary shares held by the person, %: 51.66

Full company name: **Lancrenan Investment limited**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus
is not resident of RF**

Stake of the person in the Issuer’s authorized capital, %: 9.25

Stake of the Issuer’s ordinary shares held by the person, %: 9.25

Full company name: Protsvetanie Holding Limited Company

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus
is not resident of RF**

Stake of the person in the Issuer’s authorized capital, %: 6.85

Stake of the Issuer’s ordinary shares held by the person, %: 6.85

Date of drawing up the list of persons who are entitled to participate in the Issuer’s Shareholders (participants) Meeting: **08.05.2012**

List of shareholders (participants)

Full company name: **Open Joint Stock Company “Holding of Interregional Distribution Grid Companies”**

Short company name: **“IDGC Holding”, JSC**

Location: 26 Ulanskiy lane, Moscow 107996

TIN: **7728662669**

PSRN: **1087760000019**

Stake of the person in the Issuer’s authorized capital, %: 51.66

Stake of the Issuer’s ordinary shares held by the person, %: 51.66

Full company name: **Lancrenan Investment limited**

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus
is not resident of RF**

Stake of the person in the Issuer's authorized capital, %: 9.25

Stake of the Issuer's ordinary shares held by the person, %: 9.25

Full company name: Protsvetanie Holding Limited Company

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus
is not resident of RF**

Stake of the person in the Issuer's authorized capital, %: 6.85

Stake of the Issuer's ordinary shares held by the person, %: 6.85

Date of drawing up the list of persons who are entitled to participate in the
Issuer's Shareholders (participants) Meeting: **05.07.2012**

List of shareholders (participants)

Full company name: **Open Joint Stock Company "Holding of Interregional
Distribution Grid Companies"**

Short company name: **"IDGC Holding", JSC**

Location: 26 Ulanskiy lane, Moscow 107996

TIN: **7728662669**

PSRN: **1087760000019**

Stake of the person in the Issuer's authorized capital, %: 51.66

Stake of the Issuer's ordinary shares held by the person, %: 51.66

Full company name: Protsvetanie Holding Limited Company

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus
is not resident of RF**

Stake of the person in the Issuer's authorized capital, %: 9.25

Stake of the Issuer's ordinary shares held by the person, %: 9.25

Full company name: Protsvetanie Holding Limited Company

Short company name: **no information**

Location: **9 Giannou Kranidioti, 2nd floor, Office 210, 1065, Nicosia, Cyprus**
is not resident of RF

Stake of the person in the Issuer's authorized capital, %: 6.85

Stake of the Issuer's ordinary shares held by the person, %:6.85

6.6. Data on the Issuer's Interested parties Transactions

Data on number and monetary volume of the Issuer's transactions considered to be transactions of interest which required approval by the authorized management body of the Issuer according to legislation of the Russian Federation and concluded in the last accounting period.

Unit of measurement: rub

Item	Total number	Total volume in monetary terms
Interested parties transactions which required approval by the authorized management body of the Issuer	3	316 096
Interested parties transactions concluded in the accounting period and approved by General Meeting of participants (shareholders)	0	0
Interested parties transactions concluded for the accounting period and approved by Board of Directors (supervisory board) of the Issuer	3	316 096
Interested parties transactions for the accounting period which required approval yet were not approved by the authorized management body of the Issuer	0	0

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

such transactions were not made

Data on interested parties transactions (a group of associated transactions) decision on approval of which was not taken by Board of Directors (supervisory board) or the Issuer's General Shareholders (participants) Meeting if such approval is obligatory according to the legislation of the Russian Federation

such transactions were not made

Additional Information

Quarterly Review of Interested Party Transactions Closed by "IDGC of the

South”, JSC

	Document	Contractor	Sum of transaction, rubles	Services
1	Contract No.61000000000008 dated 25.01.2013	Holding IDGC JSC	314 112 209.18	Services on organization of functioning and development of distribution grid complex
2	Contract No. 610000000000022 dated 15.02.2013	“Southern CPE” JSC (branch “ Southern CPE - Volgogradenergosetr poekt” JSC	1 487 883.24	Designer supervision over the solutions in detailed design prepared under the Contract dated 20.08.2012 “Distribution grid of 110kV with scheme of power distribution of PGU-235”
	Contract No. 610000000000034 dd 28.02.2013 11:49:08	“IT Energy Services” LLC	496 000	Services of information infrastructure services
Total:				316 096 0923.42

6.7. Data on the Amount of Accounts Receivable

2012

Unit of measurement: thousand rubles

Type of accounts receivable	
Accounts receivable from buyers and customers	6 322 308
including overdue	5 313 409
Accounts receivable from bills	0
including overdue	0
Accounts receivable from participants (founders) on payments to share capital	0
including overdue	0
Other accounts receivable	1 486 032
including overdue	346 373
Total	8 262 868
including overdue	5 313 409

Debitors which share is at least 10% from total sum of accounts receivable as of the reporting period

Full company name: Open Joint Stock Company “**Volgogradenergosbyt**”Short name: “**Volgogradenergosbyt**”, JSC

Location: Volgograd

TIN: **3445071523**PSRN: **1053444090028**

Sum of accounts receivable: **3 598 712.62**

Unit of measurement: **thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):
Contractor's overdue payable to IDGC of the South is 1 173 002 rubles. Claim-related work on collection the debt is being carried out, also the possibility of debt restructuring is being discussed.

Debtor is issuer's affiliated person: **no**

Full company name: Municipal Unitary Production Enterprise "**Inter-district electric grids of Volgograd**"

Short name: **MUPP VMES of Volgograd**

Location: Volgograd

TIN: **3441010181**

PSRN: **1023402460620**

Sum of accounts receivable: **1 410 496.24**

Unit of measurement: **thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):
Contractor's overdue payable to IDGC of the South is 1 001 993.91rubles. Claim-related work on collection the debt is being carried out, also the possibility of debt restructuring is being discussed.

Debtor is issuer's affiliated person: **no**

As of the end of the reporting quarter

Unit of measurement: **thousand rubles**

Type of accounts receivable	
Accounts receivable from buyers and customers	7 689 234
including overdue	4 795 694
Accounts receivable from bills	0
including overdue	0
Accounts receivable from participants (founders) on payments to share capital	0
including overdue	0
Other accounts receivable	1 221 838
including overdue	339 432
Total	9 070 502
including overdue	5 209 606

Debtors which share is at least 10% from total sum of accounts receivable as of the reporting period

Full company name: **Open Joint Stock Company "Volgogradenergosbyt"**

Short name: **“Volgogradenergobyt”, JSC**

Location: Volgograd

TIN: **3445071523**

PSRN: **1053444090028**

Sum of accounts receivable: **4 007 559**

Unit of measurement: **thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor’s overdue payable to IDGC of the South is 3 079 823 rubles.

Full company name: **Municipal Unitary Production Enterprise “Inter-district electric grids of Volgograd”**

Short name: **MUPP VMES of Volgograd**

Location: Volgograd

TIN: **3441010181**

PSRN: **1023402460620**

Sum of accounts receivable: **1 521 111**

Unit of measurement: **thousand rubles**

Amount and terms of overdue receivables (interest rate, penalties, fines):

Contractor’s overdue payable to IDGC of the South is 976 580 rubles. Claim-related work on collection the debt is being carried out, also the possibility of debt restructuring is being discussed.

Debtor is issuer’s affiliated person: **no**

VII. Accounting Report of the Issuer and Other Financial Information

7.1. Annual Accounting Report of the Issuer

2012

Accounting Balance as of 31.12.2012

Form No. 1 as per Russian National Classification of Management Documentation (RNCMD)		Code
		0710002
		Date
		31.12.2012
Organization: “Interregional Distribution Grid Company of the South” Open Joint Stock Company	as per Russian National Classifier of Business Organizations (RNCBO)	80380011
Taxpayer Identification Number	TIN	6164266561
Type of activity: electric energy transmission	as per Russian National Classifier of Economic Activities (RNCEA)	40.10.2
Legal form of organization / form of ownership: open joint stock company	as per Russian National Classifier of Forms of Incorporation (RNCFI)/ Russian National Classifier of Forms of Ownership (RNCFO)	47 16
Unit of measurement: ths.rub.	as per Russian National Classifier of Measurement Units (RNCMU)	384
Location (address)	49 Bolshaya Sadovaya St., Rostov-on-Don, Russia, 344002	

Explanations	Assets	Line	As of 31.12.2012	As of 31.12.2011	As of 31.12.2010
1	2	3	4	5	6
	I. Non-current assets				
5.1.1.- 5.2.2.	Intangible assets, including	1110	14	18	20
5.2.2.	unaccomplished operations on intangible assets acquisition	1111			
5.1.1.- 5.2.2.	Results of researches and projects, including:	1120	54 414	26 133	3 304
5.2.2.	expenditures on researches and projects in progress	1121	43346	21267	
	Intangible exploration assets	1130			
	Fixed exploration assets	1140			
5.3.1.- 5.3.6.	Fixed assets	1150	31 301 830	28 927 577	26 680 503

	Land plots and facilities of environmental management	1151	12 033	2 037	1 230
	Buildings and vehicles, constructions and equipment	1152	26 170 491	25 260 976	24 675 943
	Other fixed assets	1153	354 532	208 318	189 719
5.3.5.	Construction-in-progress	1154	4 622 132	3 136 531	1 706 538
5.3.6.	Advances paid for capital construction and purchase of fixed assets	1155	142 642	318 715	107 073
	Raw materials and materials for production of fixed assets	1156			
5.3.1.	Income-bearing investments in tangible assets	1160			
	Property for pledge	1161			
	Property provided under the rent contract	1162			
5.4.1.- 5.4.3.	Financial investments	1170	245 396	418 950	461 702
	Investments in affiliated companies	1171	236 513	350 451	401 849
	Investments in depended companies	1172			
	Investments in other companies	1173	8 883	20 236	11 590
	Loans to organizations due more than 12 months	1174			
	Financial investments	1175		48 263	48 263
5.7.2.	Deferred tax assets	1180	196 368	160 929	367 050
	Other non-current assets	1190	598 105	745 779	459 513
	Total for section I	1100	32 396 127	30 279 386	27 972 092
	II. Current assets				
5.5.1- 5.5.2.	Stock	1210	1 160 532	1 064 327	786 594
	Materials, raw materials and other similar values	1211	1 119 042	1 021 057	778 919
	Construction-in-progress expenses	1212			
	Finished products and goods for resale	1213	41 490	43 270	7 675
	Goods despatched	1214			
	Other stocks and expenses	1215			
	Value added tax on acquired assets	1220	254 061	63 758	17 751
5.6.1.- 5.6.4.	Accounts receivable	1230	8 262 868	7 943 613	7 715 016
	accounts receivable that are due beyond 12 months	1231	351 114	465 589	593 181
	Buyers and customers	12310 1	14 519	31 542	33 875
	Bills receivable	12310 2			
	Advances paid	12310 3	18 368	853	12 990
	Other accounts receivable	12310 4	320 227	433 194	546 316
	accounts receivable that are due in the next 12	1232	7 911 754	7 478 024	7 121 835

	months				
	Buyers and customers	12320 1	6 307 790	5 605 610	5 786 217
	Bills receivable	12320 2			
	Debts of affiliated and depended companies on interest	12320 3			
	Debts of participants (founders) on share capital payment	12320 4			
	Advances paid	12320 5	117 832	700 407	140 103
	Other accounts receivable	12320 6	1 486 032	1 172 007	1 195 515
5.4.1- 5.4.3.	Financial investments (except money equivalent)	1240		4 000	20 000
	Loans to organizations that are due in next 12 months	1241			
	Other short-term financial investments	1242		4 000	20 000
Φ.4	Cash and cash equivalents	1250	1 738 812	1 404 180	338 132
	Cash	1251	169	152	114
	current accounts	1252	1 713 441	1 402 090	321 148
	foreign currency account	1253			
	Other cash	1254	25 202	1 938	16 870
	Other current assets	1260	30 760	102 353	170 531
	Total for section II	1200	11 447 033	10 582 231	9 048 024
	Balance (assets)	1600	43 843 160	40 861 617	37 020 116

notes	Liabilities	line	31.12.2012	31.12.2011	31.12.2010.
1	2	3	4	5	6
	Authorized capital (share capital, authorized fund, partners' investments)				
3.1	Reacquired stock	1310	4 981 110	4 981 110	4 981 110
3.1	Reappraisal of fixed assets	1320			
3.1	Capital surplus (without reappraisal)	1340	14 744 980	14 757 652	14 829 755
3.1	Reserve funds	1350			
3.1	Undistributed profit (uncovered loss)	1360	148 736	142 867	142 867
3.1	Total for section III	1370	-7 878 410	-4 582 265	-4 735 187
	Authorized capital (share capital, authorized fund, partners' investments)	1371	- 4 575 462	- 4 582 265	- 4 735 187
	Reacquired stock	1372	-3 302 948		
	Reappraisal of fixed assets	1300	11 996 416	15 299 364	15 218 545
	IV. Long-term Liabilities				
5.6.7.-	Borrowed funds	1410	16 500 000	13 750 000	3 212 900

5.6.8.					
	Bank credits that that are due beyond 12 months after the reporting date	1411	11 942 322	9 192 322	2 900 000
	Loans that are due beyond 12 months after the reporting date	1412	4 557 678	4 557 678	312 900
5.7.2.	Deferred tax liability	1420	299 443	297 677	287 070
5.7.1.	Estimated liability	1430			
5.6.5.- 5.6.6.	Other liabilities	1450		2 728 379	18 862
	Total for section IV	1400	16 799 443	16 776 056	3 518 832
	V. Short-term liabilities				
5.6.7.- 5.6.8.	Borrowed funds	1510	2 841 890	2 839 120	10 953 836
	Bank credits that that are due beyond 12 months after the reporting date	1511	2 402 548	2 401 801	4 600 000
	Loans that are due beyond 12 months after the reporting date	1512	439 342	437 319	6 353 836
5.6.5- 5.6.6.	Accounts payable	1520	10 462 059	5 407 937	6 753 422
	Suppliers and contractors	1521	5 092 305	2 967 061	5 313 674
	Bills payable	1522	2 966 675	-	-
	salaries payable	1523	10 888	188 665	144 119
	debts to public non-budgetary fund	1524	106 084	84 023	66 507
	taxes and levies payable	1525	37 530	90 351	60 645
	advances received	1526	1 752 790	1 801 147	927 029
	Interest payable to participants (founders)	1527	-	-	1 894
	Other accounts payable	1528	495 787	276 690	239 554
	Income of future periods	1530	61 495	68 874	76 496
5.7.1.	Estimated liability	1540	1 681 857	470 266	498 985
	Other liabilities	1550	-	-	-
	Total for section V	1500	15 047 301	8 786 197	18 282 739

Profit and Loss Statement
12 months of 2012

		Code
Form No. 2 as per Russian National Classification of Management Documentation (RNCMD)		0710002
	Date	31.12.2012
Organization: “Interregional Distribution Grid Company of the South” Open Joint Stock Company	as per Russian National Classifier of Business Organizations (RNCBO)	80380011
Taxpayer Identification Number	TIN	6164266561
Type of activity: electric energy transmission	as per Russian National Classifier	40.10.2

	of Economic Activities (RNCEA)	
Legal form of organization / form of ownership: open joint stock company	as per Russian National Classifier of Forms of Incorporation (RNCFI)/ Russian National Classifier of Forms of Ownership (RNCFO)	
Unit of measurement: ths.rub./mln.rub (delete as applicable)	as per Russian National Classifier of Measurement Units (RNCMU)	384
Location (address)	49 Bolshaya Sadovaya St., Rostov-on-Don, Russia 344002	

Notes	Indicator	Line	2012.	2011
1	2	3	4	5
	Profit	2110	23 464 348	24 356 303
	including			
	from transport of electric energy	2111	21 362 644	22 688 104
	from technological connection	2112	1 953 622	1 463 940
	income from organization of functioning and developing of Unified Energy Systems of Russia	2113	-	-
	income from resale of electric energy	2114	-	-
	income from participation in organizations	2115	-	-
	rental income	2116	38 572	51 376
	income from sale of other types of products, goods, works, services related to industry	2117	81 813	120 878
	income from sale of other types of products, goods, works, services of nonindustrial type	2118	27 697	32 005
2.1.	Cost of sales	2120	-21 056 317	-20 068 056
	including			
	from transport of electric energy	2121	-20 424 550	-19 760 114
	from technological connection	2122	-508 784	-181 127
	self-cost of organization of functioning and developing of Unified Energy Systems of Russia	2123	-	-
	self-cost of resale of electric energy	2124	-	-
	self-cost of participation in organizations	2125	-	-
	rental income	2126	-13 799	-16 677
	self-cost of sale of other types of products, goods, works, services related to industry	2127	-57 561	-81 672
	self-cost of sale of other types of products, goods, works, services of nonindustrial type	2128	-51 623	-28 466
	Gross profit (loss)	2100	2 408 031	4 288 247
2.1.	Business expenses	2210	-	-
2.1.	Management expenses	2220	-876 014	-751 449
	Profit (loss) from sales	2200	1 532 017	3 536 798

	Participation capital	2310	63 692	31
	Interest receivable	2320	18 418	13 681
	Interest payable	2330	-1 622 183	-1 493 282
5.11.	Other revenues	2340	1 302 436	1 056 541
5.11.	Other expenses	2350	-4 755 727	-2 684 446
	Profit (loss) before the taxation	2300	-3 461 347	429 323
2.3	Current income tax	2410	-	-340 145
2.3	Including tax liabilities (assets)	2421	647 400	442 495
2.3	Changes in deferred tax liabilities	2430	-1 996	-10 644
2.3	Changes in tax asset	2450	46 865	-177 571
2.3	Other	2460	113 530	179 856
	Net profit (loss)	2400	-3 302 948	80 819
	For reference:			
5.1.1. -	Balance from revaluation of non-current assets, that is not included in net profit (loss) of the period	2510	-	-
5.3.1.				
3.2.	Balance from other activities that is not included in net profit (loss) of the period	2520	-	-
	Total financial result of the period	2500	-3 302 948	80 819
2.2.	Basic profit (loss) per share	2900	-0.0663	0.0016
2.2.	Diluted profit (loss) per share	2910	-0.0663	0.0016

Capital Statements 2012

		Code
Form No. 3 as per Russian National Classification of Management Documentation (RNCMD)		0710003
	Date	31.12.2012
Organization: “Interregional Distribution Grid Company of the South” Open Joint Stock Company	as per Russian National Classifier of Business Organizations (RNCBO)	80380011
Taxpayer Identification Number	TIN	6164266561
Type of activity: electric energy transmission	as per Russian National Classifier of Economic Activities (RNCEA)	40.10.2
Legal form of organization / form of ownership: open joint stock company	as per Russian National Classifier of Forms of Incorporation (RNCFI)/ Russian National Classifier of Forms of Ownership (RNCFO)	47 / 16
Unit of measurement: ths.rub./mln.rub (delete as applicable)	as per Russian National Classifier of Measurement Units (RNCMU)	384

Location (address)	49 Bolshaya Sadovaya St., Rostov-on-Don, Russia 344002	
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1. Capital flow							
Indicator	Line	Authoriz ed capital	Treasury stock	Incremen tal capital	Reserve Funds	Undistrib uted Profit (Uncover ed Loss)	Total
1	2	3	4	5	6	7	8
Capital as of December 31 of year before last	3100	4 981 110		14 829 755	142 867	-4 735 187	15 218 545
In reporting period of the previous year:							
Growth of capital - total:	3210					80 819	80 819
including:							
Net profit	3211					80 819	80 819
Revaluation of fixed assets	3212						
Incomes directly related to increase of capital	3213						
Additional share issue	3214						
Increase of nominal cost of shares	3215						
Re-organization of a legal entity	3216						
Reduce in capital - total:	3220						
including:							
loss	3221						
revaluation of fixed assets	3222						
expenses directly related to decrease of capital	3223						
decrease of share nominal cost	3224						
reduction of number of shares	3225						
re-organization of a legal entity	3226						
interest	3227						
changes in incremental capital	3230			-72 103		72 103	
changes in reserve funds	3240						
Capital as of December 31 of previous year	3200	4 981 110		14 757 652	142 867	-4 582 265	15 299 364
In reporting period of the previous year:							
Growth of capital - total:	3310						

including:							
Net profit	3311						
Revaluation of fixed assets	3312						
Incomes directly related to increase of capital	3313						
Additional share issue	3314						
Increase of nominal cost of shares	3315						
Re-organization of a legal entity	3316						
Reduce in capital - total:	3320					-3 302 948	-3 302 948
including:							
loss	3321					-3 302 948	-3 302 948
revaluation of fixed assets	3322						
expenses directly related to decrease of capital	3323						
decrease of share nominal cost	3324						
reduction of number of shares	3325						
re-organization of a legal entity	3326						
interest	3327						
changes in incremental capital	3330			-12 672		12 672	
changes in reserve funds	3340				5 869	-5 869	
Capital as of December 31 of reporting year	3300	4 981 110		14 744 980	148 736	-7 878 410	11 996 416

2. Amendments caused by changes in accounting policy and faults correction						
Indicator	Line	31.12.2010	changes in capital 2011		31.12.2011	
			Due to net profit	Due to other factors		
1	2	3	4	5	6	
Capital - total						
for amendments	3400	16 442 772	117 388		16 560 160	
amendments caused by:						
changes in accounting policy	3410					
faults correction	3420	-1 224 227	-36 569		-1 260 796	
after amendments	3500	15 218 545	80 819		15 299 364	
including:						
undistributed profit (uncovered loss)						
before amendments	3401	-3 510 960	117 388	72 103	-3 321 469	
amendments caused by:						

changes in accounting policy	3411				
faults correction	3421	-1 224 227	-36 569		-1 260 796
after amendments	3501	-4 735 187	80 819	72 103	4 582 265
other lines to which the amendments were made:					
(lines)					
before amendments	3402	19 953 732		-72 103	19 881 629
Authorized capital		4 981 110			4 981 110
Treasury stock					
Incremental capital		14 829 755		-72103	14 829 755
Reserve fund		142 867			142 867
amendments caused by:					
changes in accounting policy	3412				
faults correction	3422				
after amendments	3502				

references				
indicator	line	31.12.2012	31.12.2011	31.12.2010
1	2	3	4	5
Net assets	3600	12 057 911	15 368 238	15 295 041

Cash flow statement 2012

		Code
Form No. 4 as per Russian National Classification of Management Documentation (RNCMD)		0710004
	Date	31.12.2012
Organization: “Interregional Distribution Grid Company of the South” Open Joint Stock Company	as per Russian National Classifier of Business Organizations (RNCBO)	80380011
Taxpayer Identification Number	TIN	6164266561
Type of activity: electric energy transmission	as per Russian National Classifier of Economic Activities (RNCEA)	40.10.2
Legal form of organization / form of ownership: open joint stock company	as per Russian National Classifier of Forms of Incorporation (RNCFI)/ Russian National Classifier of Forms of Ownership (RNCFO)	47 / 16
Unit of measurement: ths.rub./mln.rub (delete as applicable)	as per Russian National Classifier of Measurement Units (RNCMU)	384

Location (address)	49 Bolshaya Sadovaya St., Rostov-on-Don, Russia 344002	
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Indicator	Line	12 months of 2012	12 months of 2011
1	2	3	4
Cash flow from current operations			
receipts - total	4110	21 458 258	24 302 205
including:			
from sales of products, works, services and goods	4111	20 795 396	23 723 424
including from sales of products, works, services and goods to parent, affiliated and depended companies	411101	226 168	314 608
from rental payments, license payments, royalty, commissions and other similar payments	4112	24 075	44 476
including from rental payments, license payments, royalty, commissions and other similar payments to parent, affiliated and depended companies	411201	2 488	6 945
from resale of financial investments	4113		
including from resale of financial investments to parent, affiliated and depended companies	411301		
other receipts	4119	638 787	534 305
including other receipts from parent, affiliated and depended companies	411901	4 535	
Payments - total	4120	-19 516 639	-21 798 664
including:			
to contractors and suppliers for raw materials, materials, works, services	4121	-10 760 431	-13 719 961
including to contractors and suppliers for raw materials, materials, works, services of parent, affiliated and depended companies	412101	-175 546	-459 360
salary to staff	4122	-4 267 995	-3 577 019
debenture interest	4123	-1 383 715	-1 717 772
including debenture interest to parent, affiliated and depended companies	412301		
VAT	4124	-564 494	-81 110
other payments	4129	-2 540 004	-2 702 802
including other payments to parent, affiliated and depended companies	412901	-2 500	
Net cash flow from financing activities	4100	1 941 619	2 503 541
Cash flow from investments activity			
Receipts - total	4210	8 249	8 695
including:			

from sales of non-current assets (except financial investments)	4211	3 013	7 907
including from sales of non-current assets (except financial investments) of parent, affiliated and depended companies	421101	293	
from sale of other organizations' shares (equity share)	4212		
including from sale of other organizations' shares (equity share) of parent, affiliated and depended companies	421201		
from repayment of granted loans, from sale of debt securities (right of demanding monetary assets to third parties)	4213		
including from repayment of granted loans, from sale of debt securities (right of demanding monetary assets to third parties) of parent, affiliated and depended companies	411301		
Dividends, interests on debt financial investments and similar receipts from participation in other organizations	4214	10	788
including dividends, interests on debt financial investments and similar receipts from participation in other organizations from parent, affiliated and depended companies	421401		
Other receipts	4219	5 226	
including other receipts from parent, affiliated and depended companies	421901	5 226	
Payments - total	4220	-4 324 956	-4 038 590
including:			
related to acquisition, foundation, modernization and preparation to usage of non-current assets	4221	-4 271 583	-4 019 517
including payments to parent, affiliated and depended companies in relation to acquisition, foundation, modernization and preparation to usage of non-current assets	422101	-999	
related to purchases of other organizations' shares (equity share)	4222		-2 500
including payments to parent, affiliated and depended companies in relation to purchases of other organizations' shares (equity share)	422201		-2500
related to purchase of granted loans, from sale of debt securities (right of demanding monetary assets to third parties)	4223		
including payments of parent, affiliated and depended companies in relation to purchase of granted loans, from sale of debt securities (right of demanding monetary assets to third parties)	422301		
debenture interest included in the cost of the investments	4224	-43 373	-16 573
including debenture interest included in the cost of the investments of parent, affiliated and depended companies	422401		
other payments	4229	-10 000	
including other payments of parent, affiliated and depended companies	422901	-10 000	

Net of cash flows from financial operations	4200	-4 316 707	-4 029 895
cash flows from financial operations			
Receipts - total	4310	5 207 678	13 694 527
including:			
credits and loans	4311	5 207 678	13 694 527
including credits and loans received from parent, affiliated and depended companies	431101		
founders' (participants') investments	4312		
including founders' (participants') investments of parent, affiliated and depended companies	431201		
from issue of shares, increase of participation share	4313		
including from issue of shares, increase of participation share of parent, affiliated and depended companies	431301		
from issue of bonds, bills and other securities	4314		666 983
including from issue of bonds, bills and other securities of parent, affiliated and depended companies	431401		
other receipts	4319	33	500
including other receipts from parent, affiliated and depended companies	431901		
Payments - total	4320	-2 497 979	-11 769 620
including:			
to founders (participants) in relation to purchases of their shares (participation share) or termination of participation	4321		
including to founders (participants) in relation to purchases of their shares (participation share) or termination of participation of parent, affiliated and depended companies	432101		
for payment of interest and other payments on distribution of profit in favour of founders (participants)	4322		-8
including for payment of interest and other payments on distribution of profit in favour of founders (participants) of parent, affiliated and depended companies	432201		
for redemption of bills and other securities, repayment of credits and loans	4323	-2 457 678	-11 714 794
including for redemption of bills and other securities, repayment of credits and loans of parent, affiliated and depended companies	432301		
other payments	4329	-40 301	-54 818
including other payments of parent, affiliated and depended companies	432901		
Net cash flow from financial operations	4300	2 709 732	2 592 390
Cash balance at end of accounting period	4400	334 644	1 066 036
Balance of monetary assets and equivalents as of the beginning of the reporting period	4450	1 404 168	338 132
Balance of monetary assets and equivalents as of the end of the reporting period	4500	1 738 812	1 404 168

Effect of changes in exchange rate between foreign currency and ruble	4490		
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**Explanatory Note
to annual financial (accounting) report of
IDGC of the South JSC for 2012**

1. Information on Company

Open Joint Stock Company “Interregional Distribution Grid Company of the South” was established by decision of a founder (Order of Chairperson of Management Board of RAO UES of Russia No.192p) in accordance with Civil Code of RF, federal law “On Joint Stock Companies” and other legal documents.

Full company name of the Issuer in Russian: Открытое акционерное общество “Межрегиональная распределительная сетевая компания Юга”,

in English: “Interregional Distribution Grid Company of the South”, Open Joint Stock Company.

Short company name of the Issuer in Russian: ОАО “МРСК Юга”,

in English: “IDGC of the South”, JSC.

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

Postal address: 327 Severnaya street, Krasnodar, Krasnodar region, 350015

TIN (tax registration reason code): 6164266561 (997450001)

Principal state registration number: 1076164009096

Date of registration: 28.06.2007

Registering authority: the Federal Tax Service in Leninskiy district, Rostov-on-Don

Key Activities:

- electric power transmission
- electric power distribution
- power grids working capacity assurance
- telephone service activities
- commercial activities and management consulting
- holding companies management

Data on the Issuer’ Licenses

License issuing authority: Subsurface Management Department in Volgograd region

License number: БЛГ № 01548 ВЭ

Type of activity (activities): Abstraction of underground water for domestic and industrial needs, watering planted land of Voroshilovskiy district

Date of issue: 05.05.1993

Valid until: 01.01.2032

License issuing authority: Subsurface Management Department in Volgograd region

License number: БЛГ № 01550 ВЭ

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

Date of issue: 26.05.2008

Valid until: 01.01.2034

License issuing authority: Volgograd Area Office for Subsurface Use

License number: БЖП № 01540 БЭ

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

Date of issue: 16.05.2008

Valid until: 01.01.2033

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

License number: PCT 01958

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

Date of issue: 29.12.2008

Valid until: 30.09.2012

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

License number: PCT 01952

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

Date of issue: 29.12.2008

Valid until: 28.12.2013

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

License number: PCT 01962

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

Date of issue: 29.12.2008

Valid until: 31.10.2012

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

Number: PCT 01957

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

Kamenskiy district of Rostov region

Date of issue: 29.12.2008

Valid until: 30.09.2012

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

Number: PCT 01961

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

Date of issue: 29.12.2008

Valid until: 31.10.2012

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

Number: PCT 01960

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

Date of issue: 29.12.2008

Valid until: 30.09.2012

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

Number: PCT 01959

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

Date of issue: 29.12.2008

Valid until: 30.09.2012

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

License number: PCT 02227 BЭ

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

Date of issue: 05.10.2010

Valid until: 04.10.2030

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

Resources of the Southern Federal District

License number: PCT 02228 BЭ

Type of activity (activities): Extraction of technical groundwater for process water supply of the industrial facility from the hole in Volgodonsk, Rostov region

Date of issue: 05.10.2010

Valid until: 04.10.2030

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

License number: PCT 02327 BЭ

Type of activity (activities) Extraction of technical groundwater for process water supply of the industrial facility from the hole in Bolshaya Martynovka village, Martynovskiy district

Date of issue: 21.01.2011

Valid until: 20.01.2031

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

License number: PCT 02414 BЭ

Type of activity (activities): Extraction of technical groundwater for process water supply of the industrial facility from the hole in Klyuchnikova Balka village, Neklinovskiy district, Rostov region

Date of issue: 21.04.2011

Valid until: 20.04.2031

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

License number: PCT 02024 BЭ

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

Date of issue: 01.07.2009

Valid until: 30.06.2029

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

License number: БП-29-001130

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

Date of issue: 15.01.2010

Valid until: 15.01.2015

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

License number: № 0265.03-2011-6164266561-C-060

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

Date of issue: 21.11.2011

Valid until:

Perpetual licence

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

License number: П-0251-02-2010-0262

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

Date of issue: 22.07.2011

Valid until:

Perpetual licence

According to provisions listed in cl. 8 of The Regulations on Licensing of the Activities of Companies, Institutions and Organizations against Handling of Services Related to Information Classified as State Secret, approved by Russian Federation Government resolution No.33 dd. 15.04.1995; under supervision of Federal Security Service Directorate of Russian Federation (FSB of Russia) in Krasnodar Region “IDGS of the South”, JSC has obtained authorization on handling of services related to information classified as State Secret, valid through 01.07.2015. The Company has all necessary licences.

Branches of the Company:

	Branch	Location
1.	“Astrakhanenergo” branch of “IDGC of the South” JSC	32 Krasnaya Naberezhnaya, Astrakhan 414000
2.	“Volgogradenergo” branch of “IDGC of the South” JSC	15 Lenin prospect, Volgograd, 400066
3.	“Kalmenergo” branch of “IDGC of the South”, JSC	Northern industrial area, Elista, Republic of Kalmykia, 358007
4.	“Kubanenergo” branch of “IDGC of the South”, JSC	2 Stavropolskaya st., Krasnodar, 350033
5.	“Rostovenergo” branch of “IDGC of the South”, JSC	49 Bolshaya Sadovaya st., Rostov-on-Don

The average number of employees of the Company in 2012 was 14 072 employees, in the previous year it was 14 473, in the year preceding the previous – 15 123.

The founding documents regulating the activities of the Company (including the number of ordinary shares and preferred registered shares):

The Company operates under the Charter of Open Joint Stock Company “Interregional Distribution Grid Company of the South” (as amended), registered

by the Inspectorate of the Federal Tax Service of the Leninsky district of Rostov-on-Don on July 11, 2011.

The authorized capital of "IDGC of the South" JSDC is 4 981 109 606 (four billion nine hundred eighty-one million one hundred and nine thousand six hundred and six) rubles 40 kopecks, divided into 49 811 096 064 ordinary shares of nominal value of 10 kopecks each. The preference shares were not issued. The authorized capital is fully paid. All shares of "IDGC of the South" JSC are in circulation.

Company's registrar:

Full company name: **Open Joint Stock Company "Registrar R.O.S.T."**

Short company name: "Registrar R.O.S.T.", JSC

Location: 18/13 Stromynka St., Moscow, 107996

TIN: 7726030449

PSRN: 1027739216757

Data on the license for keeping the register of securities holders

Number: 10-000-1-00264

Issuing date: 13.12.2002

License validity term:

Without limitation of the period of validity

License issuing authority: FCSM (FFMS) of Russia

Date of commencement of keeping the register of the Issuer's bearer securities holders by the Registrar: 18.12.2010

Company's auditor:

Full company name: **Closed joint stock company "KMPG"**

Abbreviated name: **"KMPG" CJSC**

Location: office 3035, 18/1 Olimpiyskiy prospect, Moscow, Russia 123110

TIN: 7702019950

PSRN: 1027700125628

phone: (495) 937-4477

fax: (495) 937-4400

e-mail: moscow@kpmg.ru

Information on license for auditing activities

Body that issued the license: RF Ministry of Finances

Number: No.E002588

Date of issue: 06.11.2002

Validity end date: 06.11.2012

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

Full company name: Non-profit Partnership “Russian Audit Chamber”

IDGC of the South JSC management bodies are:

- General shareholders’ meeting
- Board of Directors
- Management Board
- Director general

From 09.07.2010 General Director of IDGC of the South JSC was Sergei Alexandrovich Arkhipov (Minutes of the Board of Directors meeting dated 08.07.2010 №No.50/2010, the labour contract No. 56 dd 09.07.2010). Powers and term labor contracts were extended:

on 08.07.2011 for one year and one month up to 08.08.2012 (Minutes of the Board of Directors of meeting dated 08.07.2011 No. 68/2011, an supplemental agreement No/ 1 dd 08.07.2011);

on 08.08.2012 for two months up to 08.10.2012 inclusive (Minutes of the Board of Directors meeting dated 08.08.2012 No.93/2012, a supplemental agreement No. 6 dd 08.08.2012);

From 09.10.2012 Vaskevitch Vladimir Frantishkovich was appointed acting CEO (Minutes of the Board of Directors meeting dated 09.10.2012 No.96/2012, an additional agreement No.3 dd 09.10.2012 to the labor contract No.30/12 dd 06.04.2012).

Chief Accountant - Head of accounting and tax accounting and reporting department Savin Grigory Grigorievich.

Composition of the Board of Directors of IDGC of the South JSC, elected by the Extraordinary General Meeting of Shareholders of IDGC of the South JSC on 24.08.2012 (Minutes No. 8 dated 27.08.2012):

	Name, year of birth	Company, position
1.	Goncharov Valeriy Anatolievich, 1963 (Chairperson of Board of Directors)	Deputy Chairperson of Management Board of FGC UES JSC, deputy executive director on investment activity of IDGC Holding JSC
2.	Prokhorov Yegor Vyacheslavovich, 1982. (Deputy chairperson of Board of Directors)	Finance director of FGC UES JSC, finance director at IDGC Holding JSC
3.	Kuvaeva Valeria Dmitrievna, 1987	Consultant of sector for corporate management at Department for corporate management, price environment and inspections in spheres of Fuel and Energy Complex at RF Ministry of energy

4.	Diyakov Fyodor Aleksandrovich, 1958	Director general of FGC UES JSC branch – “Bulk power systems of the South”
5.	Katina Anna Yurievna, 1982	Deputy head of department for corporate governance and interaction with shareholders at IDGC Holding JSC
6.	Arkhipov Sergey Aleksandrovich, 1967	Director general of IDGC of the South JSC ¹
7.	Osipov Aleksandr Mikhailovich, 1969	Vice-president of Russian public organization “Delovaya Rossia”, chairperson of Expert committee
8.	Branis Aleksandr Markovich, 1977	Director of Prosperity Capital Management Ltd (RF)
9.	Filkin Roman Alekseevich, 1983	Co-director of representative office of Prosperity Capital Management Ltd (RF)
10.	Shevchyuk Aleksandr Viktorovich, 1983	Deputy acting director general of Non-profit Partnership "Association for protection of investors' rights
11.	Repin Igor Nikolaevich, 1966	Deputy executive director of Non-profit Partnership Association for investors rights protection

“IDGC of the South” JSC Management Board Structure was elected by decisions of Board of Directors of “IDGC of the South”, JSC 19.05.2008 (Minutes of Meeting No.13/2008 dated 22.05.2008, 28.11.2008 (Minutes of Meeting No.20 dated 01.12.2008), 09.02.2009 (Minutes of Meeting No.22 dated 11.02.2009), 08.05.2009 (Minutes of Meeting No.26 dated 08.05.2009), 23.12.2009 (Minutes of Meeting No.38 dated 25.12.2009), 03.02.2010 (Minutes of Meeting No.39 dated 05.02.2010), 26.04.2010 (Minutes of Meeting No.44 dated 28.04.2010), 25.06.2010 (Minutes of Meeting No.49 dated 28.06.2010), 08.07.2010 (Minutes of Meeting No.50 dated 08.07.2010), 31.08.2010 (Minutes of Meeting No.53 dated 01.09.2010), 22.12.2010 (Minutes of Meeting No.57 dated 24.12.2010), 31.05.2011 (Minutes of Meeting No. 65 dated 01.06.2011), 29.08.2011 (Minutes of Meeting No. 71 dated 30.08.2011), 16.09.2011 (Minutes of Meeting No. 72 dated 19.09.2011), 27.07.2012 (Minutes of Meeting No. 92 dated 30.07.2012):

	Name, year of birth	Company, position as of 31.12.2012
1.	Vashkevich Vladimir Frantishkovich, 1972 Chairperson of Management Board	Acting director general of “IDGC of the South”, JSC
2.	Akilin Pavel Evgenievch, 1975, Deputy chairperson of Management Board	-
3.	Alaev Timur Ulyumdzhevich, 1971	Deputy director general of “IDGC of the South” JSC – director of “Kalmenergo” JSC
4.	Goncharov Pavel Viktorovich, 1966	Deputy director general of “IDGC of the South” JSC – director of “Astrakhanenergo” JSC
5.	Ivanov Vitaliy Valerievich, 1970	Deputy CEO in charge of engineering, Chief Engineer of “IDGC of the South” JSC
6.	Kalenyuk Yegor Vladimirovich, 1970	Deputy director general “IDGC of the South” JSC – director of “Volgogradenergo” branch

¹ occupied this position till 08.10.2012 inclusive

7.	Karpenko Vadim Vladimirovich, 1959	Acting deputy director general “IDGC of the South” JSC – director of “Volgogradenergo” branch in charge of legal issues and interaction with energy market subject
8.	Vosmirko Aleksandr Vladimirovich, 1959	-
9.	Kuzhilin Aleksandr Vladimirovich, 1969	-

Information on members of auditing committee of the Company elected by annual general meeting of shareholders of IDGC of the South on June 18, 2012

	Name,	Company, position
1	Alimuradova Izumrud Aligadjievna	Director on Internal Audit and Risks Management (Head of Department of Internal Audit and Risks Management) at “IDGC Holding”, JSC
2	Arkipov Vladimir Nikolaevich	Head of Security Department, “IDGC Holding”, JSC
3	Popova Olga Viktorovna	Head of Sector for Internal Audit at Department of Internal Audit and Risks Management of IDGC of the South
4	Sinitsuna Olga Sergeevna	Chief expert of sector for Audit checks and certification of Department of Internal control and risks management at “IDGC Holding”, JSC
5	Kormushkina Lyudmila Dmitrievna	Head of Internal Control, Audit checks and certification of Department of Internal control and risks management at “IDGC Holding”, JSC

Information on affiliated and depended companies:

	Company name	Share in authorized capital	Location	Activity
1.	Open Joint Stock Company “Astrakhanyel elektrosetremont”	100%	204 Kramatorskaya Str., Astrakhan, Russian Federation,	Overhaul of power transformers; ensuring operation of electric grids; digging; project documentation; installation of equipment; production of metalwork; installation of indoor wiring; functions of general contractor. The Company has a right to perform other activities not prohibited by RF law
2.	Open Joint Stock Company “Volgogradsetremont”	100%	1a Granovitaya Str., Volgograd, Russia	Overhaul of power lines of 35-220kV; maintenance and overhaul of substation equipment; repair and replacement of metering equipment at distribution devices; repair of grounding system; overhaul of power lines of 0.4-20kV (0.38-10 kV); foreign

				economic activity in accordance with RF legislation; The Company has a right to perform other activities not prohibited by RF law
3.	Open Joint Stock Company “Grechko A.A. Enterprise of Agriculture”	100%	21 Teatralnaya Str., Kuybyshevo, Kuybyshevskiy area, Rostov Region, Russia	corn farming, potato farming, oil crop production, vegetable production, seed production, berry growing, vine growing, pig breeding, bee raising, fish farming, poultry raising, retail and wholesale trade. The Company has a right to perform other activities not prohibited by RF law.
4.	Open Joint Stock Company “Sokolovskoye Enterprise of Agriculture”	100%	32 Kurskaya Str., Sokolovo-Kundryuchenskiy area, Novoshakhtinsk, Russia	corn farming, potato farming, oil crop production, vegetable production, seed production, berry growing, vine growing, pig breeding, bee raising, fish farming, poultry raising, retail and wholesale trade. The Company has a right to perform other activities not prohibited by RF law
5.	Open Joint Stock Company “Recreation centre” Energetik”	100%	3 Shkolnaya, Shepsi, Tuapsinskiy area, Krasnodar region, Russian Federation	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 utility services, tourist and excursion services as well as cultural and recreational services; The Company has a right to perform other activities not prohibited by RF law.
6.	Open Joint Stock Company “Energoservis Yuga”	100%	49 Bolshaya Sadovaya St., Rostov-on-Don, Russian Federation 3440 02	Project works, construction works, hot and cold running water works, ensuring functioning of electric and heat networks,. The Company has a right to perform other activities not prohibited by RF law.

In 2012 uniform (“boiler”) method of making rate of transport services is in force in the territory of all RF entities within liability area of “IDGC of the South” JSC. A peculiarity of the method is in the fact that electricity is transmitted to absolutely all consumers of one and the same voltage class as per uniform tariff, irrespective of the type of company the grid of which they are connected to.

In accordance with paragraph 2 of the Order issued by the RF Government on December 29, 2011 No. 1178 “On the pricing of regulated prices (tariffs) in the power industry” the single (boiler) tariffs for electricity transmission are fixed by the executive authorities of the Russian Federation in the sphere of state regulation of tariffs for the period from January 1, 2012 to June 30, 2012 at a level not exceeding the amount specified for the above prices (tariffs) in 2011.

Thus, pursuant to Resolution of the RF Government dated December 29, 2011 No. 1178 the single (boiler) tariffs for the transmission of electrical energy in 2012 are

set by semester, with periods:

from 1 January 2012 to June 30, 2012;

from July 1, 2012 to December 31, 2012

The main consumers of the Company's services on electricity transmission are:

- energy selling companies – participants of the wholesale and retail markets that operate on the sale of electricity to end customers connected to the power grids of the Company's subsidiaries and the grids of other organizations;
- end users of electric energy;
- territorial grid companies - participants of the wholesale and retail markets that transmit electricity to end users via own grids.

Transmission Tariff Menu for the period of January 1, 2012 to June 30, 2012

Unified (Boiler) Transport Service Tariffs for 2012					
No., date of tariff design/consumer group		Two-part tariff			Flat-rate tariff (rbs/MW*h)
		Rate of electric grid maintenance (rbs/MWmonth)	Rate of payment for electric energy losses in grids (rbs/MW*h)		
“IDGC of the South” JSC					
“Astrakhanenergo”					
1	Resolution of tariffs service of Astrakhan region No. 201 dd. 31.01.2012 (source of publication: “Collection of Laws and Regulatory Legal Acts of Astrakhan Region”, No. 5 dd. 09.02.2012)	HV	169 907.85	367.39	612.72
		MV1	214 715.52	355.21	795.52
		MV2	439 876.85	283.34	1 280.48
		LV	648 279.78	560.68	1 813.43
		LV for households and consumer categories equated	—	—	1 200.65
“Volgogradenergo”					
2	Order of Regional Tariffs Board at Administration of Volgograd region dd 23.12.2011 No.54/1 (published at “Volgogradskaya pravda” newspaper, No. 247, 30.12.2011)	other consumers			
		HV	621 320.470	65.390	884.600
		MV1	733 572.020	113.000	1 268.960
		MV2	986 679.760	239.270	1 992.120
		LV	987 190.610	793.650	2 944.850
		population			
		HV	—	650.730	650.730

		MV1	—	650.730	650.730
		MV2	—	650.730	650.730
		LV	—	650.730	650.730
“Kalmenergo”					
3	Order of Regional Tariffs Service at Kalmykiya Republic dd27.12.2011 No.128-п/э (published at “Khalmg Unn” newspaper No.238-239 (16349-16350), 30.12.2011)	other consumers			
		HV	750 127.12	102.75	1 747.34
		MV1	973 486.29	203.05	2 337.34
		MV2	1 106 092.16	324.37	2 477.34
		LV	1 356471.06	519.64	3 187.34
		LV for households and consumer categories equated	—	—	1 560.09
		LV for urban and citizen population with electric hot plate	—	—	805.86
“Rostovenergo”					
4	Order of Regional Tariffs Service at Rostov region dd 28.12.2011 No. 31/1 (published at “Nashe Vremya” newspaper dated 30.12.2011 No.650-658.)	other consumers			
		HV	492 674.90	628.34	1 499.28
		MV1	519 587.90	691.14	1 647.74
		MV2	758 423.50	722.32	1 659.53
		LV	982 521.80	729.12	2 099.16
		population			
		urban with gas ovens			
		HV	—	—	1 559.59
		MV1	—	—	1 559.59
		MV2	—	—	1 559.59
		LV	—	—	1 559.59
		urban with electric hot plate			
		HV	—	—	771.45
		MV1	—	—	771.45
		MV2	—	—	771.45
		LV	—	—	771.45
		rural			
		HV	—	—	771.45
		MV1	—	—	771.45
MV2	—	—	771.45		
LV	—	—	771.45		

Transmission Tariff Menu for the period of July 1, 2012 to December 31, 2012

Unified (Boiler) Transport Service Tariffs for 01.07.2012-31.12.2012					
No., date of tariff design/consumer group		Two-part tariff			Flat-rate tariff (rbs/MW*h)
		Rate of electric grid maintenance (rbs/MWmonth)	Rate of payment for electric energy losses in grids (rbs/MW*h)		
“IDGC of the South” JSC					
“Astrakhanenergo”					
1	Resolution of tariffs service of Astrakhan region No. 71 dd. 30.05.2012 (source of publication: “Collection of Laws and Regulatory Legal Acts of Astrakhan Region”, No. 25 dd. 07.06.2012)	HV	188 597,22	407,80	680,12
		MV1	246 590,80	394,28	883,03
		MV2	524 698,54	314,51	1 421,33
		LV	787 027,09	622,35	2 012,91
		LV for households and consumer categories equated	-	-	1 272,69
“Volgogradenergo”					
2	Order of Regional Tariffs Board at Administration of Volgograd region dd 23.12.2011 No.54/1 (published at “Volgogradskaya pravda” newspaper, No. 25, 07.06.2012)	other consumers			
		HV	640 042,55	63,58	923,58
		MV1	780 482,06	112,25	1 285,14
		MV2	1 055 370,15	244,90	2 123,52
		LV	1 062 712,66	802,94	3 235,28
		Urban population	-	975,87	975,87
		Consumers considered as population	-	975,87	975,87
		Rural population	-	297,90	297,90
		Urban population with electric cooker	-	297,90	297,90
“Kalmenergo”					
3	Order of Regional Tariffs Service at Kalmykiya Republic dd 31.05.2012 No.65-п/э (published at “Khalmg Unn” newspaper No.93-94 dd. 02.06.2012)	other consumers			
		HV	724 412,67	114,05	1 939,54
		MV1	940 114,61	225,39	2 594,44
		MV2	1 138 214,10	360,05	2 749,84
		LV	1 391 618,35	576,80	3 537,94
		Population	-	-	1 287,64
“Rostovenergo”					
4	Order of Regional Tariffs	other consumers			

Service at Rostov region dd 31.05.2012 No. 14/8 (published at "Nashe Vremya" newspaper dated 21.06.2012 No. 319-322)	HV	546 869,10	697,46	1 664,20
	MV1	576 742,60	767,17	1 828,99
	MV2	841 850,10	801,78	1 842,08
	LV	1 090 599,20	809,32	2 330,07
	Population	-	-	1 348,54

Residential Transport Service Rates for Mutual Settlements between Regional Distribution Companies and Allied Grid Companies for the period of 01.07.2012-31.12.2012

Residential Transport Service Rates for Mutual Settlements between Regional Distribution Companies and Allied Grid Companies for the period of 01.07.2012-31.12.2012

No.	No. and date of tariff design adoption	Name of entity	Two-part tariff		Flat-rate tariff
			Rate of maintenance	Rate of electric energy losses payment	
			rbs/MWmo	rbs/MWh	
"IDGC of the South" JSC					
"Volgogradenergo"					
1	Resolution of Regional Tariffs Department at Administration of Volgograd region No. 21/4 dd. 31.05.2012 (source publication: "Volgogradskaya Pravda" No.107, dd. 20.06.2012)	"Volgogradoblectro" JSC	0,00	99,79	99,79
		"Volgograd Interdistrict Electric Grids" Municipal Unitary Operational Enterprise	202 368,19	183,45	703,11
		"Volzhskie Interdistrict Electric Grids" Municipal Fiscal Enterprise	121 883,43	334,82	541,61
		"Oboronenergo", JSC	838 850,26	563,59	2 474,51
		Branch of "VgAZ" – "SUAL" JSC	840 898,70	59,37	1393,93
"Kalmenergo"					
2	Order of Regional Tariffs Service of Kalmykia Republic No. 65-п/э. Dd. 31.05.2012 (published in "Khalmg Ynn" newspaper	"KalmEnergoKom" JSC	412 909,847	274,260	1 213,449
		"Oktyabrsky Transenergo" LLC	357 310,309	258,710	1 116,428

	No. 93-94 dd 02.06.2012	“Multi-Industry Production Association of Communal Services at Iki-Burulsky Rural Municipality of Republic of Kalmykia” Municipal Unitary Enterprise	299 619,424	382,892	1 107,465
		“Gazpromenergo” LLC	978 237,120	357,826	2 506,745
		“Russian Railways” JSC	471 437,918	313,123	1 336,557
“Rostovenergo”					
3	Resolution of Regional Tariffs Service of Rostov Region No. 14/9 dd 31.05.2012	“Donenergo” JSC	69 793,770	0,231	144,434

Consumers of Company’s services on technological connection to the grids of branches are all natural and legal persons interested in technological connection to the grids of subsidiaries of the Company and who have submitted an application for the issuance of technical conditions for grid connection.

Payment for technological connection to electric networks is set by decisions of the executive authorities of the Russian Federation in the field of state regulation of tariffs.

In some cases provided by law, for the applicants, acceding to power grids, the executive authorities of subjects of the Russian Federation in the field of state regulation of tariffs set fee for an individual project.

2. Basis of presentation of information in the financial statements

Financial statements are prepared in accordance with the accounting policies of the Company for 2012, approved by the order of IDGC of the South JSC dated 23.12.2011 No. 819-A, and amendments thereto, approved by Order No. 139 dated 15.03.2012.

Regulation “On the Company's accounting policy” is developed in accordance with the requirements of regulations on accounting, as well as the requirements of the tax and civil legislation of the Russian Federation.

IDGC of the South JSC organizes and maintains accounting records, prepares financial statements in accordance with the Federal Law dated 21 November 1996 No. 129-FZ “On Accounting”, the Regulations on accounting and financial reporting in the Russian Federation, approved by Order of the Ministry of Finance of the Russian Federation dated 29.07.98. No.34H, the Chart of Accounts approved by order of the Ministry of Finance of the Russian Federation on 31.10.2000 No. 94 H and other legal documents in the field of accounting.

The Company’s accounting policy was fixed on the basis of the following assumptions:

- material detachment of the enterprise;
- continuous activity of the enterprise;
- consistent application of accounting policies.

When preparing the financial (accounting) statements the management of the Company expects that the Company will conduct its financial and economic activities within 12 months of the year following the reporting year, and has no intention or need to liquidate, stop the financial and economic activity in the future or seeking protection from creditors. Also it is not expected to cease any activity.

To accept the assets and liabilities for accounting the Company makes their evaluation in terms of money. Property valuation is as follows:

- property purchased for a fee, evaluated by the amount of expenses actually incurred for its acquisition;
- property produced by departments of the Company, valued at cost of manufacture (the actual costs associated with the production of the object of property);
- tangible assets, left after the write-off of unfit for recovery and further use of fixed assets and equipment, spare parts, resulting from recovery of fixed assets (reconstruction, modernization, repair) are valued at the current market value as of the date of disposal of fixed assets or the date of accounting spare parts;
- property received for free and assets identified during the inventory of assets and liabilities is valued at current market value as of the date of acceptance of property for accounting;

The current market value is the amount of cash that may be received from the sale of the asset as of the date of the accounting books.

The current market price is formed on the basis of prices actual at the given or similar type of property. The data on the current price should be documented or proved by expert opinion. The expert opinion is a report of independent expert or an authorized expert (experts) of the Company, having specialized knowledge and skills. These professionals are appointed by the head of the Company or its authorized representatives as members of the permanent committee for the adoption of accounting or write-off of property.

Property received by the Company under contracts providing for the fulfillment of obligations (payment) not in cash (in particular, exchange contracts), is estimated at a cost of assets transferred or to be transferred by the Company. The cost of assets transferred or to be transferred by the Company, is established on the basis of the price at which in similar conditions the Company shall determine the value of similar values.

When evaluating the property purchased for any reason, the actual cost is formed with the addition of the costs incurred by the Company on bringing the property to a condition suitable for use. Expenditures on state registration of the acquired real

estate and vehicles are included in the actual cost of the property, if they are made before the receiving of the object to be recorded as fixed assets. If the expenses incurred for official registration were made later than the time of taking the object to be recorded as fixed assets, they are recognized by the Company as other expenses of the current period.

Valuation of fixed assets with a value at acquisition is denominated in foreign currency are made in rubles by translating foreign currencies at the exchange rate of the Central Bank of the Russian Federation actual as of the date of acceptance of the facility for accounting purposes as investments in non-current assets.

The value of assets in which it is taken for accounting purposes is not subject to change, except as required by laws of the Russian Federation.

For non-current assets (excluding intangible assets) changes in the value are allowed in the event of completion of construction, retrofit, renovation, modernization, partial liquidation and revaluation of fixed assets.

The changing of the value of current assets is permitted only if the inventory is obsolete, completely or partially lost their original quality.

For investments that may be determined in the manner prescribed by the current market value, adjustment of the carrying value to the market value is made.

In case by the time of receipt of the property (fixed assets, inventories, etc.) the documents on the cost are absent, the objects they are recorded in the qualified opinion, taking into account the cost of the contract, the costs of shipping, determined according to the overhead rail transport and other transport documents.

When accounting the property as a fixed asset, the amount of the actual costs of its production that was reported as a capital investment in the property, forms the initial cost of fixed assets.

Accounting of investments in non-current assets is usually made for general construction, investments related to specific sites on the technological structure of the costs on the construction project.

Accounting of the costs for the construction project is cumulative from the beginning of construction of the facility in the context of the reporting periods prior to putting into effect or complete production.

In order to determine the process of accounting the capitalized costs in terms of interest on the loans and credits the Company distinguished among projects for investments the investment assets. Investment assets are understood as objects of property, preparation for the usage of which (including new construction, renovation, modernization, technical re-equipment) requires considerable time (over 6 months), as well as the high cost of acquisition and (or) construction (property complexes and other similar assets).

Costs of loans and credits incurred prior to the commencement of work on the production of an investment asset are not included in the value of investments in non-current assets but are included in other expenses.

Recording of fixed assets

The Company considers assets satisfying all of the following conditions

simultaneously to be fixed assets:

- the assets are expected to be used in production, in the course of operations performance or rendering services or for administrative needs over a useful life period of more than 12 months;
- the assets are capable of providing economic benefits in the future, the entity does not plan to resell the assets later.

Assets fulfilling the above conditions that cost not more than 40000 rubles per unit shall be recorded as a part of inventories, with the exception of electric grid equipment, mobile and pack sets, sources of backup power supply. For the purposes of safekeeping of these items in the process of production or operation, quantitative record shall be kept.

Inventory item shall be regarded as an accounting unit of fixed assets (FA-6). For the purpose of inventory record of fixed assets, stock cards (FA-6) shall be used.

For fixed assets received by the Company in the process of restructuring by distributive grid companies' in JSC "IDGC of the South" responsibility zone affiliation, original cost of their placement on the balance sheet shall equal the depreciated cost of FA pursuant to the accounting data of affiliated companies as of the date of affiliation. Fixed assets with original cost according to accounting data of affiliated company is equal to 0 (zero) as of the date of affiliation shall be included on the balance sheet of affiliating company at evaluated cost equal to 1 (one) ruble.

Costs of all types of fixed assets repairs (current and capital) shall be included in the expenses on ordinary activities in the period when repair operations were completed and accepted. Neither reserves for fixed assets repairs or repair stock shall be accumulated.

Change of fixed assets original cost (cost of placement on the balance sheet) shall be allowed in cases of construction completion, providing with additional equipment, reconstruction, renovation, partial liquidation and revaluation of fixed assets items.

Useful life of fixed assets items shall be determined in consideration of expected physical depreciation depending on operation conditions, natural surrounding and corrosive medium influence, maintenance system. Useful life of fixed assets items shall be determined within the limits stipulated by Decree of the Government of the Russian Federation No.1 dated 01.01.2002 according to the list approved by the head of the Company or by an authorized person.

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

The Company shall use linear rate depreciation of fixed assets.

Recording of intangible assets

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

Intangible assets revaluation is not performed.

Depreciation deductions on all intangible assets are at linear rate.

Accounting of expenses for R&D work

Accounting of expenses for research, development and engineering activities of the Company is performed in accordance with the Regulations on accounting “Accounting of expenses for research, development and engineering works” (RAS 17/02), approved by Order of the RF Ministry of Finance on 19.11.2002 No.115n. Write-off of expenses on R&D is performed in straight-line method. Term for writing-off the expenses on R&D works that gave positive result is determined for each of activity performed taking into account the term of using the received results, during which the organization can gain economic benefits (income), but not more than 5 years. Term for writing-off for each work is approved by the head of the Company (branch).

Recording of financial investments

The Company’s financial recording of investments is centralized. Analytical recording of financial investments shall be performed with regard to short-term and long-term financial investments. Investments made with the intention gaining profit within a period over one year shall be referred to long-term financial investments. Other financial investments shall be regarded as short-term investments.

All costs directly connected with acquisition of assets as financial investments irrespective of their amount shall be included on original cost of financial investments if they were made before the moment or at the moment of recording, and shall be written off as miscellaneous expenses in case they were made after the moment of recording financial investments.

Financial investments with current market value determinable according to established procedure shall be presented in accounting at the end of the reporting year at the current market value by adjusting their estimate related to the previous reporting date. The specified adjustment shall be made quarterly.

Financial investments with undeterminable current market value shall be recorded at the original cost.

In case of retirement of financial investments with undeterminable current market value their cost is to be estimated as follows:

- investments in authorized capitals of other entities (with the exception of joint stock companies’ shares), loans to other entities, deposits in credit organizations, accounts receivable acquired by assignment of claims shall be estimated at the original cost of each retired item of financial investments specified;
- securities (shares and bonds) to be retired shall be evaluated at the average

original cost determined for each type of securities;

- purchased bills to be retired (payment for operation performed (goods, works, services)) shall be evaluated at production cost;

- other financial investments – at the original production cost of each item to be retired

Recording of inventories methods

Classification number or homogeneous group (depending on the type of inventories) is considered to be accounting unit of inventories.

The Company considers interests on loans and credits attracted for inventories acquisition to be miscellaneous expenses.

Purchased specialized clothing and footwear, irrespective of cost and useful life, shall be recorded by the Company as part of active assets.

Materials shall be registered (recorded) in the account 10 “Materials” at actual production cost of their acquisition (provision).

Amount of the Company’s actual expenditure on acquisition, with the exception of value-added tax and other repaid taxes shall be regarded as the actual production cost of materials acquired for payment.

Inventories that do not belong to the Company by property right received under the contract of commission agency, storage contract etc shall be recorded off balance in the account 002 “Inventory Holdings Received for Responsible Storage” according to the valuation stipulated by corresponding contracts and transfer and acceptance documents (certificates, bills of lading etc.).

Cost of specialized clothing with service life over 12 months shall be repaid with application of linear method taking into account the useful life period defined in conformity with norms specified.

Writing off shall start from the month when specialized clothing was brought into use.

Inventories written off to production, sold to outside parties, retiring because of some other grounds shall be evaluated at the average production cost of each stock category.

Average estimate of actual production cost of materials shall be carried out by determining actual production cost of the material at the moment of requisition (rolling valuation). In 2008, inventories writing off to production was made at production unit – average prime cost for each category of inventories.

Spare parts recorded on retirement from fixed assets under restoration shall be regarded as other revenues and evaluated at book value of similar spare parts acquired latest, percentage of actual depreciation of credited items shall be taken into consideration (no less than cost of scrap metal) in case information is absent on current market value.

Inventories (including the spare parts) left after retirement of fixed assets or any other retirement shall be evaluated depending on the current market value as of the date of placement on the balance sheet. Current market value shall be understood as the amount of cash assets that can be received as a result of selling the specified assets.

Recording revenues and expenditure

The Company subdivides revenues into ordinary activity revenues and other revenues.

The following revenues are considered to be ordinary activity revenues:

- revenues from electric-power transmission services;
- revenues from services on technological connection grids;
- revenues from sales of other works and services;
- industrial revenues;
- non- industrial revenues.

Company's revenues (in accordance with the accrual basis of accounting) shall be recorded in the reporting period when they were gained irrespective of the actual time of corresponding cash assets receipt.

The Company subdivides revenues into ordinary activity revenues and other revenues.

Учет расходов по реализации услуг по передаче электрической энергии и услуг по Expenses on service rendering, operations performance, products manufacturing and sale, purchase and sale of goods are considered to be expenses on ordinary activities.

All current expenses of the Company's executive bodies shall be recognized in full as administrative expenses from the beginning date of the Company's restructuring (from the moment of the first affiliation of a distributive grid company). The expenses shall be distributed according to kinds of activity (electric power transmission services, services on technological connection to power grids) and geographic segment (federation subjects of tariff setting) for the purposes of administrative accounting (tariff making etc.) in conformance with procedure developed in the Company. Commercial expenditure is only recognized by the Company in financial statements if it makes significant amount.

Methods of recording equity assets

Capital reserves shall be accumulated from the Company's income on the basis of constituent documents and founders' (shareholders') decision. Capital reserve shall be used for recovery of all kinds of losses, and for the Company's shares' redemption in case other funds are unavailable.

The Company's additional capital consists of revaluation surplus and paid-in capital.

Surplus expending shall be carried out separately. Revaluation surplus shall be used to write down those property items which were written up earlier, and only within the sums accumulated on each separate inventory item. At the moment of taking the item off the books (for any reasons) the writing up sums accumulated on

the item shall be attached to the account of Company's undistributed income. Additional paid-in capital shall be used by shareholders' meeting decision.

For reasons of efficiency, recording of additional capital revaluation surplus shall be carried out by the Company's branch in keeping the property specified on the balance sheet.

Recording of other assets and liabilities

Accounts due to suppliers of products, works, services shall be entered in the sum of accounts accepted and the amount of accrued liabilities according to the settlement documents.

Accounts payable on non-invoiced deliveries shall be recorded in the sum of received values calculated proceeding from the price and conditions stipulated by the contracts.

Expenditure connected with loans and credits) is considered to be other expenditure of the corresponding accounting period. Expenditure on loans and credits to be included on invested assets cost are the exception from the rule presented above.

Costs (interest) on loans and credits for collecting the information by geographical segments (subjects of the federation, in which tariffs are formed) are distributed between the branches of the Company in accordance with the methods developed by the Company.

Additional costs for loans and credits are included in other expenses in the period in which they occurred.

Prepaid insurance contract is reflected in subaccount of calculations for property and personal insurance and recognized as an expense of the Company while the insurance period expires. The calculation of the monthly write-off of expenses is performed in days.

The Company makes a reserve for doubtful accounts receivable. A provision is recognized on a quarterly basis, based on the results of the inventory of receivables, separately for each bad debt.

The Company recognizes the estimated liability for payment of future vacations. Calculation of the estimated liability is done on a monthly basis, in accordance with the methodology developed by the Company.

Events after the accounting date

In accordance with RAS 7/98 "Events After the Reporting Date", events after the reporting date which influenced or can influence financial condition, cash flow or the results of the Company's performance and which took place in the period between the reporting date and the date of signing financial statements for the reporting year shall be registered in the accounting records of the Company.

Events after the reporting date shall be recorded in accounting statements through qualification of data on the Company's corresponding assets, liabilities, capital, receipts and expenditure, and corresponding information shall be disclosed in the

explanatory note.

Provisions, contingent liabilities and contingent assets

In accordance with RAS 8/2010 “Provisions, contingent liabilities and contingent Assets”, approved by Order of the Ministry of Finance of the Russian Federation on 13.12.2010 № 167n, in the Company's financial statements are recorded estimated liabilities in respect of the consequences of which is uncertain.

For the purposes of assessment of the impact of valuation and contingent liabilities all of the obligations, the effects of more than 500 thousand rubles, should be analyzed.

Estimated liabilities are recorded in synthetic and analytical accounting by closing turnover of the period before the approval of the annual financial statements by establishing reserves.

Provisions are made on liabilities that correspond to RAS 8/2010, monetary value of which exceeds 5 million rubles. Contingent assets and contingent liabilities in the balance are not recorded and disclosed in the notes to the balance sheet and financial results.

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 as part of accounting statements. At that, data specified shall not be taken into account when preparing accounts for internal purposes as well as accounts drawn up for the state statistical observations, for credit organization or for other special purposes.

The list of related parties information on which is disclosed in the accounting statements shall be determined by the Company independently proceeding from the substance of relations between the Company and the related party, substance must be over form.

Taxes and levies

Taxes and levies calculated and paid by the Company's Executive office in the centralized way:

value added tax (in the exercise of tax agent functions as well);

profit tax (including profit tax on revenues in the form of dividends).

Tax record registers are kept with the use of special forms and certificates approved by the Company, on paper and in electronic format of software applied in the Company.

Tax recording is kept with the use of tax ledgers and bills.

Value added tax

The following operations are considered to be value added tax objects:

1. sale of products (works, services) on the territory of the Russian Federation, including sale of pledged items and transfer of goods (results of operations

performed, services) on accord and satisfaction agreement or on novation, and property right transfer. Gratuitous transfer of property right for goods, results of operations performed, services is considered to be sale of goods (works, services);

2. transfer of goods (results of operations performed, services) on the territory of the Russian Federation for own needs if expenditure is not written off (including the way of depreciation deductions) on calculation of profit tax;
3. performing construction and installation operations for own use (using one's own resources);
4. entry of merchandise to the customs area of the Russian Federation.

Thus, operations on goods (works, services) transfer for the purposes of advertisement, expenditure on purchase (creation) of items that cost over 100 rubles each are considered to be tax objects.

In the course of tax assessment, revenue on goods (works, services) sales, property right transfer is determined on the basis of all revenues connected with settlements on specified goods (works, services) payment, property rights received in cash and (or) natural forms, including payment by securities.

Taxable income on operations of goods transfer (performance of operations, rendering services) for own needs, expenditure not written off in calculation of profit tax is determined as cost of goods (works, services) transferred on the basis of sales prices for similar (at least, homogeneous) goods (similar works, services) in the previous fiscal period. If the latter are absent, market prices after excise tax and without VAT shall be taken into consideration.

In case information on market prices is not available, cost of goods, works, services transferred for own needs is assessed on the basis of their cost on the balance sheet.

Amount of tax accrued is not included on expenditure structure for the purpose of profit taxation.

If construction and installation operations are performed for own needs, tax base is defined as cost of operations fulfilled calculated on the basis of all taxpayer's actual expenditures in this connection, including expenses of the restructured entity (entity under restructuring).

Construction and installation operations for own consumption include, among the rest, operations on construction and renovation of buildings and structures carried out with the use of one's own resources.

For tax base computation, only accounting record data of construction and installation operations for the quarter are used.

Property tax

Property tax base is defined in conformance with requirements of Chapter 30 of the RF Tax Code and laws of areas, regions, and republics "On Property Tax".

Valuation of property is performed on the basis of book value (written down value estimated according to requirements of accounting). For objects depreciated according to requirements of RA 6/01, book value for tax base calculation is determined as original (replacement) cost less depreciation. In order to calculate replacement cost of the objects, depreciation accrual and deduction are performed each month.

When applying the benefits under paragraph 11 of article 381 of chapter 30 of the Tax Code, the list of objects used, as approved by the Government of the Russian Federation on 30.09.04 No. 504.

In order to correctly use tax credits, the separate accounting of the property which is subject to discounts in accordance with the laws of property tax.

Transport tax

Transport tax base is determined according to requirements of Chapter 28 of the RF Tax Code and laws of the RF subjects. Tax is paid in the area of vehicles' location. Place of state registration is considered to be area of location.

The Company estimates the amount of advance tax payments at the end of each reporting period in the amount of one-fourth of multiplying the corresponding tax base and the tax rate.

Calculations on insurance fees for compulsory pension insurance, mandatory social insurance, compulsory health insurance

Calculation and payment of insurance fee on mandatory pension insurance, mandatory social insurance, compulsory health insurance (hereinafter referred to as insurance fees) is regulated by the Federal Law of the Russian Federation dated 24.07.2009 No. 212-FZ "On the insurance fees to the pension fund of the Russian Federation, the social insurance fund of the Russian Federation, the Federal compulsory medical insurance fund and territorial compulsory medical insurance funds".

The object of taxation of insurance fees are recognized as payments and other remunerations paid to individuals (citizens of the Russian Federation) on labor and civil contracts, the subject of which is the performance of work, rendering of services, as well as other rewards and benefits accruing to individuals, subject to compulsory social insurance in accordance with federal laws on specific types of insurance.

Personal income tax

Tax base on income of physical persons in relation to whom the Company functions as tax agent are determined in conformance with requirements of Chapter 23 of the RF Tax Code.

To shareholders of open joint stock company "Interregional distribution grid company of the South"

Auditor's opinion on accounting report of open joint stock company "Interregional distribution grid company of the South" for 2012

Information on the auditor

Name: Closed joint-stock company “KMPG”
Address (legal address): 3035 office, 18/1 Olympiyskiy Prospekt, Moscow 129110
Postal address: Floor 31, building C, 10 Presnenskaya Naberezhnaya, Moscow 123317
State registration: Registered by Moscow registration chamber, certificate No.011585 dated 25.05.1992
Listed in Unified State Register of Legal Entities by district inspectorate of RF Ministry for taxes and levies No.39 in Moscow, No. 1027700125628 on 13.08.2002. Certificate series 77 No.005721432
Membership in self-regulatory organization of auditors: Member of NP “Audit Chamber of Russia”
Registration number in state registry of auditors and audit companies 10301000804

Information on audited entity

Name: Open joint stock company “Interregional distribution grid company of the South”
Address (legal address): 49 Bolshaya Sadovaya street, Rostov-on-Don, RF, 344002
Postal address: 327 Severnaya street, Krasnodar, Krasnodar region, 350015
State registration: Registered in Unified State Register of Legal Entities by Inspection of federal tax service of RF in Leninskiy district of Rostov-on-Don, No. 1076164009096 dated 28.06.2007. certificate series 67 number 005700952

Auditor’s report

To shareholders of open joint stock company “Interregional distribution grid company of the South”

We have accomplished an audit of attached hereto accounting statements of Open joint stock company “Interregional distribution grid company of the South” (hereafter – the Company) for 2012:

- Accounting statements on 119 pages includes:
- Accounting balance as of December 31, 2012;
- Report on business results of 2012;

- Annex to accounting balance and report on business results , precisely:
 - statement of changes in equity in 2012
 - statement of cash flow in 2012
 - explanations to accounting balance and report on business results

Responsibility of the auditing entity for accounting report

Management of the Company bears responsibility for preparation and credibility of the accounting report in accordance with Russian rules of preparing the accounting report and for system of internal audit necessary for preparation of accounting report without material misstatements that can be caused by fraud or faults.

Responsibility of the auditor

The responsibility of the auditor consists in providing the opinion on credibility of the accounting report on the basis of the carried out audit. We have carried out the audit in accordance of federal standards of audit activities. These standards require the observance of code of ethics as well as planning and performing the audit the way to make sure that the accounting report does not content material misstatements.

The audit presupposed the audit procedures aimed to find the audit evidences proving the figures in accounting report and the disclosed information. The choice of the procedures is the subject-matter of our estimations that are based on the risk assessment of the material misstatements caused by fraud or faults. During the risk assessment we checked the system of internal audit (which provides preparation and credibility of accounting report) in order to choose the appropriate audit procedures, but not for evaluation of the effectiveness of internal audit system.

The audit also included the appraisal of the accounting policy and validity of estimated figures, as well as the appraisal of performance of accounting report in general.

We consider the proofs found during the audit to be enough to give positive opinion on the credibility of the accounting report.

Auditor's opinion

The auditor considers that the accounting report gives a true and fair view of the financial situation of "IDGC of the South", JSC as of December 31, 2012 and the results of company's business activity and cash flow for 2012 as per Russian accounting standard (RAS).

Other information

The audit of accounting statements for 2011 was performed by other auditor, which in its auditor's opinion dated March 1, 2012 expressed unmodified opinion

Deputy general director of
"KMPG" CJSC

Titova T.E.

March 13, 2013

7.2. Quarterly Accounting Report of the Issuer for the last completed reporting quarter

Accounting balance for 3 months of 2012

		Code
Form No. 1 as per Russian National Classification of Management Documentation (RNCMD)		0710001
	Date	31.03.2013
Organization: "IDGC of the South", JSC	as per Russian National Classifier of Business Organizations (RNCBO)	80380011
Taxpayer Identification Number	TIN	6164266561
Type of activity: <u>electric energy transmission</u>	as per Russian National Classifier of Economic Activities (RNCEA)	40.10.2
Legal form of organization / form of ownership: <u>open joint stock company</u>	as per Russian National Classifier of Forms of Incorporation (RNCFI)/ Russian National Classifier of Forms of Ownership (RNCFO)	47 16
Unit of measurement: ths.rub./mln.rub (delete as applicable)	as per Russian National Classifier of Measurement Units (RNCMU)	384
Location (address)	49 Bolshaya Sadovaya St., Rostov-on-Don	

Notes	Assets	Line	as of 31.03.2013	as of 31.12.2012	as of 31.12.2011
1	2	3	4	5	6
5.1.1., 5.2.2.	Intangible assets	1110	14	14	18
5.2.2.	unaccomplished operations on intangible assets acquisition	1111			
5.2.1.- 5.2.2.	Results of researches and projects	1120	58 954	54 414	26 133
5.2.2.	expenditures on researches and projects	1121	48 842	43 346	21 267

	in progress				
	Non-matrical exploration assets	1130			
	Material exploration assets	1140			
5.3.6.- 5.3.6.	Fixed assets	1150	31 391 784	31 301 830	28 927 577
	land plots and nature management facilities	1151	12 049	12 033	2 037
	buildings, machines and equipment, constructions	1152	25 842 255	26 170 491	25 260 967
	other fixed assets	1153	357 364	354 352	209 318
5.3.5.	Construction-in-progress	1154	5 034 436	4 622 132	3 136 531
5.3.6.	advances paid for capital construction	1155	145 410	142 642	318 715
	Raw materials and materials for production of fixed assets	1156			
5.3.1.	Income-bearing investments in tangible assets	1160			
	Property for pledge	1161			
	Property provided under the rent contract	1162			
5.4.1.- 5.4.3.	Financial investments	1170	243 180	245 396	418 950
	Investments in affiliated companies	1171	236 513	236 513	350 451
	Investments in depended companies	1172			
	Investments in other companies	1173	6 667	8 883	20 236
	Loans to organizations due more than 12 months	1174			
	Financial investments	1175			48 263
5.7.2.	Deferred tax assets	1180	204 544	196 368	160 929
	Other non-current assets	1190	569 097	598 105	745 779
	Total for section I	1100	32 467 573	32 396 127	30 279 386
	II. Current assets				
5.5.1.- 5.5.2	Stock	1210	1 376 216	1 160 532	1 064 327
	Materials, raw materials and other similar values	1211	1 334 925	1 119 042	1 021 057
	Finished products and goods for resale	1213	41 291	41 460	43 270
	Goods despatched	1214			
	Other stocks and expenses	1215			
	Value added tax on acquired assets	1220	270 931	254 061	63 758
5.6.1.- 5.6.4.	Accounts receivable	1230	9 070 502	8 262 868	7 943 613
	accounts receivable that are due beyond 12 months	1231	320 874	351 114	465 589
	Buyers and customers	12310 1	13 299	14519	31542
	Bills receivable	12310 2			
	Advances paid	12310	16 368	16 368	853

		3			
	Other accounts receivable	12310 4	291 207	320 227	433 194
	accounts receivable that are due in the next 12 months	1232	8 749 628	7 911 754	7 487 024
	Buyers and customers	12320 1	7 675 935	6 307 790	5 605 610
	Bills receivable	12320 2			
	Debts of affiliated and depended companies on interest	12320 3			
	Debts of participants (founders) on share capital payment	12320 4			
	Advances paid	12320 5	143 062	117 932	700 407
	Other accounts receivable	12320 6	930 631	1 486 032	1 172 007
5.4.1- 5.4.3.	Financial investments (except money equivalent)	1240			4 000
	Loans to organizations that are due in next 12 months	1241			
	Other short-term financial investments	1242			4 000
Φ.4	Cash and cash equivalents	1250	2 302 937	1 738 812	1 404 180
	Cash	1251	4	169	152
	current accounts	1252	2 231 870	1 713 441	1 402 090
	foreign currency account	1253			
	Other cash	1254	71 063	25 202	1 938
	Other current assets	1260	34 926	30 760	102 353
	Total for section II	1200	13 055 512	11 447 033	10 582 231
	Balance (assets)	1600	45 523 085	43 843 160	40 861 617

notes	Liabilities	line	31.03.2013	31.12.2012.	31.12.2011.
1	2	3	4	5	6
	III. Shareholders' funds				
3.1.	Authorized capital (share capital, authorized fund, partners' investments)	1310	4 981 110	4 981 110	4 981 110
3.1.	Reacquired stock	1320			
3.1.	Reappraisal of fixed assets	1340	14 744 981	14 744 980	14 757 652
3.1.	Capital surplus (without reappraisal)	1350			
3.1.	Reserve funds	1360	148 736	148 736	142 867
3.1.	Undistributed profit (uncovered loss)	1370	-7 840 159	-7 878 410	-4 582 265
	of past years	1371	-7 878 410	-4 575 462	-4 585 265
	of reporting quarter	1372	38 251	-3 302 948	
	Total for section III	1300	12 034 668	11 996 416	15 299 364
	IV. Long-term liabilities				

5.6.7.- 5.6.8.	Borrowed funds	1410	16 500 000	16 500 000	13750 000
	Bank credits that that are due beyond 12 months after the reporting date	1411	11 942 322	11 942 322	9 192 322
	Loans that are due beyond 12 months after the reporting date	1412	4 557 678	4 557 678	4 557 678
5.7.2.	Deferred tax liability	1420	300 799	299 443	297 677
5.7.1.	Estimated liability	1430			
5.6.5.- 5.6.6.	Other liabilities	1450			2 728 379
	Total for section IV	1400	16 800 799	16 779 443	16 776 056
	V. Short-term liabilities				
5.6.7.- 5.6.8.	Borrowed funds	1510	2 752 225	2 841 890	2 839 120
	Bank credits that that are due beyond 12 months after the reporting date	1511	2 405 936	2 402 548	2 401 801
	Loans that are due beyond 12 months after the reporting date	1512	346 289	439 342	437 319
5.6.5.- 5.6.6.	Accounts payable	1520	12 633 506	10462059	5407937
	Suppliers and contractors	1521	6 947 575	5 092 305	2 967 061
	Bills payable	1522	3 026 432	2 966 675	
	salaries payable	1523	212 649	10 888	188 665
	debts to public non-budgetary fund	1521	100 618	106 084	84 023
	taxes and levies payable	1525	108934	37530	90351
	advances received	1526	1 654 992	1 752 790	1 801 147
	Interest payable to participants (founders)	1527			
	Other accounts payable	1528	582 306	495 787	276 960
	Income of future periods	1530	59 773	61 495	68 874
	Estimated liability	1540	1 242 114	1 681 857	470 266
	Other liabilities	1550			
	Total for section V	1500	16 687 618	15 047 301	8 786 197
	Balance (liabilities)	1700	45 523 085	43 843 160	40 861 617

Profit and Loss Statement
3months of 2013

	Code
Form No. 2 as per Russian National Classification of Management Documentation (RNCMD)	0710002
	Date
	31.03.2013
Organization: "Interregional Distribution Grid Company of the South" Open Joint Stock	as per Russian National Classifier of Business Organizations
	80380011

Company	(RNCBO)	
Taxpayer Identification Number	TIN	6164266561
Type of activity: electric energy transmission	as per Russian National Classifier of Economic Activities (RNCEA)	40.10.2
Legal form of organization / form of ownership: open joint stock company	as per Russian National Classifier of Forms of Incorporation (RNCFI)/ Russian National Classifier of Forms of Ownership (RNCFO)	
Unit of measurement: ths.rub./mln.rub (delete as applicable)	as per Russian National Classifier of Measurement Units (RNCMU)	384
Location (address)	49 Bolshaya Sadovaya St., Rostov-on-Don, Russia 344002	

Notes	Indicator	Line	3 months of 2013	3 months of 2012
1	2	3	4	5
	Profit	2110	6 433 913	6 453 452
	including			
	from transport of electric energy	2111	6330271	6276799
	from technological connection	2112	80019	152026
	income from organization of functioning and developing of Unified Energy Systems of Russia	2113		
	income from resale of electric energy	2114		
	income from participation in organizations	2115		
	rental income	2116	9164	8795
	income from sale of other types of products, goods, works, services related to industry	2117	13572	14863
	income from sale of other types of products, goods, works, services of nonindustrial type	2118	887	969
2.1.	Cost of sales	2120	-5 965 977	-5 561 878
	including			
	from transport of electric energy	2121	-5918356	-5502413
	from technological connection	2122	-30823	-44875
	self-cost of organization of functioning and developing of Unified Energy Systems of Russia	2123		
	self-cost of resale of electric energy	2124		
	self-cost of participation in organizations	2125		
	rental income	2126	-3978	-3464
	self-cost of sale of other types of products, goods, works, services related to industry	2127	-9801	-8000
	self-cost of sale of other types of products, goods, works, services of nonindustrial type	2128	-3019	-3126
	Gross profit (loss)	2100	467 936	891 574
2.1.	Business expenses	2210		

	Management expenses	2220	-182 333	-186 742
	Profit (loss) from sales	2200	285 603	704 832
	Participation capital	2310		
	Interest receivable	2320	2	2 777
	Interest payable	2330	-462 014	-373 464
5.11.	Other revenues	2340	726 669	119 478
5.11.	Other expenses	2350	-236 447	-162 191
	Profit (loss) before the taxation	2300	313 813	291 432
2.3.	Current income tax	2410	-279 705	-294 140
2.3.	Including tax liabilities (assets)	2421	210 109	219 246
2.3.	Changes in deferred tax liabilities	2430	-1 366	7 970
2.3.	Changes in tax asset	2450	8 199	8 637
2.3.	Other	2460	-2 690	150 033
2.3.	Net profit (loss)	2400	38 251	163 932
	For reference:			
5.1.1. 5.3.1.	Balance from revaluation of non-current assets, that is not included in net profit (loss) of the period	2510		
3.2.	Balance from other activities that is not included in net profit (loss) of the period	2520		
	Total financial result of the period	2500	38 251	163 932
2.2.	Basic profit (loss) per share	2900		
2.2.	Diluted profit (loss) per share	2910		

7.3. Consolated accounting reports of Issuer for the last completed fiscal year
Not specified in the reporting quarter.

7.4. Information about Issuer’s accounting policy.

Regulation on accounting policy for accounting purposes of “IDGC of the South” JSC in 2012 (then Regulation) approved by order of General Director of “IDGC of the South” JSC dd. 23.12.2011 No. 819-A.

Regulation on accounting policy for accounting purposes of “IDGC of the South” JSC is prepared in accordance with the requirements of accounting regulations, and also in accordance with the requirements of the tax and civil law in the Russian Federation.

“IDGC of the South” JSC (then “Company”) organizes and maintains accounting report, makes accounting report in according with Federal law dd. 21 November 1996 No. 129-F3 “About accounting report”, Provision about accounting report and accounting accountance in Russian Federation, approved by order of Ministry of Finance dd. 29.07.98 No.34n; Chart of accounts, approved by order of Ministry of Finance of Russian Federation dd. 31.10.2000 No.94n and other normative documents in sphere of accounting accountance.

Regulation formed according to allowance:

- Company’s property independence;
- Company’s going concern;
- Progression of usage of accounting policy;

- Temporary clearness of economic events.

All affiliated companies of “IDGC of the South” JSC maintain accounting records, make complete accounting and tax reports, and are tax payers, have responsibility for timely and full settle with budget for all kinds of taxes and levies.

Regulation applies to Company, its branches and their economically autonomous structural subdivisions. Regulation uses:

- managers and employees of all divisions of the Company - Branches, production offices, areas of electrical networks, departments, offices, services and departments of the Executive Office of the Company, responsible for the timely provision of services in accounting source documents and other accounting information;
- managers and employees of all departments, offices, services and departments are responsible for timely and prove development, revision and bringing regulatory and reference information to the implementing units (including the Department of accounting and tax accounting and reporting);
- employees of the department of accounting and tax accounting and reporting of the executive office of the Company control the accounting and tax accounting and reporting of affiliated companies that are responsible for timely and qualitative preparation of accounting reports.

Order documents of Company should not contradict with Regulations.

ORGANIZATIONAL AND TECHNICAL ASPECTS OF ACCOUNTING POLICY

PRINCIPLES OF ACCOUNTING ORGANIZATION AND ACCOUNTING OBJECTIVES

Accounting 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 Chief Accountant shall report directly to the head of the Company and respond for accounting policy determination, bookkeeping and timely accounts reporting. The requirements of the Chief Accountant in relation to documenting of business transactions and submission of necessary documents and data to the Accounting and Tax Department shall be obligatory for all employees of the Company.

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

The segregation of branches and operating developments has been caused by territorial location and peculiarities of production process hereof. Branches and operating developments hereof shall not be regarded as artificial persons, shall act

on the basis of regulations, speak in the name of an artificial person, and their heads shall act by proxy.

Branches shall 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.

Branch shall prepare accounting and tax reports including the indices on all subordinate operating developments (geographically situated within one constituent region of the Russian Federation with the branch). The indices of operating developments situated in the territory of two constituent regions of the RF – the Krasnodar region and Adygeya shall be included in the reports of a branch of Kubanenergo.

Operating developments shall have accounting departments headed by chief accountants and shall have 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 of the Company's Executive Bodies that shall prepare accounting statements concerning the Company including the indices of all branches.

The composition and hierarchy, division of powers and responsibility, structure, functions and tasks of the Accounting and Tax Department of "IDGC of the South", JSC performing the functions related to primary accounting and information processing for further registration hereof in accounting shall be stipulated by the Regulations "On Accounting and Tax Department".

The degree of responsibility for completeness and accuracy of bookkeeping and tax records maintenance and also the completeness of authorities of branches' chief accountants and chief (senior) accountants of operating developments shall be stipulated by the Regulations "On a Branch".

The head of the Company as well as directors of branches shall respond for accounting organization in the Company, compliance with the legislation in the course of business transactions effecting pursuant to "Regulations on Branches".

Taking into account the functions performed Chief Accountants of branches shall report to the Chief Accountant of the Company and from the position of organization to the heads of branches.

Taking into account the functions performed Chief (senior) accountants of

operating developments shall report to the Chief Accountant of the Company and from the position of immediacy to the chief accountant of the branch, whose reports contain indices of balance sheet of an operating development.

The Chief Accountant of the Company, Chief Accountants of branches and chief (senior) accountants of operating developments shall be appointed to the post and dismissed by the order of the General Accountant of the Company.

Branches and executive bodies proceeding from the specific character of the activity, legislation of the RF constituent region, having a branch in the territory, and used software suite (till the moment of introduction of integrated software in the Company), may have peculiarities of accounting policy that shall be approved by the order of the General Director of the Company and shall be regarded as addition to the present accounting policy.

Branches and their operating developments shall be financed in accordance with the centralized order in compliance with the indices approved by the planned budget of cash flows and "Procedure rules of executing and producing of reports on the Company's consolidated budget implementation".

PROCEDURE FOR ACCOUNTING POLICY DETERMINATION, APPROVAL AND CHANGE

Means of bookkeeping elected 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.

Any change in accounting policy shall be approved by organizational-order documentation of the Company.

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

In case of revealing in Company's economic activity of new facts of economic activity for which the means of accounting 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

The documents of the Company's accounting policy shall include the present regulations, the regulations on accounting policy for taxation purposes, standard working chart of accounts of business accounting, the schedule (rules) of document circulation, the list of forms of source accounting documents in relation to which standard forms of source accounting documents have not been specified, the main

registers, document forms of internal accounting, peculiarities of accounting policy of branches (executive bodies). The procedure of revenues and expenses generation in respect of controlled activities, the procedure of allocation of indirect, selling and administrative costs shall be approved by relevant order documents of the Company.

Working chart of accounts of the Company shall be a target one and shall be drawn up in accordance with the Chart of Accounts of business accounting approved by the order of the Ministry of Finance of the Russian Federation No.94H dated October 31, 2000 in consideration of functionality of integrated configuration of software suite to be introduced, used for keeping the records of “IDGC of the South”, JSC.

Working chart of accounts of the Company’s business accounting shall be applied to in the process of bookkeeping in the Company’s Executive Bodies, in branches and operating developments from the moment of transfer to the software integrated configuration.

Up to the moment of introduction of the software integrated configuration on the basis of 1C Enterprise 8.1 the branches (executive bodies) of the Company shall use working chart of accounts, developed in consideration of specific character of the software used and having variations from the composition of the Company’s target Working chart of accounts. In this case each branch (executive bodies) shall provide the submission of necessary analytical findings on management, business and tax accounting pursuant to Company’s formats.

Compositional variations of the working chart of accounts of branches (executive bodies) from the working chart of accounts of the Company stipulated by the present Regulations are allowed with the view of preservation of completeness, adequacy and immediacy of reported statements and also rational use of the Company’s manpower resources. This assumption shall be treated as an objective transitional arrangement.

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

Processing of source accounting documents irrespective of areas of business accounting shall be carried out with the use of computer technology means.

Registers of the Company shall be prepared in format maintained by the software suite on the basis of which bookkeeping is carried out in the Company.

Accounting records shall be made on the basis of source documents recording the

fact of business transactions performance and also on the basis of calculations (certificates, sheets) of the Accounting and Tax Department.

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

- according to the form that enters the album of unified forms of source accounting documentation;
- according to the form that enters 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).

The forms elaborated by the Company itself and unified forms with the introduction herein of additional details shall be applied to when drawing business transactions after hereof approval by the Order (Directive) of the General Director of the Company or of persons authorized by him/her. The forms of source accounting documents elaborated by the Company shall contain all obligatory details in accordance with itm.2 art.9 of the Federal law of the RF "On Accounting" No.129-Φ3 dated 21.11.1996.

The source accounting documents submitted to the Accounting and Tax Department shall be checked in relation to form (completeness and correctness of drawing up the documents, filling in the details), content (validity of documented transactions, logical concurrence of separate indices), the control over the authorization of persons who have signed them shall be exercised. The list of persons entitled to sign the basic accounting documents shall be approved by the head of the Company by agreement with the Chief Accountant.

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

Source accounting documents drawn up with the use of foreign languages shall have line-by-line translation into the Russian language.

The flow of basic documents in the Company (drawing up or receipt from other enterprises, institutions or organizations, the flow between structural subdivisions of the Company, including for business and tax purposes, processing, transfer to the archives) shall be regulated by the Regulations on the Accounting and Tax Department and by a schedule of document circulation.

The Company shall keep the basic accounting documents, accounting certificate containing information on the corrections made in accounting and reporting, registers and tax ledgers, accounting and tax statements within the terms specified

in internal organizational and order documents of the Company but no less than within the time limits stipulated by the legislation.

The responsibility for organization of the custody of accounting documents and registers shall be imposed on the head of the Company.

Administrative documents of the branch (executive office) are setting the list of persons entitled to sign accounting source documents, invoices and are fixing the schedule document flow at the branch.

PROCEDURE AND TERMS OF ACCOUNTING STATEMENTS PREPARATION

Accounting statements preparation shall be based on the data of registers. For the purpose of ensuring individual responsibility of the Accounting and Tax Department personnel the registers shall be monthly unsealed and signed by the persons who have prepared them. The persons shall respond for adequate recording of business transactions in storage registers.

Branches shall submit accounting and other financial statements concerning the internal forms of accounting to the executive bodies to produce reports on the Company in toto. The responsibility for completeness and adequacy of figures of a branch's reported statements shall be imposed on the head and chief accountant who have signed the statement. Control over the correctness of accounting statement preparation shall be exercised by the Accounting and Tax Department, by the Finance Department of the executive bodies.

Internal calculations shall not be presented in Company's reporting prepared for external persons concerned.

The accounts of the Company shall be drawn up for a month, a quarter and a year with accrual character from the beginning of reporting year, if the diverse 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 statement.

The accounts of the Company intended for external persons concerned shall be drawn up in thousands of rubles without decimal digits.

The accounts shall include:

- Balance Sheet (form No.1);
- Profit and Loss Account (form No.2);
- Statement of Changes in Equity (form No.3);
- Cash Flow Statement (form No.4);
- Appendix to Balance Sheet (form No.5);

- Auditor's Report;
- Explanatory Note.

An explanatory note shall disclose information, which has exerted substantial influence on the results of financial and economic activity of the Company, useful for a wide circle of persons concerned. The part of general items that amounts to 5% or more shall be recognized as the materiality guideline when estimating the accounts figures to draw up the accounts and disclose the information.

Annual accounts shall be submitted in corpore by the Company, as for interim statements the Balance Sheet and the Profit and Loss Account shall be submitted.

Annual accounts of the Company shall be examined and approved by the decision of the annual General meeting of shareholders of the Company and be 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".

The concluding part of the Auditor's report, produced on the results of obligatory audit of accounts, shall be enclosed with the accounts submitted for the approval of shareholders' meeting.

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

Decision adopted by the annual meeting of shareholders of the Company about the 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 for the purpose of ensuring the 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 of taking hereof, list of property and obligations subject to check during each of them) shall be stipulated by orders of the Company.

Inventory of fixed assets shall be carried out annually by the Company, library stocks – once in 5 years.

For the purpose of taking inventory working inventory commissions shall be set up, the composition of which shall be approved by the Company's Order, and for the branches and operating developments – by the order covering the branch (operating development) of the Company.

The discrepancy between the factual presence of property and accounting data revealed in the course of taking inventory shall be recorded in the accounts in accordance with itm.28 of the Regulations on Accounting and Reporting of the RF approved by the order of the Ministry of Finance of the RF No.34H dated 29.07.1998.

The results of property and obligations inventory (minutes of meetings of branches` central inventory commissions) shall be submitted by the branches to the Company's executive bodies for consideration of the Central Inventory Commission of the Company. The Central Inventory Commission of the Company shall be set up by the order of the General Director of the Company.

MISTAKES. MATERIALITY AND THE CORRECTIVE ACTION

Mistake made while the accounting record keeping and preparation of the accounting report of the Company should be corrected in accordance with Regulation on accounting 22/2020 “Corrections in accounting keeping and reporting”.

Corrections to the accounting balance should be specified in memorandum on corrections entry, if necessary the source documents or proving calculations could be attached.

The material misstatement is the error that wrenches the calculations and data for more than 10% and changing the data in Profit and loss statement for more than 2%.

Any misstatements in items of accounting balance “Authorized capital” and “Reserved funds” are considered as material.

METHODOLOGICAL ASPECTES OF ACCOUNTING POLICY

The present section sets forth the adopted manners of bookkeeping, exerting substantial influence on the assessment and decision-making of the users of Company's accounting.

GENERAL APPROACHES TO QUALIFICATION OF ACCOUNTING

ENTITIES

Company's assets are divided into the assets proper and costs (non-complete investments in the formation of assets).

Costs are divided into capital (non-current) and current (circulating) costs.

The Company recognizes those costs capital which aim at the formation of non-current assets, including the costs on the purchase of new entities, development, expansion, reconstruction, modernization and technical retooling. All other costs shall be recognized by the Company as current costs.

The cost estimate of used recourses – costs – shall be preliminarily calculated on calculation accounts:

- the costs on output of products, works, services (current) – account 20, 25;
- the costs of auxiliary production facilities – account 23;
- general economic costs – account 26;
- the costs of service production facilities and sectors – account 29;
- the costs on purchase (formation) of non-current assets (capital investments) - account 08.

In the accounts recording the costs on the purchase (formation) of non-current assets cost accounting shall be carried out in relation to items.

In the accounts recording the purchased current assets cost-accounting shall be carried out in relation to nomenclature numbers, lots, homogeneous groups of inventories.

At the termination of the cost accrual period the Company states that carrying out of costs entails the formation of assets if the item of property has been formed, the usage or retirement of which is to provide a future economic benefit. Only the items of property owned on the basis of the right of ownership (assumption of separate entity) shall be recognized as assets by the Company.

To take an item of property on discount, hereof value shall be measured with sufficient degree of reliability. The Company recognizes the valuation reliable enough when the item of property is ready to be used according to the planned targets, and all the costs related to bringing hereof in this condition are accepted in the accounting statement and are evaluated on the basis of accounting documents, contractual or market quotations and tariffs.

If the cost performance has not led to asset formation, at the termination of the cost accrual period the Company shall recognize the costs. Decreasing of economic benefits being the result of retirement of assets (cash assets, other property) and (or) assumed obligations causing capital decrease (except for the decrease in investments of participants) shall be also recognized as expenses.

GENERAL APPROACHES TO VALUATION 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. The report of an independent expert or an authorized specialist (specialists) of the Company possessing special knowledge and skills shall be understood as the expert's report. These specialists shall be appointed by the order of the head of the Company or by persons authorized by the head as the members of the permanently operating commission that deals with including for accounting purposes or writing-off the property.

The property received by the Company under the contract prescribing the fulfillment of obligations (payment) carried out by non-monetary assets (exchange contract in particular), shall be estimated according to the cost of values transferred or subject to transfer by the Company. The cost of values transferred or subject to transfer by the Company shall be calculated in consideration of the price according to which the Company usually calculates the cost of similar values under comparable circumstances.

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 usage. State registration expenses of purchased property items and transportation facilities shall be included

in the actual cost of property item if they have been carried out prior to the moment of taking the item on discount as a fixed asset, they shall be regarded by the Company as sundry expenses of the current term.

Fixed assets evaluation the cost of which when purchased has been expressed in foreign currency shall be carried out in rubles by means of conversion of sums in foreign currency at the Central Bank of Russia rate on the date of including the item for accounting purposes as investments in non-current assets.

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.

The 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.

If the documents representing the cost of received items are not available by the moment of property receipt (fixed assets, inventories etc.) they shall be taken on discount in a conditional judgment in consideration of agreed cost, delivery expenses determined according to the data of motor waybills and railway bills of lading and other transport documents.

RECORDING OF CAPITAL INVESTMENTS IN NON-CURRENT ASSETS

Capital costs are connected with:

- capital construction carried out in the form of development as well as reconstruction, expansion and technical retooling (hereinafter referred to as construction);
- acquisition of buildings, developments, equipment, transport facilities and other separate items (or the parts) of fixed assets;
- acquisition of plots of land and facilities of nature management;
- acquisition and formation of assets having non-physical nature.

ENGAGEMENT OF EXTERNAL CONTRACTORS IN CAPITAL CONSTRUCTION AND IN-HOUSE CAPITAL CONSTRUCTION

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 investments in non-current assets shall be kept regarding the construction in general, separate investment items, technological structure of costs on the building project.

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”.

Capital investments made in the form of construction (reconstruction, modernization) of items carried out on non-contractual basis shall be recorded monthly in an accounting statement, as far as they have been formed. At the same time the subdivision (branch, operating development), that carries out capital investments, shall record them monthly in the account “Investments in Non-Current Assets”.

Current expenses connected with maintenance of branches` subdivisions and operating developments, exercising supervision over the construction of items (hereinafter referred to as CCM), in contractual and non-contractual manner, shall be included monthly in the value of items being subject to capital investments in proportion to the amount of planned capital expenses related to this item in the reporting year according to the plan of investments (investment programme). In case the adjustment to the plan of investments has been made during the year, redistribution of costs of previous months shall not be carried out.

Distribution of current costs shall be carried out only between the open items of capital investments in new construction, expansion, reconstruction and modernization.

Item-by-item distribution in percentage terms shall be carried out monthly between the operating development and a branch, shall be signed by the Deputy Director for capital construction of the branch (operating development) and be submitted to the accounting service of branch (operating development). Item-by-item distribution, in sum terms, of current costs of the CCM of a branch shall be carried out by the branch's accounting service and after that shall be advised to the operating development. Item-by-item distribution, in sum terms, of current costs of the CCM of the operating development shall be executed by the accounting service of the operating development.

The following shall be meant by the current costs specified in itm.3.3.7: salary including all types of bonuses, emoluments, remunerations; salary UST; voluntary insurance and staff training costs; traveling expenses. The list of costs shall be exhaustive. The costs on maintenance of the afore-specified subdivisions that have not been included in the list shall make the list of sundry expenses of the reporting period.

The costs of structural subdivisions of the Company's executive bodies performing the functions of monitoring the capital investment projects and construction shall not be included in the cost of capital investments, but shall be regarded by the Company as administrative costs of the current period.

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).

Interests that are due to the loaner (creditors) on received loans and credits directly connected with the acquisition, construction and (or) manufacturing of the investment asset shall be regularly included in the asset cost on the following conditions:

- expenses on the acquisition, construction and (or) manufacturing of the investment asset shall be recognized in business accounting;
- expenses on loans connected with acquisition, construction and (or) manufacturing of the investment asset shall be recognized in business accounting;

- the works on the acquisition, construction and (or) manufacturing of the investment asset have been commenced.

The 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

Recording of Company's fixed assets shall be maintained in accordance with the Regulations on accounting "Recording of Fixed Assets" (RAS 6/01) approved by the Order of the Ministry of Finance of Russia No.26H dated 30.03.2001 with the ensuing changes and additions.

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.

If in the moment of asset qualification the decision about hereof retirement for benefit of other persons has been taken – on-selling, exchange etc. is planned, the item shall be qualified as a commodity.

The assets in relation to which the aforementioned conditions are applied to, at the cost of no more than 20000 rubles for one unit, shall be recorded as a part of inventories, with the exception of electric grid equipment, mobile and 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.

By degree of utilization the Company divides the kept in reserve fixed assets on:

- fixed assets in reserve meant for uninterrupted technological process for the cases when the main equipment is out of order;

Fixed assets that do not require assembly, purchased in reserve for future operation.

An 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.

Inventory numbers given to the items of Company's fixed assets shall consist of 12 signs and have the following structure: the first four signs shall be the prefix of inventory number and determine the original location (place of giving) the inventory number to a FA item. Two signs of them represent a regional code (of the RF constituent territory) where the branch of "IDGC of the South", JSC has been registered, the second two signs represent the number of the branch's operating development that actually uses a fixed asset, the next following 8 signs represent the serial number in a group. The given inventory number shall be unique inside the Company and shall not be changed in case of transfer between the branches (branches' operating developments).

With the aim of keeping up the uniqueness of inventory numbers inside the Company it is not allowed to give one inventory number to a group of similar fixed assets items, even if they have been acquired from one supplier in the scope of one delivery.

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.

The following shall be accepted as independent inventory items:

- capital investments in rented items of fixed assets;
- capital investments intended for radical improvement of lands (drainage, irrigation and other reclamation works);
- shares of fixed assets items, being in shared ownership of the Company and other owners.

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.

Concerning the fixed assets purchased from leasing, their initial cost is formed from the sum of all payments on leasing contract (total cost of leasing payments and redemption value). The sum leasing payments taken into account during the validity of leasing contract is recorded on debit 01 and credit 02.

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) ruble.

The transfer of fixed assets items between the branches of the Company and between the operating developments inside the branch of the Company shall be recorded in subaccounts of account 79 "In-House Settlements". In this case accounting entries representing the replacement cost of fixed assets and the sum of cumulative amortization shall be made.

The expenses related to internal transfer of fixed assets items between the subdivisions of the Company shall not be included in the original cost but shall be reckoned towards current costs.

The notice (aviso), the statement of transfer and acceptance of fixed assets between the branches, the plan-record card (f.FA-6) is considered to be the ground for taking the fixed assets received from branches (operating developments) on discount.

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.

If the Company takes decision to discontinue completely the operation of separate items of basic funds, the accounting statement shall reflect proceeding from the situation:

- laying-up of specified items – in this case the items shall be separated in analytical accounting;
- write-off of items that are not used permanently (functional and/or physical depreciation) - in this case the Company shall recognize sundry expenses.

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

In case of partial liquidation of fixed assets items the amortization accumulated on

them shall be written off in the same ratio.

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 with 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 (Fixed Assets-6).

Useful life of fixed assets items shall be reconsidered in case of improvement (increase) of primarily accepted standard indices of item functioning as a result of completion, providing with additional equipment, reconstruction or modernization. In this case the increase of useful life period is allowed to be carried out within the terms stipulated for amortization group in which this fixed asset has been included.

Useful life period of a modernized 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 modernization completion.

Useful life of fixed assets, 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 fixed assets determined by an affiliated company and the amount of months of actual fixed assets operation till the moment of affiliation.

Useful life period of a fixed assets item previously used by some other organization shall be determined proceeding from the remaining service life period of fixed assets or any other supposed useful life period in the Company which shall be determined taking into account:

- expected useful life period of the item being in operation in accordance with

expected productivity and power;

- expected physical depreciation depending on operation conditions; natural conditions of corrosive medium influence, system of carrying out repairs
- legal and other restrictions in using the facility.

Expected useful life period of fixed assets on the basis of documentary confirmation of hereof importance shall be fixed by a commission and be approved by the head of the Company, a corresponding branch or an operating development of the branch in which the item will be in operation when taking the item on discount as fixed assets.

AMORTIZATION OF FIXED ASSETS

The Company shall use a 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.

Regarding the fixed assets, received by “IDGC of the South”, JSC in consequence of reorganization and included by an affiliated distributive grid company for accounting purposes prior to 01.01.2002, accrual of amortization on which have been carried out according to standards in conformity with the Decree of the Council of Ministers of the USSR No.1072 dated 22.10.1990 “On Standard Norms of Amortized Deductions for Complete Restoration of Basic Funds of National Economy of the USSR” after the transfer to “IDGC of the South”, JSC shall be amortized according to the established procedure. The useful life period for these items shall be determined by calculation on the basis of the accepted amortization norm when bringing the item into operation according to the formula:

$$N = \frac{F}{F * K} * 12, \text{ where}$$

N – useful life period of FA taken in months,

F – original cost of FA (in consideration of revaluation),

K – annual amortization norm of FA.

The 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.

Monthly amount of amortized deductions shall be calculated according to the formula:

$$C_i = (DCost + C_m)/C^*$$

Where C_i – monthly amount of amortization,

DCost - depreciated cost of a fixed asset,

C_m – modernization costs,

C^* - remaining useful life period after the increase hereof.

This formula shall be applied in calculation of the amount of the modernized item amortization starting from the 1-st date of the month following the month when the works related to modernization are completed.

Utility (guard) dogs shall be referred to the third group of fixed assets in accordance with the Decree of the RF Government No. 1 dated 01.01.2002 “On Classification of Fixed Assets Included in Amortization Groups”.

In the process of amortization accrual on gratuitously received fixed assets as well as on fixed assets acquired with the attraction of funds of goal-oriented financing, simultaneously with the amortization write-off the part of deferred revenues of the same amount shall be regarded as other revenues of the Company.

Amortization shall not be accrued:

- in relation to used for realization of the Russian Federation legislation concerning the preparedness activity and mobilization fixed assets items which are not used in output production, in works performance and rendering of services, for administrative needs of an organization or for provision by an organization for a fee in temporary possession and use or in temporary use,
- in relation to units of housing facilities acquired during the period from 01.01.2002 till 01.01.2006 (that do not make profit);
- in relation to fixed assets items the consumer properties of which do not change in the course of time (plots of land; nature management facilities; objects related to museum pieces and museum collections etc.).

The accrual of amortization shall be suspended:

- in relation to the fixed assets transferred for laying-up. The Company shall recognize the temporary discontinuance of item operation for the period of more than three months as laying-up. Expenses connected with laying-up of items (check-up, lubrication, booting, enclosing etc.) as well as concerning the temporary discontinuance of item operation for the period of less than three months shall be regarded as sundry expenses;
- for the period of reconstruction and modernization, capital repairs of fixed assets items if the duration of works exceeds 12 months.

In relation to the specified items the accrual of amortization shall be discontinued from the month following the month when they were transferred and shall start from the month following the month when these items were brought into operation.

Amortization of reserved fixed assets (meant for uninterrupted technological process in cases if the main equipment is out of order) is recorded in accounting

Amortization of fixed assets not requiring assembly, purchased in reserve for future operation is mentioned in expenditures on basic activities that do not reduce the taxable income.

RECORDING OF RENTAL OF FIXED ASSETS

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 NEEDS ASSEMBLY

Equipment that is brought into operation only after the assembly of the parts and attachment to the foundation or bearings, to the floor, to the inserted floors and other supporting structures of buildings and constructions and also sets of spare parts of this equipment shall be referred to installation equipment. This equipment shall include control instrumentation and other instruments intended for being mounted in the installed equipment.

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

The 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.

An accounting unit of intangible assets is considered to be an inventory item. An inventory item of intangible assets shall be recognized as a collection of rights arising from a patent, certificate, contract on the forfeiture of the exclusive right to intellectual activity result or to the individualization means, or according to the diverse procedure stipulated by the law, intended for the performance of certain

functions of their own.

An intangible asset shall be included for accounting purposes according to actual (original) cost determined as of the date of including hereof for accounting purposes.

The actual (original) cost of an intangible asset acquired by the contract specifying the execution of obligations (payment) by non-monetary funds, shall be determined on the basis of assets value, transferred or being subject to transfer by the Company. Assets value, transferred or being subject to transfer by the Company, shall be fixed proceeding from the price at which under comparable conditions the organization usually determines the value of similar assets.

In the event it is impossible to determine the value of assets, transferred or being subject to transfer by an organization according to such contracts, the value of intangible asset, received by the organization shall be stipulated on the basis of the price at which under comparable conditions similar intangible assets are acquired.

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

The revaluation of intangible assets shall not be performed.

The 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 duration of an organization).

The Company annually within the framework of inventory shall check the useful life period of an intangible asset with a view to decide whether it needs being

specified. In case of a substantial change in the duration of the period during which the Company intends to use the asset the useful life period hereof shall be subject to specification. All the adjustments made shall be reflected in accounting statements at the beginning of the reporting year as changes in estimated values.

As for the items of intangible assets that have indeterminate useful life period, the Company within the framework of inventory shall consider annually the presence of factors indicating the impossibility to determine accurately the useful life period of the item. In case the specified factors have ceased to exist the Company shall determine the useful life period of the intangible asset, hereof amortization method. All the adjustments made shall be reflected in accounting statements at the beginning of the reporting year as changes in estimated values.

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 the useful life period of intangible assets the accrual of amortized deductions shall not be suspended.

The amortized deductions related to intangible assets shall be recorded in accounting statements of the reporting year that they refer to and shall be accrued irrespective of the results of organization's activities in the reporting period. The accrual of amortization shall be carried out monthly in a special account 05 "Amortization of Intangible Assets".

The value of an intangible asset which retires or is not capable to provide an organization with economic benefits at a later date shall be written off. The sum of cumulated amortized deductions on the intangible assets shall be written off simultaneously with the intangible value write off.

Revenues and expenses received from the intangible assets write-off shall be recorded in accounting in the reporting period that they refer to. Revenues and expenses received from the intangible assets write-off shall be referred to the financial results of an organization as other revenues and expenses.

Intangibles received in use shall be recorded by the Company in the off-balance account "ITA received in use" having the valuation determined proceeding from

the amount of emolument specified in the contract. The Company regards nonexclusive rights to software usage granted on the basis of license agreements etc. as such assets.

RECORDING OF FINANCIAL INVESTMENTS

The Company regards as financial investments the assets that do not have a physical nature and are capable to provide economic benefits (return) in the period ahead as interests, dividends or increment of value (as difference between the selling price (paying off) and the cost) as a result of their exchange, usage in repayment of obligations, increase of current market value.

Bills issued by the buyers of goods, works and services of the Company, received by a Company from a drawer when settling for these goods, works and services shall not be regarded as financial investments and shall be reflected in accounting and reporting as accounts receivable of buyers and customers ensured by the bills received.

Financial investments are divided into individually determinate and indeterminate. Investments, the unit of which has its own individual distinctive features: security series and number; organization details in the authorized capital of which investments have been made, details of special partnership contract, contract of loan, of deposit, of chose in action accrual etc. shall be regarded as individually determinate investments. Investments the unit of which does not have individual features but has generic distinctive features – details of undocumented share issue etc. shall be regarded as individually indeterminate investments.

An accounting unit of financial investments shall be:

- for individually determinate financial investments – a separate investment (a security, investment in the authorized capital of a separate organization, a separate special partnership contract, a loan or a deposit, settled as a separate contract, rights of claim received by a separate contract etc.);
- for individually indeterminate financial investments – a round lot. The round lot is considered to be a set of securities of the same issue (of the same Issuer, of the same type, of the same life, of the same face value etc.), acquired by the Company as a result of one transaction.

Recording of financial investments shall be carried out based on centralized direction in the Company, by the accounting and tax department 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.

The 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.

For the purpose of ensuing evaluation the financial investments are subdivided into:

- investments which make it possible to determine the current market value;
- investments which do not make it possible to determine the current market value.

Financial investments in the securities circulating at the share market (stock exchange, auction) the quotations of which are regularly published shall be referred to financial investments which make it possible to determine the current market value. All the rest shall be referred to financial investments which do not make it possible to determine the current market value.

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 every three months.

The difference between the valuation of financial investments based on the current market value on the reporting date and previous valuation of financial investments shall be regarded as other revenues and expenses.

If the current market value on the reporting date shall not be determined in relation to the item of financial investments, evaluated earlier in accordance with the current market value, such item of financial investments shall be recorded in accounting statement at the cost of hereof last valuation.

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 from 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.

Returns received from financial investments shall be regarded as other revenues.

Interests (coupon yield, discount) on securities shall be accrued for each last reporting period in accordance with the terms of contracts.

Expenses connected with granting loans to other organizations, servicing of financial investments, payment for services of a bank and/or depository for keeping the financial investments, statement of a custody account etc. shall be referred to other expenses.

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 selling – 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 valuation of inventories for the purpose of taking them on discount shall depend on the reasons for receipt: acquisition for payment, in-house production, gratuitous receipt etc.

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.

The actual prime cost of materials acquired for payment shall include:

- the cost of materials according to contractual prices;
- expenses related to agency contracts concluded with the aim of carrying out the procedures of inventory purchase;
- transportation and procurement costs;
- expenses related to bringing the materials in such condition that they can be used to satisfy the Company's goals;
- other expenses directly related to the purchase of materials.

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.).

The 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.

The cost of working clothes having service life of more than 12 months shall be repaid with the use of the straight-line method taking into account the useful life period defined in conformity with the standards. Writing off shall be carried out starting with the month when working clothes were brought into operation.

The cost of working clothes the service life of which do not exceed 12 months according to the allocation norm shall be written off at a time at the moment of bringing into operation (operation start).

The cost of seasonal busbar subject to write-off at the moment of transferring it into operation. For safekeeping of property the off-balance recording should be provided.

RECORDING OF INVENTORY RECEIPT

Expenses directly connected with the process of provision and delivery of materials in the Company shall be recognized as ordering costs. The ordering costs shall include:

- expenses related to loading of materials in a transport facility and their transportation subject to payment made by the buyer above the price of these materials according to the contract;
- materials storage fee paid in places where they have been purchased, at the railway stations, ports, wharfs;
- business traveling expenses connected with the provision of materials;
- other expenses.

Materials shall be taken on discount (be recorded) in the account 10 “Materials” at the actual prime cost of their acquisition (provision).

The stock of materials received by the Company that are not supported by accounting documents are considered to be non-invoiced deliveries. Non-invoiced deliveries shall be recorded as received and entered in analytical and synthetic accounting at the accounting prices.

Contractual prices shall be used as accounting ones.

Expenses related to internal transfer of inventories (between the subdivisions of the Company or storehouses hereof) shall not be included in the cost of purchased stocks of materials and capital equipment but shall be referred to the prime cost of services, works or outputs.

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.

The 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).

The procedure of materials allocation from the stock of a branch (operating development) to the stations, teams, workplaces shall be stipulated by the Head of the material procurement subdivision of the branch (operating development) by agreement with the Chief Accountant of the branch (operating development).

In basic accounting documents for material allocation from the stock of a branch (operating development) to the stations, teams, workplaces the following information shall be stated:

- name of material;
- number;
- price as of the date of allocation;
- sum and target application – number (reference number) and (or) name of services (technical service, repairs, balancing and commissioning works etc.) for the performance of which the materials are allocated or number (reference number) and (or) name of costs.

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, MODERNIZATION, 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.

When the spare parts, recorded as received as a result of retirement from fixed assets under restoration, need the repair the following order of keeping accounting records shall be observed. When repairing the spare parts they shall be written off credit accounts of stock-taking (account 10 “Materials”) to debit accounts of repair cost accounting. All costs related to repairing of specified spare parts shall be written off debit accounts of repair cost accounting. At repair termination the restored spare parts shall be written off a credit account of repair cost accounting to a debit account of stock-taking (account 10 “Materials”) at the cost that includes repair expenses.

Inventories (including the spare parts) which are left after retirement of fixed assets or any other retirement shall be evaluated proceeding from the current market value at the date of including for accounting purposes. The current market value shall be understood as the sum of cash assets that can be received as a result of selling the specified assets.

INVENTORY ACCOUNTING

When carrying out the commercial activities the expenses related to manufacturing and delivery of products from the storehouses (depot) made prior to the moment of putting them on the market shall be included in sale expenses.

Goods acquired for selling shall be evaluated at their purchase cost.

When carrying out retail trade inventory accounting shall be kept in consideration of sale price with the usage of account 42 "Trade Margin".

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 basic 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 grids 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.

These revenues are subdivided according to types of works and services:

- into revenues from selling of other works and services of “industrial” character: transportation services; communication services; other works and services of “industrial” character, of granting the property on lease;
- into revenues from selling of other works and services of “non-industrial” character: catering services; services of medical health-improving institutions; other works and services of “non-industrial” character.

Revenues from rendering other services and fulfilling works of “industrial” character are regarded as revenues from unauthorized consumption of electric energy that meet the following conditions:

- regular consumption of electric energy (4 consecutive months and more);
- payment for the consumed energy per month exceeds 1 million rubles;
- full disconnection of consumer from grids of energy supply is impossible without violation of the current legislation.

Acceptance of the revenue specified in clause 3.15.7 is of exceptional character and is applied in case the Company cannot influence the process of concluding the contracts on energy supply between consumer and energy selling company.

All the revenues that are not related to selling of works and services on usual kinds of activity shall be referred to other revenues.

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.

Revenues earned (accrued) in the reporting period but related to future reporting periods as well as coming receipts of expenditures related to shortages revealed in a reporting period of previous years, and the difference between the sum callable from the culpable persons and the cost of values included for accounting purposes when revealing the shortage and damage shall be referred to deferred revenues.

The Company subdivides the expenses into expenses related to usual kinds of activities and other expenses.

Expenses related to usual kinds of 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 usual kinds of 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 property leasing;

- costs on other works and services:
- of industrial character;
- of non-industrial character.

The prime cost of electric-power transmission services shall be treated as cumulative expenses caused by maintenance and operation of:

- power lines, switchgears, substations and other plants and equipment meant for electric-power transmission and distribution;
- energy metering and control devices.

The prime cost of services on technological connection to electricity networks shall be understood as cumulative expenses caused by the performance of a set of works (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 provision made by electrical substations.

The prime cost of other works and services is considered to be cumulative expenses caused by selling other works and services that are regarded as sundry expenses for the Company. These expenses are classified according to kinds of works and services:

- into expenses on other works and services of “industrial” character;
- into expenses on other works and services of “non-industrial” character.

Expenses shall be accepted by the Company in the following cases:

- when there is assurance that making expenditures results in income drawing. The costs shall be recognized as an expenditure directly (when rendering services, performing works, making selling expenses) or through retirement of assets for the formation of which the Company has earlier made expenditures (fixed assets, inventories, Company’s own output etc.). Then expenses on usual kinds of activities or sundry expenses (retirement of assets, variant from products) shall be recognized in accounting;
- when making expenditures cannot be directly referred to any receipts or it is evident that the revenue expected according to corresponding expenses will not be earned. Then sundry expenses (payment of interests on payment, expenses related to laying-up of fixed assets etc) or losses shall be recognized in accounting. Expenses shall also be recognized in case of an obligation occurrence when the fact of property receipt was not established.

Branches` general economic expenses shall be included in full in the prime cost of rendered services, performed works in its entirety in the reporting year when they were recognized as expenses on usual kinds of activities. In accounting these expenses shall be included in line 020 of form 2 “Profit and Loss Statement”.

All current expenses of the Company’s executive bodies shall be recognized in full

as administrative expenses. These expenses for the purposes of administrative accounting (tariff making etc.) shall be allocated to kinds of activities (electric-power transmission services, services on technological connection to electricity networks) and a geographic segment (regions of the federation in the territory of which the tariffs have been formed) in accordance with the methods elaborated by the Company. These expenses shall be written off a credit account 26 "General Economic Expenses" to a debit account 90. In accounting statements these expenses shall be included in line 040 of form 2 of "Profit and Loss Statement".

Selling expenses shall be included in full in the prime cost of rendered services, performed works in its entirety in the reporting year when they were recognized as expenses on usual kinds of activities.

INCOME AND EXPENDITURE RELATED TO USUAL KINDS OF ACTIVITIES

Income from electric-power transmission services shall be recognized on the basis of Act of provided services specifying the volume of rendered services on electric-power transmission according to contracts concluded with Retail, Grid companies and customers of WEEM. The Act shall be drawn up on the basis of monthly documents: bill of transmitted electric-power volume; acts of net power flow of electric power; acts of productive supply drawn up in natural measures. The form and name of acts to be drawn up in natural measures shall be defined by the terms of contract for electric power transmission services. Revenues from electric power transmission shall be recognized in accounting on the date of provision of calculations given in the Act of provided services specifying the volume of rendered services on electric-power transmission and the Act of mutual flows accounting approved by the parties.

Revenues from services on technological connection to electricity networks and from other services provided by the Company shall be recognized on the basis of Act for works performed (rendered services) on the date of signing the Act by the parties.

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.

The 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 usual kinds of activities shall be recorded in accounts “Mainline Production”, “Auxiliary Production”, “Manufacturing Overhead”, “General Economic Expenses”, “Servicing Productions and Sectors”.

Direct expenses related to provision of services on electric power transmission, technological connection to electricity network and other expenses, indirect costs connected with maintenance of mainline production as well as expenses of auxiliary production shall be accumulated in the account “Mainline Production”. Expenses of auxiliary production shall be written off the account “Auxiliary Production” to the account “Mainline Production”. General economic expenses shall be distributed to the kinds of activities proportional to proceeds and be written off the account 26 “General economic expenses” to a debit account “Mainline Production”. When determining the proportion the proceeds received from performance of services on electric power transmission and technological connection to electricity network shall be reckoned. The distribution of indirect expenses to other (non-core activities) shall be carried out in accordance with itm.3.15.36 and itm.3.15.39 of the present regulations.

Expenses connected with the processes which are auxiliary to the main technological processes of electric power transmission shall be accumulated in the account “Auxiliary Production”.

Repair shops, mechanization and transport services, owner`s boiler house and other kinds of activities shall be referred to auxiliary production. Direct expenses (materials and spare parts, salary of production workers, services of third-party organizations etc.), directly related to the provision of necessary products, works, services shall be recorded in subaccounts of account 23 “Auxiliary Production” according to kinds of activities.

Indirect expenses related to management and maintenance of auxiliary production: staff costs that do not refer to operative personnel, the upkeep of buildings, facilities, equipment, stock, amortization of fixed assets, expenses on labour

protection etc. – shall be accumulated directly in the subaccount “Indirect Expenses of Auxiliary Production” of the account “Auxiliary Production” without preliminary accumulation in the account “General economic expenses”.

The distribution of indirect expenses of auxiliary production shall be carried out between the uses of indirect expenses (to mainline production, general production expenses, general economic expenses etc.) proportional to the volume of works and services performed by the workshop of auxiliary production in accounting conventional units.

The expenses of auxiliary production shall be included in the prime cost of the products (works, services) in the production process of which the products (works, services) of structural subdivisions under consideration have been used.

The account “General production expenses” shall be used to record information on expenses related to management and maintenance of subdivisions of mainline production.

Information about the general production expenses shall be formed based on the data on subdivisions and heads of expenditure.

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.

The account “General economic expenses” shall be used for accounting of administrative expenses ensuring Company’s functioning as an integral business entity.

Information about the general economic expenses shall be formed based on the data on subdivisions and heads of expenditure.

General economic expenses shall be distributed to the prime cost in respect of non-core activity types in the sum of general economic expenses included in the calculation of the cost agreed in relation to these types of works.

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 from revealed facts of unauthorized consumption of electric energy;
- 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.

The Company shall recognize the revenue from selling the products or other property at the moment of transfer of the possessory right to this property to the buyer. The moment of possessory right transfer shall be determined in accordance with the terms of concluded contracts, as a rule, at the moment of products shipment.

The revenues from revealed facts of unauthorized consumption of electric energy are acknowledged as other revenues except cases specified in clause 3.15.7 of the present Regulation.

Revenues are considered as revenues of the period during which the unauthorized energy consumption was detected and the necessary document was compiled, i.e. revenues of the current period.

Revenues that are not related to the manufacturing process and circuit shall also be recognized as other revenues. These revenues include revenues from received fines and penalty interest, reimbursement of damages suffered by the Company, gratuitous receipt of property, uncalled accounts payable write-off, determination of rate differences etc.

Earnings obtained in consequence of force-majeure circumstances of economic activity (act of God, fire, breakdown, nationalization etc) shall be recognized as other revenues:

- insurance indemnity;

- covering losses caused by force-majeure events (fires, breakdowns etc.);
- liquidation value of inapplicable property.

The cost of surplus property shall be calculated as the cost of similar property that has been recently purchased taking into account the actual depreciation of items revealed as surplus ones. In case there are no facts of similar property acquisition and it is impossible to substantiate the computation of their cost the current cost of the surplus property shall be determined by means of method of quotation of prices set by the suppliers.

The norms of natural loss for accounting purposes shall be approved by the regulation of the Head of the Company or by a person authorized by him/her within the figures stipulated by the normative documents of the Federal executive body.

Other Company's expenditures for management accounting (tariff formation, etc) are distributed by geographical segment (territorial subjects where the tariffs are formed) in accordance with procedure set by the Company.

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.

In case of writing off the gratuitously received items of fixed assets based on any reasons before the term of their complete amortization the unamortized part of deferred revenues shall be recognized as other revenues by the Company at the moment of writing off the fixed assets items.

The cost of gratuitously received items of fixed assets, on which in accordance with the established procedure the amortization is not accrued, shall not be recognized as deferred revenues. For such items at the moment of their inclusion for accounting purposes the entries of the record account of investments in non-current assets (account 08 "Investments in non-current assets") shall be made and

other revenues (account 91 “Other revenues and expenses”) shall be recognized.

In case of gratuitous receipt of incomplete construction objects by the Company the deferred income writing off to the accounts of other revenues shall start simultaneously with the amortization of specified projects, i.e. upon their taking on discount as fixed assets. If these objects are not taken on discount as fixed assets items, the deferred income shall be recognized as other revenues at the moment of the incomplete construction objects writing off based on any grounds.

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 mediately.

The Company shall recognize the production payments and (or) the transfer of other property as deferrals if the transfer of property and (or) these payments are carried out based on unconditional procedure. If the transferred cash assets and (or) other property can be returned to the Company on the assumption of refusal of employing the works and services paid for by the specified monetary and non-monetary funds, accounts receivable shall be recognized instead of deferrals in an accounting statement. If it is deemed that the amount of monetary and non-monetary funds can be reduced according to the terms of contract, the amount of difference between the paid (conveyed) and returned funds shall be regarded as sanctions for refusal to execute the contract by the Company and shall be included in sundry expenses.

If the transfer of monetary funds and (or) other property has been performed based on unconditional procedure but the Company has refused to employ the works and services paid for by the specified monetary and non-monetary funds, or the Company is assured that these works and services will not be employed because of other reasons, deferrals recognized earlier shall be recognized in full as incurred expenses (sundry expenses) at the moment of making decision on termination of employing the works and services .

When the period, characterized by the fact that incurred expenses have brought in corresponding returns, came the deferrals shall be recognized as current ones.

Deferrals shall be written off to the current expenses of the accounting period proportional to the past period. In this case one-off payments related to the purchase of (payment for) items of DE: works, services, licences, programmes etc. shall be recognized as deferrals. Periodical payments effected in accordance with the terms of contract and connected with the usage of DE items shall be included in current costs (when effecting monthly payments) or shall be separated as an independent DE item (when effecting payments for the period of more than a month – quarter, year etc.). Cost accounting according to insurance contracts

stipulating periodical payments during the currency of the insurance contract shall be carried out without appliance to account 97 “Deferred expenses”.

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”.

The term of writing off the expenditures for preparatory measures to conclusion of contract of land plots rent (land survey, inventory, consultations, etc) is set during the validity contracts concluded for the term up to 10 years. For the contracts concluded for the term more than 10 years the term of writing off the expenditures is set during ten years after the conclusion of the contract.

COMMERCIAL EXPENSES

Commercial expenses – costs connected with the sale of products, goods, works and services (selling costs).

Commercial expenses include:

- upkeep of personnel of commercial services (commercial services – structural subdivisions of an enterprise performing the following functions: market analysis, marketing and promotion of products, goods, works and services);
- advertising and promotion of services;
- maintenance and use of buildings and stock related to commercial activity;
- stationery and expandable materials for commercial activity;
- entertainment expenses for commercial activity;
- travel expenses connected with commercial activity;
- other commercial expenses.

In case of substantiality of commercial expenses they shall be recognized by the Company in accounting statements.

PECULIARITIES OF IN-HOUSE SETTLEMENTS RECORDING

Making entries of accounting transactions concerning the settlements with separate subdivisions entered on a separate balance sheet shall be carried out in account “In-house Expenses” based on the information about the analytic groups. In this case the primary allotment of a branch with balance indices shall be presented in a separate subaccount “Calculations Related to Assigned Property” of account 79

“In-House Calculations”.

The allotment of some balance indices to branches` operating subdivisions shall also be performed with appliance to account 79 “In-House Expenses” in a special subaccount “Settlements with Operating Developments of a Branch”.

The reconciliation of data on in-house settlements reflected in accounting records shall be carried out monthly between the branches` account departments and accounting department of the Company`s executive bodies. The Statement of reciprocal payments reconciliation shall be drawn up on the last date of reporting period. Accounting records related to subaccount “Settlements with a Branch`s Operating Developments” shall not be taken into account in the reciprocal payments reconciliation between a branch and the Company`s executive bodies.

Accounting statements prepared according to the results of recorded business transactions as well as that related to internal forms of accounting shall be submitted monthly, quarterly, annually by the branches to the accounting departments of the Company`s executive bodies within the terms stipulated for presenting the accounts. In this case the data on in-house settlements with operating developments shall be excluded from the branch`s balance indices and other forms of accounting.

Responsibility for the presented accounts accuracy shall be entrusted to the branch`s chief accountant.

All types of in-house settlements between the Company`s branches shall be shown in books of the Company`s executive bodies. The notice of reciprocal payments changes of account 79 shall be regarded as an internal document – aviso.

Aviso shall be submitted by the party transferring the assets (liabilities) in triplicate with enclosed copies of accounting documents (bills, statements etc.) confirming the transaction when the settlement is carried out between two branches through executive bodies and in duplicate when the in-house settlements are performed between a branch and executive bodies.

Aviso submission concerning all transactions of cash assets receipts and expenditure in settlement and special accounts of the Company`s executive bodies on behalf of branches shall be carried out by the Treasury of the Company`s executive bodies.

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.

All changes of the authorized capital amount (including the forwarding of surplus funds to increase the authorized capital) shall be recorded in the Company's accounting statements only after making the corresponding adjustments to hereof articles of association.

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.

Surplus expending shall be carried out separately. The increment of property value received from revaluation shall be used to write down those property items which have been earlier written up and only within the sums accumulated on each separate inventory item. At the moment of taking the item off the books (for any reasons) the writing up sums accumulated on the item shall be attached to the account of Company's retained income. Additional paid-in capital shall be used by a shareholders` meeting decision (at the year termination).

Being governed by a rationality principle, recording of the surplus part made from the increment of property value shall be carried out by the Company's branch in the balance of which this property is included.

Undistributed profit is spent by the Company for:

- write down of non-current assets in excess of sums of additional capital (cumulated from the particular inventory facility write up);
- correction of material errors of the previous reporting year;
- 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.

Accounts payable in relation to non-invoiced deliveries shall be entered in the sum of received values calculated proceeding from the price and conditions stipulated by the contracts.

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.

Interest and borrowing charges shall be recognized as other expenses of the corresponding reporting period. Loan charges and interests on credit that are subject to being included in the investment assets cost shall be treated as the exception to this procedure.

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.

Extra interest and borrowing charges shall be included in other expenses in the reporting period in which they have been incurred (without preliminary recording as deferrals and straight-line write-off to other expenses during the period of repaying a loan obligation).

Accounts payable when attracting the borrowed current assets by issuing the Company's own bill or bond placement shall be made up in the following way:

- when attracting borrowed current assets by issuing the Company's own bill (bond), at par value of a security. The interests accrued afterwards are entered separately as accounts payable till the moment of their payment to a lender;
- when attracting an interest-free loan by issuing the Company's own bill - at par value of a security. During the life of a loan the amount of accounts payable does not change;
- when attracting borrowed current assets by issuing the Company's own discount bond – in the sum of discount and owing sum that equals the par value of a security. During the life of a loan the amount of accounts payable does not change as well.

When issuing the bonds to make cash loan the sum of interests due to be paid to a bondholder or a discount shall be included in sundry expenses. These sundry expenses shall be recognized by the Company at the moment of their accrual. The total sum of interests due to be paid shall be charged for the past month on the last working day of each month. The Company shall not recognize these expenses as deferrals.

Business trip expenses are determined by local document of the Company – Regulation of business trips.

The Company makes provisions for doubtful accounts receivable. The provisions are made yearly on the basis of results of inventory of receivables, separately for each doubtful accounts receivable.

If the accounts receivable meet the following conditions they are considered as doubtful:

- debt formed in the result of recognition of revenue from Company's core activity;
- the debt is overdue for more than 3 months;
- the possibility of debt repayment is determined as low.

Provisions are formed from total sum of the debt that was determined as doubtful.

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.

Information on permanent and temporary differences subject to being entered in the accounts shall be produced on the basis of basic accounting documents and tax ledgers. In analytical accounting temporary differences shall be recorded differentially according to the types of assets and liabilities in the evaluation of which temporary difference has occurred.

Permanent differences shall be regarded as receipts and expenditures that:

- generate accounting profit (loss) of the reporting year and are excluded from the tax base computation of the reporting period as well as of the following period and lead to occurrence of permanent tax liability which is calculated as the product of permanent difference that has occurred in the reporting period and profit tax rate of the reporting period;
- are recorded when calculating the tax base on tax profit of the reporting period, but are not recognized for accounting purposes of reporting period as well as of ensuing reporting periods and result in formation of permanent tax asset (PTA) which is calculated as the product of permanent difference that has occurred in the reporting period and profit tax rate of the reporting period.

Recording of permanent tax differences shall be kept from above, by an accounting department of the Company’s executive bodies on the basis of data of tax ledgers that are submitted by the Company’s branches quarterly.

Temporary differences - receipts and expenditures generating accounting profit (loss) in one reporting period and the profit tax base – in the other or some other tax periods.

Temporary differences depending on the character of their influence on taxable profit shall be subdivided into:

- deductible temporary differences which lead to the formation of deferred tax asset reducing the tax profit that is to be paid at the budget during the ensuing reporting periods;

- taxable temporary differences which lead to the formation of deferred tax liability increasing the tax profit that is to be paid during the ensuing reporting periods.

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.

Records of tax profit calculations in accordance with RA 18/02 shall be maintained on the base of a software suite 1C: Enterprise and that is the reason why the Company has elaborated the chart of accounts of tax accounting and set up hereof correspondence to the chart of accounts of business accounting. Business transactions included for accounting purposes shall be simultaneously recorded as tax accounting entries. Monthly reconciliation of data of account and tax ledgers shall be carried out to confirm the equality:

BA data = data of TA + PD + TD

Till the moment of inclusion of the software 1C: Enterprise 8.1 by the Company's branches, the branches shall ensure the calculation recording in accordance with RA 18/02 by means of used software and prepare the tax ledgers according to forms, developed by the Company.

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 referred to the 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

Contingent liabilities (losses) shall be recorded in synthetic and analytic accounting as summary turnovers of the reporting period prior to the approval of the annual accounting report by building up the reserves. Contingent assets shall not be recorded in accounting but the information about them shall be disclosed in the explanatory note. Disclosure in the accounts of information on contingent facts shall be carried out on the basis of computation made by a structural subdivision (department, service, section) to which in accordance with the performed functions this event refers.

INFORMATION ON DISCONTINUED OPERATION

The 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.

The 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

CONSOLIDATED ACCOUNTING REPORT

The Company does not draw up the consolidated accounting report, which includes data from branches of the Company, on the basis of immateriality of data on branches for making the image of financial statement and results of Group’s activity.

Materiality of data of Company’s branches for consolidated accounting report is determined as 5% (stake of the capital of affiliated company in capital of the Group). The capital of affiliated Company is the balance of section IV “Capital and provisions” of the accounting balance as of the reporting date. The capital of the group is determined by simple summation of capital of all affiliates and “IDGC of the South”, JSC.

The materiality is counted yearly by the end of the reporting year.

Regulation on accounting policy of “IDGC of the South”, JSC for 2013 is published at website of the Company at <http://www.mrsk-yuga.ru>.

7.5. Data on total export amount and on export share in total amount of sales

Is not included in the current accounting period

7.6. Data on cost of real estate of the Issuer and essential changes which occurred in structure of property of the Issuer following the end date of the

last completed financial year

7.7. Data on the Issuer's Participation in Litigations if such Participation Can Have a Significant Impact on the Issuer's Financial and Economic Activities

1) “Volgogradenergosbyt”, JSC made a claim against “IDGC of the South” for recovering losses of electric energy from grids of the Issuer: 1 060 486 008. 21 rub.

The claim was not settled by the decision of Arbitrage of Volgograd dated 05.11.2009. By the decision of 12th arbitration court dated 20.12.2012 the claim is partially satisfied at the sum of 31 431 433.98 rubles was recovered. The proceedings have been suspended because of the arbitration scheduled. In instances Resolution on vacating the decision of the first appearance court is adopted and the claim of “Volgogradenergosbyt” JSC is sustained, the decision of the court shall take legal effect and shall be enforced. Execution of this judicial act may have a significant impact on financial and economic activity of the issuer.

2) “Khimprom”, JSC brought a suit to “Volgogradenergosbyt”, JSC on collection of cost of electric energy consumed during the period of absence of restrictions in regime of energy supply, the amount of collection - 264 453 445.61 rubles.

By the decision of Arbitrage court of Volgograd region dated 24.01.2011 the claim was satisfied without changes by the resolution of Twelfth arbitration court of appeal dated 12.04.2011. The fulfillment of the mentioned judicial action may have significant impact on issuer's business activity.

3) “Nizhnovatomenergosbyt” JSC produced a claim on collecting from the Company 588 681 52.79 rubles.

The claims are based on the application of the consequences of the invalidity of the transaction - the contract for the provision of services of power transmission, the court itself recognized as a result of the dispute on the so-called lease “last mile” (the agreement on the use of transmission facilities included in the unified national power grid (UNPG)). The claim was satisfied by Arbitration court of Rostov region on 05.12.2011. The decision upheld by decision of Fifteenth Court of Appeal dd. 06.02.2012. The execution of court decree is suspended by cassation court to the complaint.

By the decision of court dated 05.10.2012 the claim was satisfied to full extend in favour of “Nizhnovatomenergosbyt” JSC; 482 665.83 thousand rubles of unjust enrichment were collect in favour of “Nizhnovatomenergosbyt” JSC as well as 135 377.86 thousand rubles of interest on money had and received. Under order of the court of appeal dated 27.12.12 the decision was left without changes. The court order took legal effect. The Company issued a cassation appeal, implementation of court order was suspended. In case the cassation appeal is not satisfied, the court order should be subject to fulfillment. It can significantly influence the issuer's business activity.

4) “Rusenergosbyt” JSC initiated claim from “IDGC of the South” JSC

(“Rostovenergo”) of unjustifiable enrichment in the amount of 331 847 168.54 rubles, and also 55 733 630.94 rubles, interest for using foreign monetary funds.

By decision of Fifteenth Arbitrage court dated 02.07.2012 the claim was left without changes. By order of appellate instance arbitration court dated 27.06.2012 the decision of the court of the decision of trial court was left in power. By the order of cassation court dated 29.08.12 the decisions were cancelled and the case was taken for reconsideration to the trial court. Should the complaint be satisfied, it can significantly influence the issuer’s business activity.

5) “Rusenergosbyt” LLC filed sue on recovery from “IDGC of the South” JSC (“Rostovenergo” and “Volgogradenergo”) on recovery of unjust enrichment in amount 730 622.52 thousand rubles in 2010, as well as 146 568.18 thousand rubles of interest on money had and received.

The claim is under consideration of original jurisdiction of a court. Иск находится на рассмотрении суда первой инстанции. Legal proceedings are suspended. Should the sue claims be satisfied the business activity of the issuer may be influenced.

Issuer during the year preceding the date of the reporting quarter was a participant in a number of homogeneous trials belonging to the following groups:

- litigation to recover the cost of electric energy losses in the networks owned by the Issuer to the process of providing services for power transmission;
- litigation to recover the cost of electricity consumed in the absence of restrictions mode power consumption;
- litigation for the recovery of unjust enrichment.

VIII. Additional Data on the Issuer and Equity Securities Placed by the Issuer

8.1. Additional Data on the Issuer

8.1.1. Data on Amount and Structure of the Issuer’s Authorized (Share) Capital (Share Fund)

Amount of the Issuer’s authorized (share) capital (share fund) as of termination date of the last accounting quarter, rub: **4 981 109 606.4**

Ordinary shares

Total nominal value: **4 981 109 606.4**

Stake in authorized capital, %: **100**

Preferred

Total nominal value: **0**

Stake in authorized capital, %: **0**

Information on correspondence of the amount of authorized capital to the

amount specified in the paragraph should be specified:

The amount of authorized capital specified in the paragraph corresponds to constituting documents of the Company

8.1.2. Data on Adjustment of the Amount of the Issuer's Authorized (Share) Capital (Share Fund)

Changes in authorized capital did not occur.

8.1.3. Data on Order of Convening and Holding the Meeting of the Supreme Management Body of the Issuer

Name of the Issuer's supreme management body: General Shareholders Meeting.

Procedure for informing the shareholders (participants) about the meeting of the Issuer's supreme management body:

According to p. 11.5, clause 11 of the Charter of "IDGC of the South", JSC the message on General Shareholders Meeting is published by the Company in the newspaper "Novye Izvestiya" and placed on the corporate Internet website no later than 30 (thirty) days prior to the date of the shareholders meeting.

According to p. 11.6 of item 11 of the Charter of "IDGC of the South", JSC the voting ballots on the agenda of the meeting are sent via registered letter to the addresses from the list of persons entitled for participating in General Shareholders Meeting not later than 20 (twenty) days prior to the date of holding the General Shareholders Meeting.

Persons (bodies) authorized to convene (demand) the Extraordinary General Shareholders Meeting, and the order of submitting such applications:

According to pp. 14.2, 14.3, 14.4, 14.5 of clause 14 of the Charter of "IDGC of the South", JSC the Extraordinary General Shareholders Meeting shall be held on decision of Board of Directors (by the own initiative), by demand of the Company's Auditing Committee, the Company's Auditor, and a shareholder (shareholders) of the Company who holds at least 10 (ten) percent of the voting shares as of the date of the application.

Such General Shareholders Meeting shall be held within 40 (forty) days from the date of claim for holding Extraordinary General Shareholders Meeting of the Company, except for the case specified in p. 14.9 of clause 14 of the Company's Charter.

Items subject to including on the agenda of the meeting must be presented in the claim for holding Extraordinary General Shareholders Meeting.

Persons (a person) claiming for Extraordinary General Shareholders Meeting are entitled to introduce a project of the decision of Extraordinary General Shareholders Meeting, a suggestion on the form of holding the General Shareholders Meeting. In case the convocation proposal of Extraordinary General

Shareholders Meeting contain a suggestion of candidates nomination, such a proposal is subject to the regulations of clause 13 of the Charter “IDGC of the South” JSC.

The Company’s Board of Directors is not entitled to change the wording of agenda items, decisions on the items, to alter the suggested form of holding the Extraordinary General Shareholders Meeting convened on the proposal of the Company’s Audit Committee, the Company’s Auditor or a shareholder (shareholders) owning at least 10 (ten) percent of the Company’s voting shares.

Should the demand about convocation of the Company’s Extraordinary General Shareholders Meeting come from a shareholder (shareholders), it must contain the name of the shareholder (shareholders) demanding convocation of the Meeting and indication of quantity, category (type) of the Company shares they hold.

Procedure for terminating the date of the meeting of the Supreme Management Body of the Issuer:

According to clauses 11 and 14 of “IDGC of the South”, JSC Charter, Annual General Shareholders Meeting of the Company shall be held not earlier than two months prior to and not later than six months after the end of the financial year.

Extraordinary General Shareholders Meeting is conveyed upon demand of the Company’s Auditing Committee, the Company’s Auditor or shareholder(s) who own at least 10 (ten) percent of the Company’s shares shall be held within 40 (forty) days from the moment of submitting demand on carrying out the Extraordinary General Shareholders Meeting of the Company.

According to p.2, clause 55 of Federal Law “On Joint Stock Companies”, should the proposed agenda of Extraordinary General Shareholders Meeting contains item on election of members of the Company’s Board of Directors, General Shareholders Meeting shall be held within 70 (seventy) days from the moment of submitting demand for carrying out the Extraordinary General Shareholders Meeting.

Persons entitled to submit proposals to the agenda of the Issuer’s Supreme Management Body Meeting (proceedings), and submission procedure for such proposals:

According to clause 13 of the Charter of “IDGC of the South”, JSC shareholders (shareholder) of the Company owing in aggregate at least 2 (two) percent of the Company’s voting shares in the term not later than 60 (sixty) days after termination of the financial year are entitled to propose items for the agenda of Annual General Shareholders Meeting and to nominate candidates for Board of Directors and Auditing Committee of the Company, whereas the number of candidates must not exceed the quantitative structure of the corresponding authority.

Proposal to contribute items to agenda of the General Meeting of Shareholders and proposal on nomination should be made in written form with name(s) of shareholder(s) recommending the nominees, quantity and category (type) of shares

they hold indicated and should be signed by the shareholder(s).

Proposal to contribute items to agenda of General Meeting of Shareholders should contain wording of each of the items, and proposal on nomination should contain name and data of personal identification document (series and (or) number of the document, date and place of the issue, name of entity issuing the document) of each of the proposed candidates, name of body the person is nominated for.

The Company's Board of Directors is obliged to consider the received proposals and to make the decision on their inclusion on the agenda of General Shareholders Meeting of the Company or on refusal to include them on the specified agenda not later than 5 (five) days after termination of the term specified in p. 13.1 of clause 13 of the Company's Charter.

Board of Directors of the Company is entitled to refuse including the items proposed by the shareholder (shareholders) on the agenda of General Shareholders Meeting and also to refuse including the proposed candidates on the list of nominees for voting at election to the corresponding body of the Company on the bases stipulated by Federal Law "On Joint Stock Companies" and other legal statements of the Russian Federation.

Motivated decision of Board of Directors of the Company on refusal to include an item on the agenda of General Shareholders Meeting of the Company or to include a candidate on the list of nominees for voting at election to the corresponding body of the Company shall be sent to the shareholder (shareholders) who proposed the item or the nominee not later than 3 (three) days from the moment the decision was adopted.

The Company's Board of Directors is not be entitled to change the wording of the items proposed for inclusion in the agenda of General Shareholders Meeting, and the wording of decisions on such items (if available).

In addition to items proposed for inclusion to the agenda of General Shareholders Meeting by shareholders, and also in case of absence of such proposals, absence or insufficient quantity of the candidates proposed by shareholders for forming the respective body, Board of Directors of the Company is entitled to include items or candidates for the list of nominees on the agenda of General Shareholders Meeting at their own discretion.

Persons entitled to examine information (materials) provided for preparation and carrying out the meeting (proceedings) of the Supreme Management Body of the Issuer, and also the procedure of examination of such information (materials):

According to p. 11.7 of clause 11 of Charter of "IDGC of the South" JSC, the information (materials) on the agenda items of General Shareholders Meeting should be available to the persons entitled to participate in General Shareholders Meeting within 20 (twenty) days prior to, and in case of carrying out General Shareholders Meeting with agenda on reorganization of the Company – within 30 (thirty) days prior to carrying out General Shareholders Meeting, for examination in the office of the Company's Executive Body and other places the addresses of

which are specified in the message on carrying out General Shareholders Meeting. The specified information (materials) should be available during the meeting for the persons taking part General Shareholders Meeting.

Procedure for announcement (bringing to notice of shareholders (participants) information on the decisions taken by the Supreme management body of the Issuer, and the results of voting:

If the results of voting and decisions taken by the Company's General Shareholders Meeting were not announced at the General Meeting, then not later than 10 days after drawing up the minutes of meeting of voting results the decisions taken by the Company's General Shareholders Meeting as well as the voting results are brought to the notice of persons included on the list of persons entitled to participate in General Shareholders Meeting, in accordance with the procedure stipulated by the Charter of the Company for informing shareholders on carrying out General Shareholders Meeting unless otherwise specified by the Company Charter.

8.1.4. Data on the commercial entities in which the Issuer holds at least 5 percent of authorized (share) capital (share fund) or at least 5 percent of ordinary shares

List of commercial entities in which the Issuer holds at least 5 percent of authorized (share) capital (share fund) or at least 5 percent of ordinary shares

Full company name:

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

in English: **Open Joint Stock Company “Volgogradsetremont”**

Short company name: in Russian: OAO “Волгоградсельремонт”; in English: “Volgogradsetremont”, JSC

Location: 1a Granovitaya st, Volgograd, Russia

TIN: 3445067291

PRSN: 1043400418984

Issuer's stake in the authorized capital: 100.00%.

Stake of the commercial entity in the Issuer's authorized capital: 0%.

Stake of the Issuer's ordinary shares held by the commercial entity: 0%.

Full company name: **Open Joint Stock Company “Grechko A.A. Agriculture Enterprise”**

Short company name: “Grechko A.A. PSKh”, JSC

Location: 21 Teatralnaya st, village Kuibyshevo, Kuibyshevskiy district, Rostov

Area, Russia

TIN: 6117010611

PSRN: 1036117000798

Issuer's stake in the authorized capital: 100.00%

Issuer's stake of the ordinary shares: 100.00%

Stake of the commercial entity in the Issuer's authorized capital: 0%

Stake of the Issuer's ordinary shares held by the commercial entity: 0%

Full company name: **Open Joint Stock Company "Sokolovskoye Agriculture Enterprise"**

Short company name: "Sokolovskoye PSKh"; JSC

Location: 32 Kurskaya Str., settlement Sokolovo-Kurduchenskiy, Novoshakhtinsk, Russia;

TIN: 6151011887

PSRN: 1036151002667

Issuer's stake in the authorized capital: 100.00%

Issuer's stake of ordinary shares: 100.00%

Stake of the commercial entity in the Issuer's authorized capital: 0%

Stake of the Issuer's ordinary shares held by the commercial entity: 0%

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

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

Location: 3 Shkolnaya Str., village Shepsi, Tuapsinskiy district, Krasnodar Region, Russia

TIN: 2355016847

PSRN: 1032330762463

Issuer's stake in the authorized capital: 100.00%

Issuer's stake of ordinary shares: 100.00%

Stake of the commercial entity in the Issuer's authorized capital: 0%

Stake of the Issuer's ordinary shares held by the commercial entity: 0%

Full company name:

in Russian: **Открытое акционерное общество "Энергосервис Юга"**

in English: **Open Joint Stock Company “Energoservis Yuga”;**

Short company name: “Energoservis Yuga”; JSC

Location: 3 Shkolnaya Str., village Shepsi, Tuapsinskiy district, Krasnodar Region, Russia

TIN: 2355016847

PSRN: 1032330762463

Issuer’s stake in the authorized capital: 100.00%

Issuer’s stake of ordinary shares: 100.00%

Stake of the commercial entity in the Issuer’s authorized capital: 0%

Stake of the Issuer’s ordinary shares held by the commercial entity: 0%

8.1.5. Data on important transactions closed by the Issuer

For 2012

In the accounting period the Issuer did not make such transactions

For the accounting quarter

In the accounting period the Issuer did not make such transactions

8.1.6. Data on credit ratings of the Issuer

The Issuer is not informed about credit ratings assigned

8.2. Data on each category (type) of the Issuer's shares

Category of shares: ordinary

Nominal value of each share (rub): 0.1

Number of shares in circulation (amount of shares which are not redeemed or cancelled): 49 811 096 064

Number of additional shares in the process of placement (number of shares of additional issue, the report on the results of the issue on which has not been registered by state authorities): 0

Number of declared shares: 31 078 103 936

Number of shares on the Issuer’s balance: 0

Number of additional shares which can be placed after converting placed securities to shares or as the result of executing liabilities on the Issuer’s options: 0

Issues of shares of the category (kind):

Date of state registration	Registration Number
20.09.2007	No.1-01-34956-E

20.03.2008	No.1-01-34956-E-001D
20.03.2008	No.1-01-34956-E-002D
20.03.2008	No.1-01-34956-E-003D
20.03.2008	No.1-01-34956-E-004D
20.03.2008	No.1-01-34956-E-005D
20.03.2008	No.1-01-34956-E-006D

Shareholders rights on the shares

According to clause 6 of the Charter of “IDGC of the South” JSC, a shareholder of the Company is a person who holds the Company's shares on the principles provided by legislation of the Russian Federation and the Company’s Charter. Each ordinary registered share of the Company gives equal rights to the shareholder (the owner).

Shareholders-owners of ordinary registered shares of the Company have the following rights:

- to participate personally or through representatives in General Shareholders Meeting of the Company with a vote on all issues of his/ her competence;
- to enter proposals to General Meeting’s agenda in the order stipulated by legislation of the Russian Federation and the Charter;
- to get information on the Company’s activity and study the Company’s documents according to article 91 of Federal Law “On Joint Stock Companies”, other regulatory acts and the Charter;
- to get dividends declared by the Company;
- primary acquisition of additional shares placed by means of subscription and issue securities converted to shares in the number proportional to the number of ordinary shares belonging to them, in cases provided in legislation of the Russian Federation;
- in case of the Company's liquidation, to receive part of the property;
- to carry out other rights provided by legislation of the Russian Federation and the Company’s Charter.

The Company did not issue preferred shares.

The Issuer’s shares cross-held by subsidiaries and (or) affiliated companies: the Issuer’s subsidiaries and affiliates do not hold the Company’s shares.

Other data on shares provided by the Issuer:

According to notification from FFMS of Russia as of 12.08.2008 No.08-EK - 03/17099, individual numbers (codes) were cancelled: 001D state registration number 1-01-34956-E-001D dd 20.03.2008, 002D state registration number 1-01-34956-E-002D dd 20.03.2008, 003D state registration number 1-01-34956-E-003D

dd 20.03.2008, 004D state registration number 1-01-34956-E-004D dd 20.03.2008, 005D state registration number 1-01-34956-E-005D dd 20.03.2008, 006D state registration number 1-01-34956-E-006D dd 20.03.2008

8.3. Data on previous issues of securities of the Issuer except for shares

8.3.1. Data on issues all securities of which were repaid (cancelled)

Specified issues are absent

8.3.2. Data on issues securities on which are in circulation

Kind of security: bonds

Form of security: certificated, bearer

Series: 02

Nonconvertible interest-bearing certificated bonds with obligatory centralized deposit

The issue of securities is not subject to state registration: No

State registration number of securities issue: 4-02-34956-E

Date of state registration: 16.12.2008

Authority that registered the issue: FFMS of Russia

Number of securities issued: 6 000 000

The amount of securities issue at par value: 6 000 000 000

Par value: 1 000

In accordance with the legislation of the Russian Federation the presence of par value of this type of securities is not provided: No

State of securities: outstanding

State registration of the report on the issue has not been performed: Yes

Date of submission of the notification on the results of the securities issue: 16.12.2008

The amount of interest (coupon) periods over which the payment of interest (coupons, interest) on securities was made: 10

Time (date) issue securities repayment: 26.08.2014

Exact dates: Yes

Address of the website, which published the text of the decision to issue securities and the securities prospectus: www.mrsk-yuga.ru

Additional issues of securities: None

Securities of the issue were the secured bonds

Information on secured bonds

Information about the person that furnished the collateral

Full company name: Open Joint Stock Company "Agricultural Enterprise named after Grechko A.A."

Abbreviated name: "PSKh named after Grechko" JSC

Location:

21 Teatralnaya str., Kuibyshevo settlement, Kuibyshevskiy district, Rostov region
Russia 346940

VAT number: 6117010611

Primary State Registration Number: 1036117000798

Type of the security: Guarantee

Size (amount) provided (provided) to ensure: 6 000 000 000

The obligations from the bonds, the execution of which is ensured by providing
(provided) collateral: 6 000 000 000

Address of the website with the information on the person that furnished the
collateral:

rostovenergo.mrsk-yuga.ru/obyazatelnoe_raskrytie_informacii_dzo/oao_grechko

Other information on the entity hat furnished the collateral, as well as the security
provided, disclosed by the issuer at its own discretion: no other information

There are no unfulfilled obligations on bonds

8.4. Information about the Person (Persons) that Provided Security for the Issued Bonds

State registration number of bond issue:	Date of state registration
4-02-34956-E	16.12.2008

Person provided a bank guarantee or surety bond of Issuer must disclose the
provision of information in the form of quarterly reports, statements of material
facts, the consolidated accounts (consolidated financial statements): **No**.

Person provided a bank guarantee or surety bond of Issuer must disclose the
provision of information in the form of quarterly reports, statements of material
facts, the consolidated accounts (consolidated financial statements): **No**.

Person provided a bank guarantee or surety bond of Issuer to ensure, in the annex
to the quarterly report further disclosed the information to the extent provided by
sections I, II, III, IV, V, VI, VII, VIII of quarterly report for the Issuer of the
securities: **Yes**.

Information about the person who provided security.

Full official name: **“Agricultural Enetrprise named after A.A. Grechko”
JSC.**

Location

21 Teatralnaya str., village Kuybyshevo, Kuybyshevskiy district, Rostov Area,
Russia, TIN: 6117010611

PSRN: 1036117000798

Type of allowed security: **guarantee**

Amount of (sum) of allowed security: **6000000 RUR x 1000**

Liabilities on bonds which implementation is ensured by provided security:

6 000 000 000 rubles.

Web-site with information: **rostovenergo.mrsk-yuga.ru/obyazatelnoe_raskrytie_informacii_dzo/oao_grechko**

Other information on person that provided security on Issuer's bonds as well as on the security provided: **no other information.**

8.4.1. Conditions of fulfillment of obligations on mortgage-backed bonds

Issuer did not place mortgage-backed bonds liabilities on which were not executed

8.5. Information on entities recording the rights to the issued securities of the Issuer.

Person keeping the register of the Issuer's bearer securities holders: **Registrar**

Information on the Registrar

Full company name: **Open Joint Stock Company "Registrar R.O.S.T."**

Short company name: "Registrar R.O.S.T.", JSC

Location: 18/13 Stromynka St., Moscow, 107996

TIN: 7726030449

PSRN: 1027739216757

Data on the license for keeping the register of securities holders

Number: 10-000-1-00264

Issuing date: 13.12.2002

License validity term:

Without limitation of the period of validity

License issuing authority: FCSM (FFMS) of Russia

Date of commencement of keeping the register of the Issuer's bearer securities holders by the Registrar: 18.12.2010

The Issuer's certificated securities subject to compulsory centralized storage are in circulation:

Depositories

Full company name:

in Russian language - Закрытое акционерное общество "Национальный расчетный депозитарий",

in English language - The National Settlement Depository (Closed Joint Stock Company)

Sort company name: in Russian language - ЗАО НРД, in English language – NSD,

Location: Building 4, 1/13 Sredniy Kislovskiy per., Moscow, Russia 125009

TIN: 7702165310

PSRN: 1027739132563

Data on the license to carry out the depository activity in the securities market

Number: 177-10042-000100

Issuing date: 19.02.2010

License validity term:

Without limitation of the validity term

Name of the license issuing authority: FCSM (FFMS) of Russia

Data on the transfer agents of the Registrar working with Company's shareholders

1. Full company name	Separate subdivision of "R.O.S.T. Registrar", JSC in Volgograd
Location of transfer agent	9 Bogomoltsa St., Volgograd 4000
Other data on keeping the register of the Issuer's securities holders (entered at the Issuer's discretion)	Director: Rudenko Aleksandr Alekseevich Phone: (8442) 79-82-80 e-mail: volgograd@mail.rost.ru
2. Full company name	Krasnodar branch of "Registrar R.O.S.T.", JSC
Location of transfer agent	174 Krasnaya St., Krasnodar 350020
Other data on keeping the register of the Issuer's securities holders (entered at the Issuer's discretion)	Director: Cherniy Valeriy Pavlovich Phone: (861) 255-21-01 e-mail: pan_krasnodar@mail.ru

In 2012 the Company's Registrar was paid remuneration equal to 765 380.6 rubles, including:

- 134 520 rubles for rendering services on keeping and storing the register of bearer securities holders
- 401 288.65 rubles for preparation and holding the annual General Meeting of Shareholders.
- 229 571.95 rubles for preparation and holding the extraordinary General Meeting of Shareholders.

Information on agreements in respect of such payments in the current year:

In accordance with the terms of the contract on the provision of services on keeping the registry of securities, the remuneration paid by the Issuer to the Registrar for services for the maintenance and keeping of registry of securities holders in electronic form and on paper amounts to 134.520 (one hundred thirty-four thousand five hundred and twenty) rubles per year, including VAT at the rate stipulated by the legislation of the Russian Federation. Payment is made quarterly in equal parts of 33.630 (thirty-three thousand six hundred and thirty) rubles, including VAT at the rate stipulated by the legislation of the Russian Federation.

In the 1st quarter of 2013 the Company's Registrar "Registrar R.O.S.T0" was paid reward of 33.630 rubles for the provision of services for maintenance and keeping

the registry of securities.

8.6. Data on the acts regulating issues of import and export of capital that can influence distribution of dividends, interest and other payments to nonresidents

The main legislation acts regulating issues of capital import and export are:

- Federal Law dd 10.12.2003 N173-ФЗ “On Currency Regulation and Currency Control” (further amended and revised);
- Federal Law dd 09.07.1999 N 160-ФЗ “On Foreign Investment in the Russian Federation” (further amended and revised);
- Federal Law dd 25.02.1999 N 39-ФЗ “On Investment Activities in the Russian Federation Performed in the Form of Capital Investments” (further amended and revised);

Besides:

- Tax Code of the Russian Federation (part I)” dd 31.07.1998 N 146-ФЗ (revised and amended as of 01.01.2009);
- Tax Code of the Russian Federation (part II)” dd 05.08.2000 N 117-ФЗ;
- Federal Law dd 22.04.1996. N 39-ФЗ “On Securities Market”;
- Federal Law dd 10.07.02 N 86-ФЗ “On the Central Bank of the Russian Federation (Bank of Russia)” (revised and amended as of 10.01.2009);
- Federal Law dd 07.08.2001 N 115-ФЗ “On Counteraction of Legitimization (Laundering) Proceeds of Crime and Financing of Terrorism”;
- Instruction of the Central Bank of the Russian Federation dd 15.06.2004 N 117-И “On the Order of Document and Information Presentation by Residents and Nonresidents to the Entitled Banks in the Course of Currency Operations, on the Order of Currency Operations Reporting and Drawing-Up Transaction Certificates by the Entitled Banks” (further amended and revised);
- Letter of the Ministry for Taxes and Charges of the Russian Federation dd 04.09.2003 No.CA-6-04/942 “On Taxation of Dividends”;
- Letter of the Ministry for Taxes and Charges of the Russian Federation dd 16.06.2003 No.ПД-6-23/664 “On usage of the Article “Dividends” of Certain Agreements for the Avoidance of Double Taxation”;
- International agreements of the Russian Federation for avoidance of double taxation;

Other regulatory legal acts of the Russian Federation

8.7. Description of taxation scheme for the revenue on the Issuer’s securities that were placed and 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% (from 01.01.08)
Order and terms of tax payment	<p>The duty to subtract the sum of the tax from the income of the tax bearer and to discharge it to the corresponding budget is imposed to a Russian organization which is a source of income of the tax bearer in the form of dividends (tax agent).</p> <p>The accrued sum of the tax is subtracted directly from the income of the tax bearer at their actual payment. Tax agents are obliged to list the sums of the calculated and retained tax not later than the day of actual receipt of cash money resources in the bank for income payment, and also the day of the income transfer from the accounts of tax agents in bank into the accounts of the tax bearer or, under the commission, into the accounts of the third parties in banks.</p>	
Peculiarities of taxation order for this category of security holders	<p>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 calculated on the basis of the total sum of the tax and the part of each tax bearer's dividend in the total sum of dividends.</p>	<p>Elimination of the double taxation. For remission of tax payment, carrying out offset, reception of tax deductions or other tax benefits, the tax bearer should submit official documents to the tax bodies of the Russian Federation that show that he/she is a resident of the state with which during the corresponding tax period (or the parts) the Russian Federation concluded a contract (agreement) on avoidance of double taxation, and also the document on the received income and on payment of the tax by him/her outside of the Russian Federation approved by the tax body of the corresponding foreign state. Such documents may be presented both before tax payment and within one year after the termination of the tax period by the results of which the tax bearer applies for remission of the taxation, tax deductions or benefits.</p>

Legal and standard acts that stipulate the taxation order of this income	Tax Code of the Russian Federation, chapter 23 Tax on income of physical persons (revised and amended).
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II Taxation of incomes of physical persons under the placed securities conversion.

No.	Categories of security holders	
	Physical persons – RF tax residents	Physical persons who gain income from sources situated in RF and are not RF tax residents
Name of the income on the placed securities	Income (loss) from securities conversion calculated as a difference between the sums received from securities conversion and costs for acquisition, use and storage of securities made by the tax bearer and presented in the documents.	
Name of the securities income tax	Taxes on incomes of physical persons	
Tax rate	13%	30%
Order and terms of tax payment	Total sum of the tax to be paid in the budget is calculated on the basis of the tax declaration and paid to the residential place of the tax bearer no later than 15 July of the year following the past tax period	
Peculiarities of taxation order for this category of security holders		Elimination of the double taxation. For remission of tax payment, carrying out offset, reception of tax deductions or other tax benefits, the tax bearer should submit official documents to the tax bodies of the Russian Federation that show that he/she is a resident of the state with which during the corresponding tax period (or the parts) the Russian Federation concluded a contract (agreement) on avoidance of double taxation, and also the document on the received income and on payment of the tax by him/her outside of the Russian Federation approved by the tax body of the corresponding foreign state. Such documents may be presented both before tax payment and within one year after the termination of the tax period by the results of which the tax bearer applies for remission of the taxation, tax deductions or benefits.
Legal and standard acts that stipulate the taxation order of this income	Tax Code of the Russian Federation Chapter 23 “Tax on income of physical persons”.	

III Taxation of 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 for this category of security holders	Total sum of the tax is calculated as product of the tax rate and the difference between the sums of dividends that are subject to distribution between shareholders - residents, and the sum of the dividends received by the tax agent for the accounting period. In case the received difference is negative, the tax may not be paid, and there is no compensation from the budget. The sum of the tax which is 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 deduced under lowered rates.
Legal and standard acts that stipulate the taxation order of this income	Tax Code of the Russian Federation, chapter 25 “Tax on income of organizations”	

IV Taxation of 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
1. Name of the income on the placed securities	Income from security conversion operations	Income from sale of shares of Russian organizations, more than 50% of whose assets consist of real estate situated on the territory of the RF
2. Name of the securities income tax	Income tax	
3. Tax rate	20%	20%
4. Order and terms of tax payment	Sum of the tax by the results of the tax period is calculated by the tax bearer independently. The tax that is subject to payment after the tax period is paid not later than March 28 of the year following the expired tax period. Quarterly advance payments are paid no later than 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.	The obligation of determining the sum of the tax, deduction of this sum from the incomes of the tax bearer and tax transfer in the budget is imposed to a Russian organization or a foreign organization that performs activity in the Russian Federation through permanent establishment and pays the specified income to the tax bearer.

5. Peculiarities of taxation order for this category of security holders		At submitting documents by the foreign organization to the tax agent that prove that this foreign organization has permanent establishment in the state with which Russian Federation has international contracts regulating issues of taxation concerning income on which the international contract provides a preferential mode of taxation in the Russian Federation, before the date of the income payment, the source of payment is remitted from tax deduction or tax is deduced under lowered rates.
6. Legal and standard acts that stipulate the taxation order of this income	Tax Code of the Russian Federation, chapter 25 “Tax on income of organizations”	

8.8. Data on the declared (accrued) and paid dividends under the Issuer’s shares and also on revenue under the Issuer’s bonds

8.8.1. Data on the declared (accrued) and paid dividends under the Issuer’s shares for 5 last completed financial years or for each complete financial year if the Issuer carries out the activity less than 5 years.

During the specified period no decisions were taken on payment of dividends by the Issuer.

8.8.2. Issue of bonds on which for 5 last completed financial years preceding the date of the last reporting quarter termination and if the issuer carries out the activity fewer than 5 years – for each completed financial year preceding the date of termination of the last reporting quarter, the yield was paid.

Type of securities: bonds

Form of securities: documentary bearer bonds

Series: 02

non-convertible interest-bearing documentary bonds with obligatory centralized storage

State registration number of the issue: 4-02-34956-E

Date of state registration of the issue: 16.12.2008

Body that registered the issue: Federal Financial Market Service of Russia

State registration of the report on the results of the issue was not performed due to the fact that the issuer has used the right to present to registry body the notification on the results of securities issue at the simultaneous presence of the following conditions:

- 1) rendering by the broker services on placement of securities on the basis of the contract concluded with the issuer;
- 2) placement of securities by public subscription;

3) listing of the placed securities.

Notification on the results of issue of Bonds inconvertible interest bearing series 02 in amount of 6 000 000 (six million) with nominal price 1 000 (one thousand) rubles each with term of discharge - at 1820th day from the date of placement by open subscription, registration number 4-02-34956-E dated 16.12.2008 produced to FFMS on 08.09.2009

Number of bonds: 6 000 000

Nominal cost of each bond, rubles: 1 000

The amount of issue: 6 000 000 000

Basic information on the yield from bonds:

Coupon period on the bonds of series 02 is 182 days.

The interest rate on the coupon yield from the coupon from the 1st to 4th is equal to 17.5% per annum. The coupon yield due to payment for the 3rd period in the sum of 523 560 thousand rubles was transferred by paying agent of the Company (AlfaBank LLC) in the full volume.

In August 2011 the rate of the coupon for the 5th period was approved in amount of 8.1% per annum on bonds of 02 series (non-convertible interest bearing with centralized storage). Rates of 6th, 7th, 8th, 8th and 10th coupons are equal to the 5th coupon period. At the day of making the offer, at September 1, at MICEX CJSC there were 2 112 589 bonds bought for the total sum of 2 112 589 000 rubles. Among the 2 112 589 purchased bonds 670 267 bonds were sold to secondary market.

Amount of bonds possessed by holders as of March 31m 2012 is 4 557 678 bonds, nominal cost of each bond is 1 000 rubles.

In 2013 a coupon yield was paid out in amount of 184 084 614 rubles

8.9. Other Data

Data Disclosed Additionally According to Regulation on Information Policy of "IDGC of the South" JSC

Information on Committees attached to BoD, on the Activity of Committees

To examine issues from the Board of Directors competence were organized and approved committees of "IDGC of the South", JSC by the decision of Board of Directors (minutes No. 22/2009 dd. 11.02.2009; minutes No. 23/2009 dd. 02.03.2009, minutes No. 37/2009 dd. 04.12.2009):

- 1) Committee for Technological Connection to Electric Grids;
- 2) Audit Committee;
- 3) Committee for Personnel and Remuneration
- 4) Reliability Committee

5) Committee for Strategy, Development, Investments and Reforming

According to the approved regulations on committees the members of committees are elected for the period of Board of Directors reelection.

Authorities of any member of Committee could be early terminated by the decision of Board of Directors adopted by majority of votes of Company's Board of Directors.

According to regulations about the Committees, functions of Secretaries of the Committees are performed by Corporate Secretary, if decisions of committees do not stipulate any other cases. Secretary of all five committees is Ruzavin A.P.



Committee for Technological Connection to Electric Grids attached to Board of Directors of "IDGC of the South", JSC

The main purpose of Committee for Technological Connection to Electric Grids attached to Board of Directors of "IDGC of the South", JSC is provision of transparency of activity and nondiscrimination access to services of technological connection of consumers to electric grids of the Company.

The current personnel elected at IDGC of the South Board of Directors meeting dated 28.09.2012 (Minutes No. 95/2012 dd. 02.10.2012):

name	work place and position held as of the moment of electing
Polovnev Igor Georgievich, chairman of the Committee	Director in charge of finances at Non-profit organization Investor Protection Association
Karpenko Vadim Vladimirovich	Member of management Board, Deputy director general in charge of corporate management at "IDGC of the South" JSC

Aushev Artur Magometovich	Deputy Director General in charge of development and realization of services of “IDGC of the South”, JSC
Mazo Leonid Vladimirovich	Deputy Executive director in charge of development and relationship with customers of “Holding IDGC”, JSC
Repin Igor Nikolaevich	Deputy Executive director of Non-profit organization Investor Protection Association, member of BoD of “IDGC of the South”, JSC

Review of decisions adopted by Committee for Technological Connection in the 1st quarter of 2013:

6.03.2013,

Absentee voting
(Minutes no. 11
dd 6.03.2013)

- The results of monitoring of Company’s activity on issues for technological connection of customers to electric grids with consideration of particular groups of customers for 2012 were taken into consideration.
- It was decided to send to BoD of the Company the results of monitoring of Company’s activity on issues for technological connection of customers to electric grids with consideration of particular groups of customers for 2012.
- It was decided to terminate the authorities of Bykanov Aleksandr Sergeevich, Secretary of the Committee for technological connection to electric grids attached to the Board of Directors of IDGC of the South JSC and to appoint Ruzavin Aleksey Petrovich the Secretary of the Committee.

Audit Committee at Board of Directors of “IDGC of the South”, JSC

The main purpose of Audit Committee is provision of effective work of Board of Directors in solving issues. The Committee works out and presents recommendations (conclusions) to Company’s Boards of Directors in the sphere of audit and reports of the Company.

Personnel of the Committee elected at the Meeting of Board of Directors of “IDGC of the South” JSC on 28.09.2012 (Minutes No. 95/2012 dd. 02.10.2012)

name	work place and position held as of the moment of electing
Prokhorov Egor Vyacheslavovich, Chairman of the Committee	Director for Finance at “FGC UES” JSC Director for Finance at “Holding IDGC”, JSC Member of BoD at “IDGC of the South”, JSC
Katina Anna Yurievna	Deputy head of Department of corporate management and relationship with shareholders of

	“Holding IDGC”, JSC Member of BoD of “IDGC of the South”, JSC
Osipov Aleksandr Mikhailovich	Vice-president of all-Russian social organization “Delovaya Russia”, chairperson of Expert council, member of BoD of “IDGC of the South”, JSC
Shevchyuk Aleksandr Viktorovich	Deputy acting director general of Non-profit Partnership "Association for protection of investors' rights", member of “IDGC of the South” BoD
Filkin Roman Alekseevich	Co-director of representative office of Prosperity Capital Management Ltd (RF), member of “IDGC of the South” BoD
Repin Igor Nikolaevich	Deputy acting director of Non-profit Partnership "Association for protection of investors' rights", member of “IDGC of the South” BoD

In this quarter meetings of the committee were not held.

Personnel and Remuneration Committee at Board of Directors of “IDGC of the South” JSC

Personnel and Remuneration Committee is an advisory committee providing effective implementation functions of Company’s Board of Directors on administrative issues.

The task of the Committee is to work out recommendations (conclusions) to Board of Directors on the following activities: elaboration of principals and criteria of remunerations to Members of Board of Directors, Members of Collegiate Body and CEO; elaboration of offers on determining essential terms of contracts with Board of Directors members, members of collegiate body carrying out functions of sole executive body of the Company;

The current personnel elected at IDGC of the South Board of Directors meeting dated 28.09.2012 (Minutes No. 95/2012 dd. 02.10.2012):

name	work place and position held as of the moment of electing
Mangarov Yuri Nikolaevich, Chairman of the Committee	Deputy acting director – chief of stuff of “Holding IDGC”, JSC

Erpsher Natalia Ilynichna	Head of Organizational Development Department of "IDGC Holding", JSC
Chevkin Dmitry Aleksandrovich	Director of Human resources Department of "FGC UES", JSC
Grednyova Svetlana Borisovna	Head of Human resources Department of "Holding IDGC", JSC
Shevchyuk Aleksandr Viktorovich	Deputy acting director general of Non-profit Partnership "Association for protection of investors' rights", member of "IDGC of the South" BoD
Filkin Roman Alekseevich	Co-director of representative office of Prosperity Capital Management Ltd (RF), member of "IDGC of the South" BoD
Repin Igor Nikolaevich	Deputy acting director of Non-profit Partnership "Association for protection of investors' rights", member of "IDGC of the South" BoD

Review of decisions adopted by Personnel and Remuneration Committee in the 1st quarter of 2013:

- 1 11.02.2013, joint presence**
(Minutes of meeting No. 40 dd 12.02.2013)
- The BoD was recommended to Vashkevich V.F. Director General of "IDGC of the South" JSC for three years up to 13.02.2016 inclusive.
 - Labour contract terms were preliminary approved.
- 2 22.02.2013, absentee meeting**
(Minutes of meeting No 41 dd 25.02.2013)
- Khramtsev Denis Vladimirovich was approved for the position of deputy director general on corporate management of "IDGC of the South" JSC, and Pechenkin Nikolai Vladimirovich was approved for the position of head of department of internal audit and risks management of "IDGC of the South" JSC .
 - The BoD was recommended to terminate the powers of Akilin P.E., Vosmirko A.V., Karpenko V.V., Kuzhilin A.V., Company's Board members. To elect the following persons for the positions of members of Company's BoD: Fyodorov Nikolai Vladimirovich, deputy director general – director of branch of "IDGC of the South" JSC "Rostovenergo"; Savin Grigoriy Grigorievich, head accountant – head of department of maintenance of accounting and tax records and accounting of "IDGC of the South" JSC.
 - Tsygankov Andrei Anatolievich was approved for the

position of deputy director of branch – head of Body of the branch of “IDGC of the South”, JSC – “Astrakhanenergo”.

- The BoD was recommended to approve organization structure of Company’s executive body and introduce it from May 8, 2013.
- Vashkevich V.F., Director General of “IDGC of the South” JSC, was recommended to approve the organization structure of management body of “IDGC of the South” JSC branch – “Volgogradenergo”.

3 26.02.2013,
absentee
meeting
 (Minutes of
 meeting No 42
 dd 01.03.2013)

- The results of activity of Deputy Director General - Director of branch of “IDGC of the South” JSC – “Astrakhanenergo” were taken into consideration and recommendation to Director General were prepared.

Reliability Committee at Board of Directors of “IDGC of the South”, JSC

The task of the Committee at Board of Directors of “IDGC of the South” JSC is to work out and submit recommendations (conclusions) to the Company’s Board of Directors concerning the following activities of the Board of Director:

- Assessment of investment programs and plans of repair of power facilities, analysis of their implementation in terms of observance of complex reliability requirements;
- Assessment of completeness and sufficiency of activities on the basis of emergencies and major technological disturbances, as well as control over their implementation;
- Control and assessment of activities of technological services of the Company related to ensuring of complex reliability of work of grid and generating equipment and facilities and ensuring of normal state of fixed assets and informing on predictable reliability risks of their functioning;
- Analysis of activities on carrying out of contract and economic mechanisms of reliability management;
- Quarterly informing of Board of Directors on status of fixed assets of Company’s power facilities.

The current personnel elected at IDGC of the South Board of Directors meeting dated 28.09.2012 (Minutes No. 95/2012 dd. 02.10.2012):

name	work place and position held as of the moment of electing
Shpilevoy Sergey	Deputy Head of Production Supervision and Labour

Vladimirovich, Chairman of the Committee	Safety Department at “IDGC Holding”, JSC
Frolov Sergei Nikolaevich	Deputy chief engineer at “IDGC of the South” JSC
Pankov Dmitriy Leonidovich	Director for strategy, development and innovations at "IDGC Holding" JSC
Repin Igor Nikolaevich	Deputy acting director of Non-profit Partnership "Association for protection of investors' rights", member of “IDGC of the South” BoD
Sukhov Oleg Aleksandrovich	Deputy head of executive-technological management department – head of executive-situation office of “Holding IDGC”, JSC
Polovnyov Igor Georgievich	Financial director of Association for protection of investors' rights
Bespalov Aleksandr Vasilievich	Deputy head of Department of capital construction at “IDGC Holding” JSC

**Review of decisions adopted at the meetings of Reliability Committee at
Board of Directors of “IDGC of the South” JSC in the 1st quarter of
2013:**

- 1 22.02.2013,
absentee
meeting
(Minutes of
meeting No 22
dd 25.02.2013)**
- The BoD was recommended to approve the Plan of activities on introduction of production assets management system in the 3rd quarter of 2012.
 - The diction was adopted to terminate terms of office of Tykushin A.V. – secretary of the Committee and to appoint Ruzavin A.P. secretary of the Committee.

**The Committee for Strategy, Development, Investments and Reforming
attached to “IDGC of the South”, JSC Board of Directors**

The task of the Committee for Strategy, Development, Investments and Reforming attached to “IDGC of the South”, JSC Board of Directors is the elaboration and presentation of recommendations (conclusions) to Company’s Board of Directors on the following activities:

- 1) setting of priority directions, strategic goals and defining of the main principles of the Company’s strategic development;
- 2) assessment of efficiency of the Company’s activity;
- 3) enhancement of investment attractiveness of the Company, improvement of investment activity and making of reasoned investment decisions;

- 4) correction of existing strategy of the Company's development;
- 5) control over implementation of approved programmes, projects and process of reforming of the Company;
- 6) drawing up of recommendations on dividend policy.

The current personnel elected at IDGC of the South Board of Directors meeting dated 28.09.2012 (Minutes No. 95/2012 dd. 02.10.2012):

name	work place and position held as of the moment of electing
Pavlov Vadim Alekseevich, chairman of the Committee	Head of center for strategy , development and innovations at "IDGC Holding" JSC
Balaeva Svetlana Aleksandrovna	Head of Investments department at "IDGC Holding" JSC
Tsiku Ruslan Kimovich	Head of Business-planning department at "IDGC Holding" JSC
Akhrimenko Dmitry Olegovich	First deputy head of Department of corporate management and relationship with shareholders of "Holding IDGC", JSC
Isaev Valeriy Ivanovich	Head of Finance Department of "Holding IDGC", JSC
Filkin Roman Alekseevich	Co-director of representative office of Prosperity Capital Management Ltd (RF), member of "IDGC of the South" BoD
Shevchyuk Aleksandr Viktorovich	Deputy acting director general of Non-profit Partnership "Association for protection of investors' rights", member of "IDGC of the South" BoD
Samakhuzhin Karim Karimovich	Lead specialist – expert of corporate management office of Department of corporate management, pricing environment and auditing work in spheres of fuel and energy complex of RF Ministry of Energy
Karpenko Pavel Evgenievich	Member of management Board, deputy director general in charge of corporate management of "IDGC of the South", JSC
Akilin Pavel Evgenievich	Member of management Board, deputy director general in charge of economic and finance of "IDGC of the South", JSC
Repin Igor Nikolaevich	Deputy acting director of Non-profit Partnership "Association for protection of investors' rights", member of "IDGC of the South" BoD

Review of decisions adopted in the 1st quarter of 2013 by Committee for strategy, development, investments and reforming attached to IDGC of the South BoD:

22.02.2013,
1 absentee
meeting
 (Minutes of
 meeting No. 49
 dd 25.02.2013)

The following report of activating director general of the company were taken into consideration:

- report on implementation in the 3rd quarter of 2012 the Plan of activities on reducing accounts receivable for services of energy transmission and settlement of disputes

occurred as of 01.07.2012.

- report on implementation in the 3rd quarter and 9 months of 2012 the Programme on energy saving and increasing energy efficiency;
- report on implementation in the 3rd quarter 2012 the annual purchasing programme of IDGC of the South JSC;
- report on the process of implementation of programme of perspective development of energy metering systems in the 3rd quarter and 9 months of 2012;
- report on technical audit of fiber-optic lines in the 3rd quarter of 2012;
- The results of implementation of key performance indicators in the 3rd quarter of 2012 were approved;
- Term of office of Kuznetsova L.N. as secretary of the Committee was terminated. Ruzavin A.P. was appointed secretary of the Committee.

04.03.2013,
2 absentee
meeting
 (Minutes of
 meeting No.50
 dd 06.03.2013)

- Company Board of Directors was recommended to approve the restated Regulations on investment activity of IDGC of the South JSC;
- Company Board of Directors was recommended to approve the conditions of formation of investment programmes of IDGC of the South JSC.

Minutes of meeting of the Committee for strategy, development, investments and reforming attached to IDGC of the South BoD are published at: http://mrsk-yuga.ru/corporate_management/kom_sov_direct/

Statistic Information on the Company's Shareholders Including the Amount of Shareholders, Balance of Amount and Stake of Residents and Non-Residents, legal Entities and Individuals in the Authorized Capital

	Company's shareholders amount as of 31.03.2013	Shares amount, items	Stake in authorized capital, %
Individuals	9 133	1 447 606 118	2,91
including non-residents	41	10 743 415	0,02
Legal persons	81	64 237 046	0,13
including non-residents	9	14 679 869	0,03
Publicly owned shares	2	70 456 639	0,14
Nominee holders	5	48 228 796 261	96,82
TOTAL:	9 221	49 811 096 064	100

Description of the Issuer's Organizational Structure and Basic Functional Relations

between the Key Operational Subdivisions

From 01.04.2012 a new corporate structure of “IDGC of the South”, JSC approved by decision of Board of Directors (minutes No. 84/2012 dd. 19.03.2012) is valid.

Organizational structure meets the requirements of the key shareholder to the organizational structure of the operational company. The main sectors of the Company’s activity are divided into functional blocks managed by Deputy CEOs of the Company:

- Economy and finance;
- Service Sales Department;
- Investments capital construction, logistics and inventory;
- Technical block;
- Corporate management, property management, consolidation of electric grid assets and legal support;
- HR department, administrative services, transport and documents departments;
- Security and state secret protection
- Sector for energy saving and energy efficiency.

The key sectors are attached to independent structural units directly subordinate to The Company’s Chief Executive Officer:

- Accounting and Tax Department;
- Logistics and Inventory Department
- Information Technologies Department;
- Department of Internal Audit and Risks Management;
- Technical Inspection Department;
- PR-department;
- Quality Management Department
- Department for Preparedness Activity

In the organizational structure, Deputy CEOs - branch CEOs - are represented who (on the basis of powers of attorney issued by the Company’s CEO) exercise management of the following branches of the Company founded according to the decision of the Company’s Board of Directors (minutes No.6/2008 dd 11.01.2008):

- “Astrakhanenergo” branch of «IDGC of the South”, JSC (32 Krasnaya Naberezhnya st, Astrakhan, 414000);
- “Volgogradenergo” branch of «IDGC of the South”, JSC (15 prospect Lenina, Volgograd, 400066);

- “Kalmenergo” branch of «IDGC of the South», JSC (Northern industrial area, Elista, Republic of Kalmykia, 358007);
- “Kubanenergo”, JSC branch of “IDGC of the South”, JSC (2 Stavropolskaya str., Krasnodar 350033)
- “Rostovenergo” branch of «IDGC of the South», JSC (49 Bolshaya Sadovaya st, Rostov-on-Don, 344002).

Organization plan of “IDGC of the South”, JSC is made available at corporate website of the Company at:

http://www.mrsk-yuga.ru/company/organizational_structure.

News and Events

Board of Directors of Open joint stock company “Interregional distribution grid company of the South” elected Vashkevich V.F. for the position of director general up to 2016.

	Publication date	News	Published at
1	10.01.2013	Specialists of IDGC of the South fully restored electricity supply to consumers in Volgograd region Working in extreme weather conditions caused by the snowstorm and gusty wind, the specialists of the branch of IDGC of the South JSC – “Volgogradenergo” fully recovered energy supply to consumers of Staropoltavskiy and Pallasovskiy districts of Volgograd region	Corporate webpage and newspaper of IDGC of the South JSC, regional and federal mass media
2	10.01.2013	IDGC of the South JSC has provided reliable electricity supply to consumers during the New Year's holidays Specialists of IDGC of the South have provided a reliable power supply to consumers during the holiday season	Corporate webpage and newspaper of IDGC of the South JSC, regional and federal mass media
3	11.01.2013	The investment program of the Volgograd branch of IDGC of the South JSC has increased reliability of the electric grid complex of the region During 2012 more than 120 modern vacuum circuit breakers instead of outdated oil-insulated at were installed 19 key power substations by specialists of the branch of IDGC of the South – “Volgogradenergo”	Corporate webpage of IDGC of the South JSC, Corporate webpage of IDGC Holding JSC
4	18.01.2013	Specialists of IDGC of the South were second in Russian competitions of professional skills among maintenance crews of FGC UES and	Corporate webpage and newspaper of IDGC of the South JSC, regional and

		IDGC Holding IDGC of the South JSC completed the work on forming the basis of talent pool of young professionals	federal mass media
5	18.01.2013	The work of specialists of IDGC of the South was highly appreciated by “FGC UES” JSC In Moscow under the guidance of Oleg Budargin, chairman of the management board of FGC UES JSC, took place a Russian conference meeting with participation of FGC UES JSC , IDGC Holding JSC and regional branches	Corporate webpage and newspaper of IDGC of the South JSC, regional and federal mass media
6	28.01.2013	Vladimir Vashkevich, head of IDGC of South, personally led the control centre in the Azov district of Rostov region for elimination of consequences of bad weather Vladimir Vashkevich, acting general director of IDGC of the South JSC, arrived in Azov and ran the work of the control centre for elimination of consequences of bad weather in Rostov region	Corporate webpage and newspaper of IDGC of the South JSC, regional and federal mass media
7	06.02.2013	An employee of the branch of IDGC of the South – “Rostovenergo” received the award of the Government of the Rostov region By the decree of Vasily Golubev, Governor of Rostov Region, for courage, dedication shown in the line of duty, a large contribution to the security of the inhabitants of the Rostov region, Vladimir Bulgakov, advisor of the director of the branch of IDGC of the South – “Rostovenergo” was awarded the Order of Ataman Platov	Corporate webpage and newspaper of IDGC of the South JSC, regional and federal mass media
8	13.02.2013	IDGC of the South JSC has confirmed compliance with international standards The certification audit of IDGC of the South JSC is completed - an accreditation body SAS (Switzerland) checked and approved the results of the audit and agreed on the approval and issuance of relevant certificates	Corporate webpage and newspaper of IDGC of the South JSC, regional and federal mass media
9	05.03.2013	The Council of Young Professionals of IDGC of the South has made plans for 2013 The first in 2013 meeting of the Council of Young Professionals of IDGC of the South was held. The agenda was: summarizing the results of previous year, discussing plans for the current year, the formation of the Council	Corporate webpage and newspaper of IDGC of the South JSC, regional and federal mass media
10	06.03.2013	IDGC of the South JSC held a press conference of Vaskevich V.F., director general, on the results of 2012 and plans for the near future On March 6, 2013 in Rostov-on-Don at the Executive Office of the Interregional Distribution Grid Company of the South general director Vladimir Vaskevich gave a press conference to	Corporate webpage and newspaper of IDGC of the South JSC, regional and federal mass media

		media of the Southern Federal District	
11	13.03.2013	<p>IDGC of the South JSC is building a new substation under the project of technological connection of KTK pump stations in the Republic of Kalmykia</p> <p>On the territory of the Republic of Kalmykia in Chernozemelsky region construction of 110 kV substation - "HPS-2" is in progress, which transformer capacity will be 80 MVA. Construction is carried out by IDGC of the South JSC in the framework of the investment project for technical connection of pumping stations KTK-R</p>	Corporate webpage and newspaper of IDGC of the South JSC, regional and federal mass media
12	20.03.2013	<p>Specialists of IDGC of the South JSC are ready for the flood season</p> <p>As a part of preparation to the flood period the staff of IDGC of the South held a large-scale work to ensure the safe operation of equipment</p>	Corporate webpage and newspaper of IDGC of the South JSC, regional and federal mass media
13	29.03.2013	<p>The specialists of IDGC of the South JSC liquidated technological disturbances in grid complex of Rostov region caused by the unfavorable weather</p> <p>At 8:00 a.m. on March 29 IDGC of the South JSC has canceled an alert regime in the distribution grid complex of Rostov region. No massive blackouts occurred. All consumers receive energy supply by a standard scheme. To supply with electricity several socially important facilities back-up power supply was used.</p>	Corporate webpage and newspaper of IDGC of the South JSC, regional and federal mass media
14	29.03.2013	<p>IDGC of the South JSC participates in theoretical and practical workshops on R&D works in the distribution grid complex</p> <p>On March 28 at one of the oldest universities in the South of Russia - South Russian State Technical University (Novocherkassk Polytechnic Institute) in Novocherkassk of Rostov region a scientific workshop "Creating task-oriented subjects of research and development activity in the distribution complex" was opened. The event was held by the initiative of IDGC Holding JSC with the support of SRSTU (NPI).</p>	Corporate webpage and newspaper of IDGC of the South JSC, regional and federal mass media

Brief Description of the Company's Principal Internal Regulations

Corporate governance within the Company is based on respect of rights and lawful interests of the shareholders, investors and other interested parties; It is carried out in accord with current legislation of the Russian federation, Charter of "IDGC of the South" JSC and other local enactments regulating activities of the executive

bodies.

Practical corporate governance is regulated by the Charter and internal documents of the Company, including:

No.	Name of the internal document	Description	Data on the approval of the internal regulations by management bodies of the Company
1.	Regulation on the procedure for preparation and convening of a General Shareholders Meeting of "IDGC of the South", JSC (redrafted)	The document specifies the order of convening, preparation, holding of the shareholders' meetings and also interaction of the operating bodies of the meetings.	Approved by decision of annual general meeting of shareholders of "IDGC of the South", JSC dd 15.06.2011 (Minutes No. 5 dd 17.06.2011).
2.	Regulation on the order of convening and holding the meetings of Board of Directors of "IDGC of the South", JSC (redrafted)	The document specifies the order of convening and holding of Board of Directors meetings, and rights, duties and responsibilities of the members and the company's Corporate secretary.	Approved by decision of annual general meeting of shareholders of "IDGC of the South", JSC dd 18.06.2012 (Minutes No. 7 dd 21.06.2012).
3.	Regulation on Management Board of "IDGC of the South" JSC (redrafted)	The document regulates the order of forming the Management Board, convening and holding the meetings, taking decisions, and rights, duties and responsibilities of the members	Approved by decision of annual general meeting of shareholders of "IDGC of the South", JSC dd 15.06.2011 (Minutes No. 5 dd 17.06.2011).
4.	Regulation on "IDGC of the South", JSC Auditing Committee	The document specifies the objectives, the terms of activity of the Audit committee, regulates the issues of the interaction with the Company's management authorities, also schedules the rights and duties of the members of the Audit committee.	Approved by decision of sole shareholder RAO "UES of Russia", JSC (Minutes of the Management Board meeting of RAO "UES of Russia", JSC No.1751 ord/4 dd 05.10.2007).
5.	Regulation on paying remunerations and compensations to "IDGC of the South", JSC members of Board of Directors	The document specifies the amount and the order of payments and compensations to the members of Board of Directors (except for the members of Board of Directors holding simultaneously positions of CEO and/or members of Management Board).	Approved by decision of the annual General Shareholders Meeting of "IDGC of the South", JSC dd 30.05.2008 (Minutes No.1 dd 04.06.2008)
6.	Regulation on paying remunerations and compensations to the members of the "IDGC of the South", JSC Auditing Committee	The document specifies the amount and order of paying remunerations and compensations to the members of Auditing Committee.	Approved by decision of annual General Shareholders Meeting of "IDGC of the South", JSC dd 30.05.2008 (Minutes No.1 dd 04.06.2008)
7.	Regulation on "IDGC of the South", JSC Corporate secretary	The document determines the status, competence, rights and responsibilities of the Corporate secretary of the	Approved by decision of Board of Directors of "IDGC of the South", JSC on 11.09.2009

	(new revision)	Company's Board of Directors, as well as the order of his election and paying remunerations to him	(Minutes No.34/2009 dd 14.09.2009)
8.	Redrafted Code of Corporate Governance of "IDGC of the South", JSC	The document specifies the Company's assumed liabilities in the sphere of ensuring transparency of the Company's management and conforming to standards of proper corporate management	Approved by decision of Board of Directors of "IDGC of the South", JSC (Minutes No.32/2009 dd 21.08.2009)
9.	Regulation on "IDGC of the South", JSC insider information	The document defines the concepts of "insider", "insider information" of the Company, determines the order of protection, use and distribution of insider information.	Approved by decision of Board of Directors of "IDGC of the South", JSC (Minutes No.78/2011 dd 29.12.2011)
10.	Regulation on informational policy of "IDGC of the South", JSC	The document determines rules and regulations of information disclosure, the list of information sources and documents subject to disclosure to shareholders, creditors, investors-to-be and other persons, as well as specifies the order, terms of disclosure and presentation of the specified information.	Approved by decision of Board of Directors of JSC "IDGC of the South" (Minutes No.2/2007 dd 03.09.2007). (Amendments to the Regulations are approved by the decision of Board of Directors of "IDGC of the South", JSC (Minutes No.12/2008 dd 18.04.2008)
11.	Regulation on organizing purchase of goods, works and services with total value up to 500 thousand rubles.	The document stipulates requirements for the procedure of studying the market situation and price analysis, selection of suppliers with regard to their ability to supply goods, works and services in the process of purchasing of goods, works and services in "IDGC of the South", JSC the structural and detached divisions.	Approved by Order of CEO of "IDGC of the South", JSC No.133 dd 11.06.2008 "On approving regulations on organizing purchases of goods, works and services with the cost up to 500 thousand rubles"
12.	Regulation on option programme of "IDGC of the South", JSC	The document determines the order and terms of acquiring the Issuer's shares by the employees	Approved by decision of Board of Directors of "IDGC of the South", JSC (Minutes No.16/2008 dd 23.07.2008).
13.	Regulation on the procedure of scheduled purchase of goods, works, services for the needs of "IDGC of the South", JSC (new version)	The document regulates the procedures of purchase of any goods, works, services (at the expense of the Company) with the cost of over 500 thousand rubles without VAT)	Approved by Order of BoD of "IDGC of the South" JSC (Minutes No. 78/2011 dd 29.12.2012) with consideration for changes dd 23.04.2012 (Minutes No. 85/2012 dd 26.04.2012)
14.	Regulation on dividend policy of "IDGC of the South", JSC in new version	The document determines the system of relations and principles for calculating dividends, order and terms of their payment, and the Company's responsibility for failure to carry out liabilities of paying dividends.	Approved by decision of Board of Directors of "IDGC of the South", JSC (Minutes No53/2010 dd 01.09.2010).
15.	Regulation on procedures of internal	The document determines goals and objectives of internal control	Approved by decision of Board of Directors of "IDGC of the

	control of “IDGC of the South”, JSC	procedures, and the report form for the Audit Committee attached to Board of Directors of “IDGC of the South”, JSC	South”, JSC (Minutes No.22/2009 dd 11.02.2009)
16.	Regulation on the Committee for Technological Connection to Electric Grids attached to Board Directors of “Interregional Distribution Grid Company of the South”, Open Joint Stock Company	The document regulates the order of forming the Committee, rights and responsibilities of the members, the order of holding the Committee’s meetings, and the cooperation with Company management authorities and other persons.	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes No.22/2009 dd 11.02.2009)
17.	Regulation on contractual work organizing in “IDGC of the South”, JSC	The document determines the unified order of concluding contracts, amending and revising the contracts, order of their suspension and storage.	Approved by Order of CEO of “IDGC of the South”, JSC No.137 dd 22.03.2011 “On Regulations on organizing contractual work in “IDGC of the South”, JSC
18.	Procedure for cooperation of “IDGC of the South”, JSC with economic entities which “IDGC of the South” JSC is holding it shares (parts)	The document determines the common terms of corporate interaction of the Company with the SACs, including the issues of organizing and auditing of corporate activities on consideration of issues where the Company (Company’s representatives) should declare the position	Approved by the decision of Board of Directors of “IDGC of the South”, JSC (Minutes No24/2009 dd 10.03.2009)
19.	Regulation on additional benefits, guarantees and compensations for the employees of “IDGC of the South”, JSC executive office	The document is worked out with the purpose of providing social security of the employees of “IDGC of the South”, JSC executive office.	Approved by Order of CEO of “IDGC of the South”, JSC dd No.589 29.29.2011 “On approving Regulations on additional benefits, guarantees and compensations for the employees of “IDGC of the South”, JSC executive office
20.	Regulation on Committee for Strategy, Development, Investment and Reform attached to Board of Directors of Open Joint Stock Company “Interregional Distribution Grid Company of the South”.	The document is worked out to provide effective performance of Board of Directors regarding issues of the competency. The document determines the Committee Meeting procedure, the rights and obligations of Committee members and the order of drawing up recommendations (conclusions) regarding issues of the competence.	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes No.37/2009 dd 04.12.2009)
21.	Regulation on Personnel and Remuneration	The document is worked out to provide effective performance of Board of Directors of the functions	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes

	Committee attached to Board of Directors of Open Joint Stock Company “Interregional Distribution Grid Company of the South” (New version)	regarding general management of the Company activities. The document determines general regulations, goal and objectives of Committee, the structure of Committee, the rights and obligations of Committee members and procedures of Committee meeting.	No.52/2010 dd 06.08.2010) with consideration for changes dd 06.04.2011 (Minutes No. 61/2011 dd 08.04.2011)
22.	Regulation on Audit Committee attached to Board of Directors of Open Joint Stock Company “Interregional Distribution Grid Company of the South” (new version)	The document is worked out to provide effective performance of Board of Directors of the functions regarding general management of the Company activities. The document determines general regulations, goal and objectives of Committee, the structure of Committee, the rights and obligations of Committee members and procedures of Committee meeting	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes No.94/2012 dd 24.08.2012)
23.	Regulation on Reliability Committee attached to Board of Directors of Open Joint Stock Company “Interregional Distribution Grid Company of the South”	For the purpose of effective performance of Board of Directors, the current document determines the procedure of Committee meeting, rights and obligations of Committee members and the order of drawing up recommendations(conclusions) regarding issues of the competence	Approved by decision of Board of Directors of “IDGC of the South”, JSC (Minutes No.37/2009 dd 04.12.2009)
24.	Regulation on payment of remunerations and compensations to members of Audit Committee attached to BoD of “IDGC of the South”, JSC	The documents fixes the amount and procedure of paying remunerations and compensations to members of the Committee	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.39/2010 dated 05.02.2010)
25.	Regulation on payment of remunerations and compensations to members of Personnel and Remuneration Committee attached to BoD of “IDGC of the South”, JSC	The documents fixes the amount and procedure of paying remunerations and compensations to members of the Committee	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.39/2010 dated 05.02.2010)
26.	Regulation on payment of remunerations and compensations to members of Reliability Committee attached to BoD of “IDGC of the South”, JSC	The documents fixes the amount and procedure of paying remunerations and compensations to members of the Committee	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.39/2010 dated 05.02.2010)
27.	Regulation on payment of remunerations and compensations to members of Committee	The documents fixes the amount and procedure of paying remunerations and compensations to members of the Committee	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.39/2010 dated 05.02.2010)

	for Strategy, Development, Investments and Reforming attached to BoD of “IDGC of the South”, JSC		
28.	Regulation on Paying Remuneration and Compensation to members of the Committee for Strategy, Development, Investments and Restructuring at Board of Directors of “Interregional Distribution Grid Company of the South”, Open Joint Stock Company	The document determines amount and procedure for paying remuneration and compensation to members of the Committee for Strategy, Development, Investments and Restructuring at Board of Directors of “IDGC of the South” JSC	Approved by the decision of Board of Directors of “IDGC of the South” JSC (Minutes No. 39/2010 dd. 05.02.2010)
29.	Regulation on payment of remunerations and compensations to members of Committee for Technological Connection to Electric Grids attached to BoD of “IDGC of the South”, JSC	The documents fixes the amount and procedure of paying remunerations and compensations to members of the Committee	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.39/2010 dated 05.02.2010)
30.	Risks management policy of “IDGC of the South”, JSC	The document determines the basic principles of organization, implementation and control of processes of risks management at “IDGC of the South”, JSC	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.47/2010 dated 11.06.2011)
31.	Internal control policy of “IDGC of the South”, JSC	The document determines the obligatory for observance basic principles of organization of internal control system at “IDGC of the South”, JSC	Approved by the decision of “IDGC of the South”, JSC Board of Directors (minutes No.47/2010 dated 11.06.2011)

The abovementioned internal documents of the Company are worked out according to the legislation of the Russian Federation and the Company’s Charter and consider basic regulations of Corporate Conduct Code recommended to implementation by FSEC (Executive order of FSEC dd 04.04.02 No.421/r); the documents are made available on the Company’s website at: http://www.mrsk-yuga.ru/corporate_management/documents/

Information on corporate management estimation

December 16, 2011 Consortium of the Russian institute and Directors and the rating agency “Expert RA” rated “IDGC of the South”, JSC for corporate

management as NPCM 6+ (“Developed practice of corporate management”) (in 2009 – 5+, in 2010 – 6+).

This class of rating mark certifies that “IDGC of the South”, JSC corporate management practice is assessed as exposed to low risks of corporate management. “IDGC of the South”, JSC fulfills all the requirements of the Russian legislation in the sphere of corporate management, observes the majority of recommendations of Russian Corporate management Code and some recommendations of global corporate practice.

Subsidiaries of “IDGC of the South”, JSC were not rated for corporate management

The report on corporate management at “IDGC of the South”, JSC is available at Company’s website at: <http://en.mrsk-yuga.ru/management/ratings/>

Dividend policy of the Company

Dividend policy is the system of relations and principles of determination of dividend amount, procedure and terms of payment, and likewise of establishment the responsibility of the Company for non-fulfillment of the obligations for payment of dividends.

The Company is striving along with capitalization growth to increase the amount of paid dividends on the basis of gained net profit for the accounting financial year and the necessities of development of production and investment activity of the Company.

Dividend policy is based on the balance of interests of the Issuer and the shareholders while determination the amount of dividend payments, respect and strict adherence the shareholders rights stipulated by current legislation of the Russian Federation, the Charter and internal documents of the Issuer and intended for the increase of investment attractiveness, capitalization and shareholder value of the Issuer.

Regulation on Dividend policy of Open Joint Stock Company “Interregional Distribution Grid Company of the South” in new edition was approved by Company’s Board of Directors on 31.08.2010 (minutes No. 53/2010 dd. 01.09.2010) as per the Civil Code of RF, Federal Law No. 208-FZ (Federal law) “On Joint Stock Companies” dated 26.12.1995, legal acts of RF, Charter of “IDGC of the South”, JSC as well as recommendations of Corporate Management with purposes to:

- provide transparency of mechanism of defining the volume of dividends,
- inform shareholders and other interested persons about dividend policy of the Company.

Information about Transactions Concluded by IDGC of the South and State Companies

In the reported quarter the Issuer has concluded 757 transactions with state-owned companies; total transaction amount inclusive of VAT equals to 44 853 730.57 rubles.

Subjects of transactions closed with state-owned companies in the reported quarter are as follows:

- Rendering technological connection services
- Rendering electricity transmission services;
- Opening of revolving credit line;
- Rendering general and new postage services;
- Rendering services for periodic medical examinations;
- Rendering services for hard domestic waste removal;
- Land and estate property renting;
- Provision of services for a fee;
- Rendering services for training and professional development of personnel;
- Real estate leasing and other

The following transactions have not been closed in the reported quarter:

Issuer's transactions with its shareholders, holding at least 5% of the voting shares;
With members of Company Management board

Quarterly review of transactions concluded by “IDGC of the South” JSC and its affiliates (“Astrakhanelektrosetremont” JSC, “Volgogradsetremont” JSC, “Agriculture Enterprise named after Grechko” JSC, “Agriculture Enterprise Sokolovskoye” JSC, “Recreation Centre “Energetik” JSC and “Energoservis Yuga” JSC) in the 1st quarter of 2013

1. Intra-group and major transactions:

No.	No. and date of the document	Contractors	Sum, rubles	Transaction content	Date and No. of minutes of meeting governing body meeting the transaction was approved at
1.1. With Subsidiaries and Affiliates of “IDGC of the South” JSC:					
Transactions were not concluded					
1.2. With governing bodies' members of the Subsidiaries and Affiliates with ‘IDGC of the South’ JSC:					
Transactions were not concluded					
1.3. With “IDGC of the South” JSC or its shareholders holding at least 5% of voting shares of “IDGC of the South” JSC:					
Transactions were not concluded					

1.4. Transactions (groups of associated transactions) commitments for which amount to at least 10% of book value of assets of Subsidiaries and Affiliates according to their balance sheet for the previous completed accounting period:

Transactions were not concluded

2. Transactions with state-owned (municipal) companies:

	No. and date of the document	Contractors	Sum, rubles	Transaction
Transactions were not concluded				

Information on business activity of Company's affiliated and subsidiary companies

As of 31.03.2013 "IDGC of the South" JSC is founder of 5 companies, in each company it holds 100% of voting shares:

- "Volgogradsetremont" JSC
- "PSKh named after Grechko" JSC
- "PSKh Sokolovskoye" JSC
- "Recreation Centre "Energetik" JSC
- "Energoservis Yuga" JSC

"Energoservis Yuga" JSC

Core activities of the Company are: repair of grids and substation equipment, buildings and constructions repair, construction works on pipe line installing, as well as other activities allowed by the current legislation.

At the present moment the core activity of Volgogradsetremont is rent of premises.

Results of activity of Volgogradsetremont JSC

	Indicator	Unit of measurement	2012	1 st quarter of 2013	
				Planned	Actual
1.	Revenue from sales of products	Thousand rubles	5 626	1 466	1 444
2.	Products self-cost	Thousand rubles	-6 416	-1 858	-1 824
3.	Sales profit	Thousand rubles	-790	-392	-380
4.	Balance of miscellaneous income and expenses	Thousand rubles	-1 585	155	157
5.	Current income tax and other similar payments	Thousand rubles	-12	47	41
6.	Net profit (loss)	Thousand rubles	-2 387	-190	-182

During the reporting quarter the Company got gross profit (loss) of minus-380 thousand rubles which is 12 thousand rubles more than the planned indicator. Net profit (loss) was minus -182 which is 8 thousand rubles higher than the planned indicator.

Expense structure of Volgogradsetremont JSC

Indicator	2012	1 st quarter of 2013	
		Planned	Actual
Materials and raw materials, %	0,11	0,11	0,06
Fuel, %	0,00	0,00	0,00
Power, %	5,76	10,06	8,77
Labor costs, %	39,73	39,18	40,73
Rent fee, %	20,90	18,89	18,10
Allocations for social needs, %	11,80	11,84	12,28
Depreciation of fixed assets, %	4,07	3,02	3,07
Taxes included in self-costs of products, %	13,50	11,57	11,73
Other expenditures, %	4,13	5,33	5,26
obligatory insurance payments, %	0,95	0,97	0,99
other, %	3,18	4,36	4,27
Total: expenditures for production and selling of products, works, services (self-cost),%	100	100	100
For reference: receipts from the sale of products (works, services) in % to self-cost	87,69	78,90	79,17

Indicators of business activity of Volgogradsetremont JSC

Indicator	2012	1st quarter of 2013
Issuer's net asset value, thousand rubles	29 445	29 263
Debt to equity ratio, %	2,19	2,98
Short-term liability to equity ratio, %	2,19	2,98
Cover of payments for debt services, %	-329,81	-14,43
Level of overdue payables, %	-	-
Accounts receivable turnover,	1,83	0,52
Productivity of labour, thousand rubles /employee	632 135	169 882
Depreciation to level of revenue ratio, %	4,7	3,8
Leverage ratio, %	45,7	33,5

Indicators characterizing profitability and loss ratio

Indicator	2012 .	1st quarter of 2013
Revenue, thousand rubles	5 626	1 444
Self-cot, thousand rubles	-6 416	-1 824
Net profit, thousand rubles	-2 387	-182
Gross profit, thousand rubles	-790	-380
ROE, %	-8,1	-0,62
Net profit ratio, %	-42,43	-12,6
Product profitability, %	-14,04	-26,32
Capital turnover	0,19	0,05
Sum of uncovered loss as of the reporting date, thousand rubles	-3 023	-3 205

Uncovered loss and total balance ratio	-0,10	-0,11
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Indicators characterizing Company's liquidity

Наименование показателя	2012	1st quarter of 2013
Indicator	11 253	11 315
Working capital, thousand rubles	0,6	0,6
Net fixed assets index	17,47	12,96
Current ratio	17,27	12,81
Quick ratio	0,98	0,97

Information on accounts payable, thousand rubles

Accounts payable	Payment deadline			
	31.12.2012		31.03.2013	
	Up to one year	More than one year	Up to one year	More than one year
Accounts payable to contractors and suppliers	2	-	40	-
- including overdue	-	-	-	-
Accounts payable to company's employees	1	-	128	-
- including overdue	-	-	-	-
Accounts payable to budget and state non-budgetary funds	470	-	477	-
- including overdue	-	-	-	-
Credits	-	-	-	-
- including overdue	-	-	-	-
Loans, total	-	-	-	-
- including overdue	-	-	-	-
- including bonded loans	-	-	-	-
- including overdue bonded loans	-	-	-	-
Other accounts payable	6	-	8	-
- including overdue	-	-	-	-
Total, thousand rubles	165	-	220	-
- including overdue	644	-	873	-

Information on accounts receivable

Accounts receivable	Payment deadline			
	31.12.2012		31.03.2013	
	Up to one year	More than one year	Up to one year	More than one year
Accounts receivable from customers and clients	2 108	-	1 928	-
including overdue	1 545	-	1 339	-
Accounts receivable from bonds	-	-	-	-
including overdue	-	-	-	-
Accounts receivable from participants (founders) on shareholder fee	-	-	-	-
including overdue	-	-	-	-
Accounts receivable from advance paid	14	-	7	-

including overdue	-	-	-	-
Other accounts receivable from	954	-	836	-
including overdue	787	-	787	-
Total, thousand rubles	3 076	-	2 771	-
including overdue	2 332	-	2 126	-

Income behavior

	1 st quarter 2008	1 st quarter 2009	1 st quarter 2010	1 st quarter 2011	1 st quarter 2012	1 st quarter 2013
Income, thousand rubles	24 802	2 450	574	1537	1565	1 444
Growth (fall), %	118,83	-90,12	-76,6	167,8	1,82	-7,73

Expenses dynamics

	1 st quarter 2008	1 st quarter 2009	1 st quarter 2010	1 st quarter 2011	1 st quarter 2012	1 st quarter 2013
Expenses, thousand rubles	29 476	3 355	2332	1826	1668	1 824
Growth (fall) in comparison to the previous year, %	63,8	-88,6	-30,5	-21,7	-8,7	9,35

Revenue

	indicator	2012	proportion , %	1 st quarter of 2013	proportion , %
1	Rent of non-residential premises, thousand rubles	5 524	98,2	1 419	98,3
2	Rent of area at mast for mobile network operator, thousand rubles	102	1,8	25	1,7
3	Total	5 626	100	1 444	100

“Agriculture Enterprise named after Grechko” JSC (PSKh named after Grechko)

Company’s basic activity is plant cultivation.

Results of “PSKh named after Grechko” JSC activity

	Indicator	Unit of measurement	2012	1 st quarter of 2013	
				Planned	Actual
1.	Revenue from sales of products	Thousand rubles	4360	0	148

2.	Products self-cost	Thousand rubles	25091	0	892
3.	Sales profit	Thousand rubles	-20731	0	-744
4.	Management costs		0	1061	891
5.	Balance of miscellaneous income and expenses	Thousand rubles	-3365	616	-1041
6.	Current income tax and other similar payments	Thousand rubles	362	0	6
7.	Net profit (loss)	Thousand rubles	-24458	-445	-2682

During the reporting quarter the Company got loss of 744.0 thousand rubles, selling of products was not planned in the 1st quarter. The planned revenue was 445 thousand rubles, while the loss made 2682 thousand rubles, which is 2237 thousand rubles higher than the planned

Expense structure of “PSKh named after Grechko” JSC

Indicator	2012 год	1 st quarter of 2013	
		Planned	Actual
Materials and raw materials, %	65,0	0	66,4
Fuel, %	0	0	0
Power, %	0	0	0
Labor costs, %	14,8	0	2,4
Rent fee, %	0	0	0
Allocations for social needs, %	2,8	0	23,9
Depreciation of fixed assets, %	3,5	0	3,9
Taxes included in self-costs of products, %	0	0	0
Other expenditures, %	13,9	0	3,4
obligatory insurance payments, %	0	0	0
other, %	13,9	0	3,4
Total: expenditures for production and selling of products, works, services (self-cost), %	100,0	0	100,0
For reference: receipts from the sale of products (works, services) in % to self-cost	17,4	0	16,6

Indicators of business activity of “PSKh named after Grechko” JSC

Indicator	2012	2013, 3 months
Issuer's net asset value, thousand rubles	23 028	20 346
Debt to equity ratio, %	89,9	97,1
Short-term liability to equity ratio, %	46,5	47,9
Cover of payments for debt services, %	-308,3	-37,5
Level of overdue payables, %	0	0
Accounts receivable turnover,	0,90	0,06
Productivity of labour, thousand rubles /employee	117,8	6,17
Depreciation to level of revenue ratio, %	20,1	129,05
Leverage ratio, %	89,9	97,1

Indicators characterizing profitability and loss ratio

Indicator	2012	2013, 3 months
Revenue, thousand rubles	4360	148
Self-cot, thousand rubles	25091	892
Net profit, thousand rubles	-24458	-2682
Gross profit, thousand rubles	-20731	-744
ROE, %	-106,2	-13,2
Net profit ratio, %	-560,96	-1812,2
Product profitability, %	-475,5	-502,7
Capital turnover	0,13	0,005
Sum of uncovered loss as of the reporting date, thousand rubles	-55025	-57707
Uncovered loss and total balance ratio	-1,26	-1,44

Indicators characterizing Company's liquidity

Indicator	2012	2013, 3 months
Working capital, thousand rubles	-8529	-10768
Net fixed assets index	1,37	1,53
Current ratio	1,14	0,92
Quick ratio	0,46	0,26
Equity-assets ratio	0,53	0,51

Information on accounts payable, thousand rubles

Accounts payable	Payment deadline			
	Reporting date 31.12.2012		Reporting date 31.12.2013	
	Up to one year	More than one year	Up to one year	More than one year
Accounts payable to contractors and suppliers	1322	0	711	0
- including overdue		0	0	0
Accounts payable to company's employees	796	0	1576	0
- including overdue		0	0	0
Accounts payable to budget and state non-budgetary funds	1247	0	939	0
- including overdue		0	0	0
Credits	0	0	0	0
- including overdue		0	0	0
Loans, total	12680	0	12680	0
- including overdue	0	0	0	0
- including bonded loans	0	0	0	0
- including overdue bonded loans	0	0	0	0
Other accounts payable	4283	0	3424	0
- including overdue	0	0	0	0
Total, thousand rubles	20328	0	19330	0

- including overdue	0	0	0	0
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Information on accounts receivable, thousand rubles

Accounts receivable	Payment deadline			
	Reporting date 31.12.2012		Reporting date 31.12.2013	
	Up to one year	More than one year	Up to one year	More than one year
Accounts receivable from customers and clients	4403	0	2225	0
including overdue	2222	0	0	0
Accounts receivable from bonds	0	0	0	0
including overdue	0	0	0	0
Accounts receivable from participants (founders) on shareholder fee	0	0	0	0
including overdue	0	0	0	0
Accounts receivable from advance paid	272	0	150	0
including overdue	0	0	0	0
Other accounts receivable from	187	0	187	0
including overdue	0	0	0	0
Total, thousand rubles	4862	0	2562	0
including overdue	2222	0	0	0

Income behavior

	1 st quarter 2008	1 st quarter 2009	1 st quarter 2010	1 st quarter 2011	1 st quarter 2012	1 st quarter 2013
Income, thousand rubles	3676	8920	3324	2139	408	148
Growth (fall), %	X	142,7	-62,7	-35,6	-80,9	-63,7

Expenses dynamics

	1 st quarter 2008	1 st quarter 2009	1 st quarter 2010	1 st quarter 2011	1 st quarter 2012	1 st quarter 2013
Expenses, thousand rubles	3350	7187	4821	4023	530	892
Growth (fall) in comparison to the previous year, %	X	114,5	-32,9	-16,6	-86,8	68,3

Revenue

	indicator	2012	proportion, %	1 st quarter of 2013	proportion, %
1	Plant cultivation	4360	100,0	148	100,0
2	Total	4360	100,0	148	100,0

PSKh Sokolovskoye” JSC

Core activities of the Company are plant cultivation and animal husbandry.

Results of “PSKh Sokolovskoye” JSC

	Indicator	Unit of measurement	2012	1 st quarter of 2013	
				Planned	Actual
1.	Revenue from sales of products	Thousand rubles	45839	3566	3779
2.	Products self-cost	Thousand rubles	45369	3918	4940
3.	Sales profit	Thousand rubles	470	-352	-1161
4.	Balance of miscellaneous income and expenses	Thousand rubles	-199	65	180
5.	Current income tax and other similar payments	Thousand rubles	-	161	-
6.	Net profit (loss)	Thousand rubles	271	-448	-981

During the reporting quarter the Company got 1161 thousand rubles of loss, which is 809 thousand rubles higher than the planned indicator. The net loss was 981 thousand rubles while the planned was 448 thousand rubles.

Expense structure of “PSKh Sokolovskoye” JSC

Indicator	2012	1 st quarter of 2013	
		Planned	Actual
Materials and raw materials, %	25	26	26
Fuel, %	9	9	9
Power, %	4	4	5
Labor costs, %	23	23	23
Rent fee, %	3	2	2
Allocations for social needs, %	6	6	7
Depreciation of fixed assets, %	19	18	19
Taxes included in self-costs of products, %	7	9	8
Other expenditures, %	4	3	1
obligatory insurance payments, %	1	1	1
other, %	-		
Total: expenditures for production and selling of products, works, services (self-cost), %	100	100	100
For reference: receipts from the sale of products (works, services) in % to self-cost	101	91	76

Indicators of business activity

Issuer’s net asset value, thousand rubles	2012	2013, 3 months
Debt to equity ratio, %	133908	132927
Short-term liability to equity ratio, %	0,91	1,59

Cover of payments for debt services, %	0,91	1,59
Level of overdue payables, %	83,9	3,93
Accounts receivable turnover,	0	0
Productivity of labour, thousand rubles /employee	11,55	5,40
Depreciation to level of revenue ratio, %	487,6	56,41
Leverage ratio, %	9,1	28,2
Issuer's net asset value, thousand rubles	0,91	1,59

Indicators characterizing profitability and loss ratio

Indicator	2012	2012, 3 months
Revenue, thousand rubles	45839	3779
Self-cot, thousand rubles	45369	4940
Net profit, thousand rubles	271	-981
Gross profit, thousand rubles	470	-1161
ROE, %	0,20	-0,74
Net profit ratio, %	0,59	-25,96
Product profitability, %	1,03	-30,72
Capital turnover	0,34	0,03
Sum of uncovered loss as of the reporting date, thousand rubles	-28198	-29179
Uncovered loss and total balance ratio	-0,21	-0,22

Indicators characterizing Company's liquidity

Indicator	2012	2013, 3 months
Working capital, thousand rubles	42730	42066
Net fixed assets index	0,68	0,68
Current ratio	36,42	20,95
Quick ratio	3,35	0,38
Equity-assets ratio	0,99	0,98

Accounts payable, thousand rubles

Accounts payable	Payment deadline			
	31.12.2012		31.03.2013	
	Up to one year	More than one year	Up to one year	More than one year
Accounts payable to contractors and suppliers	5	-	725	-
- including overdue	-	-	-	-
Accounts payable to company's employees	579	-	956	-
- including overdue	-	-	-	-
Accounts payable to budget and state non-budgetary funds	473	-	286	-
- including overdue	-	-	-	-
Credits	-	-	-	-
- including overdue	-	-	-	-
Loans, total	-	-	-	-

- including overdue	-	-	-	-
- including bonded loans	-	-	-	-
- including overdue bonded loans	-	-	-	-
Other accounts payable	18	-	5	-
- including overdue	-	-	-	-
Total, thousand rubles	1075	-	1972	-
- including overdue	-	-	-	-

Information on accounts receivable

Accounts receivable	Payment deadline			
	Reporting date 31.12.2012		Reporting date 31.03.2013	
	Up to one year	More than one year	Up to one year	More than one year
Accounts receivable from customers and clients	-	-	25	-
including overdue	-	-	-	-
Accounts receivable from bonds	-	-	-	-
including overdue	-	-	-	-
Accounts receivable from participants (founders) on shareholder fee	-	-	-	-
including overdue	-	-	-	-
Accounts receivable from advance paid	3699	-	405	-
including overdue	-	-	-	-
Other accounts receivable from	270	-	270	-
including overdue	-	-	-	-
Total, thousand rubles	3969	-	700	-
including overdue	-	-	-	-

Income behavior

	1 st quarter 2008	1 st quarter 2009	1 st quarter 2010	1 st quarter 2011	1 st quarter 2012	1 st quarter 2013
Income, thousand rubles	2864	3961	5243	2505	3596	3779
Growth (fall), %	X	38,3	32,3	-52,2	43,6	5,1

Expenses dynamics

	1 st quarter 2008	1 st quarter 2009	1 st quarter 2010	1 st quarter 2011	1 st quarter 2012	1 st quarter 2013
Expenses, thousand rubles	4174	3765	5927	3748	3584	4940
Growth (fall) in comparison to	X	-9,8	57,4	-36,8	-4,4	37,8

the previous year, %						
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Revenue

	indicator	2012	proportion, %	1 st quarter of 2013	proportion, %
1	Animal products	12 470	27,2	2 882	76,3
2	Plant production	33 033	72,1	874	23,1
3	Other products	336	0,7	23	0,6
4	Total	45 839	100	3 779	100

Recreation Centre “Energetik” JSC

Basic activity of the Company is health resort services. Company’s activity is of seasonal type. During the inter-season company’s income comes from selling of drinking-water.

Results of “Recreation Centre “Energetik” JSC activity

	Indicator	Unit of measurement	2012 год	1 st quarter of 2013	
				Planned	Actual
1.	Revenue from sales of products	Thousand rubles	31 441	66	305
2.	Products self-cost	Thousand rubles	29 013	4 533	4 375
3.	Sales profit	Thousand rubles	2 428	-4 467	-4 070
4.	Balance of miscellaneous income and expenses	Thousand rubles	-2 172	-59	-85
5.	Current income tax and other similar payments	Thousand rubles	-51	-905	-831
6.	Net profit (loss)	Thousand rubles	205	-5 431	-3 324

During the reporting quarter the Company got loss amounting 4070 thousand rubles, which is higher than the planned indicator by 397 thousand rubles. Net loss was 3324 thousand rubles, which 2107 thousand rubles higher than the planned indicator.

Expense structure of “Recreation Centre “Energetik” JSC

Expenses	2012	1 st quarter of 2013	
		Plan	Actual
Materials and raw materials, %	24,3	0,9	3,2
Fuel, %	0,4	0,6	0,4
Power, %	5,3	6,4	7,0
Labor costs, %	18,3	19,4	18,6
Rent fee, %	7,4	13,3	6,5

Allocations for social needs, %	5,4	5,8	5,8
Depreciation of fixed assets, %	18,4	27,9	28,9
Taxes included in self-costs of products, %	12,1	18,9	19,5
Other expenditures, %	8,4	6,8	10,1
Materials and raw materials, %	100	100	100
Fuel, %	108,4	1,46	6,97

Indicators of business activity

Indicator	as of:	
	31.12.2012	31.03.2013
Issuer's net asset value, thousand rubles	54 353	51 029
Debt to equity ratio, %	208,1	228,67
Short-term liability to equity ratio, %	208,1	228,67
Cover of payments for debt services, %	-	-
Level of overdue payables, %	-	-
Accounts receivable turnover,	16,84	0,17
Productivity of labour, thousand rubles /employee	1 048 033	21 786
Depreciation to level of revenue ratio, %	16,91	414,92
Leverage ratio, %	0	0

Indicators characterizing profitability and loss ratio

Indicator	as of	
	31.12.2012	31.03.2013
Revenue, thousand rubles	31 441	305
Self-cost, thousand rubles	29 013	4 375
Net profit, thousand rubles	205	-3 324
Gross profit, thousand rubles	2 428	-4 070
ROE, %	0,38	-6,51
Net profit ratio, %	0,65	-1 089,84
Product profitability, %	7,72	-1 334,43
Capital turnover	0,58	0,006
Sum of uncovered loss as of the reporting date, thousand rubles	-34 764	-38 088
Uncovered loss and total balance ratio	-0,21	-0,23

Indicators characterizing Company's liquidity

Indicator	31.12.2012	31.03.2013
Working capital, thousand rubles	-110 057	-113 004
Net fixed assets index	3,02	3,21
Current ratio	0,027	0,032
Quick ratio	0,024	0,029
Equity-assets ratio	0,32	0,30

Information on accounts payable, thousand rubles

Accounts payable	Payment deadline			
	31.12.2012		31.03.2013	
	Up to one year	Up to one year	Up to one year	Up to one year

Accounts payable to contractors and suppliers	136	-	280	-
- including overdue	0	-	0	-
Accounts payable to company's employees	295	-	269	-
- including overdue	0	-	0	-
Accounts payable to budget and state non-budgetary funds	775	-	1607	-
- including overdue	0	-	0	-
Credits	0	-	0	-
- including overdue	0	-	0	-
Loans, total	0	-	0	-
- including overdue	0	-	0	-
- including bonded loans	0	-	0	-
- including overdue bonded loans	0	-	0	-
Other accounts payable	111840	-	114436	-
- including overdue	0	-	0	-
Total, thousand rubles	113046	-	116592	-
- including overdue	0	-	0	-

Information on accounts receivable

Accounts receivable	Payment deadline			
	31.12.2012		31.03.2013	
	Up to one year	Up to one year	Up to one year	Up to one year
Accounts receivable from customers and clients	124	-	144	-
including overdue	0	-	0	-
Accounts receivable from bonds	0	-	0	-
including overdue	0	-	0	-
Accounts receivable from participants (founders) on shareholder fee	0	-	0	-
including overdue	0	-	0	-
Accounts receivable from advance paid	1365	-	1282	-
including overdue	0	-	0	-
Other accounts receivable from	378	-	393	-
including overdue	0	-	0	-
Total, thousand rubles	1867	-	1819	-
including overdue	0	-	0	-

Income behavior

	1 st quarter 2008	1 st quarter 2009	1 st quarter 2010	1 st quarter 2011	1 st quarter 2012	1 st quarter 2013
Income, thousand rubles	89	476	95	105	356	305
Growth (fall), %	-28,8	+434,8	-80,0	+10,5	+239	-14,3

Expenses dynamics

	1 st quarter 2008	1 st quarter 2009	1 st quarter 2010	1 st quarter 2011	1 st quarter 2012	1 st quarter 2013
Expenses, thousand rubles	2980	2368	2379	4889	4320	4375
Growth (fall) in comparison to the previous year, %	+14,7	-20,5	+0,5	+105,5	-11,64	+1,3

Revenue

	indicator	2012	proportio n, %	1 st quarter of 2013	proporti on, %
1	Hotel services	28987	92,2	172	56,4
2	Water intake	1479	4,7	124	40,6
3	Other services	975	3,1	9	3
4	Total	31441	100	305	100

“Energoservis Yuga” JSC

Core activities of the Company are: technical tests, researches and certifications, development of methods of energy audit, preparation and performing of energy audit, elaboration of energy saving programmes, financial engineering of projects and programmes, as well as other types of activities allowed by the current legislation.

At the present moment the Company’s core activity is preparation and performing of energy audit.

Results of “Energoservis Yuga” JSC activity

	Indicator	Unit of measurement	1 st quarter of 2012	1 st quarter of 2013	
				Planned	Actual
1.	Revenue from sales of products	Thousand rubles	5993,0	2300,0	0,0
2.	Products self-cost	Thousand rubles	1228,4	4246,4	886,2
3.	Sales profit	Thousand rubles	4764,6	-1946,4	-886,2
4.	Balance of miscellaneous income and expenses	Thousand rubles	-68,9	-77,0	-31,3
5.	Current income tax and other similar payments	Thousand rubles	952,1	0,0	0,0
6.	Net profit (loss)	Thousand rubles	3743,6	-2023,4	-739,2

Expense structure of “Energoservis Yuga” JSC

Indicator	1 st quarter of 2012	1 st quarter of 2013	
		Planned	Actual
Materials and raw materials, %	2,0%	0,2%	0,0%
Fuel, %	0,0%	0,2%	0,0%
Power, %	0,0%	0,0%	0,0%
Labor costs, %	1,2%	54,2%	0,0%
Rent fee, %	64,8%	30,2%	68,2%
Allocations for social needs, %	19,9%	9,1%	20,7%
Depreciation of fixed assets, %	1,5%	1,2%	5,7%
Taxes included in self-costs of products, %	0,0%	0,2%	0,5%
Other expenditures, %	10,5%	4,6%	4,9%
obligatory insurance payments, %	8,1%	2,7%	1,7%
other, %	2,3%	1,5%	3,2%
Total: expenditures for production and selling of products, works, services (self-cost),%	0,1%	0,4%	0,0%
For reference: receipts from the sale of products (works, services) in % to self-cost	100,0%	100,0%	100,0%
Materials and raw materials, %	487,9%	54,2%	0,0%

Indicators of business activity of Energoservis Yuga” JSC

Indicator	4 th quarter of 2012	1 st quarter of 2013
Issuer’s net asset value, thousand rubles	11 929	11 189
Debt to equity ratio, %	1%	9%
Short-term liability to equity ratio, %	1%	9%
Cover of payments for debt services, %	1666%	5%
Level of overdue payables, %	0%	0%
Accounts receivable turnover,	-	-
Productivity of labour, thousand rubles /employee	0	0
Depreciation to level of revenue ratio, %	-	-
Leverage ratio, %	7000,4%	1107,8%

Indicators characterizing profitability and loss ratio

Indicator	4 th quarter of 2012	1 st quarter of 2013
Revenue, thousand rubles	0,0	0,0
Self-cot, thousand rubles	2 207,5	886,2
Net profit, thousand rubles	-1 830,7	-739,2
Gross profit, thousand rubles	-2 207,5	-886,2
ROE, %	-15%	-7%
Net profit ratio, %	-	-
Product profitability, %	-	-
Capital turnover	0,0	0,0
Sum of uncovered loss as of the reporting date, thousand rubles	0,0	-739,0
Uncovered loss and total balance ratio	0,0	-0,1

Indicators characterizing Company’s liquidity

Indicator	4 th quarter of 2012	1 st quarter of 2013
Working capital, thousand rubles	11 929	11 189

Net fixed assets index	0,07	-
Current ratio	65,62	11,10
Quick ratio	65,62	11,04
Equity-assets ratio	0,99	0,92

Information on accounts payable, thousand rubles

Accounts payable	Payment deadline			
	31.12.2012		31.03.2013	
	Up to one year	Up to one year	Up to one year	Up to one year
Accounts payable to contractors and suppliers	11	-	50	-
- including overdue	-	-	-	-
Accounts payable to company's employees	18	-	616	-
- including overdue	-	-	-	-
Accounts payable to budget and state non-budgetary funds	7	-	291	-
- including overdue	-	-	-	-
Credits	-	-	-	-
- including overdue	-	-	-	-
Loans, total	-	-	-	-
- including overdue	-	-	-	-
- including bonded loans	-	-	-	-
- including overdue bonded loans	-	-	-	-
Other accounts payable	134	-	53	-
- including overdue	-	-	-	-
Total, thousand rubles	170	-	1010	-
- including overdue	-	-	-	-

Information on accounts receivable, thousand rubles

Accounts receivable	Payment deadline			
	31.12.2012		31.03.2013	
	Up to one year	Up to one year	Up to one year	Up to one year
Accounts receivable from customers and clients	7709	-	7709	-
including overdue	-	-	-	-
Accounts receivable from bonds	-	-	-	-
including overdue	-	-	-	-
Accounts receivable from participants (founders) on shareholder fee	-	-	-	-
including overdue	-	-	-	-
Accounts receivable from advance paid	20	-	20	-
including overdue	-	-	-	-
Other accounts receivable from	1887	-	1852	-
including overdue	-	-	-	-
Total, thousand rubles	9616	-	9581	-
including overdue	-	-	-	-

Income behavior

	1 st quarter 2008	1 st quarter 2009	1 st quarter 2010	1 st quarter 2011	1 st quarter 2012	1 st quarter 2013
Income, thousand rubles	-	-	-	-	5 993	0
Growth (fall), %	-	-	-	-	100	-100

Expenses dynamics

	1 st quarter 2008	1 st quarter 2009	1 st quarter 2010	1 st quarter 2011	1 st quarter 2012	1 st quarter 2013
Expenses, thousand rubles	-	-	-	478	1 228	886
Growth (fall) in comparison to the previous year, %	-	-	-	100	157	-28

Revenue

	indicator	1 st quarter 2012	proportion, %	1 st quarter 2013	proportion, %
1	Organization and performing of energy audit, thousand rubles	5 993	100%	0	-
2	Total	5 993	100%	0	-

Data on market makers and stock exchange:

Shares of IDGC of the South were admitted to circulation by trade organizers at securities market since 03.07.2008.

Since 16.07.2010 shares were included in quotation list “B” of MICEX Stock Exchange (ticker tape **MRKA** –till 20.11.2011 inclusive, **MRKY** – starting from 21.11.2011)/

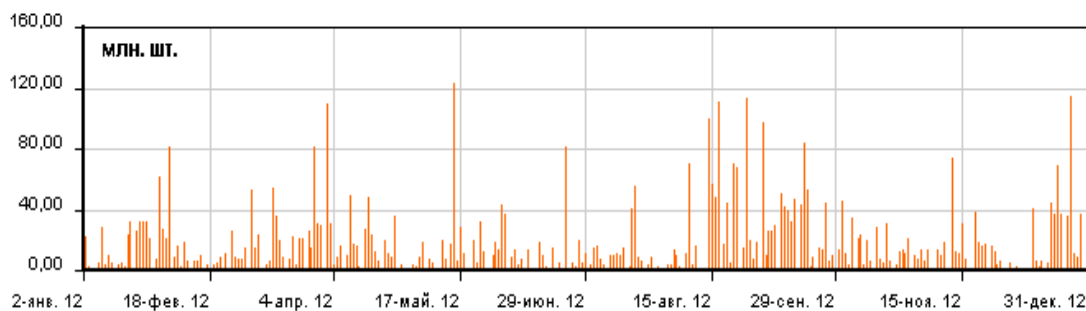
Before 19.12.2011 (date of RTS JSc reorganization) shares of IDGC of the South were circulating at RTS without listing procedure in two regimes – “T+0” (ticker - MRKYG) and “RTS Classica” (ticker - MRKY).

Bonds of the issuer are listed by trade organizers to securities market on 01.09.2009 and are included in quotation list B of MICEX.

Full Company name:	“MICEX Stock Exchange” Closed Joint Stock Company
Short Company Name:	CJSC “MICEX SE”
Location:	13 Bolshoy Kislovskiy per., Moscow, 125009

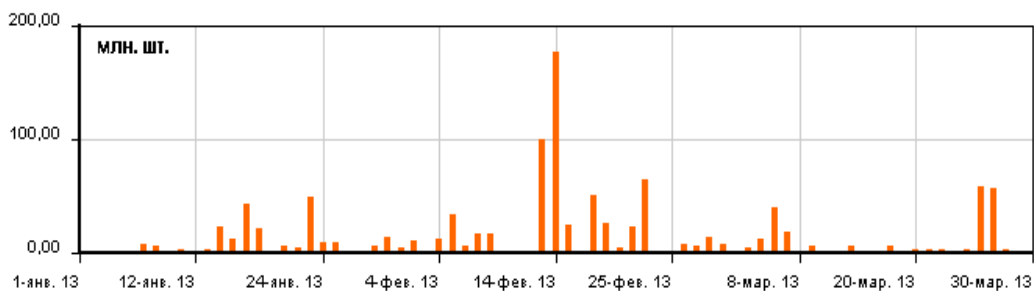
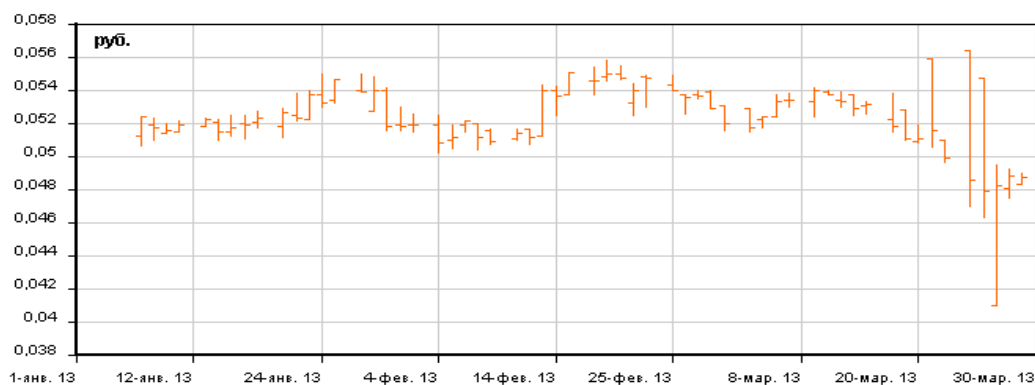
Website:	www.micex.ru
Stock Exchange License No.:	No.077-10489-000001
Stock Exchange License Issue Date:	August 23, 2007
Stock Exchange License Expiration Date:	Without limits
Authority Responsible for Stock Exchange License Issue	Federal Financial Markets Service

**Information on dynamics of changes in prices on securities of the Company
for the last financial year:
changes in prices for 2012 (data by MICEX Stock Exchange).**



First closing, rubles	max, rubles	min, rubles	Last closing, rubles	difference, rubles	difference, %
0,069	0,0975	0,0424	0,0518	-0,0147	-22,17

Changes in prices for Company's shares in 1st quarter of 2013 (data by MICEX Stock Exchange)



First closing, rubles	max, rubles	min, rubles	Last closing, rubles	difference, rubles	difference, %
0,0524	0,0564	0,0409	0,0487	-0,0031	-5,95

Information on amount and cost of transactions at stock exchange per each month and each quarter:

2012

period	Total amount of transactions (MICEX)	period	Total amount of transactions (MICEX)
January	1410	1st quarter	7 729
February	2226		
March	4093		
April	2378	2nd quarter	6188
May	2317		
June	1493		
July	2738	3rd quarter	11 398
August	2992		
September	5668		
October	2242	4th quarter	6 040
November	2381		
December	1417		
Total:	31 355		31 355

period	Total amount of transactions (MICEX)	period	Total amount of transactions (MICEX)
January	24 815 513,30	1st quarter	86 217 935,20
February	23 583 181,40		
March	37 819 240,50		

April	31 419 536,90	2nd quarter	69 212 021,50
May	23 438 540,70		
June	14 353 943,90		
July	13 345 941,30	3rd quarter	96 552 788,10
August	46 664 021,80		
September	36 542 825,0		
October	18 935 684,0	4th quarter	60 404 325,3
November	16 876 477,5		
December	24 592 163,8		
Total:	312 387 070,10		312 387 070,10

2013

period	Total amount of transactions (MICEX)	period	Total amount of transactions (MICEX)
January	2 276	1st quarter	5 356
February	1 995		
March	1 085		
Total:	5 356		5 356

period	Total amount of transactions (MICEX)	period	Total amount of transactions (MICEX)
January	12 533969,90	1st quarter	58 043 472,20
February	32 944 700,40		
March	12 564 801,90		
Total:	58 043 472,20		58 043 472,20

Data on the Company's Market Makers

Full company name	Limited Liability Company "Universal Investment Company "Partner"
Short company name	"Unikom Partner", LLC
Location	78-A Krasnoarmeyskaya St., Ekaterinburg, Russia 620026
Telephone, Fax	telephone: (343) 379-41-65, fax: (343) 379-41-66
Website	http://www.unicompartner.ru
Number, issuance date and validity term of the license for professional activity at the securities market	License for carrying out the dealer activity No.166-05957-010000 Issuing date April, 19 2002 Validity term: without validity time limitations
The Authority that issued the specified license (for advisors representing professional participants of the securities market)	Federal Commission for the Securities Market

Amount of remuneration for the market-maker	“MICEX Stock Exchange“, CJSC (Index of non-listed stock	117 000 rubles (including VAT) per month/ 351 000 rubles per quarter.
Criteria when market-maker is obliged to tender	From the moment of coming to force of the agreement the market-maker starts to serve the securities circulation caused by holding constant demand of market-maker’s application.	

MICEX Stock Exchange

1. Spread of double-sided quotation (in pro cents), less than	3
2. The lowest admissible securities allocation (in rubles), more than	300 000
3. The aggregate volume of transactions closed with securities during one trading day in the regular regime upon reaching of which a Market Maker is able to sustain only single-sided bed-and-asked quotations (in rubles), more than	2 100 000
4. Quotation pause (period of times when market maker has right to stop fulfilling duties) (in minutes)	120

In the 1st quarter of 2013 the Issuer did not use the service of the evaluator for the following:

- to define market value of securities which are being placed and of securities placed and in circulation (not discharged);
- to define market value of fixed assets of immovable assets of the Issuer, regarding to which the Issue implemented revaluation, indicated in other chapters of quarterly report;
- to define market value of the assets which are the subject to pledge of the bonds collateral being placed by the Issuer or of placed bonds collateral of the Issuer not discharged;
- to provide other evaluation service, connected with securities issue, data on which is indicated in quarterly report.

The Issuer didn’t use service of evaluator, considered incorporated investment fund, in the accounting quarter as well.

Remuneration to evaluator in 2007- 2012 was not paid.

Methods of assets estimation

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

- assets received as contribution to the charter capital is estimated according to the money value, defined by the founders (shareholders) of the Company;
- property, purchased for payment should be evaluated according to the sum of actually incurred charges on hereof acquisition;
- property produced by the subdivisions of the Company should be evaluated according to the manufacturing costs (actual costs connected with the production of property item);
- tangibles left after the write-off of fixed assets that are impossible to be restored or be used at a later date, spare parts coming out of restoring (reconstruction, modernization, repairing) of the fixed assets should be evaluated according to current market value on the date of fixed assets write-off or on the date of taking the spare parts on discount;
- property received without return or property revealed in the course of inventory of assets and obligations should be evaluated according to current market value on the date of taking the property on discount.

Current market value should be regarded as the sum of cash assets which can be received as a result of purchase of specified asset on the date of hereof including for accounting purposes.

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

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

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

- for non-current assets (except for intangible assets) in case of completion, providing with additional equipment, reconstruction, modernization, partial liquidation and revaluation of items of fixed assets
- for current assets in the event that inventories have been obsolescent, have lost completely or partially their initial quality.
- for financial investments on the basis of which it is possible to determine current market value pursuant to the established procedure.

In the course of taking an item of immovable property on discount as an item of fixed assets the sum of actual expenses on the formation hereof recorded as capital investments in this item should determine the initial value of a fixed assets item

Recording of costs connected with the building project should be kept with accrual character from the item construction commencement on the data of reporting periods till the setting of items in operation or complete performance of

corresponding works.

8.11 Data on the securities placed and on the Issuer of the securities placed, the property right certified by Russian depositary receipts

The Issuer is not the issuer of the securities placed, the property right of which is certified with Russian depositary receipts.

Annex
to Quarterly report of the issuer of securities
(information on entity that furnished the collateral)
Open joint stock company
“Agriculture enterprise named after Grechko A.A.”
for the 1st quarter of 2013

Address of the entity that furnished collateral: 21 Teatralnaya st, village Kuibyshevo, Kuibyshevskiy district, Rostov region, Russia

The information of the quarterly report is subject to obligatory disclose in accordance with legislation of the Russian Federation on securities

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

1.1. Persons Forming Management Authorities of the entity that furnished collateral

List of Board of Directors of the entity that furnished collateral:

Name	Year of birth
Kozlov Aleksandr Stanislavovich	1956
Fadeev Mikhail Yurievich	1974
Tregubov Aleksandr Nikolaevich	1955
Kuryshkin Konstantin Mikhailovich	1980
Karpenko Vadim Vladimirovich	1959

Sole Executive Body of the entity that furnished collateral

Name	Year of birth
Acting director general Karpenko Vadim Vladimirovich	1959

The Structure of the Collegiate Executive Body

Collegiate Executive Body is not stipulated

1.2. Data on Bank Accounts of the entity that furnished collateral

Data on Credit Organization

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

Short company name: **South-western bank of Sberbank of Russia JSC r Rostov-on-Don.**

Location: 19 Vavilova Str., Moscow, Russia 117997 (9 Pobedy str., Matveev Kurgan settlement, Rostov region, Russia 346970)

TIN: 7707083893

RCBIC: 046015602

Number of the bank account: **40702810152080100807**

Correspondent account number: **30101810600000000602**

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

Data on Credit Organization

Full company name of the credit institution: **Joint Stock Company
“Rosselkhozbank”**

Short company name: **“Rosselkhozbank” JSC**

Location: 3 Gagarinskiy preulok, Moscow; 14a Nagibin str., Rostov branch in Rostov-on-Don; 2nd office No. 3349/7/35 at 68 Teatralnaya str., Kyuibyshevo village, Rostov region

TIN: 7725114488

RCBIC: 046015211

Number of the bank account: **40702810207350000003**

Correspondent account number: **30101810800000000211**

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

1.3. Data on Auditor (Auditors) of the entity that furnished collateral

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

Full company name: **“FinExpertiza” Limited liability company**

Abbreviated name: **“FinExpertiza” LLC**

Location: **1 building, 69 Prospekt Mira, Moscow, RF 129110**

TIN: **7708096662**

PSRN: **1027739127734**

phone: **(495) 775-2200**

fax: **(495) 775-2201**

e-mail: **info@finexpertiza.ru**

Information on membership of the auditor at self-regulating organizations of auditors: Non-profit Partnership “Russian Audit Chamber”

Location: building 3, 3rd Syromyatnicheskiy pereulok 3/9, Moscow, 105120

Additional information:

Certificate No.4209 dated 31.07.2009

Financial year(s) among the last five completed financial years and current financial year which the auditor carried out (will carry out) an annual independent audit of financial (accounting) statements of the entity that furnished collateral

Accounting (financial) report, year	Aggregate accounting report, year	Consolidated accounting report, year
2012		

Factors that may influence the independence of the auditor from the entity that furnished collateral, including information on presence of significant interest between the auditor (auditor's officers) with the entity that furnished collateral (officials of entity that furnished collateral)

Factors that may influence the independence of the auditor from the entity that furnished collateral, including information on presence of significant interest between the auditor (auditor's officers) with the entity that furnished collateral (officials of entity that furnished collateral) are absent

Procedure for Selecting Auditor for the entity that furnished collateral

Tender procedure connected with auditor selection and the main terms:

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

The procedure of Auditor remuneration estimation is described, including the actual remuneration amount paid to the Auditor by the entity that furnished collateral according to the results of each of five last completed financial years ended with social audit of financial and accounting statements:

No information on this issue.

Information on deferred and overdue payments for auditor's services: the entity that furnished collateral does not have deferred and/or overdue payments for auditor's services

1.4. Data on Appraiser of the entity that furnished collateral

No changes occurred in the information of the paragraph

1.5. Data on Advisors of the entity that furnished collateral

Financial consultant were invited during the period of 12 months

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

There are no other individuals who signed the quarterly report.

II. Basic Information on Financial and Economic Condition of the entity that furnished collateral

2.1. Financial and Economic Performance Indicators of the entity that furnished collateral

Performance indicators that characterize the entity that furnished collateral shown according to the accounting report

Standards (rules) used for making the accounting report – RAS (Russian Accounting Standards)

Unit of measurement for index of performance: rubles/employee

Indicator	2012	3 months of 2013
Workforce productivity	117.8	6.17
Debt-to-equity ratio	89.9	97.1
Long-term debt to total sum of debt and equity ratio	0	0
Current ratio	-308.3	-37.5
Overdue debt, %	0	0

By the decision of the entity that furnished collateral the following indicators are specified - the dynamics of indicators characterizing the business activity of the entity that furnished collateral, calculated on the basis of consolidated accounting report of the entity that furnished collateral: **no**

All indicators are calculated on the basis of recommended methods of calculation:
yes

Analysis of business activity of the entity that furnished collateral:

Level of credit risk for the past 5 years or reporting the period is insignificant.

Net asset value expresses the value of the assets that are expected to ensure the interests of creditors in the event of worsening of the company's financial situation.

The ratio of debt to equity ratio shows the proportion of use of the borrowed funds relative to equity. Low leverage ratio means the stability and independence of the company's ability to fulfill its obligations for equity.

Indicator of cover of debt service shows whether the enterprise funds are sufficient to cover the debt, debt service, etc.

Indicator of overdue payments shows the company's ability to fulfill its obligations on time.

Accounts receivable turnover is not permanent. Increasing of the coefficient means the reduction in sales, its reduction indicates an increase in the amount of the loan.

Labour productivity is an important indicator showing the volume of output per worker.

2.2. Market Capitalization of the entity that furnished collateral

Entities that furnished collateral which ordinary shares were not admitted to trades do not provided information on market capitalization

2.3. Obligations of the entity that furnished collateral

2.3.1. Accounts Payable

2012

Structure of borrowings

In items of thousand rubles

Indicator	
Long-term borrowings	10 000
including:	
Credits	0
Loans, except bonded loans	0
bonded loans	0
Short-term borrowings	2 680
including:	
Credits	0
Loans, except bonded loans	0
bonded loans	0
Total amount of overdue loan debt	12 680
including:	
credits	0
Loans, except bonded loans	0
bonded loans	0

Accounts payable

unit of measurement: thousand rubles

Indicator	
Total for accounts payable	7 648
overdue	0
including	
Payable to budget and state off-budget funds	1 247
overdue	0
payable to suppliers and contractors	1 322
overdue	0
payable to staff	796
overdue	0
other	4 283
overdue	0

No overdue receivable

Creditors Accounting for at Least 10 % of the Total Payables: no

3 months of 2013

Structure of borrowings

In items of thousand rubles

Indicator	
Long-term borrowings	10 000
including:	
Credits	0
Loans, except bonded loans	0
bonded loans	0
Short-term borrowings	2 680
including:	
Credits	0
Loans, except bonded loans	0
bonded loans	0
Total amount of overdue loan debt	12 680
including:	
credits	0
Loans, except bonded loans	0
bonded loans	0

Accounts payable

unit of measurement: thousand rubles

Indicator	
Total for accounts payable	6 650
overdue	0
including	
Payable to budget and state off-budget funds	939
overdue	0
payable to suppliers and contractors	711
overdue	0
payable to staff	1 576
overdue	0
other	3 424
overdue	0

No overdue receivable

Creditors Accounting for at Least 10 % of the Total Payables: no

2.3.2. Credit History of the entity that furnished collateral

The entity that furnished collateral did not have such obligations

2.3.3. Obligations of the entity that furnished collateral from Collateral Furnished to Third Parties

Absent

2.3.4. Other Obligations of the entity that furnished collateral

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

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

The policy of the entity that furnished collateral, in the area of risk management:

The policy of “PSKh named after Grechko A.A.” JSC in the field of risk management involves early detection and prevention of potential risks to minimize financial and other losses.

2.4.1. Industry Risks

Possible actions of the Company in the event of worsening of the situation in the agricultural sector, particularly in the livestock production, may be activities that contribute to the reduction of costs, reduction of livestock.

In the event of change in prices for raw materials used by the Company in its operations, the Company will be forced to increase the prices of manufactured goods. If the market situation does not allow the increase of prices, the Company will be forced to reduce production (stop production) of products, that make a loss.

2.4.2. Country and regional risks

Russian Federation and the Rostov region in particular, are characterized by stable political and economic situation. The general level of socio-economic development of the Rostov region is among the leading in the Southern federal district.

Positive trend in the main economic activities is being observed in Rostov region. The region belongs to the group of the fastest growing industrial regions of the country. Volume of gross agricultural production, turnover, foreign trade, retail trade and catering services sector, has been increased. However, high unemployment rate in the mining areas and some rural areas is still observed.

The Company estimates the probability of a state of emergency in the Russian Federation and in the Rostov region in particular as low.

Strikes, which may affect the Issuer's business, are extremely unlikely, as the Rostov region is characterized by high-income and social protection of the population.

The Company is located and its principal activities are performed in Rostov-on-Don, i.e. far from the regions in which the possibility of armed conflict, activities of illegal armed groups and terrorist acts.

Rostov region is not characterized by increased risk of natural disasters.

As a “gateway” to Black Sea countries and the Caspian basin, the Rostov region has a developed infrastructure - the railways and highways of federal importance, sea and river ports, international airport in Rostov-on-Don.

The transport infrastructure of the region is part of one of the leading international

transport corridors passing through the route St. Petersburg - Moscow - Rostov - Novorossiysk. Rostov region is crossed by the highway “Don”, parallel to it is the railway Moscow - Rostov - Caucasus, the shipping route along the river from the center of Russia to the Black Sea and the Mediterranean, as well as an air corridor St. Petersburg - Moscow - Caucasus region.

The main carrier of freight and passengers on domestic and international communications is the North Caucasian Railway. The region is crossed by railway lines connecting the central and western parts of the country, with the southern region of Siberia.

The water transport system includes five ports: Rostov, Azov sea, Taganrog, Volga-Don and Ust-Donetsk that linked the region with the five seas, over twenty enterprises ship-owners, shipyards and freight forwarding company.

The probability of cessation of transportation to the Rostov region is extremely low.

Thus, the level of country and regional risk is low.

2.4.3. Financial Risks

The Company is unlikely to be subject to financial risk.

Changes in interest rates will not have a material impact on the Company's business, as the Company finances its activity mostly at its own expense, the share of loans in total assets of the Company is negligible.

The change in exchange rates also do not have any significant impact on the Company as there are no imports in the supply of inventory, and the Company provides its services in the Russian Federation.

The Company expects that inflation will not affect payments on the Bonds.

The Company expects that the impact of the abovementioned factors will not affect the indicators of its financial reporting.

2.4.4. Legal Risks

Changes in currency exchange regulation will not have a great impact on the Company's activities, as it is in the territory of the Russian Federation and is not connected with the capital flow. The Company does not apply the special tax treatment, however, the tax legislation of the Russian Federation in recent years is acquiring greater stability. These factors suggest that the changes in the tax law will not affect the Company's business.

Changes in regulations in customs and duties will not have a material impact on the Company's activities, as there is no import in the supply of inventory; the Company does not exercise exports of goods (works, services).

The Company operates in strict accordance with the legislation of the Russian Federation, and therefore, changes in judicial practice on issues related to the activities of the Company, will not have a material negative effect on its business.

2.4.5. Risks associated with the activities of the grantor

The Company is not involved in any litigation that may have a negative effect on its business.

The Company assumes that the obstacles to the extension of the existing licenses

will not arise.

The Company has no subsidiaries, did not provide guarantees for obligations of third parties, in connection with which the Company shall not be liable for the debts of third parties.

Significant risk for the Company is the reduction of the area of land used by the Company for the production of agricultural products due to the expiration of the lease of land. The negative consequence of this risk factor is possible fall in volume of production.

The possible loss of customers, which the Company provides services such as transportation, the turnover of which accounted for more than 10% of the total revenue from the sale of goods (works, services) will not have a material adverse effect on the Company, since the Company has the opportunity to sell their services to a wide range of potential purchasers.

III. Detailed Information on the entity that furnished collateral

3.1. Incorporation History and Development of the entity that furnished collateral

3.1.1. Data on Company Name (Name) of the entity that furnished collateral

Full company name: **Open Joint Stock Company “Grechko A.A. Agriculture Enterprise”**

Date of introducing the current company name: 17.11.2003

Short company name: “Grechko A.A. PSKh”, JSC

Date of introducing the current company name: 17.11.2003

All previous company names of the entity that furnished collateral, throughout the Company’s lifetime

The name of the entity that furnished collateral has not changed throughout the Company’s lifetime

3.1.2. Data on State Registration of the entity that furnished collateral

Primary State Registration Number of juridical entity: 1036117000798

Date on making an entry on legal entity registered by July 1, 2002 to unified state registry of legal entities: 17.11.2003

Registering company: Regional inspection MNS Russia No.1 in Rostov region, sector 6117 in Kuibyshev district

3.1.3. Data on Incorporation and Development of the entity that furnished collateral

The entity that furnished collateral is established for an indefinite period

Brief description of the history and development of the entity that furnished collateral

The purpose of establishing the entity that furnished collateral, the mission of the

entity that furnished collateral (if any), and other information about it, which is important for a decision to purchase securities of the entity that furnished collateral:

“PSKh named after Grechko” JSC is located in the south-west of Rostov region and borders the Ukraine. The company is engaged in cultivation of cereals, sunflower seeds. “PSKh named after Grechko” JSC was established as a subsidiary of “Rostovenergo” JSC by the decision of the Board of Directors of “Rostovenergo” JSC dated 31.10.2003 with a registered capital 77,686,000 rubles. “Rostovenergo” JSC was reorganized into a branch of IDGC of the South JSC – “Rostovenergo” JSC. The Company is registered in Russia by District Inspectorate of the Ministry for Taxes and Levies under number 1 to RO under the state registration number 1036117000798 dd 17.11.2003 at: Teatralnaya str., Kuibyshevo village, Rostov region.

The property, processed by the company is 1 753 hectares.

It consists of 4 subdivisions:

- | | | |
|----|--|-----------|
| 1. | tractor team for the production of crops | -1-1 |
| 2. | teams | 1 |
| 3. | garages, | workshops |

3.1.4. Contact Information

Location: 21 Teatralnaya st, village Kuibyshevo, Kuibyshevskiy district, Rostov Area, Russia

Location of entity that furnished collateral: 21 Teatralnaya st, village Kuibyshevo, Kuibyshevskiy district, Rostov Area, Russia

Phone: **(86348) 3-19-39**

FAX: **(86348) 3-19-39**

E-mail: **gr_admin@inbox.ru**

Internet website address (addresses) for information disclosure on the entity that furnished collateral, the securities issued and/ or in the process of issuance:

rostovenergo.mrsk-yuga.ru/obyazatelnoe_raskrytie_informacii_dzo/oao_grechko/

3.1.5. Taxpayer Identification Number

6117010611

3.1.6. Branches and Regional Offices of the entity that furnished collateral

The entity that furnished collateral has not branches or representatives offices

3.2. Ordinary Economic Activity of the entity that furnished collateral

3.2.1. Company’s Industry of the entity that furnished collateral

According to OKVED: **01.11.1**

3.2.2. Principal Business Activity of the entity that furnished collateral

Types of business activity (types of activity, types of goods (works, services)), providing not less than 10% of the entity that furnished collateral for the accounting period

In items of thousand rbs

Business activity: selling of plant production

indicator	2011	2012
Volume of proceeds (income) of the type of business activity	16 892	4 360
Share of proceeds volume in the type of activity related to the total volume of the proceeds (income) of the entity that furnished collateral, %	100	100

indicator	3 months of 2012	3 months of 2013.
Volume of proceeds (income) of the type of business activity	408	148
Share of proceeds volume in the type of activity related to the total volume of the proceeds (income) of the entity that furnished collateral, %	100	100

Change of proceeds volume of the entity that furnished collateral from its principal business activity accounts for 10% in comparison with the correspondent reported period: no changes

Seasonal Character of the entity that furnished collateral Principal Economic Activity

The company's activity is of seasonal type

General Structure of Expenses of the entity that furnished collateral

Indicator	2012	3 months of 201.
Store,%	65	66.4
Purchased components and intermediates, %	0	0
Works and production, maintenance and delivery services performed by external agencies, %	0	0
Fuel, %	0	0
Power, %	0	0
Labour costs, %	14.8	2.4
Interest on credits, %	0	0
Quasi rent, %	0	
Fringe benefit expenses,%	2.8	23.9

Capital consumption,%	3.5	3.9
Taxes released to production costs,%	0	0
Miscellaneous expenses (to be accounted for)		
Intangible assets depreciation, %	0	0
remuneration for rationalization proposal, %	0	0
Obligatory insurance paymentes, %	0	0
hospitality expenditures, %	0	0
other, %	13.9	3.4
Costs of production and selling (of works, services) (self-cost), %	100	100
For reference only: product (works, service) proceeding, %	17.4	16.6

New Essential Types of Products (Works, Services), Offered by the entity that furnished collateral on its Principal Activity Market to the Extent Matching Common Information Concerning such Products (Works and Services): new essential types of products (works, services) are absent.

Standards (Regulations) for the Financial Statements to Comply with and Settlements covered by this item of the quarterly report to be Performed

3.2.3 Materials, Goods (Raw Materials) and Suppliers of the entity that furnished collateral

2012

Suppliers of the Issuer sharing not less than 10% of all the materials and goods (raw materials) supplied: no

Data on Change in Prices for More than 10% of Basic Materials and Goods (Raw Materials) during the Accounting Period as Compared with Corresponding Accounting Period of the Previous Year: **no changes occurred during the reporting period**

Share of import in materials and goods supply, import sources availability forecast and potential alternative sources: **There is no import supply.**

3 months of 2013

Suppliers of the Issuer sharing not less than 10% of all the materials and goods (raw materials) supplied: no

Data on Change in Prices for More than 10% of Basic Materials and Goods (Raw Materials) during the Accounting Period as Compared with Corresponding Accounting Period of the Previous Year: **no changes occurred during the reporting period**

Share of import in materials and goods supply, import sources availability forecast and potential alternative sources: **There is no import supply.**

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

furnished collateral

The main markets in which the entity that furnished collateral operates:

Company performs production of agricultural products at its location - in the Kuibyshev district of Rostov region. The produced goods are sold in Rostov region.

Factors that could negatively affect the sales of the entity that furnished collateral, its products (works, services), and the possible actions of the entity that furnished collateral, to reduce this impact:

Possible factors that may negatively affect the sale of products (works, services) are the factors related to the overall situation in the industry in which the issuer operates. A detailed analysis of these factors is given in Section 4.5 of this report.

3.2.5. Data on the Licenses of the entity that furnished collateral

The entity that furnished collateral does not have licences that re obligatory for disclosure in this quarterly report

3.2.6. Additional requirements to the entity that furnished collateral being joint stock investment funds, insurance or lending institutions, mortgage agents

3.2.7. Additional requirements to the entity that furnished collateral which main activity is the extraction of minerals

Mining is not the core activities of the entity that furnished collateral

3.2.8. Additional requirements to the entity that furnished collateral which main activity is the provision of telecommunications services

Provision of telecommunications services is not the core activities of the entity that furnished collateral

3.3. Plans for Future Activity of the entity that furnished collateral

Due to situation in the industry, the Company does not plan to develop plant cultivation.

3.4. Participation of the entity that furnished collateral in Industrial, Bank and Financial Groups, Holdings, Concerns and Associations

The entity that furnished collateral does not participate in industrial, bank and financial groups, holdings, concerns and associations

3.5. Organizations of significant importance controlled by the entity that furnished collateral

The entity that furnished collateral does not control organizations of significant importance

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

3.6.1. Fixed Assets

2012

In items of thousand rubles

fixed assets	Initial (Replacement) cost	Depreciation Charge
Buildings	28 838	42
Constructions	1 054	5
Land plots	5 565	4 729
Machinery and equipment	1 563	1 451
Transportation equipment	34	21
Transfer mechanisms	189	0
Productive livestock and working animals	3 226	2 711
Inventory	40 469	8 961

Data on Methods of Depreciation Charges Accounting for Fixed Assets Item
Group: straight-line method; Accounting date: **31.12.2012**

As of the end of reporting quarter

In items of thousand rubles

fixed assets	Initial (Replacement) cost	Depreciation Charge
Buildings	28 838	66
Constructions	1 054	12
Machinery and equipment	3 330	2 834
Transportation equipment	1 229	1 127
Inventory	34	22
Land plots	189	0
Other fixed assets	3 226	2 774
Total	37 900	6 835

Data on Methods of Depreciation Charges Accounting for Fixed Assets Item
Group: straight-line method

Accounting date: **31.03.2013**

Results of the last fixed assets revaluation and long-term leased fixed assets revaluation carried out for last completed financial year. For the period pointed out the fixed assets revaluation was not carried out. Data is pointed out referring to project on acquisition, replacement, and retirement of fixed asset, value of which amounts 10% and more of the entity that furnished collateral fixed assets value and other fixed assets at the Issuer's option. Data on all facts of fixed assets of the entity that furnished collateral encumbrance (with indication of encumbrance character, moment of encumbrance its validity term and other conditions at the opinion of the entity that furnished collateral), which exist for the date of the last

completed accounting period is indicated as well: such projects do not exist.

IV. Data on Financial and Economic Activity of the entity that furnished collateral

4.1. Results of Financial and Economic Activity of the entity that furnished collateral

Business activity dynamics, including company's (un)profitability complied on the basis of accounting report

Standard (rules) applied for accounting (financial report): **RAS (Russian Accounting Standards)**

In items of thousand rubles

Indicator	2012	3 months of 2013
Net profit, %	-560.96	-1 812.2
Return on equity, %	0.13	0.005
Return on assets, %	-55.9	-6.69
Ratio of net profit, %	-106.2	-13.2
Uncovered loss amount as of the reported date	-55 025	-57 707
Ratio of uncovered loss rate as of the reported date to balance sheet	-1.26	-1.44

All figures are calculated on the basis of the recommended methods of calculation:
yes

The economic analysis of profits / losses of the entity that furnished collateral based on the dynamics of the indicators, as well as the reasons which, in the opinion of management, have led to losses / profits the entity that furnished collateral, are shown in the accounting (financial) statements:

For calculation of the indicators specified the method recommended by Regulations on disclosure of information by the issuers of securities (Order of FFMS of Russia dated 10.10.06 No. 06-117/ПЗ-Н) was used.

Revenue - cash received (the proceeds) companies, firms, entrepreneurs from the sale of goods and services.

Return on assets shows the amount of profit in relation to one ruble of spent assets, i.e. the overall efficiency of the use of funds belonging to the owner of enterprise and borrowed funds

Return on equity shows the effectiveness of the use of own equity - how many rubles of profit brings every ruble of invested funds.

The profitability of production (sales) shows which profit the company gets from each ruble of sales. In other words, how much is left in the company after covering the cost of production. Return on sales helps to evaluate the share of self-cost in sales.

Capital turnover ratio - the ratio of annual sales to the cost of capital.

Views of management of the entity that furnished collateral on the abovementioned reasons and/or on the degree of their influence on the indicators of financial and economic activities of the entity that furnished collateral coincide.

None of the members of Board of Directors has dissenting opinion as to the abovementioned reasons and/or to the degree of their influence on the indicators of financial and economic activities of the entity that furnished collateral.

4.2. Liquidity, Capital and Current Assets Adequacy of the entity that furnished collateral

The dynamics of indicators liquidity, calculated on the basis of accounting (financial) report.

Standard (rules) applied for making the accounting (financial) report: RAS

In items of thousand rubles

Indicator	2012	3 months of 2013
Net fixed assets index	-8 529	-10 768
Current ratio	1.14	0.92
Quick ratio	0.46	0.26

At the entity's that furnished collateral discretion the additional dynamic of indicators, characterizing Issuer's liquidity, calculated on the basis of consolidated accounting (consolidated financial) report of the entity that furnished collateral, which is included in year report is specified: **No**

All figures are based on the recommended methods of calculations: **Yes**

The economic analysis of profits / losses of the entity that furnished collateral based on the dynamics of the indicators, as well as the reasons which, in the opinion of management, have led to losses / profits the entity that furnished collateral, are shown in the accounting (financial) statements:

For calculation of the indicators specified the method recommended by Regulations on disclosure of information by the issuers of securities (Order of FFMS of Russia dated 10.10.06 No. 06-117/пз-н) was used.

Fixed asset index reflects the ratio of non-current assets and funds accounted for long-term receivables to equity. The recommended value of the index of permanent asset index is 0.9.

Liquidity and solvency can be assessed using a number of absolute and relative terms.

Current ratio indicates the extent to which current assets cover current liabilities of organization, and allows estimating how much current assets accounted for one ruble of current liabilities. Standard limit of current ratio is from 1 to 2.

Quick ratio assesses estimates what proportion of current short-term obligations

can repay the company if the situation becomes critical. The optimal value of the index is 0.8 - 1.0.

The opinions of the entity's that furnished collateral administration with respect to the causes or extent of their influence on the results of the financial activities does not match: **No**.

A member of the entity's that furnished collateral Board of the directors (supervisory council) or a member of the Issuer's collegial executive body has a special opinion on the reasons mentioned and / or the degree of their influence on the results of the entity's that furnished collateral financial activities, as reflected in the minutes of the meeting (conference) Board of directors (supervisory council) or the collective executive body, which considered the issues involved, and insists on reflecting this view in the quarterly report: **No**.

4.3. Financial Investments of the entity that furnished collateral

2012

Investments that make up 5 or more percent of all financial investments

Information on the amount of potential losses associated with the bankruptcy of organizations (enterprises) in which the investments were made, for each of these investments:

Information on losses is given in the evaluation of the grantor, for financial investments reflected in the financial statements of the entity that furnished collateral, for the period from the beginning of the year to the end of the last reporting quarter

Information on losses is given in the evaluation of the entity that furnished collateral, for financial investments reflected in the financial statements of the entity that furnished collateral, for the period from the beginning of the year to the end of the last reporting quarter

Standards (rules) of financial statements, according to which the entity that furnished collateral, made calculations presented in this section of the quarterly report: absent

As of the end of the reporting quarter

Investments that make up 5 percent or more of all financial investments

Information on the amount of potential losses associated with the bankruptcy of organizations (enterprises) in which the investments were made, for each of these investments:

Information on losses is given in the evaluation of the entity that furnished collateral, for financial investments reflected in the financial statements of the entity that furnished collateral, for the period from the beginning of the year to the

end of the last reporting quarter

Information on losses is given in the evaluation of the entity that furnished collateral, for financial investments reflected in the financial statements of the entity that furnished collateral, for the period from the beginning of the year to the end of the last reporting quarter

Standards (rules) of financial statements, according to which the entity that furnished collateral, made calculations presented in this section of the quarterly report: absent

4.4. Intangible Assets of the entity that furnished collateral

2012

The entity that furnished collateral does not have Intangible Assets of

As of the end of the reporting period

The entity that furnished collateral does not have Intangible Assets of

4.5. Data on Policy and Expenditures of the entity that furnished collateral in the Field of Scientific and Technical Development, Concerning Licenses and Patents, New Development and Research

Information about the policy in the area of scientific and technological development: during the reporting quarter the issuer had no expenditures for R&D activity

Information about creating and obtaining legal protection for the main objects of intellectual property and risk factors: no information

Risk factors related to expiry of validity of the Issuer's patents and licenses for use of the trademarks: the issuer has no patents and licenses for the use of trademarks.

4.6. Analysis of Development Trends Related to the entity's that furnished collateral activity

No changes occurred in this article during the reporting period.

In agriculture sphere of the Rostov region it is observed the following situation (according to the official website of the Administration of the Rostov region): In Don economy agro-industrial complex occupies the second place. In this sphere over 45% of all products in the Rostov region are produced. The structure of the agricultural products is as follows: agricultural products - 64.4%, production of food and processing industry - 35.6%.

The main directions of the agro-industrial complex are the production of grain, sunflower seeds, vegetables, livestock production, processing, selling the products to the consumer. More than half of the gross production of agricultural and industrial production is in the crop. The total area of land in the Rostov region is about 6 million hectares (5,685.8 ha). Cereals occupy half of the land, feed - about one-third. The leading branch of agriculture is crop raising based mainly on irrigated lands.

Of paramount importance in the structure of the plant production has a grain farming, which occupies about half of the acreage. The region takes 2nd place in Russia on the cultivation of cereals. The main crops are winter wheat. Spring barley, maize, millet, rice, buckwheat, peas, soybeans are widespread.

Leading industrial crop is sunflower which production exceed 20% of the total Russian regions. In this indicator, the Rostov region ranks first among the subjects of the Russian Federation.

More than 60% of gross agricultural output is produced in the field of crop.

Rostov region specialize animal production in the following areas - dairy and beef cattle, sheep breeding, horse breeding and farming. All livestock and poultry are concentrated in five climatic zones: north-west, north-eastern, eastern, southern and central azov zone. The area occupies the 7th place in the production of meat in Russian agriculture.

Agro-industrial complex in Rostov region is one of the leading in Russia. Its development is based on a mixed economy. There are about 1.2 million farms, and about sixteen thousand (peasant) farms engaged in agriculture.

The results of operations of the Company correspond with trends of agricultural development in the Russian Federation. Thus, in line with the general trends of the sector development, the prices for livestock products produced by the Company are not growing. In the absence of positive trends related to increase of profitability of this type of product the Company will be forced to sell livestock and meat. The probability of occurrence of these negative factors, the Company regards as high. The implementation of the priority national project “Development of agriculture” is not making tangible results.

The Company considers its competitive position as favourable. The positive operating results and strong financial position enable the Company to carry out measures for the transition to the production of the most profitable products. In addition, the Company, unlike many competitors, has funded its operations primarily from its own resources, which significantly reduces the risk of adverse effects due to claims of creditors.

Factors that may improve the performance of the Company is the rise in prices for products produced by the Company, reducing the increase in prices (up to the level corresponding to the level of inflation) for fuel and fertilizers used by the Company. The probability of occurrence of such events as the Company estimates the average.

The favourable climatic conditions (no drought, late frost, etc.) will also benefit the performance of the Company.

4.6.1. Analysis of Factors and Conditions Influencing the entity’s that furnished collateral activity

Factors that may improve the performance of the Company: the rise in prices for products produced by the Company, reducing the increase in prices (up to the level corresponding to the level of inflation) for fuel and fertilizers used by the Company. The probability of occurrence of such events as the Company estimates

the average.

The favorable climatic conditions (no drought, late frost, etc.) will also benefit the performance of the Company.

4.6.2. Business Competitors of the entity that furnished collateral

The Company considers its competitive position as favourable. The positive operating results and strong financial position enable the Company to carry out measures for the transition to the production of the most profitable products.

In addition, the Company, unlike many competitors, has funded its operations primarily from its own resources, which significantly reduces the risk of adverse effects due to claims of creditors.

V. Detailed Data on Members of Management Authorities of the Issuer, Authorities of the Issuer Undertaking Control over Financial and Economic Activities, and Brief Data on the Staff (Employees) of the entity that furnished collateral

5.1. Data on Structure and Competence of the entity's that furnished collateral Management No changes occurred in this article during the reporting period.

The Issuer's management authorities include:

1. General Shareholders Meeting;
2. Board of Directors;
3. CEO.

In accordance with company Charter the following issues are referred to the competence of General Shareholders Meeting:

1. introducing alterations and amendments to the Charter or approving the revised Charter;
2. reorganization of the Company;
3. liquidation of the Company; appointing liquidation commission and the approving the interim and final liquidation balances;
4. determining the quantity, nominal value, category (type) of the declared shares and the rights provided on them;
5. increase in the authorized capital of the Company by way of increasing nominal value of the shares or through additional placements;
6. decrease in the authorized capital of the Company by way of decreasing nominal value of the shares, through acquiring part of shares with the purpose to reduce their total amount, and by retirement of acquired or bought shares;
7. fractioning and consolidation of the Company's shares;

8. taking decision on the Company's placing bonds convertible to shares, other issue securities convertible to shares;
9. determining quantitative structure of the Board of Directors, electing members and early termination of their powers;
10. electing members of Auditing Committee of the Company and early termination of their powers;
11. approving Auditor of the Company;
12. taking decision on transfer of powers of sole executive body of the Company to the managing organization (managing director) and on early termination of his powers;
13. approval of annual reports, annual accounting balances, including the reports on profit and loss (accounts of profit and loss) of the Company, and distribution of its profits (including payment (statement) of dividends, except for the profit distributed as dividends at the end of quarter I, year half, nine months of financial year) and loss of the Company at the end of financial year;
14. payment (statement) of dividends at the end of quarter I, year half, nine months of the financial year;
15. determination of the procedure of General Shareholders Meeting of the of the Company;
16. taking decision on approval of deals in cases envisaged by Article 83 of Federal Law "On Joint Stock Companies";
17. taking decision on approval of large deals in cases envisaged by Article 79 of Federal Law "On Joint Stock Companies";
18. taking decision on participation in financial and industrial groups, associations and other unions of commercial organizations;
19. approving internal documents regulating activity of the bodies of the Company;
20. taking decision to pay remunerations and (or) compensations to the members of the Auditing committee of the Company;
21. taking decision to pay remunerations and (or) compensations to the members of the Board of Directors of the Company;
22. solving other problems envisaged by Federal Law "On Joint Stock Companies".

Decisions on the issues specified in paragraphs 2, 5, 7, 8, 12-20 are adopted by the General Meeting of Shareholders only by the suggestion of Company Board of Directors. The general meeting of shareholders may not consider and make decisions on matters not within its competence under the Federal Law "On Joint Stock Companies".

Competence of the Board of Directors of the Issuer in accordance with the Charter of the issuer:

The Board of Directors has overall management of the Company, except for the issues referred by the Federal Law "On Joint Stock Companies" and the Charter of the Company to the competence of the General Meeting of Shareholders.

The Board of Directors shall make decisions on the following:

1. singling out priority areas of the Company's activity;
2. placement of bonds and other issue securities by the Company, except for cases stipulated by the legislation of the Russian Federation and the Charter;
3. 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;
4. 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 15, 35 of clause 12.1 of Company's Charter;
5. acquisition of shares, bonds and other securities placed by the Company in cases envisaged by Federal Law "On Joint-Stock Companies";
6. 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";
7. 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);
8. recommendations to General Meeting of Company Shareholders on the amount of remunerations and compensations paid to the members of Auditing Committee and determination the fee size for Auditor's services;
9. recommendations on the amount of dividend on the shares and payment order;
10. approving internal documents of the Company determining the procedure for the formation and use of the Company's funds;
11. 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;
12. 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;
13. approving annual (quarterly) business-plan, budget and report on the results of

the business-plan, Company's budget;

14. establishment of branches and representative offices, their liquidation, as well as amending the Charter of the Company in connection with the establishment of branches and representative offices of the Company (including the change of names and locations of branches and representative offices) and their liquidation;
15. adoption of decisions on participation in other organizations (including the approval of constituent documents and candidates in the management bodies of newly established organizations), change in interest (the number of shares, amount of shares), impairment of shares, interests, and termination of participation in other organizations;
16. determination of the credit policy of the Company regarding the issuance of loans, making credit and loan agreements, issuance of guarantees, commitments under the bill (issue of a bill of exchange), property mortgage and making decisions on the above mentioned transactions in cases where decision-making procedures on them is not defined credit policy;
17. preliminary approval of conclusion by the Company of:
 - a) transactions related to the donation of the Company's property or property rights (claims) to itself or to a third person;
 - b) transactions related to the exemption from estate duty to itself or a third person;
 - c) transactions involving gratuitous provision of services (works) to third parties;
18. adoption of decisions to conclude transactions involving property, works and services, the cost of which is from 5 to 25 percent of the net value of the Company as of the date the decision on the conclusion of the transaction
19. approval of major transactions in cases provided in Chapter X of the Federal Law "On Joint-Stock Companies"
20. approval of the transactions provided in Chapter XI of the Federal Law "On Joint Stock Companies";
21. election of the Chairperson of the Board of Directors of the Company and the termination of term of office;
22. election of the Deputy Chairperson of the Board of Directors of the Company and the termination of term of office;
23. election of the Board of Directors of the Company and the termination of term of office;
24. changes in the overall structure of the executive office of the Company
25. approval of candidates for positions in the executive office of the Company, determined by the Board of Directors of the Company;
26. decision to suspend the powers of the managing organization (manager)
27. making the decision on the appointment of the Acting General Director of

the Company in the cases provided in paragraphs 16.11., 16.12. of the Charter of the Company;

28. bringing to disciplinary liability the General Director of the Company and its promotion, in accordance with the labor legislation of the Russian Federation;
29. consideration of the report on the activities of the Company (including the carrying out of duties), on the implementation of resolutions of the General Meeting of Shareholders and the Board of Directors of the Company;
30. approval of interaction of the Company with the organizations in which the Company participates;
31. determination of the opinion of Company (representatives) on the next agenda of the general meeting of shareholders (participants) and meetings of the Boards of Directors of subsidiaries and affiliated companies, including the assignment to take or not to take part in the vote on the agenda items, to vote "for", "against" or "abstain":
 - a) on determining the agenda of the general meeting of shareholders (participants);
 - b) on reorganization or liquidation of subsidiaries and affiliates;
 - c) on determining the number of members of the Board of Directors of subsidiaries and affiliates, nomination and election of its members and early termination of their powers;
 - d) on determination of the number, par value, category (type) of shares in subsidiaries and affiliates and the rights attaching thereto;
 - e) on increase of the authorized capital of the subsidiaries and affiliates by increasing the nominal value of the shares or by issuing additional shares;
 - f) on placement of securities of subsidiaries and affiliates, convertible into ordinary shares;
 - g) on splitting and consolidation of shares of subsidiaries and affiliates;
 - h) on approval of transactions entered into by subsidiaries and affiliates;
 - i) on participation of subsidiaries in other organizations (joining an existing organization or create a new one), as well as the acquisition, disposal and encumbrance of shares and stakes in entities in which the affiliate, changing the share in the authorized capital of the entity;
 - j) on transactions of subsidiaries and affiliates (including several interconnected transactions) related to the disposal or possible disposal of assets, including fixed assets, intangible assets, construction in progress, which are used for the production, transmission, dispatching, distribution of electric and thermal energy in cases (amount) determined by the Company with the companies in which the Company participates, approved by the Board of Directors of the Company;
 - k) on changes and amendments to the constituent documents of subsidiaries and affiliates;
 - l) on payment of remuneration and compensation to members of the Board of

Directors and the Audit Committee of subsidiaries and affiliates;

32.determination of the Company's opinion (representatives) on the following agenda items of meetings of the boards of directors of subsidiaries and affiliates (including the assignment to take or not to take part in the vote on the agenda, to vote "for", "against" or "abstain")

a) determination of the positions of the subsidiaries and affiliates on the agenda of the general meeting of shareholders (participants) and meetings of the Boards of Directors of subsidiaries and dependent companies of subsidiaries and affiliates, concerning the completion (approval) of transactions (including several associated transactions) in connection with the disposal or possible disposal of assets representing fixed assets, intangible assets, construction in progress, the purpose of which is the production, transmission, dispatching, distribution of electric and thermal energy in cases (amount) determined by the Company with the companies in which the Company participates, approved by the Board of Directors of the Company;

b) determination of the positions of the subsidiaries and affiliates on the agenda of the general meeting of shareholders (participants) and meetings of the Boards of Directors of subsidiaries and dependent companies of subsidiaries and affiliates in the generation, transmission, dispatching, distribution of electric and thermal power, reorganization, liquidation, increase the share capital by way of increasing the nominal value of the shares or by issuing additional shares, securities convertible into common shares;

33.preliminary approval of concluding by the Company of :

a) transactions, which subject is the non-current assets in the amount of 10 to 25 percent of the net value of those assets as of the date of the decision of such transaction;

b) transactions (including several interconnected transactions) related to the disposal or possible disposal of assets, including fixed assets, intangible assets, construction in progress, which are used for the production, transmission, dispatching, distribution of electric and thermal energy in cases (amounts) determined by decisions of the Board of Directors of the Company;

34. appointing of the Company's representatives to participate in the higher governing bodies of organizations of any legal form, in which the Company participates

35. making decisions on the nomination of candidates for election to the position of the sole executive body and other bodies, control bodies, as well as auditor of organizations of any legal form, in which the Company participates

36. determination of insurance coverage of the Company, including the approval of the Company's Insurer

37. approval of an independent appraiser(s) to determine the value of shares, property and other assets of the Company in cases stipulated by the Federal Law "On Joint Stock Companies" and the Charter of the Company

38. other issues related to the competence of the Board of Directors under the Federal Law "On Joint Stock Companies" and the Charter of the Company

Issues referred to the competence of Board of Directors of the Company may not be transferred to the General Director of the Company for adoption.

The Board of Directors shall consist of (5) five persons.

Responsibilities of the General Director in accordance with the Charter:

Management of the Company is performed by the sole executive body - the General Director.

All issues of current activities of the Company, except for the matters within the competence of the General Meeting of Shareholders, the Board of Directors of the Company are referred to the competence of General Director of the Company.

General Director of the Company without power of attorney acts on behalf of the Company, including exceptions provided by the legislation of the Russian Federation, the Charter and resolutions of the Board of Directors of the Company:

- ensures accomplishment of the Company's performance plan necessary for meeting the objectives;
- organizes accounting and accounting in the Company;
- disposes of the Company's property, closes transactions on behalf of the Company, issues powers of attorney, opens the Company's settlement and other accounts in banks, other credit organizations (and, where the law permits, in entities who are professional participant of securities market);
- issues orders, approves (adopts) instruction, local regulative acts and other internal documents of the Company within the scope of his competence, gives binding directions to all employees of the Company;
- approves regulation on branches and representative offices of the Company;
- in accordance with organizational structure of the executive office, approves staff schedule and position salaries of the Company's employees;
- exercises in respect to the Company's employees the rights and responsibilities of the employer envisaged by the labour legislation;
- fulfills functions of the Chairman of the Company's Management Board;
- distributes responsibilities among Deputy CEOs;
- submits reports on financial and economic activity of subsidiary and affiliated entities whose shares (stakes) the Company holds for consideration of Board of Directors, as well as information on other entities in which the Company participates;
- not later than 45 (forty-five) days prior to the date of the annual General Shareholders Meeting, submits annual report, annual accounting, the Company's profit and loss account, the Company's profit and loss distribution for consideration of Board of Directors;

- resolves other issues of the current activity of the Company, except for the items included on the competence of General Shareholders Meeting and Board of Directors.

Code of Corporate governance (control) of the Issuer or any other similar document from the issuer

Internal documents regulating the activities of the issuer:

- The Charter;
- Regulations on the Audit Committee;
- Regulations on payment of remuneration and compensation to members of the Audit Committee;
- Regulations on the procedure for convening and holding of meetings of the Board of Directors;
- Regulations on payment to members of the Board of Directors remuneration and compensation

5.2. Data on Members of the entity's that furnished collateral Management Authorities

5.2.1. Structure of the Board of Directors (Supervisory Body) of the entity that furnished collateral

Name: **Kozlov Aleksandr Stanislavovich**

Year of birth: **1956**

Education:

Higher

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	till		
2008	2009	YuGK-TKG-8 JSC	Head of department for economic security
2009	2010	Lukoil-Rostovenergo JSC	Head of department for corporate security
2010	now	Rostovenergo branch of IDGC of the South"	Deputy security director

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Name: **Fadeev Mikhail Yurievich**

Year of birth: **1974**

Education:

Higher

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	till		
2007	2008	Kubanenergo JSC	Head of sector for corporate rights
2008	Now	IDGC of the South JSC	Head of property management department

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Name: **Tregubov Aleksandr Nikoalevich**

Year of birth: **1955**

Education:

Higher

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	till		
2004	2008	Rostovenergo JSC	Planning and estimating manager
2008	2009	Rostovenergo JSC branch of IDGC of the South JSC	Head of sector for business planning and analysis
2009	now	Rostovenergo JSC branch of IDGC of the South JSC	Head of economics department

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Name: **Kuryshkin Konstantin Mikhailovich**

Year of birth: **1980**

Education:

Higher.

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	till		
2006	2008	DKT LLC, RAO UES of Russia JSC (as a part-time job)	Head of sector for interaction with registrars
2008	now	Holding IDGC JSC	Chief specialist of sector for analysis and control of corporate management

			at Department of corporate management and interaction with shareholders at Holding IDGC JSC.
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The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Surname, name, patronymics: **Karpenko Vadim Vladimirovich**

Year of birth: 1959

Education:

Petrozavodsk forestry engineering college, specialization “Equipment of timber procurement enterprises and forestry”.

Leningrad Institute of Finances and Economics named after Voznesenskiy N.A. of Order of the Red Banner of Labour, specialization “National planning”

Advanced education:

Professional retraining at Academy of National Economy under the Government of the Russian Federation on program “Management and marketing” , qualification “Top manager”.

Short-term courses at “Corporate educational and scientific centre of UES” on program “Managemnt of technological processes in electric grids and systems”.

Degree: Ph.D. in Economics

Positions held in issuing company and other entities in chronological order within the last 5 years and now:

Period		Name of entity	Position
from	to		
2005	2009	Russian Television and Radio Broadcasting Network	Head of land and property resources department

		(RTRS)	
2009	2011	Holding IDGC, JSC	Head of property management department
2011	now	“IDGC of the South”, JSC	Deputy director general in charge of corporate management
2011	now	“IDGC of the South”, JSC	Member of management Board
2011	now	“IDGC of the South”, JSC	Member of Committee for technological connection to electric grids attached to BoD
2012	Now	PSKh Sokolovskoye JSC	Member of the BoD

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

5.2.2. Information on Sole Executive Body of the entity that furnished collateral

Surname, name, patronymics: **Karpenko Vadim Vladimirovich acting director general**

Year of birth: 1959

Education:

Petrozavodsk forestry engineering college, specialization “Equipment of timber procurement enterprises and forestry”.

Leningrad Institute of Finances and Economics named after Voznesenskiy N.A. of Order of the Red Banner of Labour, specialization “National planning”

Advanced education:

Professional retraining at Academy of National Economy under the Government of the Russian Federation on program “Management and marketing” , qualification “Top manager”.

Short-term courses at “Corporate educational and scientific centre of UES” on program “Managemnt of technological processes in electric grids and systems”.

Degree: Ph.D. in Economics

Positions held in issuing company and other entities in chronological order within the last 5 years and now:

Period		Name of entity	Position
from	to		
2005	2009	Russian Television and Radio Broadcasting Network (RTRS)	Head of land and property resources department
2009	2011	Holding IDGC, JSC	Head of property management department
2011	now	“IDGC of the South”, JSC	Deputy director general in charge of corporate management
2011	now	“IDGC of the South”, JSC	Member of management Board
2011	now	“IDGC of the South”, JSC	Member of Committee for technological connection to electric grids attached to BoD
2012	Now	PSKh Sokolovskoye JSC	Member of the BoD

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Number of shares of the Issuer of each category (class) that may be purchased by the person as a result of exercise of rights for owned options of the issuer: **the issue did not issue options**

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

5.2.3. Structure of Collegiate Executive Body of the entity that furnished collateral

Collegiate Executive Body is not stipulated

5.3. Data on Amount of Remuneration, Benefits and/ or Reimbursement of Expenses of Each Management Authority of the entity that furnished collateral

Data on the amount of remuneration to each management authority of the entity that furnished collateral (except for the physical person functioning as sole executive authority of the entity that furnished collateral): All kinds of remuneration are specified, including wages, bonuses, awards, benefits and (or) reimbursement of expenses and other property advancements discharged by the the entity that furnished collateral for the last completed financial year:

Unit of measurement: thousand rub

Board of Directors

indicator	2012	3 months of 2013
Remuneration,	175	16
Wages	0	0
Bonuses	0	0
Awards	0	0
Benefits	0	0
Reimbursement for expenses	0	0
Other property advancements	0	0
Total	175	16

5.4. Data on Structure and Competence of Authorities Undertaking Control over the entity's that furnished collateral Financial and Economic Activities

Full description of structure and competence of authorities undertaking control over the Issuer's business activity is provided according to the Charter (constituent documents) of the entity that furnished collateral:

For auditing financial and economic activity of the Company, Auditing Committee of the Company is elected by General Shareholders Meeting for the period till the following Annual General Shareholders Meeting.

Should Auditing Committee is elected by Extraordinary General Shareholders Meeting, members of Auditing Committee are considered to be elected for the

period until the date of Annual General Shareholders Meeting of the Company.

Quantitative structure of Auditing Committee of the Company includes 3 (three) persons.

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

Auditing Committee's competence includes the following:

- confirmation of reliability of data contained in the annual report, annual accounting statements, profit-and-loss account of the Company;
- analysis of financial condition of the Company, revelation of reserves improving the financial condition of the Company and working-out of recommendations for the Company's management bodies;
- development and implementation of a check (audit) of financial and economic activity of the Company, namely:
- check (audit) of the financial, accounting, payment-and-calculation and other documents of the Company related to execution of the Company's finance and business activities concerning the compliance to the legislation of the Russian Federation, the Charter, internal and other documents of the Company;
- control over safety and handling of fixed assets;
- control over observing of the established order of writing-off debts of insolvent debtors on the Company's losses;
- control over expenditure of monetary assets of the Company, according to the approved business plan and the Company's budget;
- control over developing and utilizing reserve and other special funds of the Company;
- check of accuracy and timeliness of distribution and payments of dividends on Company's equity issues, percentage on bonds and income under other securities;
- check of existing instructions fulfillment on elimination of violations and drawbacks revealed during previous checks (audits);
- other actions (activities) regarding check of the Company's financial and economic activities.

Order of the Auditing Committee proceedings is determined by Regulations on the Audit Committee of the Company. For checking and approval of annual financial statements the Company's annual general meeting of shareholders approves the Auditor of the Company.

The auditor shall audit the Company's financial and economic activities in accordance with the laws of the Russian Federation and on the basis of a signed contract.

As a result of the financial and economic activities of the Company the Audit Committee of the Company's Auditor compiles a report, which shall contain:

- Confirmation that the data contained in the reports and other financial documents are valid;
- Information on violations by the Company of the legal acts of the Russian Federation on the accounting and financial reporting, and legal acts of the Russian Federation in the sphere of implementation of financial and economic activity.

The order and period for providing the opinion on the audit of financial and economic activities of the Company are defined by legal acts of the Russian Federation and the Company's internal documents.

5.5. Data on Members of Authorities Undertaking Control over the Financial and Economic Activity of the entity that furnished collateral

The authority controlling financial and economic activity of the entity that furnished collateral: Auditing Committee

Name: **Romanenko Anna Vladimirovna**
(chaiperson)

Year of birth: **1965**

Education:

Higher

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	till		
2004	2007	Krasnodar branch of YuTK	Head of sector for internal audit
2007	2010	IDGC of the South JSC	Deputy head of department for internal control and audit
2010	2012	IDGC of the South JSC	Deputy head of department for internal control and audit risks management
2012	Now	IDGC of the South JSC	Chief specialist of department for internal control and audit risks management

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Name: **Kozachenko Larisa Borisovna**

Year of birth: **1967**

Education:

Higher

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	till		
2008	2009	BDO Unicom Audit Alliance	Head of sector for accounting and tax consulting
2009	Now	IDGC of the South JSC	Chief specialist of department for internal control and audit risks management

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

Name: **Guseva Yelena Yurievna**

Year of birth: **1970**

Education:

Higher

All positions held by the person at the Issuer Company and other entities within the last five years and now, including part-time job

Period		Company	Position
from	till		
2005	2009	IFNS of Russia in Georgievsk	Head of sector
2009	2010	IDGC of the South JSC	Chief specialist of department for internal control and audit
2010	Now	IDGC of the South JSC	Chief specialist of department for internal control and audit risks management

The person has no participation shares/ordinary shares in authorized capital of the Issuer

Participation shares of the person in authorized (share) capital (unit investment fund) of subsidiaries and associated companies of the issuer

The person does not own the specified shares

Data on character of any family relations with other persons who are members of the management authorities of the issuer and/or authorities auditing the financial and economic activity of the issuer:

No specified family relations

Data on bringing the person to administrative responsibility for breaches of law related to finance, taxes and charges, securities market or to criminal responsibility (previous conviction) for crimes referring to economy or crimes against the state power:

The person was not brought to the specified kinds of responsibility

Data on positions held by the person in management authorities of commercial entities in periods when stated entities were prosecuted for insolvency and/or insolvency proceedings were started in conformity with the legislation of the Russian Federation on Insolvency (Bankruptcy):

The person did not hold the specified positions

5.6. Data on Amount of Remuneration, Benefits and/ or Reimbursement of Expenses of Authority Undertaking Control over the Business Activity of the entity that furnished collateral

All kinds of remuneration are specified, including wages, bonuses, awards, benefits and (or) reimbursement of expenses, and other property advancements paid for the last completed financial year:

Name of the authority undertaking control over the financial and economic activity

of the entity that furnished collateral:

Auditing Committee

Remuneration for participation in work of supervisory body

Unit of measurement: rub

Indicator	2012	3 months of 2013
Remuneration	0	0
Wages	0	0
Bonuses	0	0
Awards	0	0
Benefits	0	0
Reimbursement for expenses	0	0
Other remunerations	0	0
Total	0	0

Data on current agreements about such payments in the financial year:
no agreements

5.7. Data on Headcount and Generalized Data on Education and Structure of Employees (Staff Members) of the entity that furnished collateral, and also on Headcount Change of the entity that furnished collateral

Unit of measurement: **thousand rubles.**

Indicator	2012	3 months of 2013
Average number of employees	37	24
Volume of money transferred for remuneration of labour	3 935	1 054
Volume of money transferred for social benefits	75	0

5.8. Data on any Obligations of the entity that furnished collateral to Employees (Staff Members) Concerning Possibility of their Participation in the Authorized (Share) Capital (Share Fund) of the entity that furnished collateral

The entity that furnished collateral has no obligations to employees (staff members) concerning possibility of their participation in the authorized (share) capital (share fund) of the entity that furnished collateral

VI. Data on Participants (Shareholders) of the entity that furnished collateral and on Interested Parties Transactions concluded by the entity that furnished collateral

6.1. Data on the Total Amount of Shareholders (Participants) of the entity that furnished collateral

Total number of persons indicated in the register of shareholders of the Issuer as of the expiration date of the last accounting quarter: 1

Total number of nominee shareholders of the entity that furnished collateral: 0

The total number of persons included in the list of last people persons that had (have) the right to participate in the general meeting of shareholders of the entity that furnished collateral (another list of persons drawn up to implement the (sale) of rights on shares of the entity that furnished collateral, and for making of which the nominee holders of shares of the entity that furnished collateral provided data on the persons on whose behalf they owned (own) shares of the entity that furnished collateral): 1

Date of making the list of shareholders included in the up-to-date list of persons entitled to participate in general meeting of shareholders: **28.06.2012**

Holders of ordinary shares of the issue that are subject to inclusion in such list: **1**

No preferred shares: **yes**

6.2. Data on Participants (Shareholders) of the entity that furnished collateral Holding at least 5 percent of Authorized (Share) Capital (Share Fund) or at least 5 percent of Ordinary Shares, as well as Data on Participants (Shareholders) of the Bodies Holding at least 20 percent of Authorized (Share) Capital (Share Fund) or at least 20 percent of Ordinary Shares

Participants (shareholders) of the entity that furnished collateral holding at least 5 percent of the Issuer's authorized (share) capital (share fund) or at least 5 percent of ordinary shares

Full company name: **Open joint company "Interregional distribution grid company of the South" JSC**

Abbreviated name: **"IDGC of the South" JSC**

Address:

49 Bolshaya Sadovaya str., Rostov-on-Don 344002

TIN: **6164266561**

PSRN: **1076164009096**

Participation of the entity in authorized capital of Δ the entity that furnished collateral, %: **100**

Shares of the entity that furnished collateral owned by the company, %: **100**

Full company name: **Open joint company "Holding distribution grid companies" JSC**

Abbreviated name: **Holding IDGC JSC**

Address

26 Ulanskiy lane, Moscow 117630

TIN: 7728662669

PSRN: 1087760000019

Reason according to which in which the person that controls the participant (shareholder) of the entity that furnished collateral, exercise such control (participation in a legal entity which is a participant (shareholder) of the entity that furnished collateral, contract partnership, contract assignments, the conclusion of the shareholder agreement , the conclusion of an agreement, the subject of which is the realization of the rights certified by shares (shares) of the legal entity that is a member (shareholder) the entity that furnished collateral):

The entity owns more than 50% of voting shares

Sign of performing by the person controlling the participant (shareholder) of the entity that furnished collateral such control: the right to dispose of more than 50 percent of votes in the supreme governing body of the legal entity which is a participant (shareholder) of the entity that furnished collateral

Type of control: direct control

Stake of the entity in the authorized (share) capital of the participant (shareholder) of the entity that furnished collateral, %: 51.66

The stake of ordinary shares of the participant (shareholder) the entity that furnished collateral owned by the entity, %: 51.66

Other information specified by the entity that furnished collateral: no other information.

6.3. Data on State or Municipal Unit Stake in Authorized (Share) Capital (Share Fund) of the entity that furnished collateral, Availability of Special Right (“golden share”)

Information on municipal organizations holding shares

no

Entities that on behalf of Russian Federation or territorial subject of RF perform functions of participant (shareholder) of the entity that furnished collateral

no

Special right for participation of the Russian Federation, subjects of the Russian Federation, municipal units in management of the Issuer (Joint Stock Company) (“golden share”):

Specified right is not stipulated

6.4. Data on Restrictions to Participation in the Authorized (Share) Capital (Share Fund) of the entity that furnished collateral

There are no restrictions to participation in authorized (share) capital (share fund)

of the entity that furnished collateral.

6 6.5. Data on Changes in Composition and Amount of Participation of Shareholders (Participants) of the entity that furnished collateral Holding at least 5 percent of Authorized (Share) Capital (Share Fund) or at least 5 percent of Ordinary Shares

During the last completed financial year and the current year the company had one shareholder (participant) and therefore, the lists of persons entitled to attend the general meeting of shareholders (participants) were not made, because all decisions are taken by the sole shareholder

6.6. Data on the Interested parties Transactions Concluded by entity that furnished collateral

Such transactions were not concluded

**6.7. Data on the Amount of Accounts Receivable
2012**

Unit of measurement: **thousand rubles**

Type of accounts receivable	
Accounts receivable from buyers and customers	4 403
including overdue	2 222
Accounts receivable from bills	0
including overdue	0
Accounts receivable from participants (founders) on payments to share capital	0
including overdue	0
Other accounts receivable	459
including overdue	0
Total	4 862
including overdue	2 222

Debtors which share is at least 10% from total sum of accounts receivable as of the reporting period: no

As of the end of the reporting quarter

Unit of measurement: **thousand rubles**

Type of accounts receivable	Значение показателя
Accounts receivable from buyers and customers	2 225
including overdue	0
Accounts receivable from bills	0

including overdue	0
Accounts receivable from participants (founders) on payments to share capital	0
including overdue	0
Other accounts receivable	337
including overdue	0
Total	2 562
including overdue	0

Debtors which share is at least 10% from total sum of accounts receivable as of the reporting period: no

VII. Accounting Report of the entity that furnished collateral and Other Financial Information

7.1. Annual Accounting Report of the entity that furnished collateral

2012

Accounting balance as of 31.12.2012

		Code
Form No. 1 as per Russian National Classification of Management Documentation (RNCMD)		0710001
	Date	31.12.2012
Organization: Open joint stock company "Agriculture Enterprise named after Grechko A.A."	as per Russian National Classifier of Business Organizations (RNCBO)	3675767
Taxpayer Identification Number	TIN	6117010611
Type of activity:	as per Russian National Classifier of Economic Activities (RNCEA)	01.11.1
Legal form of organization / form of ownership: <u>open joint stock company</u>	as per Russian National Classifier of Forms of Incorporation (RNCFI)/ Russian National Classifier of Forms of Ownership (RNCFO)	47 / 16
Unit of measurement: ths.rub./mln.rub (delete as applicable)	as per Russian National Classifier of Measurement Units (RNCMU)	384
Location (address)	21 Teatralnaya str., Kuibyshevo village, Kuibyshevskiy district, Rostov region	

Notes	Assets	Line	As of 31.12.2012	As of 31.12.2011	As of 31.12.2010
1	2	3	4	5	6
	• Non-current assets				
	Intangible assets	1110			
	Results of researches and projects	1120			
	Fixed assets	1130	31 557	33 800	47 847
	Income-bearing investments in tangible assets	1140			
	Financial investments	1150			
	Deferred tax assets	1160			
	Other non-current assets	1170			
	Total for section I	1100	31 557	33 800	47 847
	• Current assets				
	Stock	1210	7 298	27 990	45 059
	Input VAT	1220			
	Accounts receivable	1230	4 862	4 688	4 506
	Financial investments	1240			
	Cash assets	1250	16	51	18
	Other current assets	1260			
	Total for section II	1200	12 176	32 729	49 583
	Balance (assets)	1600	43 733	66 529	97 430

Notes	Liabilities	Line	As of 31.12.2012	As of 31.12.2011	As of 31.12.2010
1	2	3	4	5	6
	III. Shareholder's funds				
	Authorized capital (share capital, authorized fund, partners' investments)	1310	77 686	77 686	77 686
	Reacquired stock	1320			
	Reappraisal of fixed assets	1340			
	Capital surplus (without reappraisal)	1350			
	Reserve funds	1360	367	367	327
	Undistributed profit (uncovered loss)	1370	-55 025	-30 567	3 418
	Total for section III	1300	23 028	47 486	81 431
	IV. Long-term liabilities				
	Borrowed funds	1410	10 000	0	0
	Deferred tax	1420			
	Provisions for indirect liabilities	1430			
	Other liabilities	1450			
	Total for section IV	1400	10 000	0	0
	V. Short-term liabilities				
	Borrowed funds	1510	2 680	2 680	2 680
	Accounts payable	1520	7 648	15 680	12 873
	Deferred income	1530			

	Provisions for future expenses	1540	377	683	446
	Other liabilities	1550			
	Total for section IV	1500	10 705	19 043	15 999
	BALANCE (liabilities)	1700	43 733	66 529	97 430

Profit and Loss Statement 2012

		Code
Form No. 1 as per Russian National Classification of Management Documentation (RNCMD)		0710001
	Date	31.12.2012
Organization: Open joint stock company "Agriculture Enterprise named after Grechko A.A."	as per Russian National Classifier of Business Organizations (RNCBO)	3675767
Taxpayer Identification Number	TIN	6117010611
Type of activity:	as per Russian National Classifier of Economic Activities (RNCEA)	01.11.1
Legal form of organization / form of ownership: <u>open joint stock company</u>	as per Russian National Classifier of Forms of Incorporation (RNCFI)/ Russian National Classifier of Forms of Ownership (RNCFO)	47 / 16
Unit of measurement: ths.rub./mln.rub (delete as applicable)	as per Russian National Classifier of Measurement Units (RNCMU)	384
Location (address)	21 Teatralnaya str., Kuibyshevo village, Kuibyshevskiy district, Rostov region 346940	

Notes	Indicator	Line	2012	2011
1	2	3	4	5
	Profit	2110	4 360	16 892
	Cost of sales	2120	-25 091	-49 271
	Gross profit (loss)	2100	-20 731	-32 379
	Коммерческие расходы	2210	0	0
	Management expenses	2220	0	0
	Profit (loss) from sales	2200	-20 731	-32 379
	Participation capital	2310		
	Interest receivable	2320		
	Interest payable	2330		
	Other revenues	2340	7 814	4 151
	Other expenses	2350	-11 179	-5 258
	Profit (loss) before the taxation	2300	-24 096	-33 486
	Current income tax	2410		
	Including tax liabilities (assets)	2421		

	Changes in deferred tax liabilities	2430		
	Changes in tax asset	2450		
	Other	2460	-362	-459
	Net profit (loss)	2400	-24 458	-33 945
	For reference:			
	Balance from revaluation of non-current assets, that is not included in net profit (loss) of the period	2510		
	Balance from other activities that is not included in net profit (loss) of the period	2520		
	Total financial result of the period	2500	-24 458	-33 945
	Basic profit (loss) per share	2900	-0.03148	-0.4369
	Diluted profit (loss) per share	2910		

Capital Statements 2012

		Code
Form No.3 as per Russian National Classification of Management Documentation (RNCMD)		0710001
	Date	31.12.2012
Organization: Open joint stock company "Agriculture Enterprise named after Grechko A.A."	as per Russian National Classifier of Business Organizations (RNCBO)	3675767
Taxpayer Identification Number	TIN	6117010611
Type of activity:	as per Russian National Classifier of Economic Activities (RNCEA)	01.11.1
Legal form of organization / form of ownership: <u>open joint stock company</u>	as per Russian National Classifier of Forms of Incorporation (RNCFI)/ Russian National Classifier of Forms of Ownership (RNCFO)	47 / 16
Unit of measurement: ths.rub./mln.rub (delete as applicable)	as per Russian National Classifier of Measurement Units (RNCMU)	384
Location (address)	21 Teatralnaya str., Kuibyshevo village, Kuibyshevskiy district, Rostov region 346940	

1. Capital flow							
Indicator	Line	Authoriz ed capital	Treasury stock	Incremen tal capital	Reserve Funds	Undistrib uted Profit (Uncover ed Loss)	Total
1	2	3	4	5	6	7	8
Capital as of December 31 of year before last	3100	77 686			327	3 418	81 431

In reporting period of the previous year:							
Growth of capital - total:	3210						
including:							
Net profit	3211						
Revaluation of fixed assets	3212						
Incomes directly related to increase of capital	3213						
Additional share issue	3214						
Increase of nominal cost of shares	3215						
Re-organization of a legal entity	3216						
Reduce in capital - total:	3220					-33 945	-33 945
including:							
loss	3221					-33 945	-33 945
revaluation of fixed assets	3222						
expenses directly related to decrease of capital	3223						
decrease of share nominal cost	3224						
reduction of number of shares	3225						
re-organization of a legal entity	3226						
interest	3227						
changes in incremental capital	3230						
changes in reserve funds	3240				40	-40	0
Capital as of December 31 of previous year	3200	77 686			367	-30 567	47 486
In reporting period of the previous year:							
Growth of capital - total:	3310						
including:							
Net profit	3311						
Revaluation of fixed assets	3312						
Incomes directly related to increase of capital	3313						
Additional share issue	3314						
Increase of nominal cost of shares	3315						
Re-organization of a legal entity	3316						
Reduce in capital - total:	3320					-24 458	-24 458
including:							
loss	3321					-24 458	-24 458

revaluation of fixed assets	3322						
expenses directly related to decrease of capital	3323						
decrease of share nominal cost	3324						
reduction of number of shares	3325						
re-organization of a legal entity	3326						
interest	3327						
changes in incremental capital	3330						
changes in reserve funds	3340						
Capital as of December 31 of reporting year	3300	77 686			367	-55 025	23 028

2. Amendments caused by changes in accounting policy and faults correction					
Indicator	Line	31.12.2010	changes in capital 2011		31.12.2011
			Due to net profit	Due to other factors	
1	2	3	4	5	6
Capital - total		81 431	-33 945		47 486
before amendments	3400				
amendments caused by:					
changes in accounting policy	3410				
faults correction	3420				
after amendments	3500	81 431	-33 945		47 486
including:					
undistributed profit (uncovered loss)					
before amendments	3401	3 418	-33 985		-30 567
amendments caused by:					
changes in accounting policy	3411				
faults correction	3421				
after amendments	3501	3 418	-33 985		-30 567
other lines to which the amendments were made:					
(lines)					
before amendments	3402	78 013	40		78 053
amendments caused by:		77 686			77 686
changes in accounting policy	3412				
faults correction	3422				
after amendments	3502	78 013	40	0	78 053

references

indicator	line	31.12.2012	31.12.2011	31.12.2010
1	2	3	4	5
Net assets	3600	23 028	47 486	81 431

Cash flow statement 2012

		Code
Form No.4 as per Russian National Classification of Management Documentation (RNCMD)		0710001
		Date 31.12.2012
Organization: Open joint stock company "Agriculture Enterprise named after Grechko A.A."	as per Russian National Classifier of Business Organizations (RNCBO)	3675767
Taxpayer Identification Number	TIN	6117010611
Type of activity:	as per Russian National Classifier of Economic Activities (RNCEA)	01.11.1
Legal form of organization / form of ownership: <u>open joint stock company</u>	as per Russian National Classifier of Forms of Incorporation (RNCFI)/ Russian National Classifier of Forms of Ownership (RNCFO)	47 / 16
Unit of measurement: ths.rub./mln.rub (delete as applicable)	as per Russian National Classifier of Measurement Units (RNCMU)	384
Location (address)	21 Teatralnaya str., Kuibyshevo village, Kuibyshevskiy district, Rostov region 346940	

Indicator	Line	12 months of 2012	12 months of 2011
1	2	3	4
Cash flow from current operations			
receipts - total	4110	2 405	15 451
в том числе:			
from sales of products, works, services and goods	4111	2 311	14 257
from rental payments, license payments, royalty, commissions and other similar payments	4112		
from resale of financial investments	4113		
other receipts	4119	94	1 194
Payments - total	4120	-15 528	-15 556
including:			
to contractors and suppliers for raw materials, materials, works, services	4121	-9 274	-9 150

salary to staff	4122	-4 713	-4 294
debenture interest	4123		
VAT	4124		
other payments	4125	-1 541	-2 112
Net cash flow from financing activities	4100	-13 123	-105
Cash flow from investments activity			
Receipts - total	4210	3 088	156
including:			
from sales of non-current assets (except financial investments)	4211	3 088	156
from sale of other organizations' shares (equity share)	4212		
from repayment of granted loans, from sale of debt securities (right of demanding monetary assets to third parties)	4213		
Dividends, interests on debt financial investments and similar receipts from participation in other organizations	4214		
Other receipts	4219		
Payments - total	4220		-18
including:			
related to acquisition, foundation, modernization and preparation to usage of non-current assets	4221		-18
related to purchases of other organizations' shares (equity share)	4222		
related to purchase of granted loans, from sale of debt securities (right of demanding monetary assets to third parties)	4223		
debenture interest included in the cost of the investments	4224		
other payments	4229		
Net of cash flows from financial operations	4200	3 088	138
cash flows from financial operations			
Receipts - total	4310	10 000	
including:			
credits and loans	4311	10 000	
founders' (participants') investments	4312		
from issue of shares, increase of participation share	4313		
from issue of bonds, bills and other securities	4314		
other receipts	4319		
Payments - total	4320		

including:			
to founders (participants) in relation to purchases of their shares (participation share) or termination of participation	4321		
for payment of interest and other payments on distribution of profit in favour of founders (participants)	4322		
for redemption of bills and other securities, repayment of credits and loans	4323		
other payments	4329		
Net cash flow from financial operations	4300	10 000	
Cash balance at end of accounting period	4400	-35	33
Balance of monetary assets and equivalents as of the beginning of the reporting period	4450	51	18
Balance of monetary assets and equivalents as of the end of the reporting period	4500	16	51
Effect of changes in exchange rate between foreign currency and ruble	4490		

Explanatory note

Notes to the Balance Sheet and report on financial results for 2012

Section 1

General information about the Company

"PSKh named after Grechko" JSC is located in the South West of Rostov region which borders with the Ukraine. The company is engaged in cultivation of cereals, sunflower seeds. "PSKh named after Grechko" JSC was established as a subsidiary of Joint Stock Company "Rostovenergo" with a registered capital 77 686 000 rubles. As a result of the reorganization of "Rostovenergo" JSC by joining to IDGC of the South JSC, the only registry keeper of "PSKh the AA Grechko" became IDGC of the South JSC.

The company is registered by District Inspectorate of the Ministry for Taxes and under registration number 1036117000798 on November 17, 2003. TIN of the Company: 6117010611, KPP: 611701001. Legal address: 21 Teatralnaya str., Kuibyshevo village

Mailing address: 21 Teatralnaya str., Kuibyshevo village 46940

The value of farmland processed by the company in 2012 is 1753 hectares, including crop land – 1187 hectares.

It consists of 4 subdivisions:

1. tractor team for the production of crops -1-1
2. teams
3. garages, workshops

Number of employees as of 31.12.2012: 37.

The governing bodies of the company are:

- The General Meeting of Shareholders;
- Board of Directors;
- Sole executive body - the Acting Director General of "PSKh named after Grechko" JSC – Vadim Vladimirovich Karpenko.

On 25.01.2011 Extraordinary General Meeting of Shareholders (Minutes of the Board of Directors of IDGC of the South JSC meeting dated 26.01.2011 No.45) approved a new candidate of auditor of the Company - LLC "FinExpertiza" (Moscow, INN7708096662 is a member of a self-regulating organization of auditors non-commercial partnership "Audit Chamber of Russia", the certificate No. 4209 dd 31.07.2009. Full name of the auditor: Limited Liability Company "FinExpertiza"; abbreviation: LLC "FinExpertiza". Location of the auditor: 1 building, 69 Mira str, Moscow.

The balance cost of fixed assets as of 31.12.2012 amounted to 31 508 thousand rubles.

"PSKh named after Grechko" does not have subsidiaries and affiliates.

Section 2

Basis of providing the information in the financial statements

The accounting policy of the Company is prepared in accordance with the Federal Law of 21 November 1996 No. 129-FZ "On Accounting", the Regulations on accounting and financial reporting in the Russian Federation, approved by Order of the Ministry of Finance of the Russian Federation from 29.07.98 No. 34n; Provision on accounting "Accounting Policy", approved by Order of the Ministry of Finance dated December 09, 1998 No. 60n, the Chart of Accounts approved by order of the Ministry of Finance of the Russian Federation of 31.10.2000 No. 94n and other normative documents in the field of accounting.

The accounting policy of the Company is formed on the basis of assumptions:

business entity convention;

going concern;

consistent application of accounting policies;

temporal determination of factors of economic activity;

The order of the inventory of assets and liabilities

Inventory of assets and liabilities is held by the Company in accordance with Article 12 of the Federal Law of 21.11.1996 No. 129-FZ "On Accounting" and the Guidelines for the inventory of assets and liabilities, approved by the Ministry of Finance of 13.06.1995 No.49.

The order of holding the inventory check in the Company (the amount of inventory checks in the reporting year, the date of the event, list of assets and liabilities that are checked) is established by orders of the Company.

Inventory of fixed assets is held by the Company each year. For such checks inventory commissions are called, the composition of which is approved by Order of the Company.

Section 3

Notes to the balance sheets

In the explanatory notes to the balance sheet of the Company shall be disclosed the following information:

3.1. Intangible assets

The company does not have intangible assets on its balance sheet.

3.2. R&D

The company did not perform research, development and engineering works.

3.3. Fixed funds, including income-bearing investments in tangible assets

As the fixed assets, the Company recognizes assets in respect of which the following conditions are observed simultaneously:

planned to use in the production of products, performance of work or provision of services or for administrative purposes during the useful life of more than 12 months;

ability to generate future economic benefits, as well as the organization is not

intended to resell the assets.

Assets in respect of which the abovementioned conditions are observed, and which value is of no more than 20 000 rubles per unit are recorded in the inventory. The quantitative account of assets is performed in order to ensure the safety of these facilities in the production or operation.

The accounting unit of fixed assets is recognized as inventory item. For an inventory of the fixed assets card account (FA-6) is used.

The costs of all types of repair of fixed assets (current and overhaul) are included in the expenses from ordinary activities during the period in which the repair was performed.

Changing of the original value of fixed assets (in which they were taken for accounting purposes) is permitted in cases of completion, further equipment, renovation, modernization, partial liquidation and revaluation of fixed assets.

Determination of the useful life of fixed assets is based on the expected physical wear and tear, which depends on the mode of operation, the natural environment and the impact of the aggressive environment, system of repair. The useful life of property, plant and equipment is within the limits approved by the Government of the Russian Federation on 01.01.2002 No.1, according to the list approved by the head of the Company or authorized representative.

The estimated useful lives of fixed assets on the basis of documentary evidence of its value is set by the Commission and approved by the manager of the Company, in which the facility will be used. The estimated useful lives are shown in Table 5.3.2 "The useful lives and depreciation methods"

In the report the fixed assets are stated at initial cost minus accumulated amortization. Depreciation is accrued by straight-line method at the rates approved by the Government of the USSR on October 22, 1990 No. 1072:

- Buildings - 1% per year
- Machinery and equipment - 12% per year
- Vehicles - 4% per year
- Facilities - 0% pa
- Others - 2% per year

Depreciation amounted to:

- Buildings - 1.2%
- Machinery and equipment - 81.0%
- Vehicles - 18.5%
- Facilities - 0%
- Others - 19.0%

Initial cost of funds as of 31.12.2012 amounted to 31 508 thousand rubles. Additions of fixed assets during the year occurred

Disposal of fixed assets in the amount of 5 259 thousand rubles is explained by write-off of fixed assets in the amount of 1 558 thousand rubles and sales of fixed assets in the amount of 3 701 thousand rubles. The presence and movement of fixed assets is shown in the Annex to the Explanatory Note - Table 5.3.1 "The presence and movement of fixed assets"

Depreciation charge for the entire period of operation amounted to 8 961 thousand rubles, which is 23.9% of cost of fixed assets.

The fixed assets of the Company include fully depreciated assets with replacement value of 3 thousand rubles or 8.6% of the total value of fixed assets.

The cost of all the repairs of fixed assets amounted 194 thousand rubles, including:

- the cost of repair of buildings and structures - 0.00 thousand rubles performed by third-party organizations - 0.00 thousand rubles
- the cost of repair of tractors and combines, agricultural machinery and vehicles - 194.0 thousand rubles performed by third-party organizations - 0.00 thousand rubles

The cost of fixed assets that are not involved in own production and provided for rental as of 31.12.2012 was 6 811 thousand rubles, are shown in Table 5.3.4 "Other use of the assets". The cost of obtained under the contract of lease of fixed assets amounted to 139 062 thousand rubles (land leased from individuals). In the end of the year, these lands have been transferred under the assignment agreement to another person.

Balance of costs in construction in progress at the end of 2012 amounted to 49 thousand rubles. Buildings and structures that were accounted for in the account 08 "Construction in progress" during the year were transferred to fixed assets in the amount of 28 628 thousand rubles.

Balance and movement costs are shown in Annex to the note in Table 5.3.5 "Capital investments in progress".

3.4. Financial investments

The company does not have financial investments.

3.5. Inventory

Classification number or homogeneous group (depending on the type of inventories) is considered to be accounting unit of inventories.

Purchased specialized clothing and footwear, irrespective of cost and useful life, shall be recorded by the Company as part of active assets.

Materials shall be registered (recorded) in the account 10 "Materials" at actual production cost of their acquisition (provision).

Cost of specialized clothing with service life over 12 months shall be repaid with application of linear method taking into account the useful life period defined in conformity with norms specified.

Inventories written off to production, sold to outside parties, retiring because of some other grounds shall be evaluated at the average production cost of each stock category.

Average estimate of actual production cost of materials shall be carried out by determining actual production cost of the material at the moment of requisition (rolling valuation). In 2012, inventories writing off to production were made at

production unit – average prime cost for each category of inventories.

Spare parts recorded on retirement from fixed assets under restoration shall be regarded as other revenues and evaluated at book value of similar spare parts acquired latest, percentage of actual depreciation of credited items shall be taken into consideration (no less than cost of scrap metal) in case information is absent on current market value.

Inventories (including the spare parts) left after retirement of fixed assets or any other retirement shall be evaluated depending on the current market value as of the date of placement on the balance sheet. Current market value shall be understood as the amount of cash assets that can be received as a result of selling the specified assets.

Inventory is assessed throughout the year at cost of acquisition, their value as of 31.12.2012 amounted to 7298 thousand rubles. This represents 59.9% of current assets, or 16.7% of the company's assets. The presence and movement of inventories is shown in Annex to the Explanatory Note Table 5.5.1 "The presence and movement of stocks".

All assets in relation to 2011 have decreased by 24 458 thousand rubles. Accordingly, this also affected the net assets of the Company. Decrease in net assets was 33 945 thousand rubles. At the end of the reporting period, the Company has accumulated losses of 24 458 thousand rubles and the lack of net assets at the balance sheet is 53 228 thousand rubles.

According to the results of the inventory no surpluses and shortages were identified.

3.6. Receivables and payables

The main activity of the company is the production of agricultural products. Explanation of receivables is shown in the Annex to the note in table 5.6.1 "The presence and movement of receivables";

In the result of inventory irrecoverable accounts receivable were revealed:

CJSC "Kolomiytsevskoe" – 1129 thousand rubles,

Ltd. "Agrotranzit" – 741 thousand rubles,

Milk plant PSKh "Sokolovskoye" – 352 thousand rubles.

Irrecoverable accounts receivable were not written off.

At beginning and end of the reporting period, the movement of certain types of accounts payable is shown in Table 5.6.5 "The presence and movement of accounts payable"

3.7. Reserves for contingent liabilities and estimated liabilities

"PSKh named after Grechko" creates a reserve for future expenses and payments for vacation pay on a monthly basis, based on the average daily wage of the employee, provided the number of days of vacation and rate of insurance contributions. The same order as in the calculation of vacation pay to the employee is used to calculate the average daily wage. As an accounting period are taken 12 calendar months preceding the date of settlement reserve.

If during the year, the Company is hiring new employees, the total amount of the

provision is increased by the amount of the reserve, created by these workers. Provision for liabilities and payments for vacation pay is allocated to expense accounts and shall be credited to the account 96 "Provisions". Balance of accrued provisions for liabilities and payments for vacation pay amounted to 377 thousand rubles.

3.8. Deferred taxes

The Company does not have deferred taxes.

3.9. Provisions.

In 2008 "PSKh the AA Grechko" JSC made an offer to conclude a contract of guarantee for the issue of non-convertible interest-bearing documentary bonds with mandatory centralized custody, of series 02 of IDGC of the South JSC with a maturity in 1820 days from the date of issue, with par value 1000 rubles each, in the amount of 6000 000 pieces amounting 6000 000 000 rubles and a total coupon yield.

The Offer is to conclude a contract of guarantee under the conditions specified in the Offer to any person that wants to buy bonds. Collateral is accounted at balance sheet accounts 006 "Security issued" in the amount of 6000000 thousand rubles. Collateral provided is stated in Table 5.8 "Collateral"

3.10. Government assistance

During the 12 months of 2012 "PSKh named after Grechko" did not receive subsidies and state aid from the budget of all levels.

3.11. Statement of value charged on off-balance accounts.

The cost of fixed assets obtained under the lease contract, charged on off-balance accounts during 2012 amounted to 139 062 thousand rubles (land was leased from natural persons). At the end of 2012 all agricultural land, under the assignment agreement was transferred to another person. Information about values is shown in Table 5.12 "Note about values, balance accounts"

Section 4

Notes to the Statements of Financial Performance

Revenue from sales of products, goods (works and services) is determined by the time of shipment of products, works and services and bringing to the buyers (customers) of the payment documents. Accounting of revenue from sales of products and goods receipts connected with the performance of work and services is carried out for each type of activity. In this case, income from ordinary activities of "PSKh named after Grechko" JSC is the proceeds from the sale of crops.

Revenues different from ordinary activities are considered as miscellaneous income.

Income and expenses for the reporting period are reflected in the income statement separately from ordinary activities, in other income and expenses, with provides

details on the types and quantities.

Proceeds from the sale of crops arose from the sale of 146 tons of cereals for the total sum of 1 019 thousand rubles, 245 tons of sunflower for 3291 thousand rubles and sales of other products of plant growing for 50 thousand rubles.

Due to the fact that agricultural production is seasonal, cost of goods sold during the year is generated by planned prices, and in the end of a year adjustments are made by the method of cancellation or supplementary entry. Accounting of the cost of sales is made for each type of activity, along with it the main activities are the production and sale of crop. Cost of sales is reflected in Table 2.1 "Cost of sold products, works and services"

Other income is reflected and shown in the Annex to the Explanatory Note in Table 5.11 "Other income and expenses"

Basic loss per share for the current reporting period was - 0.3148 rubles and this calculation is shown in Table 2.2 "Earnings per share, diluted earnings per share"

Information on trade transactions

During the 12 months of 2012, part of the sales was carried out under the exchange of goods, which is characterized by parameters:

The total number of organizations that conducted barter transactions - 3, the proceeds of the transactions amounted to 935 thousand rubles, as a percentage of total revenue 21.4%.

Revenue from barter transactions with affiliated parties - no.

Section 5

Other notes to report

5.1. Inventory of assets and liabilities

Inventory of assets and liabilities is held by the Company in accordance with Article 12 of the Federal Law of 21.11.1996 No. 129-FZ "On Accounting" and the Guidelines for the inventory of assets and liabilities, approved by the Ministry of Finance of 13.06.1995 No. 49.

The procedure of inventories in the Company (the amount of inventory in the reporting year, the date of the event, list of assets and liabilities that are scanned by each of them) is established by orders of the Company.

Inventory of fixed assets is performed by the Company each year. Inventory of cash on hand is performed every month. Special inventory commissions are called to perform inventory, the composition of commissions is approved by Order of the Company.

5.2. Information on segments.

Revenue (income) of segments is formed as a result of transactions with external customers. Operations with other segments are not implemented. Net financial result by segment does not differ from the sales profit organization which is shown in the column "Total for the organization" in the line "Profit (loss) of segment", as the value of selling, general and other expenses related to the Company's activities

as a whole is distributed to the cost of the produce. The costs of a single agricultural tax and other similar mandatory payments, interest payable and receivable, income from investments in other companies, as well as extraordinary income and expenses are not included in income (loss) of the segment. Other income and expenses were not allocated by segments due to the lack of the necessary foundation. Segment assets include mainly the fixed assets, intangible assets, inventories, work in progress, accounts receivable, cash and other current assets. Typically, investments are not included in segment assets. Segment liabilities include mainly short-term liabilities, except liabilities to the budget on a single agricultural tax and for loans and borrowings received to finance the Company's activities in general.

Primary information for the purpose of generating data by segment information is received by geographical segments as the risks and profits of the Company are determined by differences activity in in different geographic regions. Secondary is the information on operating segments.

The primary segment information is not present. Geographical segment information is not provided due to the fact that the company's activities are performed in the same geographic region.

Secondary information - the operating segments.

In the Company's activity the following operating segments may be specified:

Production and sales of crop products

Information for the segments is presented in Table 5.13 "The information for the reportable segments"

5.3. Events after the reporting date

Events after the balance sheet date that would affect the financial condition, cash flows or results of operations of the organization and which occurred between the balance sheet date and the date of signing the financial statements for the fiscal year are absent.

5.4. Information on participation in joint activities

"PSKh named after Grechko" does not have partners in joint venture.

5.5 Information on cash flow.

Information on the cash flow is specified in the statement of cash flow.

5.6. Information on corrections to financial statements

Since 01.01.2012 the Company recorded in the account of the movement of provisions, in accordance with the Accounting Standard "Provisions, contingent liabilities and contingent assets" Accounting Regulations 8/2010, approved by Order of the Ministry of Finance of the Russian Federation of 13.12.2010 No. 167n. According to the paragraph 4 of Accounting Regulations 8/2010 commitment to the organization with an uncertain value, and (or) the time of execution can occur as a result of the organization's activities, which, because of the established past practice of the organization or statements indicate to others that the organization takes on certain responsibilities and, as a consequence, such

persons there is a reasonable expectation that the organization will perform such duties. According to paragraph 5 of Accounting Regulations 8/2010 estimated liability is recognized in the accounting records at the same time respecting the conditions of existence of duty, which was the result of past events, its economic life, the fulfillment of which the organization cannot be avoided.

According to paragraph 8 of Accounting Regulations BU 8/2010 estimated liabilities on account of accounting reserves for future expenses, that is on the account 96 "Provisions for liabilities and charges." Movement in the allowance for vacation pay is shown in Table 5.7.1. "Provisions"

Adjustments of the Balance Sheet (thousand rubles)

Item	Line	31.12. 2011	31.12.2010
Retained earnings (accumulated losses)			
		1370	
		- 446	
		-220	
The reporting period	1372	- 446	-220
Total for Section III			
		1300	
		- 446	
		-220	
Estimated liabilities	1540	+446	+220
Total Section I	1500	+ 446	+220

Adjustments to the profit and loss account (thousand rubles)

Indicator	Line	Sum of correction	2010
Cost of sales including	2120		+226
Cost of other products	2128		226
Gross profit (loss)	2100		-226
Profit (loss)	2200		-226
Income (loss) before tax	2300		-226
Net income (loss)	2400		-226
Total financial result	2500		-226
Basic earnings (loss) per share	2900		-0.00290
Diluted earnings (loss) per share	2910		-0.00290

In table 3.2 "Adjustments due to change in accounting policy and correction of errors" of the Statement of changes in equity capital, the changes of capital were accounted as a change in the net profit. The information is presented as of 31 December of the year preceding the previous one, and 31 December of the previous year

5.7. Information on Related Parties

Information on related parties by type of related parties:

1. Affiliated persons/entities of:

-Entities:

Number

p / p

Full business name of the legal entity Location Date of the ground

Share in the authorized capital, %

Percentage of shares, %

1 IDGC of the South JSC in Rostov-on-Don 31.03.2008 0 100

Members of the Board of Directors of the Company:

- Aleksakov F.Yu. – Deputy Director – Chief of staff of the branch of IDGC of the South JSC – “Rostovenergo”
- Kozlov A.S. – Deputy Director of IDGC of the South JSC - “Rostovenergo” in charge of security
- Fadeev M.Yu. – Head of Property Management Department of IDGC of the South JSC
- Tregubov A.N. –Head of economic management of the branch of IDGC of the South JSC - “Rostovenergo”
- Kuryshkin K.M. – Chief Analyst of section of analysis and control at department of corporate governance and shareholder relations of IDGC Holding JSC
- Karpenko V.V. – Deputy General Director of IDGC of the South JSC in charge of corporate governance

Information on loans:

In 2012 under the contract “PSKh named after Grechko” JSC obtained the long-term interest-free loan in the amount of 10 000 thousand rubles for the repayment of debt.

The loan obtained in prior periods is 2680 thousand rubles. The loan is interest-free. Information on loans to related parties is shown in Table 5.6.7 "Borrowings"

5.8. Information on energy saving No. 261-FZ dated 23.11.2009)

Energy consumption for production and business needs:

No.	Indicator	unit of measurement	2012	Plan	Fact
1.	Energy resources received on the basis of supply contracts (purchase and sale)	Total	thousand rubles.	1470	475
1.1.	electric energy	thous.rub	0	0	
		thousand kWh	0	0	
1.5.	natural gas	thous.rub	0	0	
		thous.m3	0	0	
1.6.	Petroleum products (gasoline, diesel)	thous.rub	1470	475	
		thous. liters	107	26	

Acting director general:
Chief accountant:

Karpenko V.V.
Zaitseva V.V.

Auditor's opinion

Auditor opinion is expected on 15-20 May 2013

7.2. Quarterly Accounting Report of the entity that furnished collateral

Accounting balance

		Code
Form No. 1 as per Russian National Classification of Management Documentation (RNCMD)		0710001
	Date	
Organization: Open joint stock company "Agriculture Enterprise named after Grechko A.A."	as per Russian National Classifier of Business Organizations (RNCBO)	3675767
Taxpayer Identification Number	TIN	6117010611
Type of activity:	as per Russian National Classifier of Economic Activities (RNCEA)	01.11.1
Legal form of organization / form of ownership: <u>open joint stock company</u>	as per Russian National Classifier of Forms of Incorporation (RNCFI)/ Russian National Classifier of Forms of Ownership (RNCFO)	47 / 16
Unit of measurement: ths.rub./mln.rub (delete as applicable)	as per Russian National Classifier of Measurement Units (RNCMU)	384
Location (address)	21 Teatralnaya str., Kuibyshevo village, Kuibyshevskiy district, Rostov region 346940	

Notes	Assets	Line	31.03.2013	31.12.2012	31.12.2011 .
1	2	3	4	5	6
	I. Non-current assets				
	Intangible assets	1110			
	Results of researches and projects	1120			
	Non-matrical exploration assets	1130			
	Marterial exploration assets	1140			
	Fixed assets	1150	31 114	31 567	33 800
	Income-bearing investments in tangible assets	1160			
	Financial investments	1170			
	Deferred tax assets	1180			

	Other non-current assets	1190			
	Total for section I	1100	31 114	31 567	33 800
	II. Current assets				
	Stock	1210	6 404	7 298	27 990
	Value added tax on acquired assets	1220			
	Accounts receivable	1230	2 562	4 862	4 688
	Financial investments (except money equivalent)	1240			
	Cash and cash equivalents	1250	15	16	51
	Other current assets	1260			
	Total for section II	1200	8 981	12 176	32 729
	Balance (assets)	1600	40 095	43 733	66 529

Notes	Liabilities	line	31.03.2013	31.12.2012	31.12.2011
1	2	3	4	5	6
	III. Shareholder's funds				
	Authorized capital (share capital, authorized fund, partners' investments)	1310	77 686	77 686	77 686
	Reacquired stock	1320			
	Reappraisal of fixed assets	1340			
	Capital surplus (without reappraisal)	1350			
	Reserve funds	1360	367	367	367
	Undistributed profit (uncovered loss)	1370	-57 707	-55 025	-30 567
	Total for section III	1300	20 346	23 028	47 486
	IV. Long-term liabilities				
	Borrowed funds	1410	10 000	10 000	0
	Deferred tax	1420		0	
	Provisions for indirect liabilities	1430			
	Other liabilities	1450			
	Total for section IV	1400	10 000	10 000	0
	V. Short-term liabilities				
	Borrowed funds	1510	2 680	2 680	2 680
	Accounts payable	1520	6 650	7 648	15 680
	Deferred income	1530			
	Provisions for future expenses	1540	419	377	683
	Other liabilities	1550			
	Total for section IV	1500	9 749	10 705	19 043
	BALANCE (liabilities)	1700	40 095	43 733	66 529

Profit and Loss Statement

	Code
Form No. 2 as per Russian National Classification of Management Documentation (RNCMD)	0710001
	Date

Organization: Open joint stock company "Agriculture Enterprise named after Grechko A.A."	as per Russian National Classifier of Business Organizations (RNCBO)	3675767
Taxpayer Identification Number	TIN	6117010611
Type of activity:	as per Russian National Classifier of Economic Activities (RNCEA)	01.11.1
Legal form of organization / form of ownership: <u>open joint stock company</u>	as per Russian National Classifier of Forms of Incorporation (RNCFI)/ Russian National Classifier of Forms of Ownership (RNCFO)	47 / 16
Unit of measurement: ths.rub./mln.rub (delete as applicable)	as per Russian National Classifier of Measurement Units (RNCMU)	384
Location (address)	21 Teatralnaya str., Kuibyshevo village, Kuibyshevskiy district, Rostov region 346940	

Notes	Indicator	Line	3 months of 2013	3months of 2012
1	2	3	4	5
	Profit	2110	148	408
	Cost of sales	2120	-892	-630
	Gross profit (loss)	2100	-744	-122
	Коммерческие расходы	2210	0	0
	Management expenses	2220	-891	0
	Profit (loss) from sales	2200	-1 635	-122
	Participation capital	2310		
	Interest receivable	2320		
	Interest payable	2330		
	Other revenues	2340	2 371	2 826
	Other expenses	2350	-3 412	-1 645
	Profit (loss) before the taxation	2300	-2 676	1 059
	Current income tax	2410		
	Including tax liabilities (assets)	2421		
	Changes in deferred tax liabilities	2430		
	Changes in tax asset	2450		
	Other	2460	-6	0
	Net profit (loss)	2400	-2 682	1 059
	For reference:			
	Balance from revaluation of non-current assets, that is not included in net profit (loss) of the period	2510		
	Balance from other activities that is not included in net profit (loss) of the period	2520		
	Total financial result of the period	2500	-2 682	1 059
	Basic profit (loss) per share	2900	-0.00345	0.0136
	Diluted profit (loss) per share	2910		

7.3. Consolidated accounting reports of entity that furnished collateral for the last completed fiscal year

Is not specified in this reporting quarter

7.4. Information about the accounting policy of entity that furnished collateral.

Accounting policy of “PSKh named after Grechko” JSC in 2013

ORGANIZATION OF ACCOUNTING

1. GENERAL PROVISIONS

1.1. Accounting is performed by an independent department of accounting and reporting (hereinafter accounting) and reports directly to the head.

1.2. Tax records are maintained by sector on tax accounting in the accounting department.

1.3. Accounting and reporting of “PSKh named after Grechko” JSC is performed in accordance with:

- Federal Law “On Accounting” dd December 6, 2011 No. 402-FZ.
- Regulations on accounting and financial reporting in the Russian Federation, approved by Order of the Ministry of Finance of the Russian Federation from July 29, 1998 number 34n.
- The current provisions of Accounting Standards (RAS).
- Work Plan of accounts designed on the basis of a model chart of accounts of financial and economic activities and instructions for its use, approved by the Ministry of Finance of the Russian Federation on 31 October 2000 No. 94n. (As amended by Order of the Ministry of Finance of the Russian Federation of 07.05.2003 No. 38n, of 18.09.2006 No. 115n)

2. ORGANIZATIONAL ASPECTS OF ACCOUNTING POLICIES

2.1. “PSKh named after Grechko” JSC is a legal entity with its own balance sheet.

2.2. It has its property.

2.3. The chief accountant of “PSKh named after Grechko” JSC reports directly to the CEO and is responsible for the timely submission of complete and accurate reporting.

2.4. Chief Accountant ensures that business transactions correspond with the legislation of the Russian Federation, controls the movement of assets and commitments control over the formation of primary documents. The requirements of the chief accountant on documentation of business transactions and submitting to the accounting department all the required documents and information are to be observed by all employees of the organization.

2.5. Without the signature of the Chief Accountant or a duly authorized person, cash and settlement documents, financial and credit commitments are considered invalid and should not be accepted for performance.

2.6. In case of disagreement between the director and the chief accountant of the organization to implement certain business transactions documents on them can be accepted for fulfillment upon the written order head of the organization that bears responsibility for the consequences of such operations and the inclusion of their data in the accounting records and financial statements.

2.7. With the chief accountant should be agreed appointment, dismissal and moving of materially responsible persons (cashier, warehouse managers).

2.8. During the absence of the Chief Accountant (business trip, vacation, illness, etc.) the rights and obligations are transferred to the deputy chief accountant, and in the absence of the latter to the other officer, as declared by order of the company.

2.9. The number of accounting staff shall correspond to the norms.

3. TECHNICAL ASPECTS OF ACCOUNTING POLICIES

3.1. The documents, that are used to make a business transactions with cash (in banks and in cash of organization) shall be signed by the CEO and the chief accountant, as well as may be signed by their deputies and persons authorized by them.

3.2. Accounting department receives primary accounting documents for account if they are made in the form contained in the unified form of primary records.

3.3. For registration of business transactions, which are not provided with standard forms of primary accounting documents and forms of documents for internal accounting documents, then such forms are developed on the basis of RAS, guidelines and regulations on accounting and existing forms of primary accounting documents with regard of the needs of "PSKh named after Grechko". These forms must contain the required details in accordance with paragraph 13 of the "Regulations on Accounting and Reporting".

3.4. Depending on the nature of the transactions the developed documents if necessary may include additional details.

3.5. Accounting department has no right to accept for execution and registration of the operations documents that contradict to the legislation in force, as well as incompetence and unfinished documents.

3.6. The originals of the source documents on business transactions are recorded and stored in a central accounting in accordance with the schedule of documents. Schedule of documents is required for the performers. The Director General of the Order approves schedule of documents flow.

3.7. "PSKh named after Grechko" JSC applies journal-order and partially memorial and order forms of the accounting with the elements of automation in accordance with Article 10 of the Law "On Accounting" and the methodological "Guidelines on the application of accounting ledgers in enterprises" ", cited in a letter from the Ministry of Finance of Russia 23 July 1992 number 59.

7.5. Data on total export amount and on export share in total amount of sales

Is not specified for this reporting quarter

7.6. Data on cost of real estate of the entity that furnished collateral, and essential changes which occurred in structure of property of the entity that furnished collateral, following the end date of the last completed financial year

Data of essential changes in the property of the entity that furnished collateral, occurred during the last 12 months up to the date of end of reporting quarter: essential changes did not occur

7.7. Data on the Participation of Entity that Furnished Collateral in Litigations if such Participation May Have a Significant Impact on the Issuer's Financial and Economic Activities

The entity that furnished collateral did not/does not participate in lawsuits that may influence the business activity within the period from the beginning of the last accomplished financial year up to the end of the reporting quarter

VIII. Additional Data on the entity that furnished collateral and Equity Securities Placed by the entity that furnished collateral

8.1. Additional Data on the entity that furnished collateral

8.1.1. Data on Amount and Structure of the Authorized (Share) Capital (Share Fund) of the entity that furnished collateral

Amount of the entity's that furnished collateral, authorized (share) capital (share fund) as of termination date of the last accounting quarter, rub: **77 686 000**

Ordinary shares

Total nominal value: **77 686 000**

Stake in authorized capital, %: **100**

Preferred

Total nominal value: **0**

Stake in authorized capital, %: **0**

Information on correspondence of the amount of authorized capital to the amount specified in the paragraph should be specified:

The amount of authorized capital specified in the paragraph corresponds to constituting documents of the Company

8.1.2. Data on Adjustment of the Amount of the Authorized (Share) Capital (Share Fund) of the entity that furnished collateral

Changes in authorized capital did not occur.

8.1.3. Data on Order of Convening and Holding the Meeting of the Supreme Management Body of the entity that furnished collateral

Name of the Issuer's supreme management body: General Shareholders Meeting.

Procedure for informing the shareholders (participants) about the meeting of the Issuer's supreme management body:

During the period of possession by "IDGC of the South" JSC of 100 percent of the Company's voting shares the decisions on matters within the competence of the General Meeting of Shareholders shall be adopted by the Management Board of "IDGC of the South" JSC and notified to the Company in the manner prescribed by the internal documents of "IDGC of the South" JSC regulating the activity of Management Board of "IDGC of the South" JSC.

In no earlier than two months and no later than six months after the end of the fiscal year the General Meeting of Shareholders shall decide on the following issues (annual general meeting of shareholders of the Company):

- Election of the Board of Directors of the Company;
- Election of the Audit Committee of the Company;
- Approval of the Company's auditor;
- Approval of annual reports, annual financial statements, including profit and loss statements (profit and loss accounts), as well as the distribution of profits (including payment (declaration) of dividends, except for the profit distributed as dividends on the first quarter, six months, nine months of the financial year) and losses for the financial year.

Meetings other than the Annual General Meeting of Shareholders are considered as extraordinary.

The procedure for convening the General Meeting of Shareholders of the Company by the Board of Directors of the Company, and at the request of the Audit Committee of the Company or the Company's auditor is determined by the General Meeting of Shareholders.

In accordance with article 52 of the Federal Law "On Joint Stock Companies", the notice on the general meeting of shareholders shall be published no later than in 20 days before the meeting, and the notice on the general meeting of shareholders the agenda of which includes the issue of the reorganization of the company - no later than in 30 days before the date of holding the meeting.

If the agenda of the extraordinary general shareholders' meeting includes the election of the members of the Board of Directors, notice on the extraordinary general meeting of shareholders shall be made no later than 50 days prior to the meeting date.

In the specified terms, a notice on general meeting of shareholders shall be sent to each person on the list of persons entitled to attend the general meeting of shareholders by registered mail if the Charter does not provide a different way of

sending the message in written form, or delivered to each of such persons with receipt or, if provided by the charter company, published and accessible to all shareholders a printed publication by the charter company.

Persons (bodies) entitled to convene (request) the extraordinary meeting of the supreme governing body of the entity that furnished the collateral, and the procedure for submitting (making) of such requirements:

Clause 11.4 of the Company Charter determined that Extraordinary General Meeting of the Company shareholders shall be held by the decision of the Board of "IDGC of the South" JSC on its own initiative, the Board of Directors of the Company, at the request of the Audit Committee of the Company or the Company's Auditor.

The General Meeting of Shareholders convened by the request of the Board of Directors of the Company, by the request of the Audit Committee of the Company or by the Company's auditor must be held within 40 (forty) days from the date of the request to hold an extraordinary general meeting of shareholders of the Company.

Article 55 of the Federal Law "On Joint-Stock Companies" established that the extraordinary general shareholders' meeting may also be convened at the request of the shareholder (s) holding at least 10 percent of the voting shares of the Company at the date of the request.

The procedure for sending requests for convening a general meeting of the issuer's charter is not defined.

Clause 11.6 of the charter of the issuer established that the procedure for convening the General Meeting of Shareholders of the Company by the Board of Directors of the Company, and at the request of the Audit Committee of the Company or the Company's auditor is determined by the General Meeting of Shareholders.

Determination of the date of the meeting (session) of the supreme governing body of the entity that furnished the collateral:

Date of the General Meeting of Shareholders shall be determined by the Board of Directors in accordance with the articles of association of the issuer.

Persons entitled to make proposals on the agenda of the meeting (session) of the supreme governing body of the entity that furnished the collateral, and the procedure for making such proposals:

The shareholder(s) holding in aggregate not less than 2 percent of the voting shares of the Company shall be entitled to propose items for the agenda of the Annual General Meeting of Shareholders and nominate candidates to the governing bodies, as well as a candidature of auditor of the Company, which number may not exceed the number of members of the body.

Such proposals must be received by the Company within two months after the end of the financial year.

The proposal to include items on the agenda of the General Meeting of Shareholders may contain the wording of the decision on each proposed item.

The nomination proposal should contain the name of each candidate and the name of the body to which he is nominated.

Proposals for inclusion of items in the agenda of the general meeting of shareholders and nominees shall be made in writing, stating the name(s) of the shareholder (s), number and category (type) of shares and shall be signed by the shareholder (s).

Persons who are entitled to get access to the information (materials) provided for the preparation and holding of the meeting (session) of the supreme governing body of the entity that furnished the collateral, and the procedure for accessing such information (materials):

The persons entitled to access the information (materials) provided for the preparation and holding of the general meeting of shareholders of the Company, as well as the procedures for receiving such information (materials) are not determined by the Charter of the Company.

The order of announcing (bringing to the attention of shareholders (participants) decisions made by the supreme governing body of the entity that furnished the collateral, and the voting results:

Decisions taken by the supreme governing body of the issuer, and the voting results are announced to the shareholders in accordance with the legislation of the Russian Federation.

8.1.4. Data on the commercial entities in which the entity that furnished collateral holds at least 5 percent of authorized (share) capital (share fund) or at least 5 percent of ordinary shares

Such entities are absent

**8.1.5. Data on important transactions closed by the entity that furnished collateral
2012**

In the accounting period the Issuer did not make such transactions

For the accounting quarter

In the accounting period the Issuer did not make such transactions

8.1.6. Data on credit ratings of the entity that furnished collateral

No credit ratings

8.2. Data on each category (type) of the shares of the entity that furnished collateral

Category of shares: ordinary

Nominal value of each share (rub): **1**

Number of shares in circulation (amount of shares which are not redeemed or cancelled): **77 686 000**

Number of additional shares in the process of placement (number of shares of additional issue, the report on the results of the issue on which has not been registered by state authorities): **0**

Number of declared shares: **0**

Number of shares on the Issuer's balance: **0**

Number of additional shares which can be placed after converting placed securities to shares or as the result of executing liabilities on the Issuer's options: **0**

Issues of shares of the category (kind):

Date of state registration	Registration Number
	1-01-33837-E

Shareholders rights provided by the shares

Each ordinary registered share of the Company gives equal rights to the shareholder (the owner). Shareholders-owners of ordinary registered shares of the Company have the following rights:

- to participate personally or through representatives in General Shareholders Meeting of the Company with a vote on all issues of his/ her competence;
- to get dividends declared by the Company;
- in case of the Company's liquidation, to receive part of the property;
- to carry out other rights provided by legislation of the Russian Federation and the Company's Charter.

Other data on shares provided by the entity that furnished collateral: no

8.3. Data on previous issues of securities of the entity that furnished collateral except for shares of the entity that furnished collateral

8.3.1. Data on issues all securities of which were repaid (cancelled)

During the specified period no changes have occurred

8.3.2. Data on issues securities on which are in circulation

During the specified period no changes have occurred

8.4. Information about the Person (Persons) that Provided Security for the Issued Bonds

The entity that furnished the collateral did not register the securities prospectus

8.4.1. Conditions of fulfillment of obligations on mortgage-backed bonds

The entity that furnished the collateral did not place mortgage-backed bonds liabilities on which were not executed

8.5. Information on entities recording the rights to the issued securities of the entity that furnished collateral

Entity keeping the register of the Issuer's bearer securities holders: **Registrar**

Information on the Registrar

Full company name: **Open Joint Stock Company "Unified registering company"**

Short company name: **"ORK" JSC OAO "OPK"**

Location: **19 Leninskaya Sloboda str., Moscow, RF**

TIN: **7705108630**

PSRN: **1027700036540**

Data on the license for keeping the register of securities holders

Number: **10-000-1-00314**

Date of issue: **30.03.2004**

License validity term:

Without limitation of the period of validity

License issuing authority: FCSM (FFMS) of Russia

Date of commencement of keeping the register of the Issuer's bearer securities holders by the Registrar: **05.07.2010**

8.6. Data on the acts regulating issues of import and export of capital that can influence distribution of dividends, interest and other payments to nonresidents

The main legislation acts regulating issues of capital import and export are:

- 1) Civil Code of the Russian Federation;
- 2) Tax Code of the Russian Federation;
- 3) Federal Law dd 10.12.2003 N173-Ф3 "On Currency Regulation and Currency Control" (further amended and revised).
- 4) International agreements of the Russian Federation for avoidance of double taxation;
- 5) Federal Law dd 22.04.1996. N 39-Ф3 "On Securities Market";
- 6) Federal Law dd 09.07.1999 N 160-Ф3 "On Foreign Investment in the Russian Federation" (further amended and revised);
- 7) Federal Law dd 25.02.1999 N 39-Ф3 "On Investment Activities in the Russian Federation Performed in the Form of Capital Investments" (further amended and revised).

8.7. Taxation of income from placed equity securities of the entity that furnished the collateral

Taxation of income from dividends

A) Taxation of personal income

The amount of dividends received by taxpayers - individuals are taxed on the income of individuals in accordance with Chapter 23 of the Tax Code of the Russian Federation.

For individuals - tax residents of the Russian Federation tax rate on dividends fixed at 9 percent. For individuals who are not tax residents of the Russian Federation, the tax rate for all income fixed at 30 percent.

Because the issuer is a tax agent, he calculates and deducts of tax on personal income from the amount of the dividends if it is actually paid.

B) Taxation of legal entities

The amount of dividends received by legal entities are taxed on the profits in accordance with Chapter 25 of the Tax Code of the Russian Federation. The tax rate for shareholders - legal entities which are the Russian organizations fixed at 9 percent.

For the specified category of taxpayers the issuer is tax agent and determines the tax base for corporate income tax based on the following features. The amount of tax to be deducted from the income of the taxpayer - receiver of the dividend is calculated by the issuer based on the total amount of tax calculated according to the procedure prescribed by paragraph 2 of Article 275 of the Tax Code of the Russian Federation, and shares of each taxpayer in the total amount of dividends.

The total amount of tax is determined as the multiplication of the tax rate and the difference between the amount of dividends subject to distribution among the shareholders in the current tax period reduced by the amount of dividends to be paid by the issuer to shareholders - individuals who are not tax residents of the Russian Federation and the shareholders - legal entities that are foreign organizations in the current tax period, and the amount of dividends received by the issuer in the current reporting (tax) period and the previous reporting (tax) period, if such dividend amount have not been involved in the calculation for determining the taxable income in the form of dividends. In case the difference is negative tax liability does not arise and refund from the budget is not performed. The tax rate for shareholders - legal entities which are foreign entities, fixed at 15 percent.

The Issuer is the tax agent under the payment of dividends to the category of taxpayers, the tax base of the taxpayer - receiver of a dividend on each such payment is determined as the sum of dividends paid and it is applied the above rate.

Taxation of income from the sale of securities.

A) Taxation of individuals

The tax base for each operation is determined separately considering the following. Income (loss) on purchase and sale securities is defined as the sum of income from all transactions with securities of the relevant category made during the tax period, excluding losses.

Income (loss) on purchase and sale securities is determined as the difference between amounts of revenues received from the sale of securities, and documented expenses for the purchase, sale and storage of securities actually incurred by the taxpayer (including expenses reimbursed to the professional participant of the securities market managing company performing asset management, constituting the mutual investment fund), or the property deduction taken to reduce the revenues from purchase and sale transaction according to the procedure described below.

Such expenses include:

amounts paid to the seller in accordance with the contract;

payment for services provided by the depository;

commissions to professional participants of the securities market, discount payable (recoverable) to the management company of mutual fund in the sale (redemption) by the investor of the investment share of a mutual investment fund, as determined in accordance with the procedure established by the legislation of the Russian Federation on investment funds;

exchange fee (commission);

payment for services of registrar;

inheritance tax and (or) the donation, paid by the taxpayer upon receipt of securities to the property;

other costs directly related to purchase, sale and storage of securities paid for the services rendered by professional participants of the securities market as part of their professional activities.

If the issuing organization exchanged (converted) of shares, the sale of shares received by the taxpayer as a result of exchange (conversion), as documented expenses of the taxpayer are recognized costs on the acquisition of shares owned by the taxpayer prior to their exchange (conversion).

The sale of shares received by the taxpayer during the reorganization of organizations, the cost of its purchasing is recognized their value determined in accordance with paragraphs 4-6 of Article 277 of the Tax Code of the Russian Federation, provided documentary evidence of the taxpayer cost of purchasing of shares reorganized companies.

If the taxpayer purchased securities into the ownership (including received free of charge or with partial payment) at the taxation of income on the purchase and sale of securities as documented expenses related to purchasing (receiving) of these securities taken into account amounts to which has been calculated and paid tax on acquisition (receiving) of the securities.

Income (loss) on purchase and sale of securities traded in the organized securities market, decreases (increases) for the sum interest paid for the funds using raised

for the purchase and sale of securities within the amounts calculated on the basis of current refinancing rate of the Central Bank of the Russian Federation . On operations with securities traded on an organized securities market, the size of the loss is determined taking into account the margin of fluctuation of the market price of the securities.

The securities outstanding on the organized securities market, for purposes of taxation of personal income include the securities admitted to trading at trade managers licensed by the federal body regulating the securities market.

If the expenses of the taxpayer for the purchase, sale and storage of securities cannot be directly attributed to expenses for the purchase, sale and storage of specific securities, these costs are allocated in proportion to the value of securities, accounting for these expenses are related to. The value of securities is determined on the date of such expenses.

In case taxpayer's expenses cannot be documented, he is entitled to use property tax deduction provided the first subparagraph of paragraph 1, item 1 of Article 220 of the Tax Code of the Russian Federation .

Property tax deduction or a deduction for the amount actually incurred and documented expenses granted to the taxpayer in the calculation and payment of taxes to the budget at the source of income (broker, trustee, management company engaged in asset management, constituting the mutual investment fund, or any other person, accomplishing transactions under agency agreement or other similar agreement in favor of the taxpayer) or at the end of the tax period under filing the tax return to the tax authority.

If the calculation and payment of tax made by the source of income (the broker, trustee, management company performing asset management, constituting the mutual investment fund, or other person performing operations on the agency agreement or other similar agreement in favor of the taxpayer) in the fiscal period property tax deduction is the source of income with the possibility of recalculating the tax period under filing the tax return to the tax authority. The presence of several sources of income payment property tax deduction provides only one source of income for the taxpayer's choice.

The tax base for the purchase and sale of securities is defined as the income received by the results of the tax period for transactions with the securities. Income (loss) on purchase and sale securities is determined in accordance with the procedure set out above.

Loss on securities traded in the organized securities market, by the results received by the results of specified transactions made during the tax period reduces the tax base for the purchase and sale of securities in this category.

Income from operations of purchase and sale of securities that are not traded on the organized securities market, which at the moment of their purchasing met requirements established for securities traded in the organized securities market, can be reduced by the amount of loss received during the tax period by sales and purchases of securities traded in the organized securities market.

The tax rate for individuals - tax residents of the Russian Federation amounts 13%. The tax rate for individuals who are not tax residents of the Russian Federation, the tax rate for all income fixed at 30 percent.

B) Taxation of legal entities.

Features determining the tax base for transactions with the securities: income of a taxpayer from the sale or other disposal of securities (including redemption) is determined based on the price of the sale or other disposal of securities.

Expenses in connection with the sale (or other disposal) of securities are determined based on the purchase price of the security (including the cost of its acquisition), the cost of its implementation.

The sale of shares received by the shareholders during the reorganization of organizations, the purchase price of such shares shall be their value determined in accordance with paragraphs 4-6 of Article 277 of the Tax Code of the Russian Federation.

For purposes of income taxing is recognized securities traded in the organized securities market, while respecting the following conditions:

- 1) if they are admitted to trading by at least one organizer of trade eligible in accordance with the national legislation;
- 2) if the information on prices (quotations) is published in the media (including electronic) or can be provided by the trade or other authorized person to any interested party within three years after the date of the transactions with the securities;
- 3) if it is calculated on the quoted market price as defined by the relevant national legislation.

The tax base of operations with securities is determined by the taxpayer separately, except for the tax base for transactions with securities determined by professional participants of the securities market. The taxpayers (except the professional securities market participants involved in dealer activities) determine the tax base for transactions with the securities traded in the organized securities market, apart from the tax base on transactions in securities that are not traded on the organized securities market.

The sale or other disposal of securities the taxpayer independently in accordance with the purposes of accounting policy selects one of the following methods of expensing the value of disposed securities:

- 1) on the cost of the first acquisitions (FIFO);
- 2) the cost of the most recent acquisitions (LIFO);
- 3) unit cost

Taxpayers loss (losses) on securities transactions during the previous tax period or in previous tax periods can reduce the tax base for operations with the securities in the reporting (tax) period (transfer such losses in future) in the manner and terms established by Article 283 of the Tax Code of the Russian Federation . The tax rate for the Russian legal entities amounts 24%. The tax rate on income of foreign entities that receive income from sources located on the territory of the Russian Federation, fixed at 20%. At the same time, the sale of shares of Russian companies, more than 50% of whose assets consist of real property situated on the territory of the Russian Federation, the tax is calculated and withheld by a Russian company paying the income to a foreign organization, with each payment of income and transferred to the federal budget simultaneously with the payment of income.

8.8. Data on the declared (accrued) and paid dividends under the shares of the entity that furnished collateral and also on revenue under the Issuer's bonds

8.8.1. Data on the declared (accrued) and paid dividends under the shares of the entity that furnished collateral for 5 last completed financial years or for each complete financial year if the entity carries out the activity less than 5 years.

During the specified period no decisions were taken on payment of dividends.

8.8.2. Issue of bonds on which for 5 last completed financial years preceding the date of the last reporting quarter termination and if the issuer carries out the activity fewer than 5 years – for each completed financial year preceding the date of termination of the last reporting quarter, the yield was paid

The entity that furnished collateral did not issue bonds

8.9. Other Data

No data

8.10 Data on the securities placed and on the entity owning the securities placed, the property right certified by Russian depository receipts

The entity that furnished collateral is not the Issuer of the securities placed, the property right of which is certified with Russian depository receipts