

Auditing Committee
of “IDGC of the South”, JSC
Minutes No.5 dated 17.06.2010
Elected by the general shareholders meeting

Final report of the Auditing Committee
on the results of check of “IDGC of the South”, JSC
business activity in 2011

April 5, 2012

Moscow

Information about the Company

Full company name	Open joint stock company “Interregional distribution grid company of the South”
Legal address	49 Bolshaya Sadovaya St., Rostov-on-Don
Postal address	237 Severnaya St., Krasnodar 350015
Contacts	Department of corporate management Sector for securities and interaction with shareholders Head of the sector: Yurchenko Anna Ivanovna phone: (861) 279-85-38
State registration (PSRN ¹ , date)	1076164009096
TIN	TIN/Industrial Enterprises Classifier: 6164266561/615250001
Branches and economically autonomous subdivisions	Branches – “Astrakhanenergo”, “Volgogradenergo”, “Kalmenergo”, “Rostovenergo”
Executive authority (name, position)	CEO – Arkhipov Sergey Aleksandrovich (minutes of BoD meeting No.50/2010 dated 08.07.2010)
Chief accountant	Chief accountant – Grigory Savin (Order of “IDGC of the South”, JSC No.2 dd. 02.07.2007)

Data on composition of the Auditing Committee

Chairman of the Auditing Committee	Alimuradova Izumrud Aligadzhievna
Secretary of the Auditing Committee	Kormushkina Lyudmila Dmitrievna
Members of the Auditing Committee	Arkhipov Vladimir Nikolaevich
	Meshalova Galina Ivanovna
	Stepanova Maria Dmitrievna

Information about the auditor

Full company name	Limited Liability Company “FinExpertiza”
Legal address	69 Prospekt Mira, Moscow, 129110
Postal address	69 Prospekt Mira, Moscow, 129110
State registration (PRSN, date)	No.1027739127734
Membership in self regulating	Non-Profit Partnership “Moscow Audit

¹ PSRN - Primary State Registration Number

organization, date of entrance, name of the self regulating organization	Chamber”, No.10201028038
Minutes of annual meeting of shareholders (that approved the auditor)	No. 5 dated June 17, 2014
Auditor’s opinion	unmodified
Persons signed the auditor’s report	Kozlova N.A., director general of “FinExpertiza”, LLC (certification No.01-00543, principal number of registration entry in Registry of auditors No. 20001037555)

I. Analytical part

The auditing was performed in accordance with:
 Federal Law “On Joint Stock Companies”;
 Company’s Charter;
 Regulation on the Auditing Committee;
 Decision of general shareholders meeting on election of the Auditing Committee (minutes No.5 dated 17.06.2011);
 Decision of general shareholders meeting on approval of the Report (minutes No.3 dated 01.03.2012);
 other legal documents and decision of authorized bodies of the Company

Aim of the auditing: proof of the credibility of accounting report and annual report of “IDGC of the South”, JSC (hereafter Company) for 2010, hereafter the Report. The credibility means the rate of accuracy in data of the Report that provides users of this Report to make correct resume on the results of company’s business activity, financial and property condition and to adopt the appropriate decisions based on these data.

Subject: accounting report, annual report, conformity of business activity of the Company to current legislation and internal local regulations.

The present report is an official document free for release, addressed to shareholders, investors and other interested persons.

The audit was performed in accordance with:

- Federal law “On accounting” No.129 dd. 21.11.1996
- Order of RF Ministry of Finances “On approval of regulation on accounting report in Russian Federation” No.34H dated 29.07.1998
- Regulations on accounting
- Order of RF Ministry of Finances “On forms of accounting reports of organizations” No.66 H dated 02.07.2010
- Other legal and internal documents

The executive body of the Company bears responsibility for observance of legislation of Russian Federation while carrying out business activity.

The audit was planned and held the way to make sure that the annual and accounting (financial) reports for 2011 (hereafter Report) do not content material misstatements.

The audit was performed on sample basis and it included study of facts confirming the information disclosed in Report on Company business activity, evaluation of principals and methods of accounting, rules of preparation of Report, determination of essential accounting estimates.

During the audit we checked the observance of RF legislation by the Company. We checked the correspondence of performed by the Company business deals to legislation only for the purpose to make sure the Report does not content material misstatements.

We determined the materiality rate (total tolerable error). Under materiality we understand the information disclosed in reports that is able to influence the decisions of users of this Report. The rate of permissible error is for us a criterion for approving the reliability of Company's Report.

The rate of materiality is determined in amount 925 million rubles.

The audited period:

We carried out audit of the Report for the following period:

1. the reporting period:
from 01.01.2011 to 31.12.2011 for business activity in 2011

2. events after the reporting date:
from 01.01.2012 to 01.03.2012

The Final report of the audit committee is dated the last day of the audit.

The Report is performed in accordance with legislative and legal documents of Russian Federation and internal legal documents of the Company.

The Company's reports audited by the committee:

No.	No. of form	Report	Date of approval	Number of pages in document
1	No.1	Accounting balance (consolidated for all Company branches)	01.03.2012	2
2	No.2	Profit and Loss statement (consolidated for	01.03.2012	1

		all Company branches)	2	
3	No.3	Cash statement	01.03.201 2	2
4	No.4	Cash-flow statement	01.03.201 2	2
5		Other appendixes (notes) to accounting balance and profit and loss statement	01.03.201 2	in explanatory note
6	-	Explanatory note (consolidated for all Company branches)	01.03.201 2	102
7	-	Auditor's opinion on accounting report of "IDGC of the South", JSC	01.03.201 2	3
8	-	Annual report (consolidated for all Company branches with information disclosure on affiliated and branch companies)		197

We consider that the Audit has provided us with necessary information to express the opinion of reliability of Company's Report.

II. Final part

We consider that the Report for 2011 presented by the Company gives a true and fair view of all material aspects, financial standing and results of business activity of the Company as of December 31, 2011. The Final report is drawn up in accordance with legislation of Russian Federation on the rules of accounting reports preparation, performing the audit and auditor's report as well as in accordance with internal local documents that set the rules of preparing the Company's annual report.

Special opinion

Members of the Auditing committee did not express any special opinion that might be different from the one specified in the report.

Approved by the minutes of Auditing committee No.4 dated April 5, 2012

Chairman of
the Auditing committee

Alimuradova I.A.

