Appendix 2

**Methods of evaluation of the Company’s assets**

In accordance with the Decree No. 519 of the Russian Federation of July 6, 2001 "On the approval of the standards of evaluation" the following approaches are applied during the evaluation procedure:

* Cost-based approach - methods of evaluation of the cost of the evaluated object which are necessary to recover or substitute the evaluated object taking into consideration its deterioration;
* Comparative approach - methods of evaluation of the cost of the evaluated object based on comparison of the evaluated object with similar objects in regards of which there is some information on the prices for transactions with them;
* Profit approach - methods of evaluation of the cost of the evaluated object based on determination of expected income on the evaluated object.

Method of evaluation is a method of calculation of the object price within one of the evaluation approaches.

The Company follows the Methodology and Guidelines on Evaluation of Business and/or Assets of RAO UES of Russia and SDC RAO UES of Russia which is available on the Company website at the following address: <http://www.mrsk-1.ru/stockholder/inform/metodi_ocenki/>