



Investing in
innovations

Annual report

Preliminary approved by the Board of
Directors

of IDGC of Centre, JSC

Minutes No.10/10 dated May 05.05. 2010.

Chairman of the Board of Directors of
IDGC of Centre, JSC

S.B. Kosarev

**ANNUAL REPORT
OF INTERREGIONAL DISTRIBUTION
GRID COMPANY OF CENTRE
JOINT-STOCK COMPANY
FOR 2009**

General Director
of IDGC of Centre, JSC
E.F. Makarov

Accounting Policy Director
of IDGC of Centre, JSC
S.Yu. Puzenko

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DEAR SHAREHOLDERS AND INVESTORS!



Chairman of the Board of Directors
of IDGC of Centre, JSC
S.B. Kosarev

IDGC of Centre falls under the group of companies of IDGC Holding, JSC — one of the largest infrastructural organisations of Russia possessing 80% of distributional grid complex of the country. According to operational indicators IDGC Holding is the leading power grid company in the world.

The past year for IDGC of Centre became the start of development of positive tendencies in the activity of IDGC of Centre. It was the first year, when 3 branches of the Company were working in new RAB-based tariff making system, the year of verification of strategic vision chosen by the Management of the Company and objects in the midterm. Main directions of development for the future stated in the previous Annual report have already begun to realize in 2009.

To reduce the securities investment risks of the Company implementation of RAB-based tariff making system continued in the branches of IDGC of Centre. Regarding two branches: Yarenergo and Kurskenergo works had been completed in full in 2009, that allowed to determine tariffs for 2010 in these branches using RAB method. Share of short-term liabilities was reduced from 19.4% up to 11.9% due to raising of long-term financing. Twice in the reporting year the Company proved high corporate governance rating on the level “7” — “Developed practice of corporate governance” (according to version of RID-Expert RA) which is the highest among all operating companies of IDGC Holding. The international rating agency Standart&Poors conferred the credit rating “BB-/B/ruAA-” to IDGC of Centre, forecast “Stable”, which means that risks connected with refinancing, collectability of accounts receivable, large-scaled investment program and overexpenditure of funds will be mitigated by such factors as state support, favorable decisions of regulatory bodies, acceptable liquidity management and moderate level of financial leverage.

In 2009 the Company kept developing client-orientedness policy. The Company started to provide consumers with additional services of production nature in its Client Service Centres established in every region. So, among core additional services that the Company has started rendering are as follows:

- engineering, construction, operation, repair of outdoor lightning grids;
- operational and technical control and maintenance of consumers' power grids of 110-04 kV;



General Director
of IDGC of Centre, JSC
E.F. Makarov

- engineering, assembling, replacement, put into operation, maintenance of Automated electric power fiscal metering system;
- repair, maintenance, putting into operation of electric equipment;
- engineering of measuring complexes, assembling, check of accounting meters.

According to electric power balance volume of losses in the year of crisis was 10.11%. Considerable amount of work intended to detection and presentment of unrecorded freelance consumption was carried out, and following its results loss indicator was .93%. The work intended to decrease of losses will be continued in the Company in 2010. Program of perspective development of electric power accounting in the retail market intended to decrease of electric power losses in the most responsible sections of grid was formed in 2009. The program is based on implementation of systems of intellectual accounting of electric power.

Conception of reliability increase up to 2014 including rise of labour organization level, implementation of advanced technologies and up-to-date technical means was developed and approved by the Board of Directors in the Company. Approaches to account of accident and working-out of advance impacts for the purpose of increase of power grids operation reliability were radically changed. Methodology of determination of technical state of electric grids and working-out of advance decisions concerning increase of power grid operation efficiency level was developed and implemented.

The Company is holding measures intended to market share increase successively. For this purpose the program of integration of power grid assets is being implemented. Integration is being performed by means of acquisition of power grid facilities, acquisition of blocks of shares (exceeding the controlling one) in power grid companies, lease of facilities of power grid complex (long-term mainly), establishment of joint companies with owners of power grid property. According to expert opinions of management share of IDGC of Centre in the market of technological connections in 2009 was increased from 80% up to 85% (on the basis of standard technical units — s.u. — of connected capacity).

Increase of efficiency is connected with implementation of advanced methods of management that intended to achievement of strategic aims. Under conditions of strengthening of state control over the activity of grid companies, transfer to new principles of tariff regulation there is sharp necessity of creation of new power grid assets management system that will allow to balance maximally two differently directed objects: from the one hand, maintenance of necessary level of service (reliability indicators) and, from the other hand, optimization of operating costs related to performance of production activity within the period of regulation. The Company continued implementation of complex program on creation of assets management system to make reliability to be the managed parameter of the activity of the grid company in 2009. Implementation of this system will allow to increase efficiency of power grid complex management considerably. The system is based on taking decisions regarding terms and volumes of impacts on equipment on the basis of estimation of its technical state and risks of loss of its functionality. The complex program includes organizational and technical measures as well as creation of automated corporate system of support of taking managerial decisions intended to qualitative and reliable estimation of current technical state, working-out of plan of measures intended to increase of reliability, estimation of efficiency of taken decisions.

In 2009 the Company moved to lossless work regarding main kind of activity — rendering of electric power transmission services. Return on equity indicators (ROE) increased from 2.20 up to 3.21%. Following the results of 2009 proceeds amounted to 49,05 billion Rubles, this is more than in previous year by 5.5 billion Rubles (13%). Money flow (EBITDA) amounted to 7.64 billion Rubles, this is more than in previous year by 0.88 billion Rubles (13%). Net profit amounted to 1.3 billion Rubles having exceeded indicator of the previous year by 0.46 billion Rubles (52%). Investment program on disbursement of investments was planned in the amount of 6.2 million rubles. In fact, for the accounting period 6.5 billion Rubles, or 105 % of plan were used.

An integral part of the activity of the joint-stock company is development of securities market issued by the Company. In 2009 shares of IDGC of Centre were subject to the procedure of listing at Moscow Interbank Currency Exchange (MICEX). They were included in “B” quotation list of the exchange. Spread was reduced up to the minimal one according to sector of power grid companies of the level — 1.4% in December 2009. As consequence, liquidity of the Company’s shares increased. In 2009 capitalization of IDGC of Centre increased by 110% up to 33.9 billion Rubles.

The past year proved the validity of chosen strategic guidelines of the Company. The Management connects further successful development with the efficiency of RAB-based tariff making system implementation, adjustment of this methods basing on its implementation during several periods of regulation, entrance to the market of public borrowings, implementation of management motivation system directed both to providing of reliability level set by regulator, and to the growth of capitalization of the Company.

Chairman of the Board of Directors
Sergey Borisovich Kosarev

General Director
Evgeny Fedorovich Makarov

1964

Cross sectional area — 25 mm².

The line maintenance is possible only when it is disconnected.

Illegal power outfeed (theft) is probable.

High wire cross risk due to wind or atmospheric instability, what is the reason of 40% of emergencies in grids.

High electric shock risk.

High fire hazard at wire break.

Cross sectional area >50 mm².

Possibility of OTL construction without route clearing.

Possibility of OTL maintenance without voltage disconnection.

Illegal connection to the grid is practically excluded.

Impossibility of short-circuit between wires and earth.

Electric shock risk is minimal.

2009

1. KEY INDICATORS

	2008	2009	Change, %
Capitalisation, bln. Rubles	16.10	33.90	110.60
Number of shareholders	17,494	17,170	-1.85
Revenue, bln. Rubles	43.60	49.10	12.60
EBITDA, bln. Rubles	6.80	7.60	13.00
Net profit, bln. Rubles	0,90	1.30	44.40
Net asset value, bln. Rubles	39.70	41.30	4.00
Useful power supply, bln. kWh	56.60	53.10	-6.20
Length of lines, km (OTL line 0.4 — 110 kV)	362,329.20	363,654.60	0.37
Capacity of substations, MVA 35 — 110 kV	30,592.70	31,013.40	1.38
Capacity of substations, MVA 6 — 10/0.4 kV	14,460.11	14,863.66	2.79
Number of employees	23,860	28,331	18.74

Self-Supporting Insulated Wire allows to reduce operating expenses up to 80% for the account of exclusion of systematic route clearing, replacement of damaged insulators, reduction of volumes of emergency recovery works, OTL maintenance without voltage disconnection, decreasing of ice and wind loads on supports at least by 30%, reduction of probability of power theft and OTL destructions.

1980

Operation life is from 3 to 25 years.
There is no anti-vandal protection.
Low corrosion resistance.

Expenses for PTL constructions on the basis of multisided supports are lower than when using reinforced-concrete and lattice supports by 25–50%.

Multisided steel support carries loads in 2–3 times more than reinforced-concrete does.

Low man-hours during assembly and short terms of construction of facilities.

Operation life is 50 years

2009

2. BRIEF BUSINESS DESCRIPTION

Background of the Industry and the Company

State sector

Early 20th century — creation of electric power infrastructure as a united system on a national scale.

1920's — 1930th — implementation of GOERLO (State Commission for Electrification of Russia) plan on large-scale electrification of the country, active construction of regional thermal and hydroelectric power stations

1930th — rapid growth of metallurgy, power industry and the distribution sector in particular.

1940th — reconstruction of power transmission lines damaged by war

1960th — creation of the United Power System nationwide, boom of large-scale electric power projects in the country.

Privatization and reforming

1990th — privatization of the power industry, establishment of electric power companies on a territorial basis. Establishment of RAO UES JSC of Russia — a holding that controls 118 subsidiaries and affiliates — virtually all electric power companies of Russia.

Early 21st century — split of regional electric power companies according to their business: generation, transportation, distribution, sales; for subsequent interregional integration by business. Reforming resulted in establishment of:

- 6 wholesale generating companies and 14 territorial generating companies that have been privatized or are subject to privatization;
- Federal Grid Company of the Unified Energy System, JSC, share of the Russian Federation in its authorized capital amounts to 77.66%;
- RusHydro, JSC with share of the Russian Federation — 60.38%;

Supports for OTL have undergone some stages of development — wooden, reinforced-concrete, metal. Today the majority of the developed countries of the world uses multisided metal supports. They are applied in distribution grids, high-voltage grids, as intermediate supports, as complicated — anchor. Up-to-date technology of linear construction using multisided supports allows to decrease expenses and reduce construction terms, increase reliability and operation life of new PTL significantly.

- System Operator of the Unified Energy System, JSC, the Russian Federation holds 100% of the authorized capital;
- Holding of Interregional Distribution Grid Companies, JSC — controlling shareholder of 11 interregional distribution grid companies. Share of the Russian Federation in the authorized capital of IDGC Holding, JSC amounts to 52.69% and cannot be reduced less than up to 50% and one share till January 1.2011 according to the Federal Law No.36-FZ dated 26.03.2003 “On Peculiarities of Functioning of Electric Power Industry in the Transition Period and on Introducing of Changes to Some Normative Acts of the Russian Federation and Recognizing of Some Normative Acts of the Russian Federation to be Invalid in View of Adoption of the Federal Law “On Electric Power Industry””
- 11 interregional distribution grid companies, share of IDGC Holding, JSC in each of them exceeds 50 % of voting shares;
- RAO Energy Systems of the East, JSC (for management of electric power industry of Far East), share of the Russian Federation amounts to 52.68%.
- INTER RAO UES, JSC (for electric power export-import), State Corporation “Rosatom” holds 42.49% of the authorized capital, Concern Rosenergoatom, JSC holds 14.85%;
- Power sales companies, as well as a number of research, design, service and repair organisations.

Company’s history

On December 17, 2004 IDGC of Centre was registered as a special purpose company for interregional integration of distribution grid facilities.

On April 27, 2007, the configuration of the Company was finally approved. The Company includes 11 regional grid companies in the Central Russia: Belgorodenergo, Bryanskenergo, Voronezhenergo, Kostromaenergo, Kurskenergo, Lipetskenergo, Orelenergo, Smolenskenergo, Tambovenergo, Tverenergo, Yarenergo (decision of the Board of Directors of RAO UES of Russia, minutes No. 250 dated April 27, 2007).

March 31, 2008: accession of RGCs to IDGC of Centre (pursuant to the decisions of the General Meetings of Shareholders of IDGC of Centre, JSC and 11 GHCs).

May 21, 2008: shares of IDGC of Centre were admitted for exchange at MICEX (MRKC) and RTS (MRKC; MRKCG).

July 1, 2008: IDGC Holding, JSC became the majority shareholder of the Company, holding 50.23% of the authorized capital. Winding-up of RAO UES of Russia.

October 25, 2008: shares of IDGC of Centre were included in calculation base of MICEX PWR index

April 9, 2009 shares of IDGC of Centre were included in the “B” quotation list of MICEX

Present

The core business of IDGC of Centre comprises electric power distribution services and technological connection of new customers to the grids. The Company carries out its business in 11 regions of the Central Federal District of the Russian Federation. The headquarters are located in Moscow.





IDGC of Centre is a monopolist in the regions where it operates controlling, in monetary terms, 83% of the electric power transmission and about 85% of technological connection market. State regulation of electric power transmission and technological connection tariffs is being carried out. In 2009, the Company’s revenue amounted to 49 bln. Rubles. Cash flow (EBITDA) amounted to 7.64 bln. Rubles. Net profit of the reporting year amounted to 1.3 bln. Rubles.

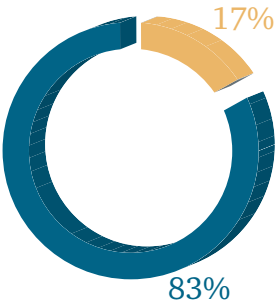
The net asset value as of the end of the year amounted to 42.9 bln. Rubles. Herewith in three pilot regions transferred to RAB since 2009 (Belgorodenergo, Lipetskenergo and Tverenergo) the value of the initially invested capital according to the RAB method amounted to 44.3 bln. Rubles, and in two branches transferred to RAB since January 1, 2010 (Kurskenergo, Yarenergo) amounted to 19.8 bln. Rubles.

The main electric power distribution assets consists of transmission lines with an overall length of over 361 thousand kilometers and transformer substations with an overall installed capacity of over 45 gigawatt. As of the end of 2009, the Company employed 28,331 people.

Investment program of the year 2009 amounted to 6.5 bln. Rubles. Here with new construction was financed in the amount of 2.8 bln. Rubles, technical re-equipment and reconstruction in the amount of 3.4 bln. Rubles. In the past year 1,676 km of power transmission lines and 398 MVA of transformer capacity were introduced.

As of the end of 2009 the Company’s shares were included in “B” quotation list of MICEX and in the MICEX PWR power index and MICEX SC index. Capitalization increased by 110% for the year.

Share of power transmission service market



Future

Reduction of risks

The Company envisages a reduction of operating risks related to the transition to a long-term regulation system based on RAB, increase of both transparency of the operating activity and grid performance reliability. Subject to necessary amendment of the applicable law the Company is planning to complete the RAB implementation in all branches before July 1, 2010.

Growth of market share

The purpose of the takeover of grid facilities is to increase their value through a more efficient management, to enhance the quality of services, which will add more value to the entire Company. Implementation of projects on establishment of control over power grid facilities in Yaroslavl, Orel, Lipetsk, Voronezh and Tver regions is planned for 2010 and subsequent years.

Enhancement of management efficiency

The Company’s competitive advantages are linked with the implementation of a state-of-the-art management system. The development of a matrix management system will enable to focus the work of the management on the achievement of strategic goals and to reduce the consumption of time and funds required for management decisions. One of the most important results of this will be reduction of losses at electric power transmission — one of the main constituents of prime cost of core activities.

Development of the stock market

The Company is planning to enter “A” quotation lists of the Russian exchanges in 2010, and to pass listing at one of the international exchanges as well. Development of the Company’s securities will be connected with entrance to the market of public borrowings.

2000

Tariff making method “costs plus”.

Actual expenses of the Company for the previous year + investment program are taken into account.

Restraint of tariff growth rate leads to deficiency of funds for the power grid complex renewal. Power companies are not interested in reduction of costs.

There is no stimulus to improve quality of customers power supply.

RAB-regulation method.

Attraction of necessary volume of investments for the power grid complex renovation.

Guaranteed return of investments with stable rate of return.

Guaranteed quality service since income directly depends on customer satisfaction.

Tariff for 3–5 years.

2009

3. INFORMATION FOR SHAREHOLDERS AND INVESTORS

Milestones of the year

- January 1** The first three branches of the Company — Belgorodenergo, Lipetskenergo and Tverenergo started working according to new system of tariff making based on RAB.
- February 20** Collective agreement for 2009-2011 was signed in IDGC of Centre, JSC
- February 27** Establishment of the Committee for Technological Connection to Power Grids under the Board of Directors of the Company, the main object of which is to ensure the performance transparency and non-discriminatory access to services on technological connection of consumers to power grids of the Company.
- February 27** IDGC of Centre proved high corporate governance rating on the level “7” — “Developed practice of corporate governance” according to the results of estimation of RID and Expert RA.
- April 8** Listing at MICEX. The Company’s shares were included in “B” quotation list of the exchange.
- June 11** The annual General meeting of shareholders on the results of work in 2008, at which the annual report for 2008, the annual accounting statements for 2008, including the Company’s profit and loss statement, distribution of the Company’s profit and loss following the results of the financial year 2008 were approved; new memberships of the Board of Directors and the Auditing Committee of the Company were elected, the Company’s Auditor for 2009 was approved.
- June 16** The Company SAP AG awarded the title of “The best referential client 2009” to IDGC of Centre. SAP System that served as a reliable platform for integration of different processes in the Company consolidated directions of work with clients, equipment inventory processes, its record, system of budget management and other business-processes.
- June 26** Speech by representatives of IDGC of Centre at IV International scientific and technical conference “Power transformers and diagnostic systems” organized by the International Association TRAVEK with the support of Academy of Sciences of the Russian Federation, Academy of Electrotechnical Sciences of the Russian Federation, Ministry of Energy of the Russian Federation, FGC UES, JSC.
- July 29** IDGC of Centre proved high corporate governance rating on the level “7” — “Developed practice of corporate governance” according to the results of estimation of RID and Expert RA.

Tariff making system on the basis of RAB method that has been being implemented in Russia since 2009 is intended to attraction of investments for construction and upgrading of the grid infrastructure and increase of work efficiency of power grid companies. Therewith load on tariff is minimal.

August 3	Vadim Fedorov, Deputy General Director of IDGC of Centre, JSC for Grid Services Development and Realization answered the questions about power saving technologies and energy efficiency in Russia on the air of television company “Vesti 24”.
August 14	Publication of IFRS audited statements for 2008.
August 19	Internet-conference of Management with investors on the results of approval of the annual report and publication of IFRS statements for 2008 by the General meeting of shareholders.
September 10	Putting into operation of 110/10 kV substation “Mayskaya” in the branch “Belgorodenergo” of 80 MVA capacity.
September	IDGC of Centre started engineering and construction of power transmission lines with pole-type transformers of 6—10/0.4 kV of revolutionary constructions that meet the tasks of reduction of electric power losses, increase of energy efficiency and energy security. New conception was proposed by the specialists of the Company’s branch — Kurskenergo.
September 15	The Conference “Protection of interests of small entrepreneurship and citizens: what prevents to increase energy security and energy efficiency?” was held in the Public Chamber of the Russian Federation. IDGC of Centre made its proposals on increase of energy efficiency for perfection of legal framework.
September 28	Evgeny Makarov, General Director of IDGC of Centre, joined the ranks of the most qualified managers of electric power industry according to the tens annual rating list of senior staffers-2009 published in the newspaper “Kommersant”.
October 6	Putting into operation of 110/10 kV substation “Davydovskaya” in the branch “Kostromaenergo”.
October 7	IDGC Holding estimated the work of IR-direction of interregional distribution grid companies of Russia in 2009. Web-site of IDGC of Centre was recognized to be the best one in the Russian power grid complex.
October 23	The Federal State Institution “All-Russian Research Institute of Labour economics and protection” awarded Certificate of Merit to IDGC of Centre, JSC for high level of labour protection.
October 27	Evgeny Makarov, General Director, participated in the conference “Network of smart cities” in Amsterdam. Belgorod together with Amsterdam and

American Boulder (Colorado) is one of three cities in the world and the one in Russia where energy saving project “Smart city” is being implemented.

November 3	Receipt of certificate of readiness of the Company for the autumn-winter period 2009/2010 from IDGC Holding, JSC.
November 11	The Company’s subsidiary company (Energetik, JSC) acquired controlling block of shares (51%) of “YarEGC”, JSC — special purpose company for consolidation of power grid facilities in Yaroslavl region.
November 16	The credit rating S&P BB-/B/ruAA- forecast “Stable” was awarded certifying capability and readiness of the Company to fulfill its financial liabilities duly and in full.
November 25	Internet-conference of Management with investors on the results of work for the 9 months of the year 2009.
November 25	Putting into operation of 110/10 kV substation “Universitetskaya” in the branch “Lipetskenergo”.
December	Completion of the next stage of implementation of the asset management program that will allow to balance two differently directed objects maximally. From the one hand, maintenance of the necessary level of service (reliability indicators) and, from the other hand, optimization of operating costs.
December 2	In S&P rating the Company became one of top 10 according to transparency among 40 the largest companies of the industry.
December 3–4	Organization and participation of the Company’s Management in the conference “Development of interactions of grid and sales organisations on behalf of consumers”.
December 17	The 5-th anniversary of the Company.
December 18	Federal Tariff Service approved transfer to RAB-regulation of the branches Kurskenergo and Yarenergo.
December 23	Putting into operation of 110/10 kV reconstructed substation “Chayka” in the branch “Yarenergo” which capacity after the reconstruction increased by 18 MVA and became 50 MVA.
December	2 more branches transferred to new system of tariff making. Tariffs for 2010 and long-term parameters of regulation up to 2013 of the branches: Kurskenergo, Yarenergo were fixed on the basis of RAB methods.

Stock market

Shares of the Company began to be traded at stock exchanges (MICEX and RTS) on May 21, 2008. During the period from 21.05.2008 to 17.08.2008 the 21st additional issue of the Company's shares had been traded. After the merger of additional issues with the principal issue (since 18.08.2008) and until the present time a single issue of shares of IDGC of Centre, registration number: 1-01-10214-A has been traded in the market.

In 2009 capitalisation of IDGC of Centre increased by 110% from 16 bln. Rubles up to 33.9 bln. Rubles. In spite of sizable fluctuation of quotations, shares showed buoyancy during the whole year.

The minimum price per share amounted to 0.28 Rubles (03.04.2009), the maximum one amounted to 0.984 Rubles (30.09.2009). The main trading floor for the Company's shares is still MICEX. Turnover share of MICEX following the results of the year of total turnover of the Company's shares in the stock market (MICEX and RTS) amounted to 95%.

Codes of shares at exchanges:

MICEX	MRKC
RTS classic	MRKC
RTS exchange	MRKCG

Quotations of shares of IDGC of Centre at MICEX



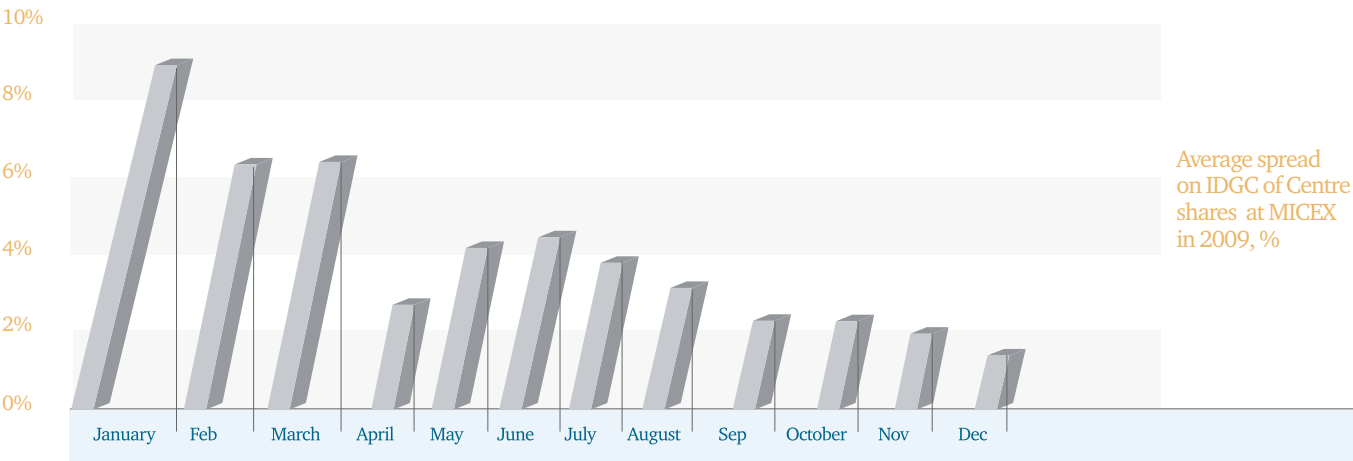
During 2009 there were periods both of intense interest and of low interest in shares of IDGC of Centre. So, heavy growth of turnover on the Company's shares

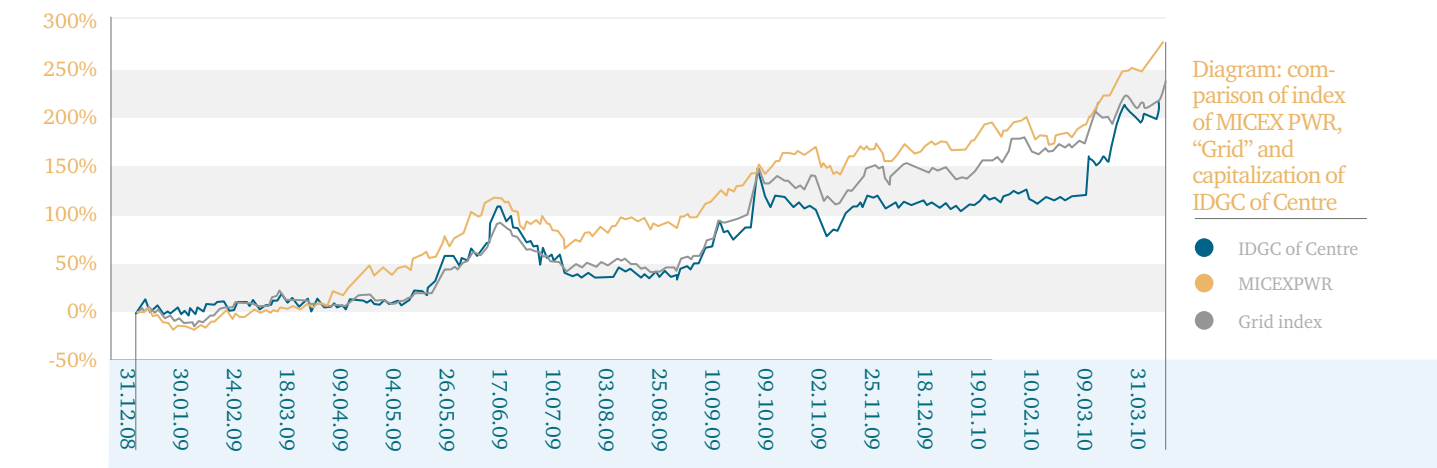
occurred in June-July of the past year. Against the background of recovery of the stock market after considerable fall from the end of the year 2008 investors “wan back” the most ideas among the most liquid securities in the market. In this connection many players started search of the most stable and potential companies of “second-third tier”. IDGC of Centre — one of the largest distribution grid companies of Russia is also among such companies. More than one third of the annual turnover on shares of IDGC of Centre concurred with June-July.

At the end of October-November 2009 the turnover on the Company's shares was high enough. Besides, decrease of spreads at MICEX may be noted. So, average spreads between purchase and selling prices calculated on the basis of hours data of the MICEX Stock Exchange declined from 9% in January 2009 up to 1.4% in December 2009. In December 2009 shares of IDGC of Centre came out on top among IDGC according to the amount of spread.

Turnovers and quantity of transactions with IDGC of Centre shares in 2009

	Quantity of transaction	pcs.	turnover % of outstanding shares	mln Rubles	mln USD
MICEX	20,989	1,799,523,700	4.26	1,106.14	
RTS classic market	49	94,584,436	0.22		1.67
RTS exchange market	23	1,928,847	0.01	1.29	





Sources: Data of MICEX, calculations of exchange earnings.

Following the results of the year MICEX PWR index increased by 174%, "Grid" * index — by 135%, herewith capitalization of IDGC of Centre increased by 110%. In spite of considerable growth in 2009, shares could not show dynamics better than the market. Maximum deviation from "Grid" index that influenced on deviation from the index at the end of the year 2009 for IDGC of Centre shares occurred in October. The Management supposes that the main reason of such gap from the index of distribution grid companies was high evaluation of IDGC of Centre by the market in comparison with the other companies of the industry. Speculative growth of shares undervaluated by IDGC at the end of the year 2009 influenced on the growth of "Grid" index. Nevertheless, fundamental characteristics of IDGC of Centre and ones of the best in the industry stock market indicators of the Company allowed to draw conclusion that these tendencies are of short-term nature. And this was proved true in the 1st quarter 2010 when IDGC of Centre shares closed a gap form "Grid" index.

In the past year the Company passed listing at MICEX. On April 8 IDGC of Centre shares were included in "B" quotation list of exchange. Shares are still in bases of calculation of MICEX PWR index and MICEX SC index.

Dividends

Following the results of work in 2006 dividends accrued by RGCs and IDGC amounted to 387 mln Rubles. 382.01 mln Rubles of which are paid out, this is 98.71% of accrued dividends. Dividends for 2006 in the amount of 4.99 mln Rubles unclaimed by shareholders are kept on the Company's account. The reason of incurrance of abovementioned unclaimed dividends is non-fulfillment by shareholders of their obligations regarding duly informing of register-keeper of the Company's shareholder register on changes of their data which

* "Grid" index is being calculated by IDGC of Centre in accordance with the methods analogues to the methods of calculation of MICEX industry indices. Shares of all operating IDGCs traded in the organized market are included in the base of calculation of "Grid" index.

are necessary for payout of dividends in accordance with the item 5 of the Article 44 of the Federal Law of the Russian Federation "On Joint-Stock Companies". Unclaimed dividends are subject to writing off at the end of period of limitation of action — 3 year in accordance with the sub-item 18 of the Article 250 of Tax Code of the Russian Federation and the item 78 "Regulation on accounting and reporting of the Russian Federation" approved by the order of Ministry of Finance of the Russian Federation No.34n dated 29.07.1998.

In 2008 shareholders took the decision not to pay out dividends for 2007, as financial results of the Company for 2007 were made without regard to the results of RGC (ac-cession of RGC was in 2008).

The Company's Board of Directors proposed not to pay out dividends for 2008 (Min-utes of the meeting of the Board of Directors No.07/09 dated 04.05.2009). It was con-nected with the necessity of the Company to implement investment program in condi-tions when procurement of loans and credits for financing of investments during that period resulted in investment activity loss ratio. In 2009 shareholders took the decision not to pay out dividends for 2008.

Dividends

	2006*	2007	2008	2009 (plan)
Dividends, mln Rubles	387	0	0	0
Share of dividends in net profit, %	29%	0%	0%	0%
Dividends per share, Rubles	—	—	0	0
Profit per share, Rubles	—	—	0.02	0.03

* For 2006: the amount for RGCs and IDGC of Centre

Dividends of IDGC of Centre, RGC Excluded

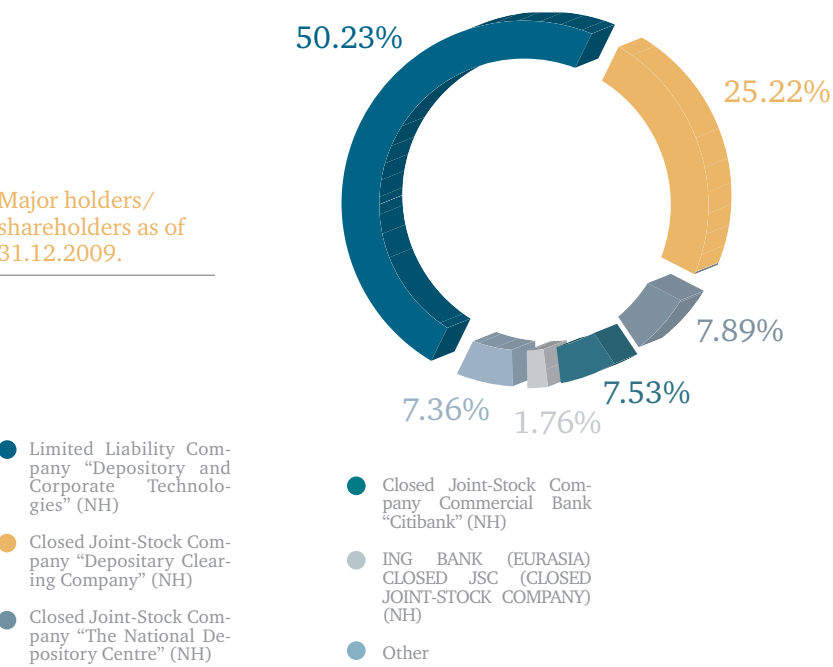
	2005	2006	2007	2008	2009 (plan)
Dividends, mln Rubles	1.5	1.8	0	0	0

Share capital

The total number of shares and their par value — 42,217,941,468 ordinary nominal shares at the par value of 10 kopecks each.

Number of authorized shares: 258,532. Shares specified were formed as the difference between authorized shares (42,218,200,000) and placed shares (42,217,941,468) in the course of reorganization of the Company in form of affiliation of regional grid companies to it in 2008.

Number of cross-held shares: none.



*NH — nominal holder

The Annual General meeting of shareholders of the Company was held in 2009. Below is information on share capital structure as of the date of drawing the list of persons (04.05.2009) for participation in AGMS of the Company. After the register of shareholders had been closed as of 04.05.2009 there was no information from the Company's shareholders on changes of their share in the authorized capital of IDGC of Centre.

Share capital structure (as of 31.12.2009)

Holder type	% of SC
Holders — individuals	4.23%
Holders — legal entities	1.46%
Nominal holders	94.03%
Trustees	0.28%
Total:	100%

Holder type	% of SC
Residents of the Russian Federation	99.9%
Non-residents of the Russian Federation	0.1%
Total:	100%

Share capital structure (as of 04.05.2009)

Holder type	% of SC
Holders — individuals	5.97%
Holders — legal entities	92.85%
Nominal holders	0.01%
Trustees	1.17%
Total:	100%

Holder type	% of SC
Residents of the Russian Federation	59.75%
Non-residents of the Russian Federation	40.25%
Total:	100%

Information of the organisation recording the title to the shares of the Company

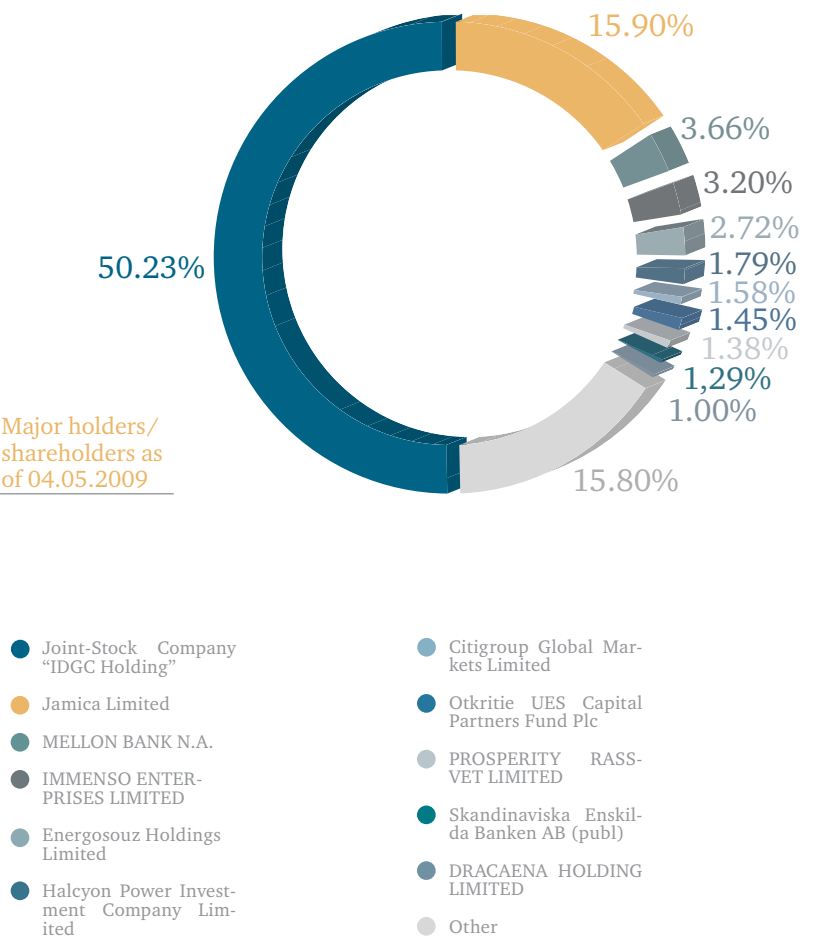
In accordance with the sub-item 28 of the item 15.1. of the Company’s Articles of Association approval of the Company’s registrar as well as conditions of contract with this registrar pertains to the competence of the Board of Directors of the Company. By the decision of the Board of Directors (Minutes No. 009/05 dated 05.12.2005) Joint-Stock Company “Moscow Central Depositary” (MCD, JSC) was approved to be the Company’s Registrar and conditions of agreement providing maintenance and safekeeping of register of holders of registered equity securities between IDGC of Centre, JSC and MCD, JSC were approved as well.

Conditions of supplementary agreement to the agreement providing maintenance and safekeeping of register of holders of registered equity securities between the Company and MCD, JSC were approved by the decision of the Board of Directors (Minutes No.06/08 dated 31.03.2008).

Full name	Joint-Stock Company “Moscow Central Depositary”
Brief name	MCD, JSC or Moscow Central Depositary, JSC
Legal address	Bld. V, 3 Orlikov Lane, Moscow, 107078
License	No. 10-000-1-00255
	Issued by: Federal Financial Markets Service of Russia
	Date of issue: 13.09.2002.
	Period of validity: indefinite
Other details	Postal address: bld. 8, 34 Pochtovaya Street, Moscow, 105082 Tel.: 8(495) 221-13-34, 221-13-30, 221-13-33, Fax: 8 (495) 221-13-83 E-mail: dr@mcd.ru

As many shareholders of the Company are located in the regions where it operates, a transfer agent office of the registrar was opened in every region at the initiative of the Company to facilitate the transactions. Shareholders may perform sale and purchase transactions, change personal details, execute inheritance documents and perform other operations in the register directly in the regional centre without the need to travel to Moscow.

Information on transfer agents is available on the web-site of the Company: <http://www.mrsk-1.ru/stockholder/register/>.



Corporate Governance

Corporate governance of IDGC of Centre, JSC is a complex of processes allowing management and control over the activities of the Company and including the system of relations between the Company and its shareholders with concern to the security of the Company performance and legitimate benefits of shareholders and investors. When exercising its activities the Company is governed by the applicable law and internal regulatory documents, including Corporate Governance Code.

Corporate Governance Code specifies the following fundamentals of corporate governance:

- justice,
- transparency,
- accountability of the Company administration to shareholders, including accountability of the Company Management to the Board of Directors and General meeting of shareholders,
- manageability of business activities,
- observance of third parties rights.

Corporate Governance Code of IDGC of Centre, JSC is approved by the decision of the Board of Directors (Minutes No.009/06 dated 18.10.2006) and is available on the Company’s web-site: <http://www.mrsk-1.ru/docs/koduprav.pdf>.

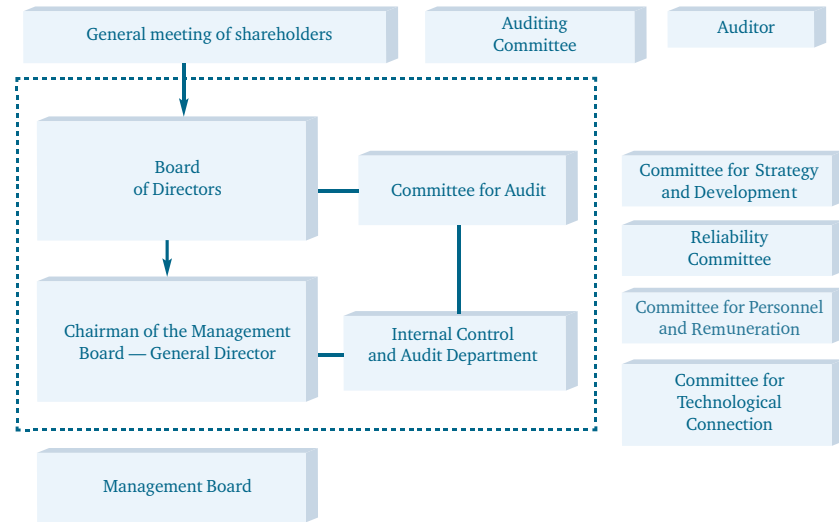
The structure of the Company administration is as follows:

- supreme management body: General meeting of shareholders;
- strategic management body: Board of Directors;
- executive bodies:
 - Management Board (Collegial Executive Body);
 - General Director (Sole Executive Body).

The system of control over the Company business activity involves both external and internal control and includes:

- Auditor;
- Auditing Committee;
- Board of Directors, including the Committee for Audit;
- Internal Control and Audit Department.

System of corporate governance of IDGC of Centre, JSC



Corporate Governance Rating

At present IDGC of Centre, JSC has corporate governance rating NCGR 7 (National Corporate Governance Rating 7) “Advanced corporate governance practice” according to the scale of the National Corporate Governance Rating” conferred by the Consortium of the Russian Institute of Directors and Rating Agency “Expert RA” — “RID Expert RA” on September 23, 2008.

This rating level indicates that the corporate governance practice of IDGC of Centre, JSC is assessed as positive. The Company bears low corporate governance risks. The Company complies with the requirements of the Russian corporate governance law, follows the guidelines of the Russian Code of corporate conduct * and certain guidelines of the international advanced corporate governance practice.

For the first time NCGR was conferred to the Company in 2006. At that time the Consortium of the Russian Institute of Directors and Rating Agency “Expert RA” — “RID Expert RA” assigned “B+ +” rating — “Average Corporate Governance Level of the Corporate Governance Rating” to IDGC of Centre, JSC.

In 2007 the Consortium of the Russian Institute of Directors and Rating Agency “Expert RA” — “RID Expert RA” conferred the corporate governance rating NCGR 6+ “Advanced Corporate Governance Practice” according to the



* Approved by the Decree of FFMS RF N 421/r dated 04.04.2002 and recommended to issuers

scale of the National Corporate Governance Rating” to IDGC of Centre, JSC; it was increased to NCGR 7 on September 23, 2008.

The corporate governance rating was increased in 2008 due to a number of essential changes occurred in the period of 2008 in the Company’s corporate governance practice including those connected with implementation of the most important institutes in the field of protection of rights of shareholders and activity of control and management bodies which at previous structure of shareholders couldn’t be realized. In particular, the General meeting of shareholders of the Company approved Regulation on procedure of preparation and holding of General meeting of shareholders of IDGC of Centre, JSC (Minutes No.1829/pr1 dated 28.02.2008) specifying the procedure of organization of preparation and holding of General meeting of shareholders, collegial executive body of the Company (Management Board) was established and new committees under the Board of Directors of the Company were established. Thus, the Committee for Audit, the Committee for Strategy and Development, the Committee for Personnel and Remuneration were added to the earlier established Reliability Committee.

In 2009 work related to corporate governance level increase was continued: the Committee for Technological Connection was established under the Board of Directors. The Board of Directors approved Regulation on internal control procedures (Minutes No.01/09 dated 13.02.2009), Regulation on the Committee for Audit of IDGC of Centre, JSC as amended (Minutes No. 18/09 dated 02.11.2009), Regulation on the Committee for Technological Connection to Power Grids under the Board of Directors of IDGC of Centre, JSC (Minutes No.01/09 dated 13.02.2009), Procedure of interaction of IDGC of Centre, JSC with business companies, which shares (stakes) are held by IDGC of Centre, JSC (Minutes No. 05/09 dated 27.03.2009). By the decision of the Board of Directors dated 31.07.2009 (Minutes No. 12/09 dated 04.08.2009) plan of work of the Board of Directors for 2009-2010 was approved, control over fulfillment of decisions of the Board of Directors was tightened. Here with system of material encouragement for participation in work of business-processes within the frameworks of matrix management system was the additional factor stimulating development of the corporate governance targeted to constant maintenance and increase of level.

On 27.02.2009, 29.07.2009 and 18.01.2010 the Consortium of the Russian Institute of Directors and Rating Agency “Expert RA” — “RID Expert RA” conferred corporate governance rating NCGR 7 of IDGC of Centre, JSC.

The detailed reports on the corporate governance practice of IDGC of Centre, JSC is available on the Company’s corporate web-site: <http://www.mrsk-1.ru/about/administration/corporative/rating/>.

Company General meeting of shareholders

The Company provides shareholders with real opportunity to exercise their rights related to participation in the Company, in particular:

- reliable and effective methods of share ownership recording as well as opportunity of free and quick alienation of shares held by them;
- participation in management of the joint-stock company by means of taking decisions regarding the most important issues of the Company’s activity at the general meeting of shareholders;
- share in the Company’s profit;
- regular and duly acquisition of full and true information on the Company.

More detailed information on the rights of the Company’s shareholders is available in the Appendix 7.

General meeting of shareholders is the supreme management body of IDGC of Centre, JSC. In accordance with the Articles of Association of the Company and the Federal Law “On Joint-Stock Companies” and internal documents of the Company the following issues are referred to the competence of General meeting of shareholders:

- 1) introduction of changes and amendments in the Articles of Association or approval of the Articles of Association in new edition;
- 2) restructuring of the Company;
- 3) liquidation of the Company; appointment of the Liquidation Commission and the approval of the interim and final liquidation balances;
- 4) determination of the quantitative structure of the Board of Directors (supervisory board) of the Company, the election of its members and the early termination of their powers;
- 5) determination of the number, par value, class (type) of the declared shares and the rights provided by these shares;
- 6) reduction of the authorized capital of the Company by way of decreasing the par value of the shares, through the acquisition by the Company of the part of shares with the purpose of reducing their total amount as well as through repaying of shares acquired or paid out by the Company;
- 7) election of the members of the Auditing Committee (inspector) of the Company and the early termination of their powers;
- 8) approval of the Company’s auditor;
- 9) payment (announcement) of dividends following the results of the first quarter, half a year, nine months of the financial year;
- 10) approval of annual reports, annual accounting statements, including the Company’s profit and loss statements (profit and loss accounts), distribution of profits (including payout (announcement) of dividends, except for the profit distributed as a dividend by

the results of the first quarter, half a year, nine months of the financial year) and the losses of the Company by the results of the financial year;

11) determination of the procedure for holding the General meeting of the shareholders;

12) election of the members of the counting commission and the early termination of their powers;

13) fractioning and consolidation of the shares;

14) taking the decision on the approval of transactions in cases provided by the Article 83 of the Federal Law “On Joint Stock Companies”;

15) taking the decision on the approval of major transactions in cases provided by the Article 79 of the Federal law “On Joint Stock Companies”;

16) acquisition of placed shares by the Company in cases provided by the Federal law “On Joint-Stock Companies”;

17) taking the decision on the participation in holding companies, financial and industrial groups, associations and other unions of for-profit organizations;

18) approval of the internal documents regulating the activity of the bodies of the Company;

19) solution of other issues provided by the Federal law “On Joint Stock Companies”.

Issues related to the competence of the General meeting of shareholders cannot be transferred to the Board of Directors and the General Director of the Company for resolution.

The Company observes an indefeasible right of shareholders to participation in the management of the Company. Shareholders of IDGC of Centre, JSC participate in the management of the Company, first of all, by taking decisions regarding the most important issues of the Company's activity at the General meeting of shareholders.

The annual General meeting of shareholders (hereinafter referred to as the AGMS) of IDGC of Centre was held on June 11, 2009 at which the following decisions were taken:

— the Company's annual report for 2008, the annual accounting statements for 2008, including the Company's profit and loss statement, the Company profit and loss distribution according to the results of the financial year 2008 were approved;

— new members of the Board of Directors and Auditing Committee of the Company were elected;

— Closed Joint-Stock Company “HLB Vneshaudit” was approved to be the Company's auditor.

Total number of votes of placed shares of IDGC of Centre, JSC entitled to vote at the annual General meeting of shareholders amounted to 42,217,941,468. Persons partici-

pated in the annual General meeting of shareholders (taking into account preliminary registration held by “Moscow Central Depository”, JSC) had 37 384 808 898 votes according to number of ordinary shares held by them. So, number of votes belonging to persons participated in the General meeting of shareholders amounted to 88.55% that proved high activity of the Company's shareholders in the management of the Company.

Full version of decisions of the General meetings of shareholders is available on the Company's web-site: <http://www.mrsk-1.ru/stockholder/meeting/result/>. Decisions of the General meeting of shareholders are disclosed on web-site not later than 3 days from the date of drawing up of Minutes of General meeting of shareholders.

Extraordinary meeting of shareholders were not held in the reporting year 2009 in the Company.

The Company strictly complies with all procedures of convening and holding of General meeting of shareholders of the Company including such important as:

— any proposals to the agenda of the Annual General meeting of shareholders are made within 60 days of the end of the reporting year what allows shareholders to chose position regarding issues of and to take informed decisions.

— notification on holding of General meeting of shareholders is published in the newspaper “Vedomosti”, on the Company's web-site both in Russian and in English (<http://www.mrsk-1.ru/stockholder/meeting/>). Access to the materials is available on the premises at the Company's location, in its branches and in “MSC”, JSC as well as at place of holding of AGMS on the date of holding of meeting.

— General meeting of shareholders is held in Moscow or in any other city determined by the decision of the Board of Directors.

Procedure of convening and holding of General meeting of shareholders is determined by the Law, the Company's Articles of Association, as well as the Regulation on procedure of preparation and holding of General meeting of shareholders of IDGC of Centre, JSC and available in the Appendix 12 and of the Company's corporate web-site as well: <http://www.mrsk-1.ru/stockholder/meeting/>.

Company Board of Directors

In accordance with the Articles of Association of IDGC of Centre, JSC and the Federal Law “On Joint-Stock Companies” **the following issues are referred to the competence of the Company Board of Directors:**

1) determination the priority directions of the activity of the Company;

2) convening of annual and extraordinary General meeting of shareholders except for cases provided by the item 8 of the Article 55 of the Federal Law “On Joint-Stock Companies”;

- 3) approval of agenda of General meeting of shareholders;
- 4) determination of the date of drawing up the list of persons entitled to participate in General meeting of shareholders, and other issues related to the competence of the Board of Directors (supervisory board) of the Company in accordance with the provisions of the Chapter VII of the Federal Law “On Joint-Stock Companies” and connected with preparation and holding of General meeting of shareholders;
- 5) increase of authorized capital of the Company by means of placing by the Company of additional shares within the number and classes (types) of authorized shares if it is related to its competence according to the Articles of Association in accordance with the Federal Law “On Joint-Stock Companies”;
- 6) placing by the Company of bonds and other emission securities except in cases provided by the Federal Law “On Joint-Stock Companies”;
- 7) determination of price (monetary value) of property, price of placing and retirement of emission securities in cases provided by the Federal Law “On Joint-Stock Companies”;
- 8) acquisition of shares, bonds and other securities placed by the Company in cases provided by the Federal Law “On Joint-Stock Companies”;
- 9) establishment of executive body of the Company and early termination of its powers;
- 10) recommendations on the amount of remunerations and compensations paid to the members of the Auditing Committee (Inspector) of the Company and determination of the remuneration for the Auditor’s services;
- 11) recommendations on the amount of dividend on shares and the procedure for its payment;
- 12) use of reserve fund and other funds of the Company;
- 13) approval of the internal documents of the Company except for internal document which approval is referred to the competence of the General meeting of shareholders by the Federal Law “On Joint-Stock Companies” as well as other internal documents of the Company which approval is referred to the competence of the executive bodies of the Company by the Articles of Association of the Company;
- 14) foundation of branches and opening of the representative offices of the Company;
- 15) approval of major transactions in cases provided by the Chapter X of the Federal Law “On Joint Stock Companies”;
- 16) approval of transactions provided by the Chapter XI of the Federal Law “On Joint Stock Companies”;
- 17) approval of the Registrar of the Company and terms of contract with this Registrar and its termination of contract as well;
- 17.1) taking decision on participation and on termination of participation of the Company in other organisations (except for organisations mentioned in the sub-item 18 of the item 1 of the Article 48 of the Federal Law “On Joint Stock Companies”);

18) other issues provided by of the Federal Law “On Joint Stock Companies” and Articles of Association of the Company.

Issues related to the competence of the Board of Directors (supervisory board) of the Company cannot be transferred to the executive body of the Company for resolution.

In the reporting year 2009 the current management of the Company was performed under the guidance of the fifth and sixth convocations of the Board of Directors of IDGC of Centre, JSC.

The Board of Directors of the current (the sixth) convocation was elected on June 11, 2009 at the annual General meeting of shareholders of the Company (Minutes No.01/09 dated 16.06.2009) with the following member structure (data is given as of 31.12.2009):



Sergey
Borisovich Kosarev
Chairperson of the Board
of Directors

Principal occupation: Director of Legal Department of State Corporation “Rosnano”
Education: Higher, specialty — Master of Management, Teacher of History
Scientific degree, rank: Candidate of Science (History), Associate Professor
Company’s share fraction and share fraction of subsidiaries and associates of the Company held by a member of the Board of Directors (quantity): 0.0024% (1,000,000 ordinary registered shares of the Company)*
Date of the first election to the Board of Directors: 11.06.2009.
Elected as the Chairperson of the Board of Directors 08.07.2009 (Minutes of the Board of Directors No. 11/09 dated 10.07.2009)



Tatiana
Alexandrovna Seliverstova
Deputy Chairperson of the
Board of Directors

Principal occupation: Head of the securities Division of the Department of corporate governance and interaction with shareholders of IDGC Holding, JSC
Education: Higher, specialty — Management
Company’s share fraction and share fraction of subsidiaries and associates of the Company held by a member of the Board of Directors (quantity): does not hold
Date of the first election to the Board of Directors: 11.06.2009.
Elected as the Deputy Chairperson of the Board of Directors 08.07.2009 (Minutes of the Board of Directors No. 11/09 dated 10.07.2009)

* S.B. Kosarev’s, member of the Board of Directors, participation stake in the Company authorized capital changed in February 2010, participation stake after change



Alexandr Markovich
Branis

Principal occupation: General Director of “Prosperity Capital Management” Ltd. — Director of the Analytical department of the Representative office of “Prosperity Capital Management (RF) Ltd”.

Education: Higher, specialty — Management

Company’s share fraction and share fraction of subsidiaries and associates of the Company held by a member of the Board of Directors (quantity): does not hold

Date of the first election to the Board of Directors:
09.12.2004.



Sergey Nikolaevich
Popovsky

Principal occupation: Noncommercial partnership “Market council for organization of effective system of wholesale and retail of electric power and capacity” (NP “Market council”) — Member of the Management Board — Deputy Chairperson of the Management Board

Education: Higher, specialty — Research and design works CAD

Company’s share fraction and share fraction of subsidiaries and associates of the Company held by a member of the Board of Directors (quantity): does not hold

Date of the first election to the Board of Directors:
11.06.2009.



Sergey Nikolaevich
Ivanov

Principal occupation: the First Deputy Chairmen of the Management Board of “FGC UES”, JSC

Education: Higher, specialty — Theoretical Nuclear Physics

Company’s share fraction and share fraction of subsidiaries and associates of the Company held by a member of the Board of Directors (quantity): does not hold

Date of the first election to the Board of Directors:
11.06.2009.



Denis Alexandrovich
Spirin

Principal occupation: Director for the Corporate Governance of the Representative office of Prosperity Capital Management (RF) Ltd.

Education: Higher, specialty — Management of rail car-repair production, Jurisprudence

Company’s share fraction and share fraction of subsidiaries and associates of the Company held by a member of the Board of Directors (quantity): does not hold

Date of the first election to the Board of Directors:
11.06.2009.



Evgeny Fedorovich
Makarov

Principal occupation: General Director of IDGC of Centre, JSC

Education: Higher, specialty — Electrical systems, Finance and credit

Company’s share fraction and share fraction of subsidiaries and associates of the Company held by a member of the Board of Directors (quantity): 0.4894% (206,622,069 ordinary registered shares of the Company)

Date of the first election to the Board of Directors:
09.12.2004.



Alexander Grigorievich
Starchenko

Principal occupation: Director for Power Sector of Novolipetsk Metallurgical Combine, JSC

Education: Higher, specialty — Informatics и control systems

Company’s share fraction and share fraction of subsidiaries and associates of the Company held by a member of the Board of Directors (quantity): does not hold

Date of the first election to the Board of Directors:
30.05.2008.



Sergey Borisovich Syutkin

Principal occupation: General Director of the Branch of JSC “SO UES” — Operational Dispatching Office of Centre

Education: Higher, specialty — Thermal electric power stations

Company’s share fraction and share fraction of subsidiaries and associates of the Company held by a member of the Board of Directors (quantity): does not hold

Date of the first election to the Board of Directors: 30.05.2008.

Maria Gennadyevna Tikhonova

Principal occupation: Deputy Director of Department for economic regulation and property relations in Fuel and Energy Complex of Ministry of Energy of the Russian Federation

Education: Higher, specialty — Management, Master of business administration (MBA)

Company’s share fraction and share fraction of subsidiaries and associates of the Company held by a member of the Board of Directors (quantity): does not hold

Date of the first election to the Board of Directors: 11.06.2009.



Roman Alexeevich Filkin

Principal occupation: Deputy Director of the Representative Office of Prosperity Capital Management, (Russian Federation) Ltd.

Education: Higher, specialty — Finance and credit

Company’s share fraction and share fraction of subsidiaries and associates of the Company held by a member of the Board of Directors (quantity): does not hold

Date of the first election to the Board of Directors: 11.06.2009.

The Company Board of Directors includes representatives of different groups of shareholders: representatives of majority shareholder, the state in the name of Ministry of Energy of the Russian Federation, representatives of principal industry organisations composing the unified system of electric power transmission (“FGC UES”, JSC, “System Operator of UES”, JSC), the General Director of IDGC of Centre, JSC, minority shareholders of the Company, NP “Market council”. More detailed information on the members of the Board of Directors is available in the Appendix 8 to this report.

The Board of Directors of the Company of the previous (the fifth) convocation was elected on May 30, 2008 at the annual General meeting of shareholders of the Com-

Full name of the member of the Board of Directors	Position of the member of the Board of Directors (as of the date of nomination)
Andrey Alexandrovich Demin (Chairman of the Board of Directors)	Deputy Chairman of the management Board of “FGC UES”, JSC
Alexandr Markovich Branis	Director of the Representative office of “Prosperity Capital Management (RF) Ltd.”
Dmitry Alexandrovich Burnashev	Head of the Business Planning Department of the Corporate Centre of RAO UES of Russia, JSC
Alexey Romanovich Kachay	Deputy Head of the Strategy Department of the Reform Management of RAO UES of Russia, JSC
Alexey Vitalyevich Klaptsov	Vice President of Halcyon Advisors
Vyacheslav Mikhaylovich Kravchenko	Head of the Electric Power Department of Ministry of Industry and Energy of the Russian Federation
Evgeny Fedorovich Makarov	General Director of IDGC of Centre, JSC
Misrikhan Shapievich Misrikhanov	General Director of the Branch of “FGC UES”, JSC — Transmission Power Grids
Pavel Ivanovich Okley	Head of the Management Centre of IDGC of “FGC UES”, JSC
Alexandr Grigoryevich Starchenko	Head of Energy Department of “Novolipetsk metallurgical Combine”, JSC
Sergey Borisovich Syutkin	General Director of the Branch of “SO UES”, JSC, Integrated Dispatching Administration of Centre

All members of the Board of Directors of the Company except for E.F. Makarov are the independent directors.

No claims were filed against the members of the Board of Directors of the Company over Company's history of activities, and in 2009 as well.

In 2009 the Board of Directors of the Company held 24 meetings (two of which were held in the form of joint presence) at which 233 issues were considered.

The agenda of meetings of the Board of Directors regularly included items subject to consideration that related to the operational and financial activities of the Company. **The following decisions taken by the Board of Directors of the Company in 2009 should be particularly emphasized:**

- convening and holding of the annual General meeting of shareholders of the Company;
- business planning, planning of investments and Company purchase program;
- consideration of the Company General Director's reports on various aspects of the Company activities;
- insurance coverage;
- environmental policy;
- program on injury risk reduction;
- legal regulation of the business of the Company, including the approval of various regulations governing the key aspects of its business;
- change of the organisational structure of the Company;
- approval of interested party transactions.

More detailed information on the key items considered by the Board of Directors of the Company in 2009 is available in the Appendix 10. Decisions taken by the Board of Directors are available on the Company's web-site: <http://www.mrsk-1.ru/stockholder/session/sovet/2009/>. Decisions taken by the Board of Directors are disclosed on the Company's web-site at least 3 days after the date of drawing up the minutes of meeting.

The procedure of convening of and filing issues for consideration at the meetings of the Board of Directors is determined by the Regulation for the procedure of convening and holding of meetings of the Board of Directors of IDGC of Centre, JSC available on the Company's web-site: <http://www.mrsk-1.ru/file/sd.pdf>.

In accordance with the item 6.6.2. of the Regulation for the procedure of convening and holding of meetings of the Board of Directors of IDGC of Centre, JSC the Secretary of the Board of Directors sends notification and materials to the meeting of the Board of Directors to each member of the Board of Directors in writing at least 15 working days prior to the date of holding the meeting of the Board of Directors (expiry of acceptance of questionnaires for voting) what allows the members of the Board of Directors to take decision after careful consideration.

Peculiarities of convening the meetings of the Board of Directors are, first of all, intended to increase of efficiency of work of the Board of Directors. Thus, according to the item 18.1. of the Articles of Association of the Company issues provided by the sub-items 19 (approval of business-plan (adjusted business-plan), including investment program and quarterly report on the results of their implementation), 21 (approval and change of conditions, as well as termination of implementation of large and medium investment projects determined as such in accordance with the Regulation on investment activity, as well as approval of quarterly reports on course of implementation of mentioned projects) of the item 15.1. of the Article 15 of the Articles of Association of the Company are considered at the meetings of the Board of Directors of the Company held in the form of joint presence except for cases when all members of the Board of Directors of the Company agree to hold the meeting in absentia.

Plan of work of the Board of Directors including period and list of items subject to consideration at the correspondent meetings was developed and approved for the purpose of effective and rational functioning of the Board of Directors, ensuring of optimal process of taking management decisions for the benefit of the Company. The Company's plan includes increase of number of the meetings of the Board of Directors in presentia.

In 2009 the General Director of the Company was entrusted with 33 tasks by the Board of Directors that were properly and duly fulfilled. The Board of Directors quarterly considered the General Director's report on fulfillment of earlier given tasks (Minutes No. 06/09 dated 16.04.2009, No.13/09 dated 02.09.2009, No. 20/09 dated 18.11.2009, No. 02/10 dated 17.02.2010). There were no comments from the Board of Directors.

Remuneration to members of the Board of Directors

According to the item 2 of the Articles 64 of the Federal Law “On Joint-Stock Companies” any decision on payment of remuneration to members of the Board of Directors of the Company may be taken only by the General meeting.

The Company has in place the Regulation for payment of remuneration and compensation to members of the Board of Directors of IDGC of Centre, JSC approved by the General meeting of shareholders (Minutes No. 01 dated 03.06.2008) which is available on the Company’s web-site: <http://www.mrsk-1.ru/docs/H2H9nK.pdf>.

According to mentioned Regulation remuneration for participation in the meetings is paid out to members of the Board of Directors as well as additional remuneration is calculated according to the results of estimation of activity of the Board of Directors. In all 2 kinds of additional remuneration are provided by the Regulation, namely: for net profit index according to the annual accounting statements approved by the annual General meeting of shareholders and in case of increase of amount of market capitalization of the Company for the period of work of the Board of Directors.

Remuneration for participation in the meetings is paid out to a member of the Board of Directors:

- held in absentee form — equal to 5 minimum monthly wage rates of the first-class employee*;
- held in presentia — equal to 10 minimum monthly wage rates of the first-class employee.

For net profit index the calculation of the additional remuneration to each member of the Board of Directors is made on the basis of the amount of net profit according to the annual accounting statements approved by the annual General meeting of shareholders, number of members of the Board of Directors in accordance with the Articles of Association of the Company, as well as number of meetings held within the year and in which member of the Board of Directors participated. Such remuneration is paid out to members of all structures of the Board of Directors who have been working during the year in which the Company got the net profit on the results of its activity.

The amount of the additional remuneration for performance of market capitalization amount increase indicator of the Company for each member of the Board of Directors is 0.0175 percent of the Company market value increase calculated for the period from the date of election of the member of the Board of Directors to the date of election of new member structure of the Board of Directors of the Company. The condition of payment of mentioned remuneration is average monthly volume of transactions of not less than 1.5 mln Rubles settled with ordinary shares of the Company at stock exchange during the term of powers of remunerated member structure of the Board of Directors.

* During 2009 the following minimum monthly wage rates of the first-class employ were valid: 1st quarter, 2009 — 3,554 rubles, 2nd quarter, 2009 — 3,746 rubles, 3rd quarter, 2009 — 3,817 rubles, 4th quarter, 2009 — 3,842 rubles.

At calculation of the additional remuneration there is a number of restrictions provided by the Regulation:

- 1) additional remuneration is not paid out if a member of the Board of Directors has not participated in more than 50% of held (from the date of his/her election to the date of termination of his/her powers) meetings.
- 2) the amount of additional remuneration for performance of net profit index cannot exceed the General Director’s wages fixed by the Board of Directors:
 - more than 5 times for a member of the Board of Directors;
 - more than 7 times for Chairperson of the Board of Directors.
- 3) amount of the additional remuneration of a member of the Board of Directors for performance of market capitalization amount increase indicator of the Company cannot exceed the General Director’s wages fixed by the Board of Directors more than 5 times.

Payment of the additional remuneration is made only under the written consent of a member of the Board of Directors for receipt of corresponding remuneration. However, a member of the Board of Directors has a right to refuse from the additional remuneration fully or in certain part by sending of corresponding application to the Company.

Remuneration for participation in the meetings and for performance of net profit index is paid out to the Chairperson of the Board of Directors with 1.5 ratio.

In total in 2009 24,524,657 Rubles were paid out to the members of the Board of Directors, from them 19,772,470 Rubles were paid out for performance of indicators of additional remuneration according to the results of work in 2008, 4,752,187 Rubles were paid out as the remuneration for participation in the meetings of 2009.

Member structures of the Board of Directors of the Company	Remuneration for net profit index (for 2008), Rubles	Remuneration for increase of market capitalization (for 2008), Rubles	For participation in meetings (for 2009), Rubles	TOTAL
Member structure of the Board of Directors elected on June 29, 2007	1,540,247		—	1,540,247
Member structure of the Board of Directors elected on May 30, 2008	16,961,074	1,271,149	1,764,113	19,996,336
Member structure of the Board of Directors elected on June 11, 2009	—	—	2,988,074	2,988,074
TOTAL	18,501,321	1,271,149	4,752,187	24,524,657

Committees under the Board of Directors of the Company

No remuneration was paid out in 2009 to M.G. Tikhonova, member of the Board of Directors, being a state employee in accordance with the requirements of the Law of the Russian Federation.

In 2009 E.F. Makarov, the General Director of the Company, being also the member of the Board of Directors of the Company participated in the following seminars: Strategic sessions on updating of the Company’s strategy till 2016. Formation of leading behavioral model and increase of power efficiency, organizer. Organizer — “Management-Training International”, JSC.

The following 5 Committees operated under the Board of Directors in 2009:

- the Reliability Committee,
- the Committee for Technological Connections to Power Grids,
- the Committee for Strategy and Development,
- the Committee for Audit,
- the Committee for Personnel and Remuneration.

The Reliability Committee was formed in January 2006. The Reliability Committee draws up recommendations for the Board of Directors on the following key items: implementation of investment programs and of power facilities repair schedules, major assets maintenance, overall reliability of power equipment and the key activities of the Company.

13 meetings of the Committee were held in the reporting year 2009, among them 1 meeting was held in the form of joint presence at which were considered both organizational issues and the following ones:

- the adjusted Program on the Company environmental policy for 2009–2010 implementation;
- the program on injury risk reduction in IDGC of Centre, JSC for 2009–2012 as amended;
- the report of the General Director of the Company on the results of the 2008–2009 Autumn and Winter period;
- the report of the General Director of the Company on preparation of the Company to operate in the cold season (Autumn and Winter) of 2009–2010;
- the quarterly reports of the General Director of the Company for 2009:
 - on condition of fixed assets of power facilities;
 - on reliability;

- on securing of professional activity safety and injury prevention;
- on fulfillment of the Program on the Company environmental policy for 2009–2010 implementation;
- on the Repair program implementation;
- on the Investment program implementation in the terms of technical re-equipping, reconstruction, new construction.

Decisions of the Reliability Committee are available on the Company Web-site in the Internet: <http://www.mrsk-1.ru/about/administration/sessioncomitet/conference/2009/>. Decisions of the Committee are disclosed on the Company Website at the latest 3 days from the date of the Minutes.

Number of members of the Committee is 8 persons.

Remuneration to members of the Reliability Committee in 2009 amounted to 255,200 Rubles.

The Committee for Technological Connection to Power Grids was established in February 2009. The principal functions of the Committee include: assessment of the Company business efficiency in respect to the consumers technological connection to the power grids, analysis of the current situation in the Company and preparation of proposals to the Company Board of Directors in the terms of the consumers technological connection to the power grids.

The Committee held 10 meetings within the reporting year 2009 where the following was considered (in addition to organizational matters):

- monthly reports on the most problem complaints and appeals to the Company on the issues of technological connection to the Company distribution power grids,
- quarterly reports on the consumers technological connection to the Company power grids,
- information on the activity on technological connection of federal importance consumers to the power grids of IDGC of Centre, JSC,
- information on the situation of technological connection of generation facilities,
- approval of the Client Servicing Standard of IDGC of Centre, JSC as amended.

Decisions of the Committee for Technological Connection to Power Grids are available on the Company Web-site in the Internet:

<http://www.mrsk-1.ru/about/administration/sessioncomitet/tehpr/2009/>. Decisions of the Committee are disclosed on the Company Website at the latest 3 days from the date of the Minutes.

Number of members of the Committee is 5 persons.

Remuneration to members of the Committee for Technological Connection to Power Grids in 2009 amounted to 154,213 Rubles.

The Committee for Audit was established in April 2008. Its responsibilities include evaluation of auditor candidates of the joint-stock company, examination of the efficiency of internal control procedures and development of proposals on the improvement thereof, the monitoring of the preparation of quarterly and annual reporting by the executive bodies the Company and accuracy thereof, examination of an auditor's opinion, consideration of reports by independent appraisers on evaluation of the assets and liabilities of the Company for transactions to be approved by the Company, the decision to settle which is taken by the Board of Directors when transferring rights to the Company property by other way.

In 2009, the Committee held 15 meetings where, in addition to organizational matters, the following was considered:

- quarterly plans-schedules of audits conducted by the Department for internal control and audit of IDGC of Centre, JSC within the framework of internal control;
- quarterly reports of the Department for internal control and audit of IDGC of Centre, JSC on the results of audits conducted within the framework of internal control;
- quarterly reports of the General Director of the Company on elimination of the revealed violations indicated in reports of the Committee for Audit on the results of internal control procedures;
- report of the Committee for Audit on elimination of the revealed violations when conducting internal control procedures.
- reports on the Company insiders transactions related to securities of the Company and its subsidiaries and affiliates;
- quarterly accounting reporting of the Company;
- results of the annual independent audit of consolidated financial reporting of IDGC of Centre, JSC for 2008 prepared in compliance with the International Financial Reporting Standards of financial reporting;
- reports of independent valuers on evaluation of IDGC of Centre's assets prepared to support major transactions of the Company.

Decisions of the Committee for Audit are available on the Company Website in the Internet: <http://www.mrsk-1.ru/about/administration/sessioncomitet/audit/2009/>. Decisions of the Committee for Audit are disclosed on the Company Website at the latest 3 days from the date of the Minutes.

In 2009 the Committee for Audit consisted of 4 members being the members of the Board of Directors.

Remuneration to members of the Committee for Audit in 2009 amounted to 304,293 Rubles.

The Committee for Strategy and Development was established in April 2008. The principal functions of the Committee include development of recommendations to the Board of Directors in the following items: defining strategic goals of the Company business, development of priority areas of its activities, assessment of the Company's efficiency in the long run, rising investment appeal of the Company, investment activity improvement, adopting sound investment decisions and drawing up recommendations for the Board of Directors on adjustment of the current development strategy of the Company.

Within the reporting year 2009, the Committee held 12 meetings (including 5 meetings in the form of joint sessions) and, besides organizational matters or items, considered the following:

- approval of the Business-plan of the Company for 2009 / the adjusted Business-plan of the Company for 2009;
- approval of the Investment program of the Company for 2009 / the adjusted Investment program of the Company for 2009;
- report of General Director of the Company on condition of accounts receivable in the Company and approval of the Plan-schedule of measures on their reduction.
- monthly reports of the General Directors of the Company:
 - on measures taken in the month 2009 on transfer to regulation of tariffs for power transmission services by return on invested capital method (RAB);
 - on implementation of the measurement plan that secures fulfillment of the approved parameters of the Investment program of the Company for 2009;
- quarterly reports of the General Directors of the Company:
 - on implementation of the Investment program for 2009;
 - on implementation of the Business-plan of the Company for 2009.

Decisions of the Committee for Strategy and Development are available on the Company Website in the Internet: <http://www.mrsk-1.ru/about/administration/sessioncomitet/development/2009/>. Decisions of the Committee are disclosed on the Company Website at the latest 3 days from the date of the Minutes.

Number of members of the Committee is 9 persons.

Remuneration to members of the Committee for Strategy and Development in 2009 amounted to 429,033 Rubles.

The Committee for Personnel and Remuneration was established in April 2008. The primary functions of the Committee for Personnel and Remuneration are: development of recommendations on remuneration amount to the members of the Board of Directors of the Company, determination of principles and criteria for remuneration and material incentive to members of the collegial executive body and the persons empowered to be the sole executive body of the Company, including the managing company or the manager, definition eligibility criteria to be met by nominees for members to the Board of Directors and the sole executive body of the Company.

In 2009, the Committee held 8 meeting where, in addition to organizational matters, the following was considered:

- preliminary evaluation of nominees for members to the Board of Directors of IDGC of Centre, JSC;
- evaluation of personnel reserve condition for senior managerial positions in the Company;
- evaluation of activity of the General Director of the Company and preparation of the corresponding recommendations to the Board of Directors on the possibility of his/her re-election.

Decisions of the Committee for personnel and Remuneration are available on the Company Website in the Internet: <http://www.mrsk-1.ru/about/administration/session-comitet/reward/2009/>. Decisions of the Committee are disclosed on the Company Website at the latest 3 days from the date of the Minutes.

Number of members of the Committee is 7 persons.

Remuneration to members of the Committee for Personnel and Remuneration in 2009 amounted to 132,110 Rubles.

The Committee includes representatives of different groups: representatives of the majority shareholder, the Management of the Company, representatives of the principal industrial organisations, making up the unified power transmission system (FGC of UES, JSC, “System operator of UES”), representatives of minority shareholders of the Company, what is intended to more efficient work of Committees as well as formation of balanced decisions (fair and independent). There were no claims from members of the Board of Directors and members of the Committee when preparing to meetings in 2009.

Committees of the Board of Directors of the Company elected in 2008 as well detailed

information on members of the Committees of the Board of Directors of the year 2009 convening is given in Appendix 8 and available on the Company corporate Website:

— the Reliability Committee:

<http://www.mrsk-1.ru/about/administration/apparatus/comitet/>;

— the Committee for Technological Connection to Power Grids:

<http://www.mrsk-1.ru/about/administration/apparatus/technology/08072009/>.

— the Committee for Audit:

<http://www.mrsk-1.ru/about/administration/apparatus/audit/08072009/>;

— the Committee for Strategy and Development:

http://www.mrsk-1.ru/about/administration/apparatus/strategy/strategy_08072009/;

— the Committee for Personnel and Remuneration:

<http://www.mrsk-1.ru/about/administration/apparatus/recompense1/>.

The Management Board of the Company

The competence of the Management Board is defined by the article 22 of the Articles of Association of the Company and the Regulation on the Management Board of IDGC of Centre, JSC approved by the General meeting of shareholders of the Company (Minutes No. 1829 pr/1 dated February 28, 2008). The Board of Directors of the Company establishes the number of members of the Management Board and elects members thereof. The Management Board is accountable to the Board of Directors and the General meeting of shareholders of the Company. General Director of the Company is the Chairman of the Management Board. The Management Board elects Deputy Chairman of the Management Board. Principles and criteria in the field of remuneration to members of the collegial executive body of the Company are defined in the Regulation on material incentive of senior managers of IDGC of Centre, JSC.

Under the Articles of Association of IDGC of Centre, JSC and the Regulation on the Management Board the primary issues related to the competence of the Management Board of the Company are:

- development and submission of the Company development strategy to the Board of Directors for consideration;
- preparation of the annual (quarterly) business-plan, including the investment program and report on the results of their implementation as well as approval (adjustment) of the Company cash flow (budget);

- preparation of the annual report on financial and economic activities of the Company, fulfillment of decisions of the General meeting of shareholders and the Board of Directors of the Company by the Management Board;
- consideration of reports of Deputies General Director of the Company, Heads of separate structural subdivisions of the Company on results of implementations of the approved plans, programs, instructions, considerations of reports, documents and other information on activities of the Company and its subsidiaries and affiliates;
- taking decisions on the issues related to the competence of superior management bodies of economic companies, in which the Company holds 100 (One hundred) percent of the authorized capital;
- preparation and submission of reports on financial and economic activities of economic companies, in which the Company holds 100 (One hundred) percent of the authorized capital, to the Board of Directors for consideration;
- taking decisions on settlement of transactions, subject of which is property, works and services, which value amounts to from 5 to 25 percent of balance sheet value of the Company assets fixed as of the date of the decision on transaction settlement.

The Board of Directors of the Company is entitled to early termination of powers of members of the Management Board and election of new members thereof at any time.

Number of members is determined — 9 members and personal structure of the Management Board of IDGC of Centre, JSC was elected by the decision of the Board of Directors dated April 30, 2008 (Minutes No. 09/08 dated May 04, 2008).

Management Board of IDGC of Centre, JSC as of December 31, 2009:

Full name of the member of the Management Board	Position of the member of the Management Board	Education of the member of the Management Board
Evgeny Fedorovich Makarov	Chairman of the Management Board of the Company, General Director of IDGC of Centre, JSC	higher
		2003, Financial Academy under the RF Government, Specialty: finances and credit, qualification: economist
		1978, Ivanovo Power Institute named after V.I. Lenin, Specialty: Electrical engineer

Full name of the member of the Management Board	Position of the member of the Management Board	Education of the member of the Management Board
Sergey Alexandrovich Arkhipov	Deputy Chairman of the Management Board of the Company, First Deputy General Director of IDGC of Centre, JSC (elected to the Management Board of IDGC of Centre, JSC on November 14, 2008, Minutes of the Board of Directors No. 18/08 dated November 18, 2008)	higher 1990, Alma-Ata Power Institute Specialty: Electric and power systems and grids
Sabir Rafikovich Agamaliev	Deputy General Director for Logistics and Material and Technical Supply of IDGC of Centre, JSC (elected to the Management Board of IDGC of Centre, JSC on July 31, 2009, Minutes of the Board of Directors No. 12/09 dated August 04, 2009)	higher 2006, Saint-Petersburg Academy of Management and Economy Specialty: State and Municipal Management 1999, Moscow Military Institute of Federal Border Guard Service of the Russian Federation Specialty: Jurisprudence
Evgeny Alexeevich Bronnikov	Deputy General Director for Economy and Finance of IDGC of Centre, JSC	higher 2003, postgraduate course at the Belgorod State Technological University named after V.G. Shukhov. Chair of Strategic Management, Specialty: Economy and management of the national economy. Candidate of Science (Economics) 1997, Belgorod Branch of All-Russian Correspondence Financial and Economic University

Full name of the member of the Management Board	Position of the member of the Management Board	Education of the member of the Management Board
Konstantin Viktorovich Kotikov	Deputy General Director for the Corporate Governance of IDGC of Centre, JSC	higher
		2002, Moscow State Law Academy, Specialty: Jurisprudence, lawyer 1997, Moscow Power Institute, Specialty: Electric power stations, Electrical engineer
Rustem Leronovich Nabiullin	Deputy General Director for Capital Construction of IDGC of Centre, JSC (elected to the Management Board of IDGC of Centre, JSC on July 31, 2009, Minutes of the Board of Directors No. 12/09 dated August 04, 2009)	higher
		1983, Leningrad higher military engineering building technical school of the Red Banner named after General of the Army A.N. Komarovsky, military construction engineer Specialty: Construction of projects
Vadim Nikolaevich Fedorov	Deputy General Director for Grid Service Development and Implementation of IDGC of Centre, JSC	higher
		1994, Novocherkassk State Technical University Specialty: Automated control of electric and power systems 2004, State educational institution of higher professional education “Saratov State University named after N.G. Chernyshevsky“ Specialty: Management of organization
Sergey Anatolyevich Shumakher	Deputy General Director for Technical Policy of IDGC of Centre, JSC	higher 1977, Moscow institute of power engineers of agricultural production Specialty: Electrical engineer

By the decision of the Board of Directors of IDGC of Centre, JSC dated July 31, 2009 (Minutes No. 12/09 dated August 04, 2009) Vladislav Lvovich Nazin's and Pavel Andreevich Obukhov's powers as the members of the Management Board were terminated and the following members of the Management Board of the Company were elected:

- Sabir Rafikovich Agamaliev — Deputy General Director for Logistics and Material and Technical Supply of IDGC of Centre, JSC.
- Rustem Leronovich Nabiullin — Deputy General Director for Capital Construction of IDGC of Centre, JSC.

By the decision of the Board of Directors of IDGC of Centre, JSC dated December 17, 2009 (Minutes No. 23/09 dated December 18, 2009) Dmitry Nikolaevich Aleshin's powers as the member of the Management Board were terminated.

There were no claims against the members of the Management Board within the whole term of the Company activities, including in 2009.

The detailed information on members of the Management Board of the Company is specified in Appendix 8 to the annual report of IDGC of Centre, JSC.

The Management Board of IDGC of Centre, JSC acts in compliance with the Regulation on the Management Board of the Company which is available on the Company Website in the Internet: <http://www.mrsk-1.ru/docs/K4im4A.TIF>.

Since January 01 till December 31, 2009 the Management Board of the Company had held 29 meetings related to 134 issues. The considerable volume of issues considered by the Management Board are the issues related to the competence of the Board of Directors and preliminary considered by the Management Board in order to make out recommendations.

In 2009 the Management Board of the Company took the following the most important decisions:

- preliminary approval of the collective agreement of IDGC of Centre, JSC for 2009–2011 (Minutes No. 04/09 dated February 12, 2009);
- approval of the Company project activity upgrading in 2009 (Minutes No. 01/09 dated February 12, 2009);
- approval of portfolios of the TSM (target management sub-systems) projects and programs for 2009 (Minutes No. 01/09 dated February 12, 2009);
- approval of CF (cash flow) plan of IDGC of Centre, JSC for the 1st and 2nd quarters 2009 (Minutes No. 05/09 dated February 17, 2009 and No. 10/09 dated April 23, 2009);

- consideration of the draft Annual report of the Company for 2008 (Minutes No. 10/09 dated April 23, 2009);
 - consideration of recommendations to the Board of Directors of the Company on dividend amount on shares of the Company and its payment procedure (Minutes No. 10/09 dated April 23, 2009);
 - preliminary approval of values of key performance indicators of the Company for 2009 (Minutes No. 11/09 dated May 15, 2009);
 - preparation of the Business-plan of the Company for 2009 (Minutes No. 11/09 dated May 15, 2009);
 - preparation of the Investment program of the Company for 2009 (Minutes No. 11/09 dated May 15, 2009);
 - approval of the quarterly report format of Deputy General Director — Director of the branch before the Management Board of the Company — on financial and economic activity of the branch (Minutes No. 14/09 dated July 01, 2009); quarterly consideration of the mentioned reports (Minutes No. 18/09 dated September 07, 2009);
 - exercising functions of the annual General meeting of shareholders of “Sanatorium Preventorium “Energetik” by the Management Board of IDGC of Centre, JSC (Minutes No. 14/09 dated July 01, 2009);
 - approval of CF plan of IDGC of Centre, JSC for the 3rd quarter 2009 (Minutes No. 16/09 dated August 07, 2009); approval of CF plan of IDGC of Centre, JSC for the 4th quarter 2009 (Minutes No. 23/09 dated);
 - preparation of adjustment of target values of annual and quarterly (3rd-4th quarter) key performance indicators of IDGC of Centre, JSC for 2009, the Business-plan of the Company for 2009, the Investment program of the Company for 2009 (Minutes No. 28/09 dated December 09, 2009).
- recommendations to the Board of Directors in terms of:
- approval of collective agreement of IDGC of Centre, JSC for years 2009–2011 (Minutes No. 01/09 dated January 21, 2009);
 - approval of the Program on injury risk reduction in IDGC of Centre, JSC for years 2009-2012 as amended (Minutes No. 17/09 dated August 14, 2009);
 - transfer to regulation of tariff for transmission services by return on invested capital method (RAB) (Minutes No. 19/09 dated September 10, 2009);
 - performance of works on registration of property rights to real estate items, registration/re-registration of rights to use land plots (Minutes No. 29/09 dated December 29, 2009).

Remuneration of members of the Management Board

The Management Board consists of members who are vested both with obligations specified in Employment contract and powers of the member of the Collegial Executive Body of the Company, in addition to duties provided by the Articles of Association of the Company and Regulation on the Management Board of the Company approved by the EGMA of IDGC of Centre, JSC represented by the Management Board of RAO UES of Russia, JSC (extract from Minutes No. 1829pr/1 of the meeting dated February 28, 2008).

In accordance with the terms and conditions of supplementary agreements to employment contracts, employees exercising powers of members of the Management Board are paid monthly remuneration in the amount of 15,830.00 (Fifteen thousand eight hundred thirty) Rubles.

In accordance with the Regulation on material incentive of senior managers of the Company (Minutes of the meeting of the Board of Directors No.13/08 dated August 01, 2008), members of the Management Board of the Company are related to senior manager category. Bonus payment to senior managers is effected following the results of fulfillment of key performance indicators (hereinafter referred to as KPI) and depends on KPI fulfillment degree for reporting periods (quarter and year).

The Board of Directors of IDGC of Centre approved quarterly and annual KPI for the Company for 2009 (Minutes No. 08/09 dated May 26, 2009). **To achieve these KPI it is necessary to fulfill:**

- key performance indicators prescribed to the General Director (Appendix to the Regulation on material incentive of the General Director approved by the decision of the Board of Directors of IDGC of Centre dated November 28, 2008 Minutes No.19/08)),
- key performance indicators of senior managers approved by the General Director of the Company annually with adjustment opportunity once per year. As of 2009 the quarterly and annual indicators for senior managers approved on December 01, 2008 by the Order No.76-p “On approval of key performance indicators of Deputies General Director of IDGC of Centre, JSC”. In accordance with the order senior managers should fulfill the following KPI:

Quarterly KPI:

Mandatory condition of the quarterly bonus payment is fulfillment of KPI “Reliability criterion”, simultaneously:

— Non-admittance of number of emergencies exceeding the limiting number, which fall under signs of the item 2.1. “Instructions on investigation and accounting of tech-

nological violations in work of power systems, power stations, boilers, electric and thermal grids” approved by Ministry of Energy of the Russian Federation dated December 29, 2000 and RAO UES of Russia RD 153-34.0-20.801-2000.

- Absence of fatal industrial accidents or group accident, if there is a severe injured person within the reporting period;
- Receipt (availability) of certificate of readiness within the fixed term;
- System indicator of consumer power supply interruption (for feeders of 6 kV and above) is more than by 5% as compared to the same period of the last year;
- System indicator of average duration of consumer power supply interruption (for feeders of 6 kV and above) is more than by 5% as compared to the same period of the last year.

The quarterly bonus payment is determined by fulfillment of KPI “Efficiency of the investment program implementation in the terms of the current quarter (as per terms and value)”.

Annual KPI

The mandatory condition of the annual bonus payment is net profit following the results of the year. The annual bonus payment is fixed by fulfillment of the following KPI:

- Return on equity (ROE) secured by money flow;
- Losses of power to be supplied in the grid;
- Reliability criterion (annual);
- Efficiency of the investment program implementation in the terms of the current year.

Bonus payment to senior managers for KPI fulfillment includes the following bonus types:

- KPI fulfillment following the results of the quarter — up to 1.5 monthly position salaries;
- KPI fulfillment following the results of the year — up to 12 monthly position salaries.

Following the results of KPI fulfillment the remuneration is paid out after the Board of Directors of the Company approved the report of the General Director on fulfillment of key performance indicators. In 2009 following the results of fulfillment of the indicators for the 1st and 2nd quarters 2009 the bonus in the amount of 8,221,048 Rubles was paid out to members of the Management Board,

including to the General Director of the Company (on the grounds of the decision of the Board of Directors dated November 17, 2009 (Minutes No.20/09 dated November 20, 2009) on approval of the reports of the General Director on KPI fulfillment for the 1st and 2nd quarters 2009).

General Director of the Company

All issues of management of the current activities of the Company relate to the competence of the General Director of the Company, excluding issues related to the competence of the General meeting of shareholders, the Board of Directors and the Management Board of the Company.

The main issues relative to the competence of the General Director of the Company are:

- enforcement of the Company activity plans necessary for solution of its tasks;
- organization of accounting and reporting keeping in the Company;
- disposal of the Company property, transaction settlement on behalf of the Company,
- exercising functions of the Chairman of the Management Board of the Company.

Upon setting-up of IDGC of Centre, JSC Evgeny Fedorovich Makarov elected by the decision of the sole founder of IDGC of Centre, JSC as of December 09, 2004 (Order No. 154/r of RAO UES of Russia, JSC) is the General Director of the Company. The Employment contract with the General Director was extended by the decisions of the Board of Directors of December 05, 05 (Minutes No.009/05), of December 15, 2006 (Minutes No.012/06), of December 03, 2007 (Minutes No.10/07), of December 17, 2008 (Minutes No. 20/08 dated December 18, 2008) and of December 17, 2009 (Minutes No. 23/09 dated December 18, 2009).

In 2009, upon the consideration by the Committee for Personnel and Remuneration of the Board of Directors of the Company of the issue “On assessment of the activity of the General Directors of the Company and preparation of the corresponding recommendations to the Board of Directors on opportunity of his re-election”, the Board of Directors was recommended to extend the employment contract with the General Director of the Company (Minutes No.07/09 dated December 15, 2009).



Evgeny Fedorovich
Makarov

Year birth: 1955

Citizenship: the Russian Federation

Education: higher

1978, Ivanovo Power Engineering Institute, specialty: electrical engineer

2003, Finance Academy under the Government of the Russian Federation, specialty: Finances and Credit, qualification: Economist

Primary employment: General Director of IDGC of Centre, JSC

Positions held in the Company and other organisations for the last 5 years:

Since 24.04.2009 current

“All-Russian industrial association of power industry employers“ (PIE Association) member of the Supervisory Board (since May 05, 2009 Chairman of the Supervisory Board) upon approval of the Board of Directors (Minutes No.11/09 dated July 10, 2009)

since April 30, 2008 current

IDGC of Centre, JSC, Chairman of the Management Board

since December 09, 2004 current

IDGC of Centre, JSC, member of the Board of Directors

since December 09, 2004 current

IDGC of Centre, JSC, General Director

since September 09, 1997 up to March 2005

“Belgorodenergo”, JSC, General Director

Date of first election to the Board of Directors: December 09, 2004.

By virtue of the article 69 of the Federal Law “On joint-stock companies” the General Director is the Chairman of the Management Board. Since April 30, 2008 E.F. Makarov exercises function of the Chairman of the Management Board (Minutes of the meeting of the Board of Directors No. 09/08 dated May 04, 2008).

Number and class (type) of shares in the authorized capital of the Company: 206,622,069 ordinary shares.

Participation stake in the authorized capital of the Company: 0.4894%

Number and class (type) of shares in the authorized capital of subsidiaries and affiliates of the Company: There are no such shares.

Stake of belonging ordinary shares of subsidiaries and affiliates of the Company: none.

Transactions related to acquisition and alienation of shares of the Company (including date, subject thereof, type and number of shares being the subject of such transaction): mentioned were not settled within 2009.

There were no any claims against the General Director within the whole activity of the Company, including the year 2009.

General Director has the following awards and commendations:

- 2000 — The commendation of the Head of the administration of Belgorod region;
- 2001 — Honorary title “Honorary power engineer” of Ministry of Energy of the Russian Federation; Certificate of Merit of the administration of Belgorod region;
- 2003 — Title “Honored worker of RAO UES of Russia”;
- 2004 — Honorary title “Honorary worker of fuel and energy complex of Ministry of Industry and Energy”;
- 2005 — The Order of Merit for the Fatherland of the II degree; Badge of honor for Merit for the Russian power industry of RAO UES of Russia, JSC; Medal of Merit for Belgorod land of the II degree;
- 2006 — Badge “85 years of the plan of the State Commission on Electrification of Russia”;
- 2007, 2008 — Commendation of the Board of Directors of IDGC of Centre, JSC (for excellent organization of sport-mass activities and holding of the 8th Summer and 7th Winter sports and athletic meeting of power engineers);
- 2010 — Badge of honor “For development of distribution grid complex” of IDGC Holding, JSC.

General Director of the Company is accountable both to the General meeting of shareholders (submission of the annual report) and the Board of Directors of the Company, on a regular basis (monthly, quarterly, half-yearly, annually) he submits to the Board of Directors of the Company the following reports for consideration:

- on fulfillment of key performance indicators (quarterly/annually);
- on implementation of the Company business-plan (quarterly/annually);
- on implementation of the investment program (quarterly/annually);
- on fulfillment of the AGMS decisions, including on dividend payment (annually);
- on insurance coverage security (quarterly);
- on purchase program implementation (quarterly);
- on fulfillment of the Board of Directors decisions (quarterly);
- on the course of non-core-asset sales (quarterly);
- on fulfillment of the Regulation on the Company information policy (quarterly);
- on the Company credit policy (quarterly);
- on control indicators of CF for a certain quarter (quarterly);
- on observance of the Corporate Management Code of the Company (once in a half year);

- on preparation of the Company to operate within Autumn and Winter period (annually);
- on taken measures on transfer to regulation of tariffs for services on electric power transmission by return on invested capital method (RAB) (monthly);
- on implementation of the Plan of measures that secures fulfillment of the approved parameters of the Company Investment program for 2009 (monthly);
- on works on registration of property rights to real estate items, registration/re-registration of rights to use land plots (annually);
- on disposal of housing and public utilities (annually);
- on elimination of violations revealed when implementing internal control procedures (quarterly/annually);
- on reliability state (quarterly);
- on organization of labor protection system in the Company (quarterly);
- on the course of implementation of the Environmental policy program of the Company (quarterly);
- on the current situation of the Company activities on the consumers technological connection to the power grids (quarterly).

The sole executive body of IDGC of Centre — the General Director is appointed by the Board of Directors of the Company. The General Director performs the current management of the Company, and his competencies of a residual nature and covers all those issues and tasks which solution is not related to the competence of the General meeting of shareholders, Board of Directors and Management Board of the Company. The Board of Directors of IDGC of Centre, JSC, in its turn, conducts a regular assessment of the General Director. The Board of Directors of the Company can at any time take decision on termination of powers of the General Director and appointment of a new General Director.

Remuneration of the General Director

Criteria of determination and the amount of remuneration of the General Director are specified in the employment contract concluded in accordance with the Articles of Association of the Company and Regulation on material incentives of the General Director of IDGC of Centre, JSC approved by the Board of Directors of the Company (as amended) (Minutes No. 19/08 dated November 28, 2008). Bonus payment to the issuer's General Director is effected upon the results of fulfillment of key performance indicators determined by the Board of Directors of the Company for the reporting periods (quarter and year) and approved by the Chairman of the Board of Directors of the Company.

In accordance with Appendix to the Regulation on material incentives of the General Director of IDGC of Centre, JSC, KPI of the General Director include financial, technical, investment indicators. Remuneration is paid out following the results of approval of the report of the General Director on the determined KPI fulfillment by the Board of Directors.

In 2009, the remuneration to the General Director was paid out for the 1st, 2nd quarters of 2009, payment amount is included in the remuneration to members of the Management Board of the Company.

Corporate secretary of the Company

The position of the Corporate secretary is introduced by the decision of the Board of Directors dated December 15, 2006 (Minutes No. 012/06).

The Corporate secretary acts on the basis of the Articles of Association and Regulation on the corporate secretary of IDGC of Centre, JSC approved by the decision of the Board of Directors of the Company on October 17, 2006 (Minutes No. 009/06). This Regulation is available on the Company Website in the Internet: <http://www.mrsk-1.ru/docs/sekretar.pdf>.

The principal task of the corporate secretary is to ensure observance of procedure requirements that guarantee exercising rights and legal interests of the Company shareholders by management bodies and officials of the Company. **In accordance with the Regulation on the corporate secretary the main functions of the corporate secretary are:**

- organization of preparation and securing of holding of the General meeting of shareholders in compliance with the requirements of the current Law of the Russian Federation, the Articles of Association and other by-laws of the Company;
- maintenance of work of the Board of Directors and Committees of the Board of Directors;
- rendering assistance to members of the Board of Directors /a Committee of the Board of Directors when exercising the functions by them;
- safekeeping of documents and disclosure of information on the Company;
- organization of interaction between the Company (represented by the Board of Directors and General Director) and its shareholders.

The corporate secretary is accountable for its activity to the Board of Directors of the Company. The corporate secretary of IDGC of Centre, JSC ensures as well organization of functioning of five Committees under the Board of Directors of the Company.

Within 2009 the corporate secretary of the Company was re-elected by the Board of Directors of IDGC of Centre, JSC twice.

By the decision of the Board of Directors of IDGC of Centre, JSC dated March 25, 2009 (Minutes No. 05/09 dated March 27, 2009) Olga Ivanovna Dubova's powers as the corporate secretary of IDGC of Centre, JSC were terminated, Svetlana Vladimirovna Lapinskaya has been elected to the position of the corporate secretary of IDGC of Centre, JSC.

Period of performing functions of the corporate secretary of the Company	Since March 25, 2009 current	
	Since May 29, 2008 till March 25, 2009	(re-elected by the unanimous decision of the Board of Directors of the Company dated July 08, 2009 (Minutes No. 11/09 dated July 10, 2009))
Surname, given name, patronymic	Olga Ivanovna Dubova	Svetlana Vladimirovna Lapinskaya
Date of birth	January 31, 1963	June 18, 1980
Education:	Volgo-Vyatka academy of state service,	Maymonid State Classic Academy,
Graduation year:	1999	2002
Specialty:	Manager	Jurisprudence
Current occupied position and place of employment	Head of the Director Management Apparatus of the branch of IDGC of Centre, JSC — “Yarenergo”	Head of the Division of corporate relations of the Department for the corporate governance of IDGC of centre, JSC
Information on number, type, class of the held shares of the Company	Does not hold any shares of the Company	Does not hold any shares of the Company
Information on availability (absence) affiliation with members of management bodies of the Company, shareholders of the Company	Is not affiliated with members of management bodies of the Company, shareholders of the Company (according to the requirement of the current Law)	Is not affiliated with members of management bodies of the Company, shareholders of the Company (according to the requirement of the current Law)

There were no any claims against the corporate secretary of the Company in 2009.

There were no any complaints from members of the Board of Directors and members of the Committee in 2009.

Information on the corporate secretary of the Company is available on the Company corporate Website in the Internet: http://www.mrsk-1.ru/about/administration/apparatus/corporate_secretary/.

Auditing procedure and internal control

In accordance with the article 86 of the Federal Law “On joint-stock companies” the auditor of the Company performs check of financial and economic activities of the Company in compliance with the legal acts of the Russian Federation on the grounds of a contract concluded with it. The General meeting of shareholders approves an auditor of the Company. Amount of payment for its services is determined by the Board of Directors of the Company.

CJSC “HLB Vneshaudit” was approved to be the auditor of the Company for 2009 at the annual General meeting of shareholders of IDGC of Centre, JSC on June 11, 2009 (Minutes No.01/09 dated June 16, 2009).

Full business name	Closed joint-stock company “HLB Vneshaudit”
Brief business name	CJSC “HLB Vneshaudit”
Audit organisation location	Legal address — 25-27/2, B. Yakimanka, Moscow, 109180
	Mail address — office 701, entrance 3, Krasnopresnenskaya embankment 12, Moscow, 123610
Telephone and fax number	Telephones: (495) 967-0495, 967-0496 Fax: (495) 967-0497
E-mail	vneshaudit@vneshaudit.ru
Membership in self-regulated organisation of auditors	A member of the self-regulated organisation of auditors Non-commercial partnership “Institute of professional auditors” (NP IPAR), entered in the state register of self-regulated organisations of auditors in accordance with the order No. 514 dated 30.10.2009 of Ministry of Finance of Russia.
Information of an auditor's membership in colleges, associations and other professional partnerships (organisations)	CJSC “HLB Vneshaudit” is: <ul style="list-style-type: none">• the member of the international audit and consultation network HLB International;• the founder and member of the self-regulated professional association Institute of professional auditors;• the member of the Union of Professional Audit Organisations.

When selecting an auditor and making findings on auditors nominated by the third parties, the function of the Committee for Audit of the Board of Directors of the Company is to assess an auditor's qualification, work quality and observance of independence requirements by it, after that the Committee for Audit provides nominees of external auditors to the Board of Directors of the Company for approval.

In accordance with the decision of the Committee for Audit of April 23, 2009 (Minutes No. 05/09 dated April 24, 2009) the Board of Directors of the Company was recommended to present the candidacy of CJSC "HLB Vneshaudit" (License No. E000548, valid till June 25, 2012) to the Annual general meeting of shareholders of the Company for approval as the auditor of IDGC of Centre, JSC.

The candidacy of the Company auditor for 2009 — CJSC "HLB Vneshaudit" — was put forward by the Board of Directors of the Company (Minutes No.07/09 dated April 30, 2009) and approved by the Annual general meeting of shareholders.

Upon the decision (Minutes No.12/09 dated August 04, 2009) the Board of Directors of the Company fixed the amount of payment for the auditor's (CJSC "HLB Vneshaudit") services on audit of the reporting of IDGC of Centre, JSC for 2009 drawn up in compliance with the Russian Accounting Standards at the rate of 6,822,760 Rubles (including VAT).

In the 4th quarter 2009 3,411 bln Rubles were paid out to the auditor (CJSC "HLB Vneshaudit") for audit of interim accounting reports for the 1st half-year 2009. Services, which are not directly connected with audit of financial statements, were not rendered by the auditor CJSC "HLB Vneshaudit".

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

Information on internal control system

In 2009 the fundamental document in the internal control system — the Regulation on internal control procedures was adopted in the Company (approved by the decision of the Board of Directors dated February 10, 2009, Minutes No.01/09 dated February 13, 2009).

Internal control in the Company is the process aimed at guaranteeing an efficient and effective use of the Company resources, the integrity of assets, the compliance with legal requirements and the submission of reliable reporting.

Internal control of IDGC of Centre, JSC secures fulfillment of such tasks as ensuring of investors' confidence, protection of shareholders' investments and assets of the Company; ensuring of completeness, reliability and authenticity of financial, ac-

counting, statistic, management information and statements; securing of observance of regulatory and legal acts of the Russian Federation and decisions of the management bodies of the Company and by-laws of the Company.

Subjects of internal control of the Company are the Board of Directors, Committee for Audit of the Board of Directors, General Director, Department for internal control and audit as well as other structural subdivisions and employees of the Company, who are responsible for performance of internal control functions attached to them (by by-laws of the Company).

The principal documents that regulate the internal control system of the Company are:

— the Regulation on internal control procedures approved by the decision of the Board of Directors on February 10, 2009 (Minutes No. 01/09 dated February 13, 2009). The document is available in free access on the page in the Internet: <http://www.mrsk-1.ru/docs/yJfFOC.doc>;

— the Regulation on the Committee for Audit under the Board of Directors approved by the decision of the Board of Directors, Minutes of the Board of Directors of the Company No. 18/09 dated November 02, 2009. The document is available in free access on the page in the Internet: http://www.mrsk-1.ru/docs/301009_polog_audit.doc;

— the Corporate Governance Code of the Company approved by the decision of the Board of Directors, Minutes of the Board of Directors of the Company No. 009/06 dated October 18, 2006. The document is available in free access on the page in the Internet: <http://www.mrsk-1.ru/docs/koduprav.pdf>.

The Regulation on internal control procedures determines targets and goals of the internal control, internal control procedures, subjects that are responsible for performance of internal control procedures as well as responsible for control over performance of internal control procedures.

The Committee for Audit of the Board of Directors of the Company conducts total estimate of efficiency of internal control procedures in the Company (including on the basis of statements and reports of the Department for internal control and audit).

In accordance with the established procedure, the Committee for Audit plays the key role in the internal control process. **The Committee for Audit performs:**

- planning of audits in the Company in different areas of activities;
- control of the annual independent audit of the Company accounting (financial) statements, fairness of these statements as well as estimate of qualification of can-

didacies of the Company auditors, work quality and observance of independence requirements by them;

- control of internal control systems in the field of accounting and finance and activities of the Department for internal control and audit of the Company;
- analysis of reports of the Department for internal control and audit on performed audits;
- reporting of its activities to the Board of Directors.

The separate structural subdivision of the executive body of the Company — the Department for internal control and audit — conducts direct estimate of adequacy, sufficiency and efficiency of internal control procedures as well control of observance of internal control procedures. Apart of the abovementioned documents that regulate the internal control system of the Company the Department for internal control and audit is governed by the Regulation on the Department when performing the activities.

In compliance with the competence the Department for internal control and audit exercises the following functions in the field of internal control:

- audit of accounting and financial information submitted by subdivisions of the executive apparatus, branches and representative offices of the Company, including expert examination of means and methods used for identification, valuation, classification of such information and drawing up of the reporting basing on it as well as special study of separate articles of the reporting, including detailed audit of transactions, balances on accounting records;
- audit of observance of the Law and internal regulatory documents of the Company as well as fulfillment of decisions of the management bodies and instructions of the Directorate of the Company;
- audit of availability, condition, safekeeping assurance and use of property of the Company;
- special investigations of certain cases, for instance, suspicions of abuse;
- drawing up and submission of opinion on audit results as well as proposals on elimination of the violations, defects revealed in the course of audit and recommendation on management efficiency increase to the management bodies of the Company in accordance with the established procedure;
- other functions provided by internal documents of the Company.

The key official of the Department for internal control and audit is Vadim Evgenyevich Bunin — Head of the Department for internal control and audit of IDGC of Centre, JSC.

In 2009 in accordance with the quarterly plans approved by the Committee for Audit under the Board of Directors of the Company (Minutes No. 04/09 dated March 31, 2009, No. 09/09 dated June 30, 2009, No. 12/09 dated September 25, 2009) the Department for internal control and audit of the Company audited different areas of activities of the Company. The main objects of audits were processes of investment and purchase activities. Information on the results of audit relating to the revealed violations, including facts of non-fulfillment, improper (non-efficient) fulfillment of by-laws approved in the Company, results of elimination/non-elimination of the revealed violations as well as proposals on their elimination/non-admission was quarterly considered at meetings of the Committee for Audit and Board of Directors of the Company. The corresponding orders with correction measures were made in the Company. The Department of internal control and audit conducts control over implementation of measures.

Within the framework of improvement of the internal control system the audited business-processes were analyzed for the purpose of reveal and sufficiency of control procedures in order to introduce necessary changes in the regulatory documents of the Company in the course of audits. It is planned to continue this work in 2010 as well.

Auditing Committee

In accordance with the item 85 of the Federal Law “On joint-stock companies” the General meeting of shareholders elects the Auditing Committee to conduct control of financial and economic activities of the Company.

The Auditing Committee of IDGC of Centre runs business on the basis of the abovementioned law, the article 24 of the Articles of Association of the Company as well as the Regulation on the Auditing Committee (Minutes of the Management Board of RAO UES of Russia, JSC No.1429pr/1 dated March 30, 2006). The primary goals of the Auditing Committee are:

- control of financial and economic activities of the Company;
- securing of supervision over compliance of financial and economic transactions settled by the Company with the Law of the Russian Federation and Articles of Association of the Company;
- conducting of independent valuation of information on financial situation of the Company.

Within 2009 in the Company two member structures of the Auditing Committee were appointed. The first member structure of the Auditing Committee of the Company was elected at the Annual general meeting of shareholders of the Company on May 30, 2008 (Minutes No. 01 dated June 03, 2008) and included the following persons (positions are indicated for the date of election):

- Liudmila Romanovna Matyunina — First Deputy Head of the Department for internal audit of the Corporate Centre of RAO UES of Russia, JSC (Chairperson of the Auditing Committee of the Company);
- Igor Alikovich Zenyukov — Deputy Head of the Department for the corporate governance and interaction with shareholders of the Corporate Centre of RAO UES of Russia, JSC;
- Anatoly Valeryevich Baitov — Chief of the Directorate for financial control and internal audit of FGC of UES, JSC;
- Marina Alexeevna Lelekova — Deputy Chief of the Directorate for financial control and internal audit of FGC of UES, JSC;
- Dmitry Vladimirovich Sklyarov — Head of the Department for internal control and audit of IDGC of Centre, JSC.

The second member structure of the Auditing Committee elected at the Annual general meeting of shareholders on June 11, 2009 (Minutes No. 01/09 dated June 16, 2009) with indication of positions for the date of election:

- Olga Vladimirovna Rokhlina — Principal expert of the Department for internal audit of IDGC Holding, JSC (Chairperson of the Auditing Committee of the Company, elected as the Chairperson on September 11, 2009 Minutes No.5);
- Irina Vasilyevna Mikhno — Deputy Head of the Department — Head of the Division of the Department for internal audit of IDGC Holding, JSC;
- Liudmila Romanovna Matyunina — First Deputy Head of the Department for internal audit of IDGC Holding, JSC;
- Anna Yuryevna Katina — Head of the Division of the Department for the corporate governance and interaction with shareholders of IDGC Holding, JSC;
- Vadim Evgenyevich Bunin — Head of the Department for internal control and audit of IDGC of Centre, JSC.

The detailed information on members of the current member structure of the Auditing Committee of the Company is given in Appendix 8 as well as available on the Company Website: http://www.mrsk-1.ru/about/administration/control/control_2009/.

In 2009 8 meetings of the Auditing Committee were held, all minutes of the Auditing Committee are available on the Company corporate Website: <http://www.mrsk-1.ru/about/administration/control/protokol/>.

The principal decisions taken by the Auditing Committee in 2009:

- on audit inspection of financial and economic activities of the Company for the 1st half-year 2009 in the 3rd quarter 2009 (Minutes of the meeting of the Auditing Committee No.1 dated July 01, 2009);
- on audit of financial and economic activities of the Company for 2009 in the 1st quarter 2010 (Minutes No.1 dated July 01, 2009);
- on involvement of specialists-experts to audit inspection of financial and economic activities of the Company for a half-year 2009 (Minutes of the meeting of the Auditing Committee No.3 dated August 19, 2009).

In August-October 2009 according to the decision taken on July 01, 2009 the audit was held.

The act of the Auditing Committee for the 1st half-year 2009 was approved on 30.10.2009 (Minutes No. 7 dated October 30, 2009, No. 8 dated December 16, 2009). On November 16, 2009 the Auditing Committee was informed on measures on elimination of violation revealed in the course of audit taken by the management of the Company.

System of remuneration to members of the Auditing Committee of the Company is determined by the Regulation on payment of remunerations and compensations to members of the Auditing Committee of IDGC of Centre, JSC approved by the AGMS of the Company on May 30, 2008 (Minutes No. 01 dated May 03, 2008). This document is available on the Company Website in the Internet: <http://www.mrsk-1.ru/docs/rk.pdf>.

According to the Regulation remuneration in the amount of 25 minimal tariff rates of a worker of the 1st grade is paid out to members of the Auditing Committee for participation in inspection (audit) of financial and economic activities of the Company. And remuneration to the Chairperson of the Auditing Committee is paid out with 1.5 ratio.

Remuneration to members of the Auditing Committee and involved specialists-experts for audit of financial and economic activities of the Company following the results of 2008, paid out in 2009 and following the results of the 1st half-year 2009, paid out in January 2010, amounted to:

Remuneration type	Amount for audit following the results of 2008, RUB.	Amount for audit following the results of the 1st half-year 2009, RUB.
Remuneration for participation in audit,	488,675	725,063
including to involved specialists-experts	355,400	193,350
Allowances and/or reimbursement of expenses	5,400	—
including to involved specialists-experts	5,400	—
Supplementary remuneration	—	—
Total,	494,075	725,063
including to involved specialists-experts	360,800	193,350
For reference: tariff rate of a worker of the 1st grade		
— in the 1st quarter 2009;		
— in the 1st quarter 2010.	3,554	3,867

Information disclosure

Information transparency is one of principles of the corporate governance of IDGC of Centre, JSC. For the purposes of its implementation the Company performs mandatory information disclosure in compliance with the requirements of the current Law of the Russian Federation (the Federal Law “On joint-stock companies”, the Federal Law “On stock market”, the Regulation on information disclosure by issuers of equity securities approved by the Order of FFMS of Russia No. 06-117/pz-n dated October 10, 2006 (with subsequent changes and amendments), requirements of stock exchanges). The Company discloses additional information as well in accordance with the Regulation on information policy of the Company approved by the Board of Directors, Minutes No. 009/06 dated October 18, 2006.

In order to execute the abovementioned documents duly there is a number of organization-regulatory documents in the Company.

The current local regulatory acts of the Company are provided in Appendix 14 of the report and available on the Company Website in the Internet: <http://www.mrsk-1.ru/inform/documents1/>.

When disclosing information, the Company is governed by principles of:

- regularity and promptness;
- information availability;
- completeness and reliability of information disclosed;
- observance of reasonable balance between the Company transparency and meeting its commercial interests.

Information disclosure is performed by means of several channels provided on the scheme below.

The principal channel is the Company corporate Website in the Internet: www.mrsk-1.ru, which has some target groups: shareholders and investors of the Company, regulating bodies, partners, customers, employees of the Company, mass media.

The Website contains the information on the Company, financial and economic activities of the Company and their results, material events and facts in the Company activities, reporting information, data on plans. There is also the opportunity to study the constituent and internal documents, decisions of the management bodies, information disclosed at issuing stages and other information.

Apart of traditional channels of information disclosure, new opportunities are applicable: since 2009 the Company holds on-line conferences in the Internet with participation of top-managers of IDGC of Centre, JSC, where the management gives an account of the activity results for the reporting period and answers investors’ and other interested persons’ questions arisen. These conferences are very popular among representatives of the investment community. Number of visits is from 2 to 3 thousand visitors. To ensure more convenient access to information the section “Shareholders and investors” of the Company Website (<http://www.mrsk-1.ru/stockholder/>) has been renewed at the end of 2009. Besides, essential information on the Company is sent directly to e-mail of representatives of the investment community upon their preliminary approval of such mailings. The unified call-centre with the federal free dial: 8-800-50-50-115 is established for replies to inquiries of shareholders. The Company participates as well in industrial meetings and conferences, organizes personal meetings.

The Board of Directors of the Company plays the great role in providing information transparency, implementing it by means of approval of fundamental documents and control of their observance, quarterly considering and approving reports of compliance with the information policy. The General Director bears responsibility for completeness and fairness of the disclosed information on the Company and its activities.

Following the results of research of information transparency of the Russian companies of electric power sector in 2009 performed by the International Rating Agency Standart and Poors, IDGC of Centre, JSC took the 10th place among 40 the largest companies of the industry. The total transparency score (the company information transparency) exceeded the average score over all power industry companies (44.9%) and amounted to 55%. The complete research results are available on the Agency Website: <http://www.standardandpoors.ru/>.

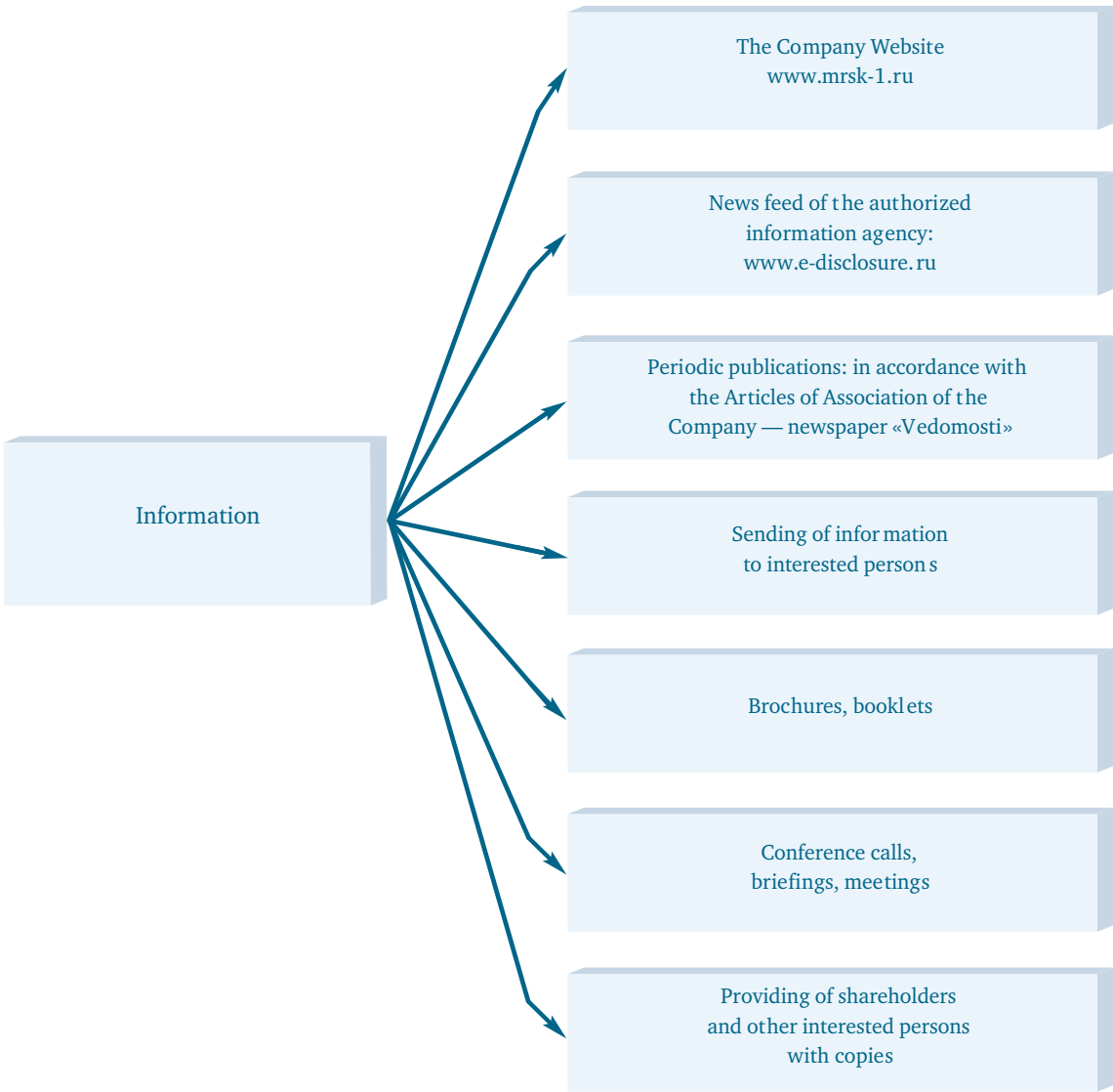
In order to upgrade the integrated servicing system and improve rendered service quality the Client Servicing Centres (hereinafter referred to as CSC) are functioning in the Company. CSC ensures direct and absentee client servicing. Direct client servicing is performed by means of personal contact with clients at CSC sites: receipt of addresses, providing information on different issues. Currently 33 divisions of CSC are operating.

Absentee form of CSC is Internet-reception on the Company corporate Website: <http://www.mrsk-1.ru/clients/client/>, where one can ask questions, put in a preliminary application for technological connection and receive on-line consultation as well all necessary information on the Company services.

Besides, the Company carries out information maintenance of the Company activities in press, on radio and television of regions.

The daily radioprogram of IDGC of Centre is available on the Internet-radio <http://www.mrsk-1.ru/news/corporate/radio/archive/>. Participation in the program “Energetika” is on Vesti-24 channel.

Information disclosure channels



1980

Mimic diagram of grids is seen.

Team field contact was necessary for switching.

Dispatchers conducted coordination of actions of field service teams by means of telephone and radio communication.

Substation on-duty personnel transferred information on work of substation equipment to a dispatcher.

Real-time measurements at all power facilities.
All power flows, power exchanges, var flows are seen.
Coordination of movements of field service teams.
Centralized video monitoring system.
Possibility to impose restrictions on non-payers.

2009

4. STRATEGY

Mission

We are a team comprising thousands of professionals united by one goal — to bring the energy of light to each and every one of the consumers. By implementing advanced knowledge and practices in management of power grid complex, we make it the quality of life of individuals as well as of families and the society as a whole, our chief concern. We make use of top innovations to improve the quality of our services and make them more affordable.

We recognize our full responsibility for safe transmission of electric power to each customer and for the stable income of our shareholders. The key priority for us is the people — those who work in our company as well as those for whose benefit we work.

Our system of values

We are concerned with the success of our customers, staff members and shareholders. We maintain a respectful and appreciative attitude to the ideas and talents that our employees possess and we aim at giving everyone an opportunity to speak out and be heard. We regard those who openly highlight our shortcomings and failures, with utmost respect.

Sustainable development and professional growth of each member of staff is the recipe for the success prosperity of the entire Company. Implementation of high technologies is the basis for our leading position. The relations within our team are based on the principles of maximum friendliness, integrity and openness between team members. Corporate liability is the fundamental principle on which our work is based.

Control centers of grids of branches are established for centralized control of operating modes of power grids. The use of innovative technologies including up-to-date information display system, operational management complex “Skada Sistel” and others provides the opportunity to control parameters of power facilities in real time mode.

Matrix management system

Strategic goals of the Company for the period up to 2030:

To become the leader among IDGCs and other power engineering companies both in Russia and abroad.

Matrix management system is implemented in the Company for efficient achievement of strategic goals. There 6 target management sub-systems to concentrate efforts at the principal areas:

1. TMS “Growth and development”

Goal — to ensure long-term growth of equity value.

2. TMS “Finances”

Goal — to improve business efficiency.

3. TMS “Customers”

Goal — to ensure efficient service sale.

4. TMS “Key business processes”

Goal — to ensure efficient operation and development of electric power complex.

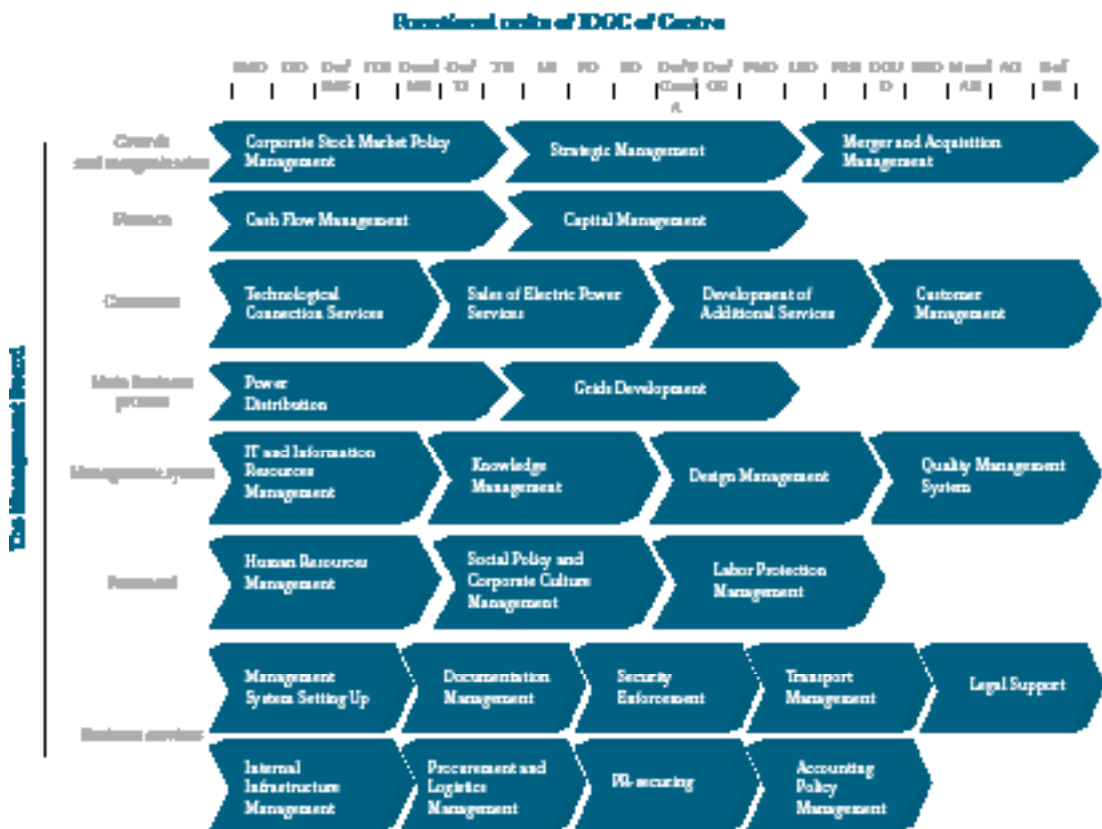
5. TMS “Management system”

Goal — to ensure development and efficient operation of the management system.

6. TMS “Personnel”

Goal — to ensure quality of human capital that corresponds to the Company ideology.

For the purposes of effective achievement of the Company key strategic goal, goals of the upper level business management centres have been cascaded to the goals of each employee. For the purposes of clear understanding and confirmation of goal achievement they have also been digitised, each has been assigned its own KPI, which objectively shows the level of attainment/failure to attain a particular goal.



Strategic vision of Company management

The management of IDGC of Centre sees the Company to be the leader among IDGCs by 2016 — the most reliable, technological and dynamically developing company of the industry. By 2030 the Company should have been reached the technological development level of highly industrial countries.

Scenary conditions that determine strategic development of IDGC of Centre and distribution power grid complex as a whole are set out at first instance by Power strategy of Russia approved by the resolution of the Government of the Russian Federation No. 1715-r dated November 13, 2009 (hereinafter referred to as the Power strategy — 2030) for the period till 2030. According to the strategy certain ways for economy to go to innovative way of development and achievement of long-term goals provide for three stages.

The first stage is the period of recovery and formation of new economy basis. The principal objective of this stage of the state power policy implementation is the earliest overcoming the crisis in economy and power industry.

External conditions for the Russian power sector development within this period will be firstly consequences of the global economic crisis and then transition to a probable post-crisis growth of the world economy, what will be shown by instability and unpredictability of dynamics of the world financial, stock exchange and power markets.

Time-frame of the first stage ending — approximately

2013–2015 — will be determined by scales of the risk consequences and recovery rate of economy and power sector.

The second stage is the stage of transition to innovation development and new economy infrastructure formation. According to this the second stage dominant of implementation of the state power policy in the field of power engineering will be the increase of energy efficiency of the economy resulted by the first stage measures on upgrading of the fixed production assets and the relevant regulatory-legal and institutional transformations.

At this stage wide innovative renewal of power industry should be launched for the account of domestic technologies, materials and equipment obtained as a result of active interaction with the industry at the first stage as well as by means of the international co-operation.

The forecasted terms of the second stage ending — 2020–2022.

The third stage is the stage of the innovative economy development. The Innovative development of the Russian power industry will be ensured by the investment and innovative foundation laid at the previous stages in the form of new technologies, equipment and principles of functioning of the power industry of Russia and joint industries.

The principal risks of this stage are connected with ensuring of the necessary level of quality and innovation efficiency in the power sector.

The third stage expiry — 2030.

In accordance with the Power strategy — 2030 reduction of the Russian economy dependence on the power sector for the account of the advanced development of innovation economy sectors with low power consumption and implementation of technological potential of energy saving will result in reduction by 2030 (compared to the level of 2005):

- specific GDP energy intensity — more than twice;
- specific GDP electric intensity — at the least in 1.6 times.

Growth of internal demand for electric power consumption of the Russian Federation is forecasted approximately in 1.5 times in 2020 compared with 2008, by 2030 — in 2.1 times. However, this growth is distributed non-uniformly on separate regions depending on geographic location of consumption points.

The basis for design of development schemes and investment program of distribution grid companies is schemes and programs of development of power industry of the regions basing, in particular, on the regional strategies and programs of social and economic development.

Strategic priorities
in the areas
of activity

In accordance with the Power strategy of Russia till 2030 there are the following strategic industrial priorities:

- ensuring of energy security of the country and regions, including ensuring of reliability and safety of the Russian power supply system under standard and emergency situations;
- efficiency increase of activities of distribution grid companies;
- upgrading and creation of new power grid infrastructure on the basis of innovative large-scale technological renewal;
- increase of investment attractiveness of distribution grid complex companies.

Within the framework of the abovementioned strategic priorities it is necessary to achieve the following target activity indicators:

- grid depreciation reduction up to 50% — by 2020;
- leveling of operating efficiency indicators up to the efficiency level of distribution grid companies of the developed countries by 2020;
- creation of reserve of power grid transmission capacity by 2020 in the volume that outruns the economy development by 3 years;
- ensuring of investment profitability in distribution grid complex at the profitability level of companies with comparable market risks in the Russian Federation;

- ensuring of raising of necessary funds for large-scale renovation of fixed assets resulted in increase of reliability and service quality, activity efficiency increase of distribution grid companies;
- implementation of innovation technologies complying with the world best standards in the field of electric power distribution at all stages of technological process.

In accordance with the priorities the Company distinguishes the following development directions:

- Increase of reliability and provided service quality, ensuring of system security;
- Activity efficiency growth;
- Innovation technology growth;
- Energy saving and energy efficiency increase;
- Consolidation of power grid assets in the region of the Company operation;
- Investment attractiveness increase;
- Efficiency increase of human resource management system.

Within the framework of the given development directions in the Company has fulfilled the following:

- The investment program has been implemented: appropriation of capital investments at the rate of 6,529,354 thousand Rubles. (105%);
- Repair program has been fulfilled in full expressed both in value and physically;
- The consumers technological connection to the grids of total capacity of 445.6 MW has been performed;
- Electric power assets in the regions of the Company operation for the total amount of 1,038,859 thousand Rubles have been consolidated;
- RAB tariff making system is applied in the branches “Belgorodenergo”, “Lipetskenergo” and “Tverenergo” (the initial invested capital is 44.3 bln Rubles) and since January 1, 2010 it has been implemented in the branches “Kursken-ergo” and “Yarenergo” (invested capital is 19.8 bln Rubles);

- Costs management system has been implemented in the branches “Kursken-ergo” and “Orelenergo” within the framework of the same program;
- Automated budget management system of the Company integrated with the business-planning system has been implemented;
- Management methods of the Company production assets have been developed;
- Within the framework of the program “Management of interaction with clients”:
 - Technological connection activities has been automated in the corporate information system;
 - Activity on interaction with clients has been automated in the corporate information system, its intersystem integration with the base of material and technical objects (TOPO) and power transmission accounting module (IS-U) has been implemented;
 - The Company environmental security management system has been implemented.

The Company implements the following first priority programs:

- The program on replacement of oil breakers of 6-10 kV by vacuum ones;
- The program on replacement of breaker-isolating — short circuiting switches of 35-110 kV by SF6 break (vacuum) switches;
- The program on replacement of metering transformers;
- The program on replacement of stick-pedestal insulators of 110 kV;
- The program on reactive capacity management;
- The program on technical re-equipping and reconstruction of relay protection and automatic equipment and emergency control automatics;
- The program on creation of Automated informative electric power accounting system;
- The program on telemetry, automation and upgrading of facilities of branches.

1962

Large-size.
High noise level.
High level of no-load losses.
Fire hazardous oil-filled high-voltage bushings.

Minimized dimensions.
Minimizing of operating costs.
Electrotechnical parameters are improved.
Lower noise level.
Possibility of installation of transformer monitoring system

2009

5. DESCRIPTION OF BUSINESS

Market

Review of macroeconomic factors that influence on economy of the industry

Power industry is one of the leading industries in the Russian economy, which share is about 10% of the country GDP. The industry is of vital importance for efficient development of the Russian economy, and everything happening in the Russian economy touches practically upon all branches of national economy anyway.

Firstly, it should be noted that a number of factors determining the state of economy as a whole and, therefore, influencing on power industry as well:

- Dynamics of prices for oil (according to forecasting of Ministry of economic development the level of prices for oil in 2010–2012 will not significantly change and amount to about 60\$/barrels);
- Price index of producers (the growth at the level of 8% per year is forecasted);
- Interest rates on credit funds raising (their gradual reduction against the background of credit risk reduction by 2012 is forecasted).

IDGC of Centre is carrying out the work on technical re-equipment of equipment fleet of substations. It is the complete replacement of high-voltage oil equipment to gas-insulated and vacuum one, porcelain insulation of break switches and bus supports to polymeric one, and replacement of lightning protection devices to excess-voltage suppressors as well. Implementation of program is intended to increase of reliability of operation of substation equipment and uninterrupted supply of consumers with electric power. The work on insulation of buses and use of insulated conducting parts of equipment is started.

Besides, there are factors specific for power industry:

One of the key factors that influence on power industry economy is power consumption dynamics. Power consumption volume in 2009 over the Russian Federation as a whole amounted to 964.4 bln kW*h, this is lower than power consumption in 2008 by 4.6%. This reduction was grounded first of all by impact of the global economic crisis resulted in aggravation of economic situation in Russia and, therefore, reduction of power consumption by large consumers (like reduction of volumes of technological connection to the power grids).

According to numerous expert estimates currently economic crisis completion is expected. In 2010 in accordance with forecasts of Ministry of Economic Development and Trade and Ministry of Industry and Energy the industrial production growth in 1.7–3.1% and power consumption growth in 0.4–0.5% are expected in the Russian Federation.

In order to minimize consequences of power consumption reduction within the Company responsibility zone the complex of measures on diversification of service package rendered to electric power consumers by the Company is being implemented.

Another important factor that influences on the economy branch is inflation.

Change of consumer price index impacts on the profitability level in the branch in a certain manner, and, therefore, on financial situation and opportunity to fulfill liabilities. This impact can be very noticeable in regulated markets in association with the tariff policy implemented by the state.

The economic crisis which could to a great extent influence on the inflation level in the Russian Federation in 2010 is about to complete in the opinion of the majority of experts. According to the data of Ministry of Economic Development and Trade of the Russian Federation the inflation is forecasted at 7.5–10% level in 2010, which is not a critical one for the branch condition.

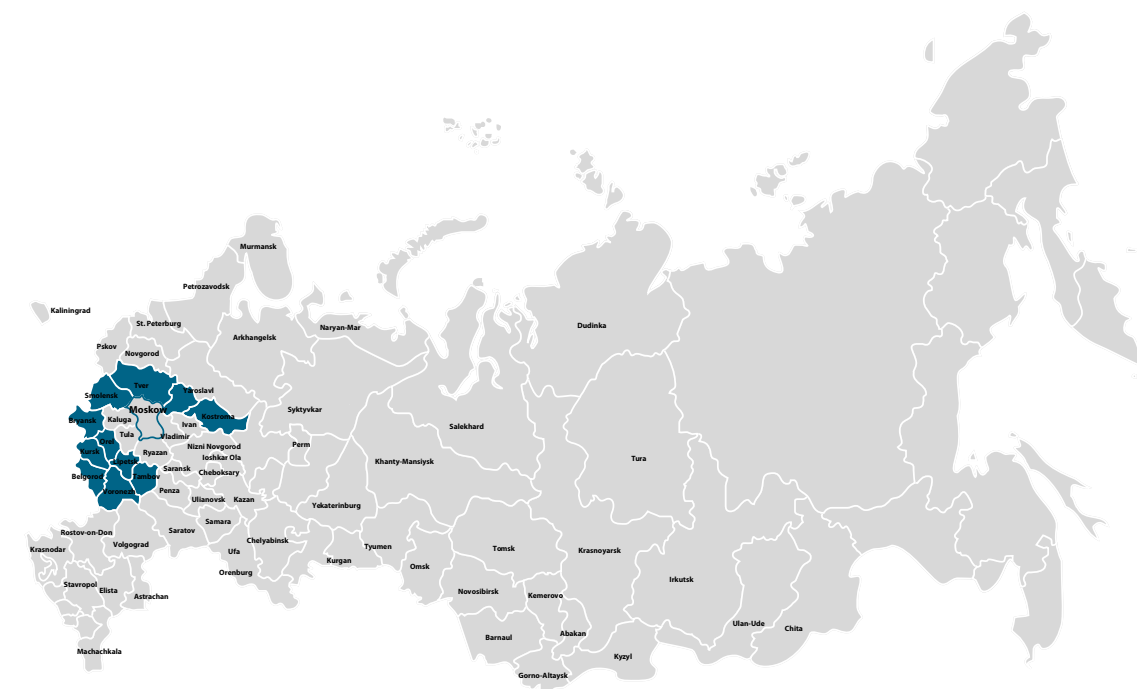
Currently the service sale market of IDGC of Centre is limited by the territory of 11 regions, in which the Company branches are located. There are two types of services in the power distribution market:

- electric power transmission;
- technological connection.

The electric power transmission market

The Company is the natural monopoly on power transmission within its regions. The branch of the Company “Belgorodenergo” is the one grid organisation in the territory of its region that has technological connection to the Unified National Power Grid (UNPG). The other branches of the Company take the dominant position in the regional markets of power transmission services being the level 1 grid companies.

However, in a number of regions of the Company's electric power transmission services there are other regional grid companies which provide similar services in electric power transmission.



The technological connection market

In the technological connection market the principal competitors of the Company are territorial grid organisations (TGO, MUE) in such regions as Bryansk region, Voronezh region, Kursk region, Lipetsk region, Orel region, Tambov region, Tver region, Yaroslavl region.

In such regions as Belgorod region, Kostroma region and Smolensk region, where city power grids are in lease or in ownership of IDGC of Centre, JSC, the market stake is 100% (net of the large consumers that have own power grids).

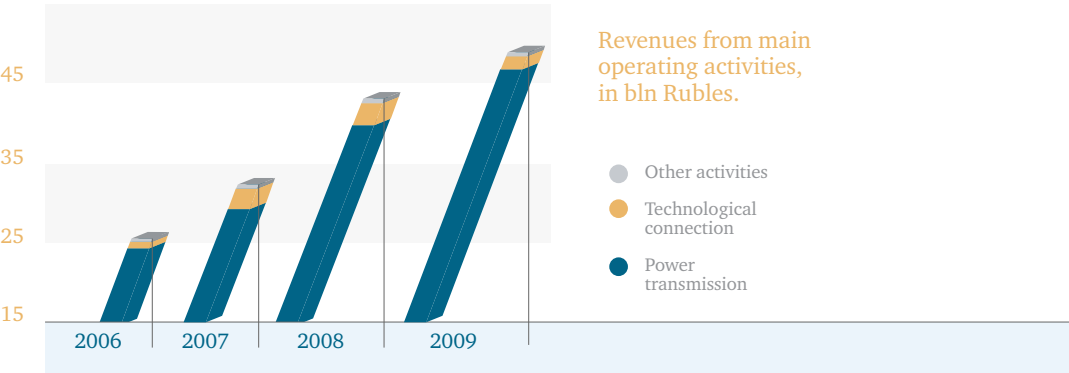
Main
operating
activities

The table and the chart below show revenues breakdown by main operating activities for 2006–2009 (bln. Rubles net of VAT).

	2006	2007	2008	2009
Revenue, including	25.912	32.397	43.554	49.053
power transmission	24.7	29.3	40.2	46.9
technological connection	0.803	2.565	2.774	1.646

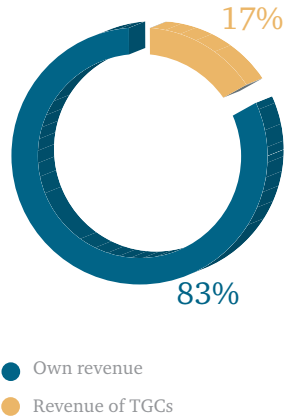
Thus, the main operating activities of IDGC of Centre are:

- power transmission; the revenue from this activity in 2009 was 96% of total revenues;
- technological connection of consumers to power grids; the revenue from this activity in 2009 was 3.4% of total revenues.



Power
transmission

Share in the power transmission market in 2009.



In order to explain the Company business in terms of operating activities the sections below describe the share of the Company in each segment, power sales volumes, pricing (tariffs), revenues, prime cost and profit.

In monetary terms, the Company share in the electric power transmission market is 83%. In 2006 and 2007 this indicator was an expert estimation. From 2008 on, IDGC of Centre knows exactly its share in the power transmission market as a new settlement method has been introduced in all the regions meaning that payments to other TGOs go through transit accounts of IDGC of Centre.

The revenue of IDGC of Centre from power transmission services in 2009 amounted to 46.9 mln Rubles net of VAT including the revenue of other TGOs. In 2009 the revenue of other TGOs that had gone through transit was 8 bln Rubles, the own revenue of the Company for power transmission services in 2009 amounted to 38.9 bln Rubles.

	2006	2007	2008	2009	2007/ 2006	2008/ 2007	2009/ 2008
Share in the power transmission market, %	83%	83%	83.6%	83%	0%	1%	-1%

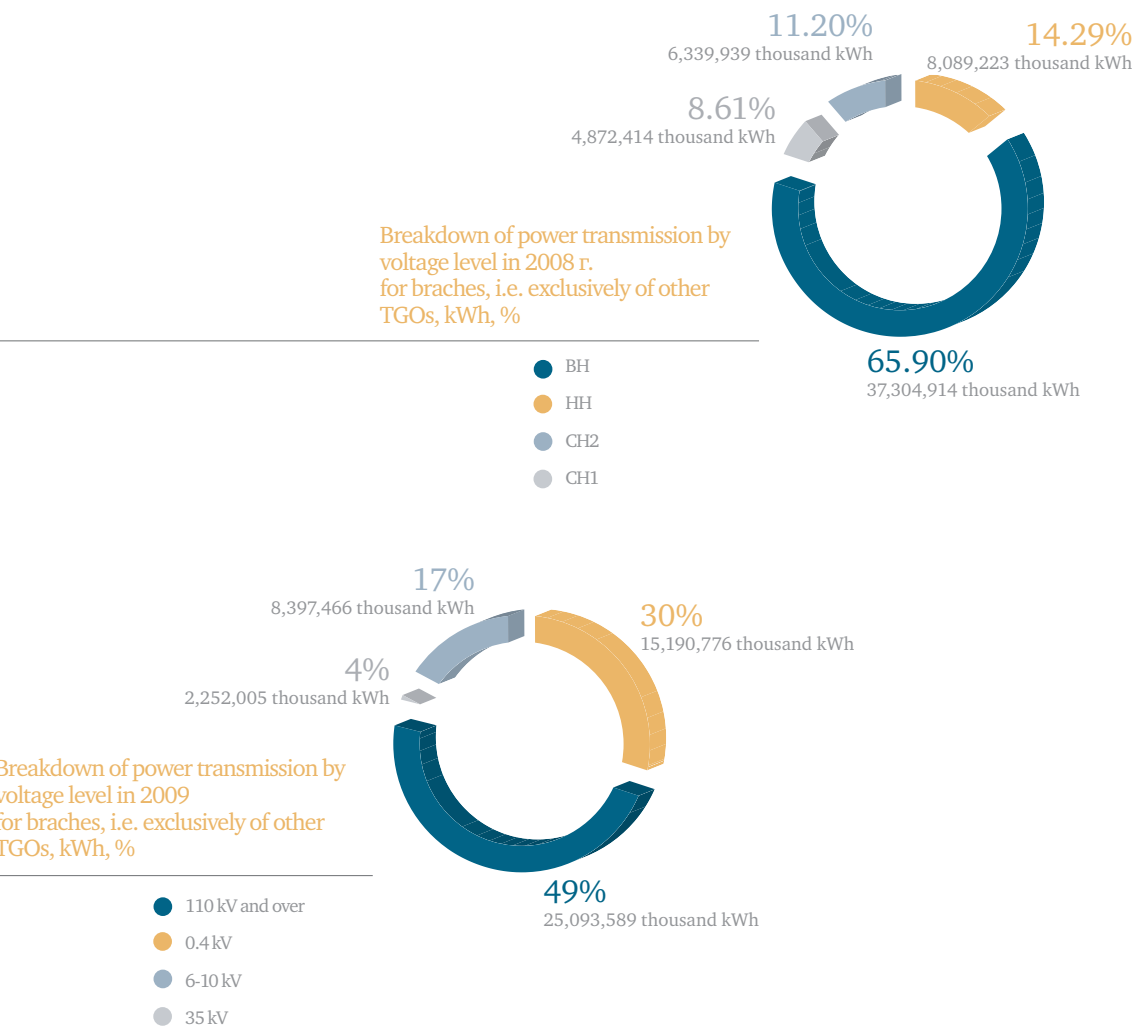
Volumes of services

The amount of power transmitted by IDGC of Centre in 2009 was 53.1 mln kWh. In 2009 there was the productive supply reduction compared with the past year caused by power consumption fall, this is connected with the impact of the world financial and economic crisis on production volumes and, therefore, power consumption by industrial consumers.

The amount of power transmitted, thousand kWh

	2006	2007	2008	2009	2007/2006	2008/2007	2009/2008
Productive supply, thousand kWh	54,042,089	56,394,813	56,618,410	53,129,162	4.35%	0.40%	-6.16%
Productive supply without TGOs, thousand kWh	54,042,089	56,394,813	54,408,393	50,845,060	4.35%	-3.52%	-6.55%

more detailed breakdown of power transmission by braches in 2006 — 2009 see Appendix 5.



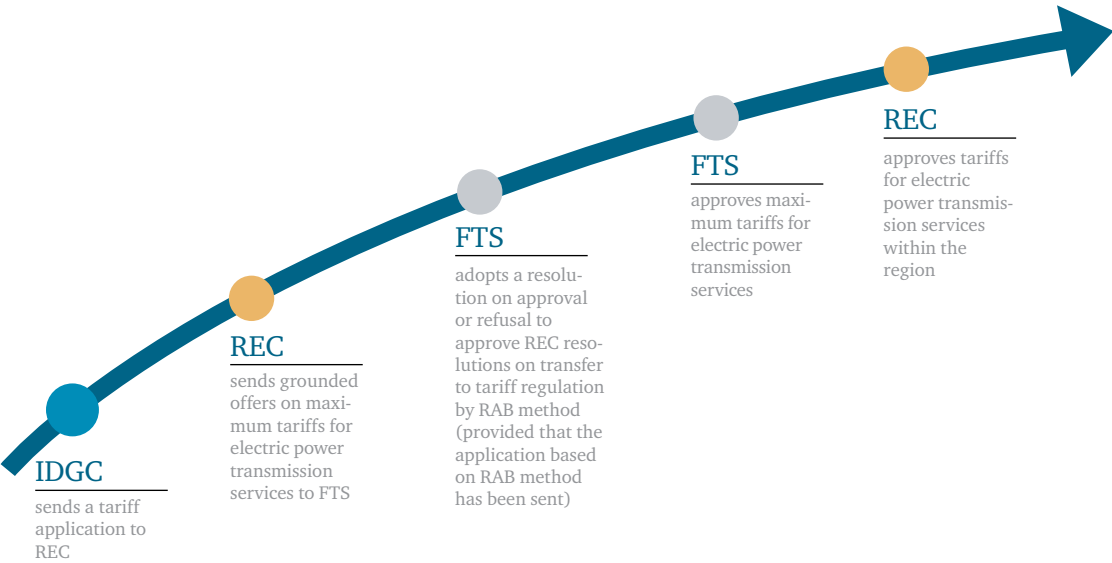
Tariffs for electric power transmis-sion

Tariffs are established by regulatory bodies (Federal Tariff Service of Russia, hereinafter referred to as FTS, and regional regulatory bodies, hereinafter referred to as REC (Regional Energy Commission). Up to 2009 a method of economic feasibility (“expenses plus”) was applied to control tariffs for all grid organisations. Since January 01, 2009 a new method, return on invested capital method (RAB) has started to be introduced.

When applying “expenses plus” method, tariffs are established annually, basing on the amount of funds which REC includes in necessary gross revenue (NGR) of the organisation for conducting business in te following year. The main constituents of NGR are operating expenses of the Company, expenses for payment of interests, taxes, dividends and capital investments.

The return on invested capital method (RAB) is a tariff making system based on the long-term tariff regulation and aimed at attracting investments to the industry. The key principle is to provide repayment of funds invested in assets of the Company for established period and to obtain standardized profit. When applying RAB method NGR consists of operational costs, amount of invested capital return, return on investment.

Procedure for taking of decision regarding tariffs for power transmission services



Average tariffs of IDGC of Centre for electric power transmission services exclusive of other TGOs:

						Growth rate, %			
	2006	2007	2008	2009	2010	2007/2006	2008/2007	2009/2008	2010/2009
Average tariff of IDGC of Centre, kopecks/kWh	44.53	51.75	60.00	74.23	86.93	16.2%	15.9%	23.7%	17.1%

In 2009 average tariff of IDGC of Centre has grown up by 23.7% as compared to 2008 both as a result of transfer of the 3 branches to RAB-regulation and acceptance of the grounded expenses of the branches that were not transferred to a new tariff making system by regulators.

Average tariffs of IDGC of Centre for electric power transmission services exclusive of other TGOs:

				Growth rate, %	
	2008	2009	2010	2009/2008	2010/2009
Average tariff of IDGC of Centre, kopecks/kWh	74.96	91.55	109.65	22.1%	19.8%*

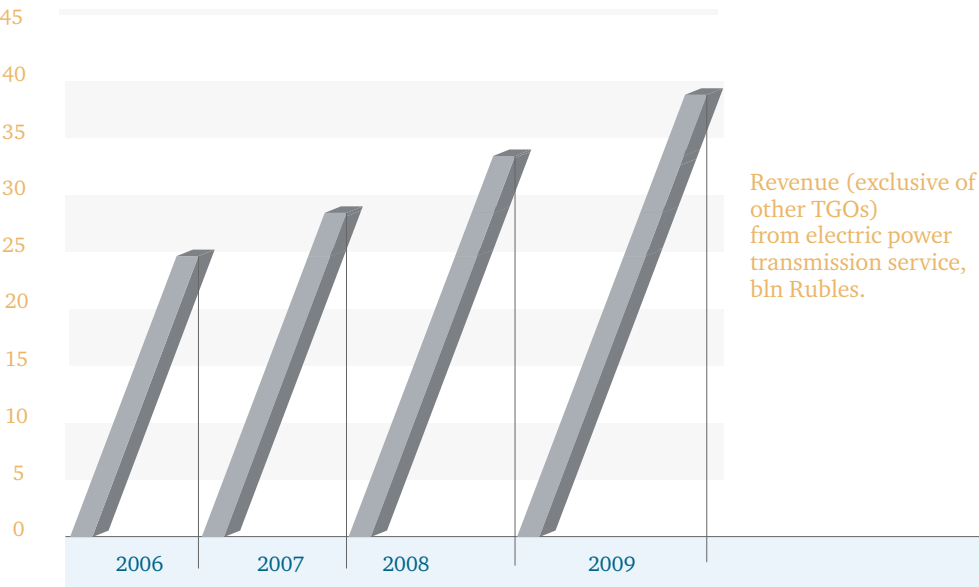
* advanced growth of tariff of IDGC of Centre for electric power transmission service, including expenses of other TGOs as compared to the own tariff is grounded by change of the contractual relation scheme in the branch Kurskenergo in 2010. Thus, up to 2010 there were two organisations in the region that collected customers’ payments and transmitted the obtained funds to other TGOs. Since 2010 the branch of IDGC of Centre “Kurskenergo” is the one such organisation, in this connection the revenue transit part which the branch distributed among TGOs grew up, and, therefore, tariff for electric power transmission services including expenses of other TGOs has grown up by advanced rates as well.

Revenue

Revenue of IDGC of Centre from electric power transmission was 46.9 bln Rubles in 2009. Since 2007 a new system of payments for electric power transmission was being introduced in operation territory of IDGC of Centre. Under this scheme, payments for services to outside grid organisation go through transit accounts of IDGC of Centre. Since 2008 all the regions have been transferred to this payment system. In 2009 revenue of other TGOs which went through transit accounts amounted to 8 bln Rubles, while the own revenue of the Company from power transmission services in 2009 amounted to 38.9 bln Rubles, what exceeds the amount of the own revenue in 2007 by 16%. Revenue growth rate which is lower than tariff growth rate is connected with productive supply fall in 2009.

bln Rubles.	2006	2007	2008	2009	2007/2006	2008/2007	2009/2008
Revenue, including	24.7	29.3	40.2	46.9	18%	37%	17%
Own revenue,	24.7	28.5	33.5	38.9	15%	17%	16%
Share of the own revenue, %	100.0%	97.3%	83.3%	82.9%	—	—	—
Revenue of TGO	0.0	0.8	6.7	8.0	0%	738%	19.4%

Revenue growth of TGOs in 2008 by 738% is connected with transfer to a new payment system, under which the revenue of TGOs goes through transit accounts of IDGC of Centre, and in 2007 this payment system was applied in one branch of the Company only.



Costs

Electric power transmission costs consist of non-controllable expenses, such as payment for services of the Unified National Power Grid (UNPG), payment for services of outside grid organisations (which is really the revenue of other TGOs which go through transit accounts of IDGC of Centre), expenses for losses and controllable expenses which the Company’s management can affect upon.

The main controllable expenses include materials and electric power for production needs, production works and services, salary expenses and charges on the salary fund.

The Prime Cost of Electric Power Transmission

bln Rubles	2006	2007	2008	2009
Prime cost of the core activities	22.798	27.163	37.072	42.725
Non-controllable expenses	10.671	13.257	18.439	22.616
Payment for UNPS’s services	5.527	5.804	6.383	7.844
Payment for outside grid organisation services*	0.000	0.814	6.631	8.014
Indemnification of losses	4.271	5.051	5.425	6.779
Controllable expenses	12.128	13.906	18.633	20.109
Materials, electric power for production needs	1.372	1.447	1.787	1.757
Production works and services	1.124	0.768	2.789	1.903
Salary expenses	3.830	4.457	4.894	5.789
Charges on the salary fund	0.888	1.082	1.236	1.380
Other expenses in the prime cost	4.913	6.153	7.927	9.279
Prime cost without any payments to TGOs:	22.798	26.348	30.441	34.711

* earnings of other TGOs which go transit through accounts of the IDGC of Centre is reflected in this costs item

Growth of non-controllable expenses is related to the growth of tariffs for UNPS’s services, the increase of the share of deregulated market in the purchase of electric power for indemnification of losses, and the growth of prices for electric power. The growth of controllable expenses is due to inflation, growth of payroll expenses related to the transfer of personnel of Energobalans-Center LLC, 3,797 employees, into the Company’s staff.

Expenditures for the indemnification of losses remain one of the main cost items of the IDCG of Centre. In 2009, the losses amounted to 10.11% and the expenditures for their indemnification amounted to 6.8 bln Rubles. As compared to 2008, the electric power losses increased by 0.71 percentage points. Growth of losses as compared to the previous year levels was due to the decrease in electric power consumption by industrial consumers. The reduction in electric power consumption by industry provoked the growth of share of household consumption in the total electric power transmission in the Company’ grids. As a result, the percentage of share of productive supply from low-voltage networks which imply a higher level of electric power losses due to their technological characteristics, increased. The Company performed a substantial scope of works on identification and surrender of unaccounted and agreementless consumption for payment thereby the losses decreased down to 9.93%.

The Electric Power Losses

	2006	2007	2008	2009
Electric Power Losses, %, actuality	10.35%	9.52%	9.40%	10.11%/9.93%*
Electric Power Losses, %, plan	12.08%	10.71%	9.47%	9.96%

* with account of surrender of unaccounted and agreementless consumption for payment

The IDCG of Centre continually implements arrangements aimed to decrease electric power losses and the most efficient of them include:

- Shutdowns of transformers in light-load conditions;
- Substitution of overloaded lines and transformers;
- Exposure of electric power theft cases;
- Installation of reactive power compensation devices;
- Installation of offset meter cabinets at the border of balance sheet attribution;
- Equipment of intersystem and inner cross-flows metering points, points of electric power supply to major consumers with the Automated Information Systems of Electricity Billing Metering;

— Equipment of points of electric power supply to consumers with the AISEBM.

Works on reduction of electric power consumption for in-house needs, load equalization in distribution grids, reduction of duration of maintenance and repair of essential equipment and intelligent redistribution of load in the main grid allowed the IDCG of Centre to save about 41 mln Rubles in 2009.

Replacement of overloaded and underloaded transformers, old wires for the new ones with heavier-gage, branches to residential houses for a self-supporting insulated conductor, fragmentation of power lines, conversion of networks to higher voltage, arrangements on improvement of metering system and exposure of unaccounted consumption of electric power resulted in saving of 30 mln Rubles in 2009.

Owing to the implementation of the comprehensive program on grid loss reduction, the Company has managed to save 71 mln Rubles.

The detailed information of losses by year (2006–2009) with breakdown by branches is provided in Appendix 5.

Profits and Losses

The Profit (Loss) from Electric Power Transmission

mln Rubles	2006	2007	2008	2009	2007/ 2006	2008/ 2007	2009/ 2008
Net profit, including:	1,323	1,983	874	1,325	50%	-56%	52%
From electric power transmission	778	57	-964	325			
Share of the transmission in the net profit, %	58.8%	2.9%	—	24.6%			

In 2009, the net profit from electric power transmission was Rubles 325 mln. The Company’s profiting from core activities is related to the transition of three pilot regions to RAB-regulation during the reporting year. Despite the positive change in net profit due to electric power transmission against the last year, the absolute value of net profit remains insufficient to ensure the acceptable level of profitability of the Company’s core activities. The Company plans to ensure the increase in profitability of the core activities — electric power transmission — at the expense of adoption of an innovative method for tariff making based on RAB of all branches.

Technological connections

By reference to expert evaluations made by the Company management, currently, the share of the IDCG of Centre in the technological connection market is about 85% (in recalculation for conventional units). The growth of share of the IDCG against the previous periods is due to entering into technological connection agreements in the zone of operation of adjoining territorial networks and booking some unowned power grids identified during the yearly inventory taking of the Company asset complex. The main competitors are territorial grid organizations (TGO, municipal unitary enterprises) in such regions as the Bryansk region, Voronezh region, Kursk region, Lipetsk region, Orel region, Tambov region, Tver region, Yaroslavl region. Such regions as Belgorod region, Kostroma region and Smolensk region wherein urban power grids are leased out or belong to the IDCG, the market share is 100% (net of major consumers which have power grids of their own).

The Market Share

	2006	2007	2008	2009	2007/ 2006	2008/ 2007	2009/ 2008
The share of technological connections at the market, %	80	80	80	85	0	0	6.25%

Sales volumes

The scope of technological connection depends on current condition and development plans of regional economies wherein the branches of IDCG are located. Considering the necessity of construction of new facilities when consumers connect, certain connection projects take 1-2 years. While the scope of connected capacities is reflected in accounting in the year of project closure. In 2009, the scope of capacities connected (i.e. under agreements completed in 2009) was 446 megawatt which is somewhat less than the scope of connections in the previous year.

The Scopes of Technological Connections, MW

2006	2007	2008	2009	2007/ 2006	2008/ 2007	2009/ 2008
280.47	481.28	479.84	445.62	71.60%	-0.30%	-7.13%

Tariffs for network connection

The amount of charge for network connection is established by a regional regulating authority (Regional Energy Commission) pursuant to the Methodological Instructive Regulations of the federal regulating authority — the Federal Tariff Service of the Russian Federation (Order of the Federal Tariff Service of the Russian Federation of 21.08.2009, No. 201-e/1, “On Approval of the Methodological

Instructive Regulations for Determining the Amount of Charge for Technological Connection to Power Grids”).

The charge for technological connection should reimburse economically feasible expenditures for arrangements on network connection of a facility to power grids through computation of the minimum regulated revenue (MRR) on technological connection. The MRR on technological connection includes expenses for construction and reconstruction of an electric grid facility included in the investment program of the Company agreed with regional authorities.

If the connection requires the construction (reconstruction) of an electric grid facility which is not included in the investment programs for the next period of regulation, a grid organization applies to REC for computation of a charge for technological connection on an individual project.

The Average (Estimated) Charge* for Technological Connection
(by reference to applicable rates at the year end) in IDCG of Centre, Rubles/kW

2006	2007	2008	2009	2007/2006	2008/2007	2009/2008
6,503	10,639	14,822	7,831	63.6%	39.3%	-47.2%

* Average rates of charge do not take into account the charge for network connection for privileged categories of consumers (connection of individuals and legal entities up to 15 kW as per Government Regulation No. 119 of 14.02.2009) and individual connections.

Due to the transition of three branches to the regulation of tariffs for electric power transmission services via the return on investment method (RAB) starting from 01.01.2009, the investment element in the charge for network connection in 2009 was excluded which affected the decrease in the average rate of charge for technological connection in the IDCG of Centre in 2009.

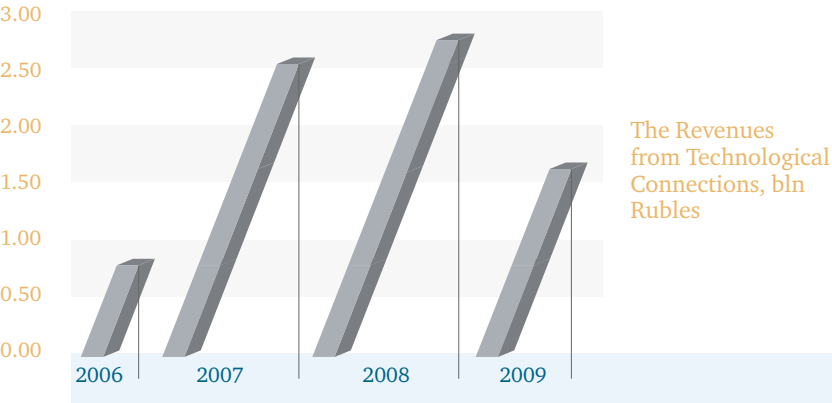
Revenues from network connections

Decrease in revenues from technological connections in 2009 is related both to the drop in consumer demand for technological connection in general in the market, and the decrease in the Company’s average tariff which was caused by transition of three branches to RAB-regulation since 2009.

The Revenues from Technological Connection in 2006-209, bln Rubles

	2006	2007	2008	2009	2007/2006	2008/2007	2009/2008
From technological connections	0.803	2.565	2.774	1.646	219.26%	8.15%	-40.66%

Considering the specifics of taxation of this kind of activities, the funds received by the Company as a charge for technological connection and reflected in the yearly statements as net profit, in essence, are not its profit because the Company is obliged to invest these funds in the construction of facilities for new consumers. In 2009, obligations of the Company on connection of new consumers which are included in the net profit in the financial statements amounted to 999.41 mln Rubles.



The Amount of Obligations on Technological Connection Included in the Financial Statements within the Net Profit, mln Rubles.

mln Rubles	2006	2007	2008	2009	2007/2006	2008/2007	2009/2008
Net profit, including:	1,323	1,983	874	1,325	50%	-56%	52%
From technological connections	545	1,926	1,838	999	254%	-5%	-46%
Share of those connections in the profit, %	41.2%	97.1%	—	75.4%			

Other activities

Other activities of the Company include revenues from providing the following optional services:

- Civil and installation works;
- Operational service;
- Industrial services;
- Leasing out of property;
- Other activities unregulated by law.

There are seven basic services and fifteen related services provided by the IDCG of Centre in 2009 as optional services.

Revenues from other activities, Rubles bln				Income growth dynamics against the previous period, %		
2006	2007	2008	2009	2007/2006	2008/2007	2009/2008
0.356	0.440	0.514	0.860	24%	17%	67%

While some portion of revenues from other activities is reflected in the financial statements in the line of “Earnings from sale of other goods, production works and services”. Revenues from the following activities are also reflected in this line: Civil and installation works, operational service, industrial services. Revenues from leasing out of property and also revenues from other activities unregulated by law are reflected in the financial statements in line 090 of Form 2 “Other earnings”.

The substantial growth of revenues from other activities in 2009 as compared to 2008 is primarily related to the creation of the relevant business-process (BP) “The development of optional services”. The following works were performed within functioning of this BP:

- Marketing research: size and potential of optional services market at the relevant territories were evaluated; the most perspective optional services were identified; current market share on each optional service was identified; implementation plans for the current and subsequent periods were developed;
- Activity on provision of optional services was automated in ASUDOC SAP (filing a request, agreement activities, accounting of revenues and expenses on each type of services);
- The methodology of work for customer attraction was developed and implemented as well as the procedure for provision of services on outdoor lighting and a set of services for housing and public services entities;
- The analysis of operation of the IDCG of Centre’s branch, Belgorodenergo, was carried out in terms of provision of services on outdoor lighting and servicing inside houses. Based on the analysis, branches developed and implemented the methodology for attraction of customers and the procedure of work with customer who entered into agreements for outdoor lighting and servicing of networks inside houses;
- The system for optional service provision efficiency evaluation was developed and implemented including the separate system of accounting of expenditures for optional services provision.

Investments

In the investment programme for 2009, the IDCG planned capital investments in the amount of Rubles 6.22 bln. Actually, Rubles 6.53 bln was invested during the reporting period or 105% of the plan.

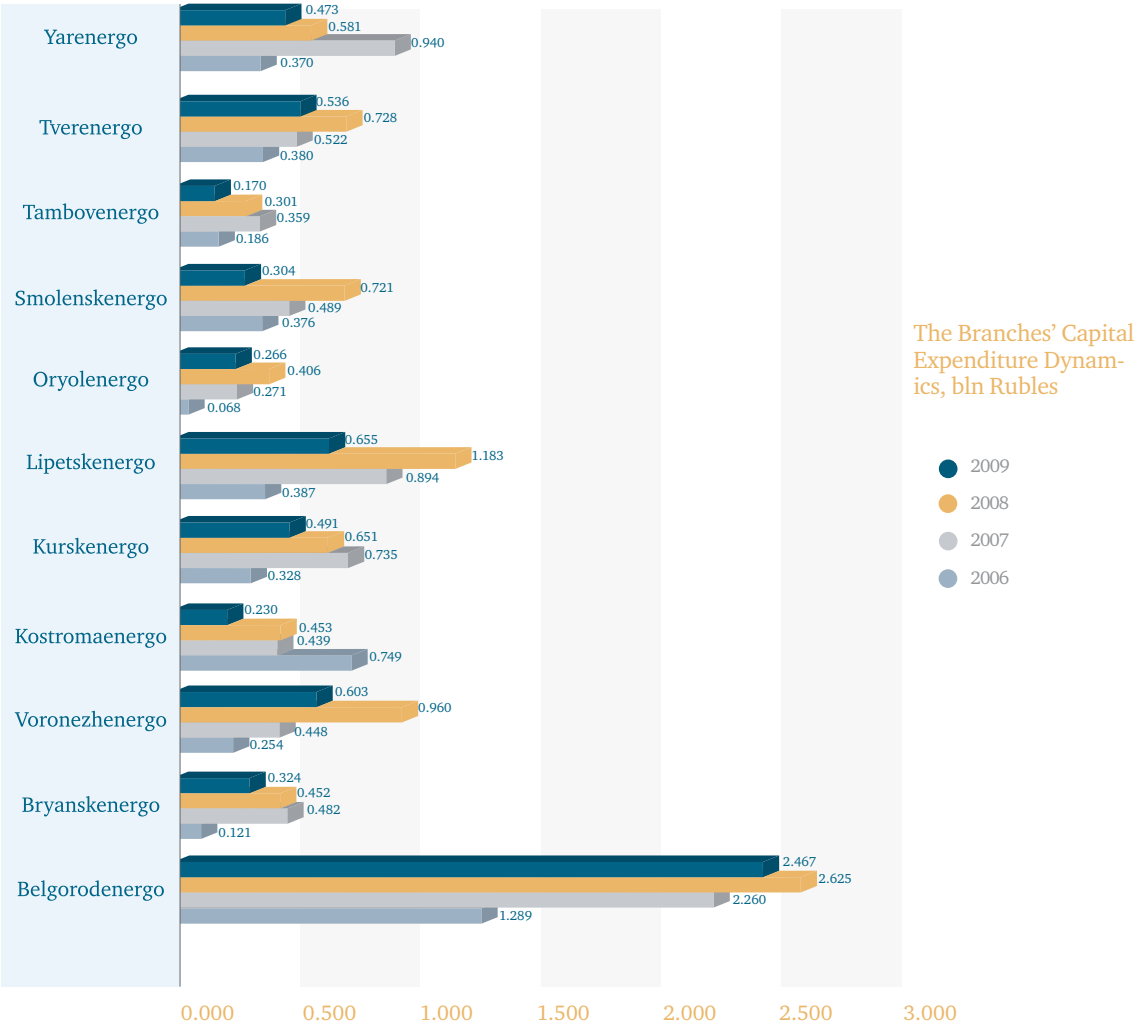
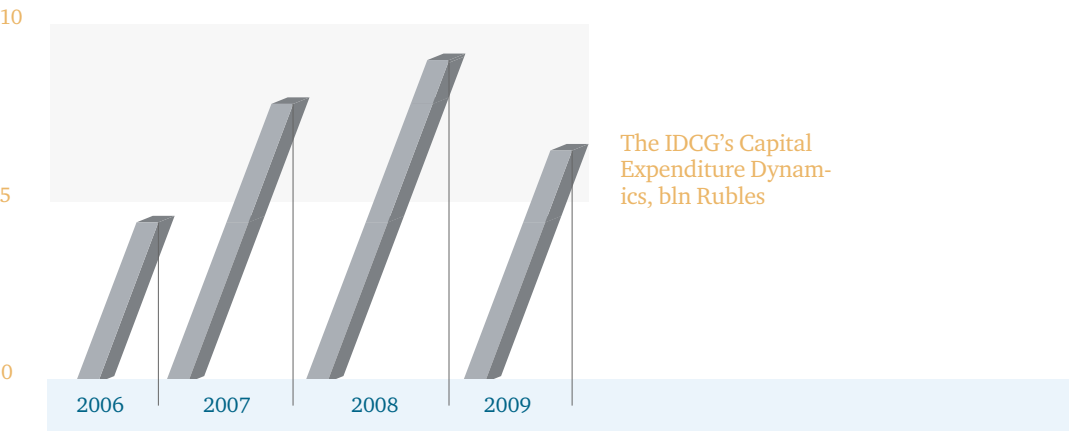
In 2009, Rubles 3.39 bln was invested in technical upgrade and retrofit of facilities of the IDCG while Rubles 3.25 bln was planned or 104%. Rubles 2.76 bln was spent for new construction and expansion in the reporting period while Rubles 2.77 bln was planned, or 99.7%; other investments amounted to Rubles 378.5 mln or 183%. Fixed assets for the amount of Rubles 7.69 bln were commissioned or 110% of the plan, also 2,414.5 km of transmission lines or 113% of the plan, transformer capacities of 877 MVA or 155% of the plan were put into operation.

The Actual Investments in 2006-2009

Period	Investment, net of VAT bln Rubles	Commissioning of fixed assets, net of VAT bln Rubles	Funding, net of VAT bln Rubles	Commissioning of capacities		Capacity gain	
				km	MVA	km	MVA
2006	4.508	4.368	4.496	1,676	398	673	136
2007	7.839	6.371	7.839	3,428	698	1,945	418
2008	9.071	7.730	7.687	3,263	660	1,886	489
2009	6.529	7.687	5.458	2,414	877	1,449	685

Information of the actual investments for 2006–2009 by branches is provided in Appendix 5.

During 2009, 977.9 km of transmission lines for 0.4–110 kV were reconstructed and 420.6 MVA of transformer capacities were commissioned within the arrangements of technical upgrade and retrofit; 874.8 km of transmission lines for 0.4–110 kV were constructed and 289.1 MVA were commissioned within the arrangements on new construction and expansion. In the result of power grids integration, the length of transmission lines of the Company increased by 561.7 km, the capacity — by 67.2 MVA. At the end of 2009, the length of transmission lines of the Company made up 363,700 km. The capacity of electrical substations for 35–100 kV was 31,013 MVA, for 6–10/0.4 kV — 14,864 MVA.



Following the results of operation in 2009, all target values were fulfilled. Over-fulfilment of the capital expenditure plan within the Investment program was due to the performance of works on network connection of consumers who were not planned in the IPR of 2009.

Belgorodenergo

The investment program of the branch in 2009 was fulfilled to the fullest extent. While capital expenditures in the amount of Rubles 2,369,063,000 net of VAT were planned, the fulfillment amounted to Rubles 2,466,632,000 net of VAT (104%).

In 2009, in terms of key facilities of the investment program, the following things were done:

- Reconstruction of the power transmission line for 0.4–10 kV in the Belgorod Region for the amount of 406.2 mln Rubles. The facility is included in the program of Agreements with the Administration of Belgorod region.
- Reconstruction of Substation Golofeevka for 110 kV for the amount of 72.8 mln Rubles.
- Replacement of a power transformer at Substation Rzhevka for 110 kV for the amount of 14.6 mln Rubles.
- Elimination of capacity deficiency at main substations (installation and replacement of transformers) for the amount of 14.6 mln Rubles.
- Substation Grayvoron 110/35/10: Outdoor Switchgear for 35 kV was reconstructed with equipment replacement; switch gear for 10 kV was reconstructed with replacement of switches; reconstruction of Relay Protection and Automatic Equipment panel, electric battery for the amount of Rubles 57.5 mln. The facility is included in the programme of Agreements with the Administration of the Belgorod Region.
- Reconstruction of Substation Alexeevka for 110 kV for the amount of Rubles 109.7 mln.
- Substation Babrovyy Dvory for 35/10 kV was transferred to a new ground with complete replacement of equipment for the amount of Rubles 51 mln. The facility is included in the programme of Agreements with the Administration of the Belgorod Region.
- Remote sites of Distribution zone were transferred with organization of dispatch centers and installation of dispatcher panels for the amount of Rubles 144.6 mln.
- The Automated Dispatching System of Belgorodenergo was upgraded for the amount of Rubles 32 mln. The facility is included in the programme of Agreements with the Administration of the Belgorod Region.
- Power transmission lines for 0.4–10 kV and Transformer Substation for 10/0.4 kV were constructed for network connection.
- Construction of a power transmission line for 0.4–10 kV to supply electric power to individual residential construction facilities under a programme for the amount of Rubles 400 mln.



Substation Mayskaya for 110/10 kV

- Automated Information System of Electricity Billing Metering for retail market of Belgorodenergo for the amount of Rubles 168 mln.

In 2009, Substation Mayskaya for 110/10 kV was constructed in Belgorodenergo's branch for the amount of Rubles 363 mln with entries of double-circuit high voltage line for 110 kV. 2 power transformers of TRDN-40 MVA type, Outdoor switchgear for 110 kV (SF6-insulated switches for 110 kV, break switches for 110 kV with power worked levers, Voltage transformer for 110 kV), cells for 10 kV for Switchgear and control gear Samara electric board-61 with SF6-insulated switches in a block-modular building — were installed at the substation.

Bryanskenergo

In 2009 the investment program of the branch has been exceeded by 39 percent. With the capital investments development plan amounting to 233,343 thousand Rubles, VAT exclusive, implementation constituted 323,769 thousand Rubles, VAT exclusive. This is accounted for by performance of installation and construction work under contracts of network connection of customers which have not been included into the investment program of 2009. Development of capital investments at biggest sites:

- 110/35/10 kV “Pochep” substation (under the contract of network connection of chemical weapon destruction plant) — 60.5 million Rubles.
- 35/6 kV “Polpino” substation in the amount of 1.5 million Rubles.
- 110/6 kV “Karachizhskaya” substation in the amount of 1.574 million Rubles.



110/6 kV "Sovietskaya" substation

- 110/6 kV "Michurinskaya" substation in the amount of 6.986 million Rubles.
- 110/35/10 kV "Plyuskovo" substation in the amount of 4.672 million Rubles.
- Central distribution substation in the area of old airport of Bryansk in the amount of 30.69 million Rubles.
- Reconstruction of 0.4 — 10 kV overhead transmission lines in Bryansk region in the amount of 14.6 million Rubles.
- Upgrade of the Automated Dispatching System of Bryanskenergo in the amount of 18.5 million Rubles.

In 2009, reconstruction of the 1st stage of "Sovetskaya" 110/6 kV substation for the amount of 257 million Rubles has been accomplished at the branch. TRDN-40000/110 transformer with two RZDRPOM 300/6 reactors have been installed and energized, substation control building combined with indoor switchgear has been constructed. The substation control building incorporates the installed Relay Protection and Automatic Equipment, the indoor switchgear incorporates the switchgear and control gear to which customers of the existing 2nd 6 kV bus section have been transferred. 110 kV outdoor switchgear (110–40/2500 high-voltage vacuum circuit breaker) has been installed. Commissioning and start-up of line cubicles has been performed.

Voronezhenergo

In 2009 the planned figures of the Investment program have been accomplished in full. With the capital investments development plan in the amount of 573,816 thousand Rubles, VAT exclusive, its implementation constituted 603,017 thousand Rubles, VAT exclusive (105 percent).

The most important facilities of the 2009 investment program:

- Technical re-equipping of 35/6 kV substation No.10 with its transfer to 110 kV voltage (installation of 2x63 MVA transformers, 5 pcs of 110 kV SF6-insulated switchgear, 6 kV cubicles (14 pcs), control units and control panels, communication equipment, microprocessor-based and digital protection systems) — capital investments of 231.529 million Rubles.
- Reconstruction of 110 kV overhead transmission lines No. 9, 10 (crossing over water reservoir) — 11.943 million Rubles.
- Construction of 110 kV cable line from 110/6 kV substation No. 45 "Kalininskaya" to 35/6 kV substation No.10 — 103.729 million Rubles.
- Construction of 6 kV cable line from 110/6 kV substation No.45 to 35/6 kV substation No.10 — 14.752 million Rubles.



110 kV overhead transmission lines No. 9,10 (crossing over water reservoir)

Kostromaenergo

The investment program of the branch in 2009 has been accomplished in full. With the capital investments development plan 225,874 thousand Rubles, VAT exclusive, its implementation constituted 229,695 thousand Rubles, VAT exclusive (102 percent).

In 2009 the following was performed on the main items of the investment program:



110/10 kV "Davydovskaya" substation

- Technical upgrade of "Vostochnaya-1" 35 kV substation, including transfer of 6 kV cable lines and busbar bridges to new 6 kV indoor switchgear 6.837 million Rubles.
- Technical upgrade with installation of telecommunication equipment (5 Distribution zones, TSsPO (Central Unit) — 1 piece, Fire cabinets — 4 pcs) 3.266 million Rubles.
- Construction of 0.4-10 kV transmission lines for network connection in settlements of Kostroma region — 75 million Rubles.

In 2009, "Davydovskaya" 110/10 kV substation has been constructed at the branch with the cost of 353 million Rubles with overhang of the double-circuit 110 kV overhead transmission line. 2 pcs of 110/10 kV TDN power transformers with 25 MVA capacity have been installed at the substation, 110 kV outdoor switchgear with one busbar system of 2-row version with switched busbar circuit breaker, equipped with LTB 145D1/B gas-insulated switches, 110 kV motor-operated disconnecting switches. 10 kV switchgear and control gear in a block-modular building using K-63 cubicles. Line cubicles are equipped with BB/TEL gas-insulated switches. Incoming cubicles are equipped with LF-3 gas-insulated switches.

Kurskenergo

In 2009, with the capital investments development plan 376,244 thousand Rubles, VAT exclusive, the branch has achieved performance 490,877 thousand Rubles, VAT exclusive (131 percent).

In 2009, the main reasons for exceeding the planned figures of the investment program of the branch for development, financing and commissioning of facilities include performance of additional work connected with providing for reliability of socially important customers, performance of current work involving TK and Automated Dispatching System, and also due to the increased volume of work on network connection of customers.

The most important facilities of the investment program of 2009:

- Construction of 110/10 kV "Rodniki" substation with construction of HVL branch lines from 110 kV overhead transmission lines "Distribution zone-1-Sadovaya" 1,2 to 110/10 kV "Rodniki" substation — 50.4 million Rubles.



110 kV overhead transmission lines "Gubkin — Gorshechnoe"

- Reconstruction of 0,4 — 10 kV overhead power transmission lines in Kursk region — 75.9 million Rubles.
- Reconstruction of the section of 110 kV overhead transmission line "Sadovaya-Lesnaya No.1,2" — 10.391 million Rubles.

- Reconstruction of 110 kV overhead transmission line “Gubkin-Gorshechnoe” — 7.983 million Rubles.
- Telecommunication equipment of Distribution zone — 13.575 million Rubles.

Lipetskenergo

The investment program of the branch in 2009 has been accomplished in full. With the capital investments development plan of 650,836 thousand Rubles, VAT exclusive, implementation constituted 654,901thousand Rubles, VAT exclusive (101 percent).

The most important facilities of the Investment program of 2009 are:



110/10 kV “Manezhnaya” conversion and distribution substation

- Reconstruction of 0.4–10 kV overhead transmission line in settlements of Lipetsk region — 44 million Rubles. The facility is included into the program of Agreements with the Administration of Lipetsk region.
- Reconstruction of the systems of control units, control panels and communication channels to meet the technical requirements of the System Operator of the United Power System, Regional Dispatching Administration (8 conversion and distribution substations) 15.3 million Rubles. The Facility is included into the program of Agreements with the Administration of Lipetsk region.



110/10 kV “Universitetskaya” conversion and distribution substation

- Research and Development for future construction at Lipetskenergo — 30 million Rubles.
- Construction of 10 kV overhead transmission lines on request of heads of district Administrations of Lipetsk region — 43 million Rubles. The Facility is included into the program of Agreements with the Administration of Lipetsk region.
- Construction of power supply network infrastructure at the University microdistrict 16.5 million Rubles. The Facility is included into the program of Agreements with the Administration of Lipetsk region.
- Construction of 10 kV overhead transmission lines for network connection — 35 million Rubles.
- Construction of 0.4 kV overhead transmission lines in settlements of Lipetsk region — 42 million Rubles. The Facility is included into the program of Agreements with the Administration of Lipetsk region.
- Construction of the 1st stage of 110/10 kV conversion and distribution substation “Manezhnaya” with 110 kV cable vault (330 million Rubles) — development of 153.87 million Rubles in 2009. The Facility is included into the program of Agreements with the Administration of Lipetsk region.
- Construction of the 1st stage of 110/10 kV “Universitetskaya” conversion and distribution substation with 110 kV overhead transmission lines (297.313 million Rubles). 139 million Rubles have been developed in 2009. The facility is included



35/10 "Sselki" substation

into the program of Agreements with the Administration of Lipetsk region.

Research and Development of reconstruction of 110 kV "Bugor" substation including replacement of existing 2x63 MVA transformers — 26.8 million Rubles. The facility is included into the program of Agreements with the Administration of Lipetsk region.

- Research and Development of reconstruction of 110 kV substation "Tsementnaya" including substitution of T3 20 MVA by 63 MVA ones — 16.5 million Rubles. The facility is included into the program of Agreements with the Administration of Lipetsk region.
- Construction of 35 kV "Sselki" conversion and distribution substation (85.6 million Rubles) — 21 million Rubles in 2009. The facility is included into the program of Agreements with the Administration of Lipetsk region.
- Purchase of 110/6 kV, 2x25 MVA "Trubnaya 2" substation 35.7 million Rubles.

Orelenargo

In 2009, the Investment program has been accomplished in full, with capital investments development plan of 259,864 thousand Rubles, VAT exclusive. Implementation constituted 266,388 thousand Rubles, VAT exclusive (102 percent), including the following for the biggest facilities:

- 25 million Rubles — implementation of national projects of Orel region — power supply of hypothecary housing construction microdistricts, the project is included into the program of Agreements with the Administration of Orel region.

- 25 million Rubles — network connection of new customers.
- Reconstruction of 110 kV "Zapadnaya" conversion and distribution substation — speedup of work at completion of the first stage of reconstruction — 146 million Rubles. The Project is included into the program of Agreements with the Administration of the Orel region.
- Reconstruction of 10–0.4 kV overhead transmission lines — complete overhaul and substitution of open wire by steel insulated wire — 12.6 million Rubles
- Automated Information System of Electricity Billing Metering — completion of work and commissioning — 3.8 million Rubles. The project is included into the program of Agreements with the Administration of Orel region.
- Orelenargo Network Control Center (11.5 million Rubles) — accomplishment of the main complex of work and commissioning of capital assets by the working commission, the project is included into the program of Agreements with the Administration of Orel region.



110/10/6 kV "Zapadnaya" conversion and distribution substation

Reconstruction of 110/10/6 kV "Zapadnaya" conversion and distribution substation includes substitution of two 25 MVA power transformers by 63 MVA ones, reconstruction of 110 kV outdoor switchgear with substitution of isolating switches

and section oil switches by SF6 circuit breakers with built-in current transformers of type 3AP1DT-145EK, reconstruction of 6–10 kV indoor switchgear, reconstruction of the Operations Control Room with installation of control units, control panels and communication channels according to technical requirements of “Telephone Switching Equipment” WEM regulations.

At present, the first power transformer with 110/10/6 kV voltage and 63 MVA capacity is energized. The building of 6 kV indoor switchgear has been erected in the territory of substation, including substation control room. Communication cables, 6 kV switchgear and control gear cubicles distributing electric power to customers, relay room, battery room, rest rooms, showers and operator room are located here. The substation is equipped with control units and control panels.

Smolenskenergo

The investment program of the branch has been accomplished in full in 2009, with capital investments development plan amounting to 288,744 thousand Rubles, VAT exclusive, implementation constituted 304,472 thousand Rubles, VAT exclusive (105 percent)

In 2009, the following has been performed at the main facilities of the investment program:

- Reconstruction of 0.4–10 kV overhead transmission lines across Smolensk region — 88.7 million Rubles.
- Reconstruction of 110/35/6 kV Roslavl substation and reconnection of the power supply line for Sitall company — 13.2 million Rubles.
- Reconstruction of 110/35/10 kV “Zavodskaya” substation in Smolensk — 13 million Rubles.
- Reconstruction of distribution points, transformer substations, indoor transformer substations in Smolensk region — 10 million Rubles.
- Teleautomation of the substation of Sychevsky Distribution Zone (9 pcs) — 7 million Rubles.
- Research and Development for future construction — 13 million Rubles.
- Purchase of 6 kV “Our house” distribution point — 23 million Rubles.

Tambovenergo

In 2009 the Investment program of the branch has been accomplished, with capital investments development plan amounting to 163,338 thousand Rubles, VAT exclusive, implementation constituted 169,936 thousand Rubles, VAT exclusive. (104 percent), including the following for the biggest projects:

- Construction and reconstruction of 0.4–10 kV transmission lines in Tambov region. Implementation constituted 29.5 million Rubles.
- Reconstruction of 110/35/6 kV substation No. 8 (substitution of T-1 16 MVA transformer by T-1 40 MVA one, reconstruction of 6 kV indoor switchgear) — 32.9 million Rubles.

Tverenergo

In 2009, the Investment program of the branch has been accomplished by 98 percent, with capital investments development plan amounting to 549, 628 thousand Rubles, VAT exclusive. Implementation constituted 536,083 thousand Rubles, VAT exclusive, including the following for the biggest projects

- Reconstruction of 6–10 kV overhead power transmission lines in Tver region — 90.11 million Rubles.
- Reconstruction of a section of 110 kV power network from 110 kV Lazurnaya substation to 110 kV “Proletarskaya” substation (projected 110 kV “Borovlevo” Substation) 26.54 million Rubles.
- Reconstruction of 0.4 kV overhead transmission lines in Tver region — 74.74 million Rubles.
- Replacement of outdoor switchgear and control gear at 35 kV substation — 55.54 million Rubles.
- Upgrade of Automated Information System of Electricity Billing Metering of “Tverenergo” according to WEM Regulations — 57.23 million Rubles.
- Construction of 10 kV overhead transmission lines in Tver region — 22 million Rubles.

Yarenergo

The investment program of the branch has been accomplished in 2009 for 473 million Rubles or by 90 percent.

In 2009, the following has been accomplished at the main sites of the investment program:

- Reconstruction of transformer substations (using own resources) — 14.5 million Rubles.
- Reconstruction of 0.4 kV overhead transmission lines with construction of outdoor lighting — 19 million Rubles.
- Reconstruction of 0.4kV overhead transmission line from “Naberezhnaya” package transformer substation 160 f.25 “Danilov” substation — 15 million Rubles.
- Reconstruction of 0.4 kV overhead transmission line from indoor transformer substation 160 “Torg” F No.21.4 “Danilov” substation. Reconstruction of 0.4 kVoverhead transmission line from indoor transformer substation -160 “Quarter 49” F No.21.4 “Danilov” substation. Reconstruction of 0.4 kV overhead transmission line from Kirov indoor transformer substation 250 f. No. 40 “Druzhba” substation — 11 million Rubles.
- Reconstruction of “Veretye” substation with installation of 2 additional cubicles for new connections — 10.8 million Rubles.
- Reconstruction of 110/10 kV “Chayka” substation with substitution of 2x16 MVA transformers by 2x25 MVA ones — 26 million Rubles .
- Technical reequipment of 110/35/6 kV “Volga” substation — 20 million Rubles.
- Reconstruction of 35-10 “Kibernetik” substation with substitution of 2x2,25MVA transformers by 2x6,3MVA ones and reconstruction of relay protection and automatic equipment, substitution of TT network and metering devices of 10 kVcubicle No.1 — 11 million Rubles.
- Construction of 110 kV overhead transmission lines “Frunzenskaya-1” to “Kotorosl” substation — 14 million Rubles.
- Construction of transmission lines for socially significant facilities of the Administration of Yaroslavl region — 26.3 million Rubles.
- Construction of two 6 kV cable vaults from 6 kV switchgear of 100/6-6 kV “Kotorosl” conversion and distribution substation to 6 kV distribution transformer substation of the concert and entertainment centre — 8 million Rubles.



110/6/6 “Kotorosl” substation

- Construction of 10 kV cable vault from 110/10 “Chayka” substation to 10 kV distribution points of Nikomed factory — 20 million Rubles.
- Construction of 110/6/6 “Kotorosl” substation with 2x25MVA transformers for future installation of 2x40MVA transformers — 93.5 million Rubles. The need for construction of a new substation is accounted for by the growing loads in their operation zone, caused by the intensive construction of housing, administrative and public and other facilities in Kirovsk area of the city of Yaroslavl.

Focus areas and structure of capital investments, million Rubles.

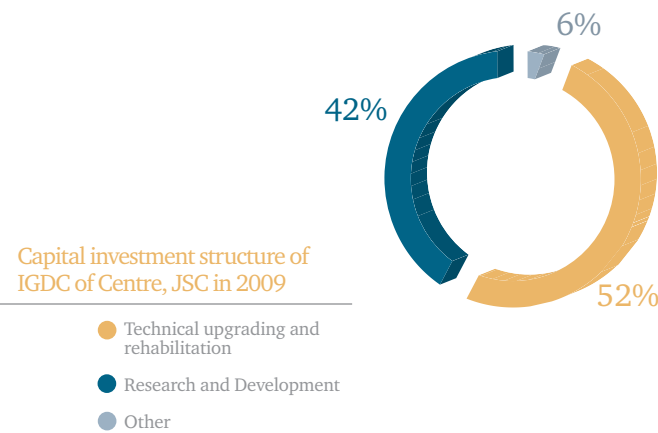
IDGC of Centre, JSC company	2006	2007	2008	2009
Investment activity structure — total:	4,504	7,839	9,071	6,529
Power supply network facilities, including:	3,579	6,125	7,596	5,473
Automation, communication	210	525	699	406
Electric power metering and control devices, incl.:	230	208	163	242

IDGC of Centre, JSC company	2006	2007	2008	2009
Automated Information System of Electricity Billing Metering for the wholesale market as part of the investment program	187	181	84	64
Automated Information System of Electricity Billing Metering for the retail market and other electric power metering and control means	43	27	79	178
R&D of future construction	28	210	203	94
Other production facilities and economic entities	275	439	497	117
Equipment which is not part of construction cost estimates	178	279	292	224
Non-production area facilities	1	0	1	0
Capital investments into intangible assets	27	13	0	0
Long-term financial investments				
Acquisition of capital assets	187	565	320	379
Focus areas of investment activity — total:	4,504	7,839	9,071	6,529
Technical Upgrade and Retrofit	2,133	4,081	5,596	3,392
including electric power network facilities	1,695	3,497	4,761	2,957
New construction and extension of existing facilities	2,184	3,193	3,155	2,758
including electric power network facilities	1,884	2,628	2,835	2,516

IDGC of Centre, JSC company	2006	2007	2008	2009
Acquisition of capital assets	187	565	320	379
For reference:				
Development of capital investments for network connection of customers	677	2,446	3,486	2,188

Main reasons of deviation from the planned figures for financing, capital investment development and commissioning of facilities:

- performance of work for network connection of customers which was not provided in the investment program of 2009
- delay in implementation of competitive tender procedures for selection of contractor organization
- deviations in the volume of financing are caused by the change of the terms of payment under contracts with contractor organizations
- absence of the required amount of financing sources



The use of sources for investment activity, million Rubles.

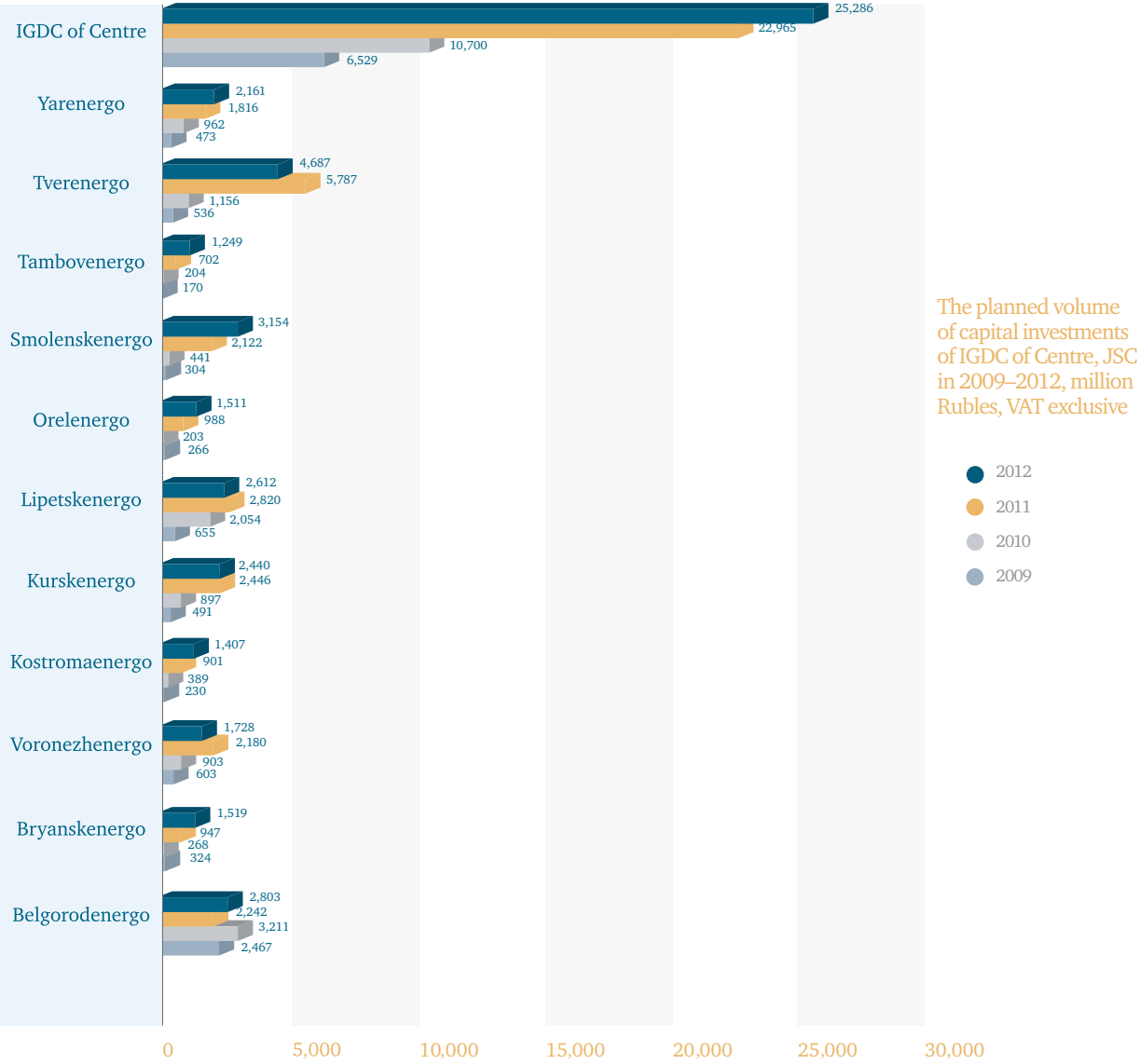
		2009
ources of investments, total		6,529
Own sources of financing	Depreciation of the reporting year	3,443
	Outstanding depreciation of past years	0
	Undistributed profit of past years	0
	Profit of the current year to be used in the investment programme of the current year	339
	<i>Renovation, included in the tariff</i>	259
	<i>Sale of dedicated non-current assets</i>	0
	<i>Sale of non-dedixed non-current assets</i>	0
	<i>Payment for network connection</i>	80
	Other own sources of financing	329
Outside sources of financing	Budget assets (federal, municipal)	0
	Borrowed funds (loans, interest-bearing)	1,755
	Borrowed funds (additional issue)	0
	Payment for network connection	545
	Other sources of outside financing, including co-financing from other sources	118

The capital investment dynamics has the positive tendency for the forthcoming years. The volume of the investment program for 2010 has increased by 64 percent, compared to the volume of 2009. The volume of the program of 2011 will increase by 115 percent, compared to 2010, the volume of capital investments in 2012 will increase by 10 percent, compared to 2011.

The investment program for the period 2009–2012 with breakdown by branches

Name of Distribution Grid Company	2009	2010	2011	2012
Belgorodenergo	2,467	3,211	2,242	2,803
Bryanskenergo	324	268	947	1,519
Votonezhenergo	603	903	2,180	1,728
Kostromaenergo	230	389	901	1,407
Kurskenergo	491	897	2,446	2,440
Lipetskenergo	655	2,054	2,820	2,612
Orelenergo	266	203	988	1,511
Smolenskenergo	304	441	2,122	3,154
Tambovenergo	170	204	702	1,249
Tverenergo	536	1,156	5,787	4,687
Yarenergo	473	962	1,816	2,161
EO DGC	11	12	15	16
Total for IGDC of Centre	6,529	10,700	22,965	25,286
Technical upgrading and rehabilitation	3,392	5,626	17,090	19,318
New construction	2,759	4,962	5,807	5,929
Other	379	112	68	39

Information on the focus areas of capital investments for 2009–2012 with breakdown to branches is contained in Appendix 5.



The main sources of financing of the investment program 2010–2012 are the following:

- Depreciation
- Payment for network connection

- Use of bank loans for implementation of capital investments
- Profit of the reporting year to be used in the investment program

10 largest investment projects in 2009 with indication of their key parameters

Branch	Name of project	Investments (planned) million roubles	Investments (actual) million roubles	Actual/Planned, %	Commis-sioning of fa-cilities (meas. units)
Belgorodenergo	Construction of “Mayskaya” substation 110/10 kV	333.8	333.8	100	80 MVA
Belgorodenergo	Automatic Information System of Electricity Billing Metering for retail market	169.5	167.8	99	15,277 pcs
Bryaanskenergo	Reconstruction of “Sovetskaya” 110/6 substation	98.9	97	98	40 MVA
Voronezhenergo	Reconstruction of 35/6 kV substation No.10 with transfer to 110 kV voltage	218	231.5	106	126 MVA
Kostromaenergo	Reconstruction of 110/10 kV “Davydovskaya” substation	111.5	109	98	50 MVA
Lipetskenegero	Reconstruction of 110 kV “Manezhnaya” substation	140	153.9	110	40 MVA
Lipetskenegero	Consturction of 110 kV “Universitetskaya” substation	123	139	113	40 MVA
Orelenergo	Reconstruction of 110 kV “Zapadnaya” substation	146.8	146	100	63 MVA
Lipetskenegero	Construction of 35 kV “Sselki” substation	19.8	21	107	20 MVA
Yarenergo	Construction of 110/6/6 kV “Kotorosl” substation	126.5	93.5	74	80 MVA

Introduction
of RAB

The invested capital profitability method (RAB — Regulatory Asset Base) is the method of regulation of infrastructural monopolies which is conceptionally new to Russia and which provides for investors long-term and transparent “rules of the game”.

RAB regulation is the system of price formation based on the long-term tariff regulation, aimed at attraction of investments to construction and upgrade of the network infrastructure and stimulation of increasing the efficiency of expenses of the network organizations. The world practice possesses considerable and rather successful experience of application of RAB in regulation other branches with limited competition. This method was developed and applied in the United Kingdom for the first time. At present, RAB regulation is widely spread in the world.

The main principle of the methodology is providing for the return of funds invested into the company assets within the established period and receipt of normalized income. The norm of profitability defined by the state should correspond to the level of risks in the network companies and provide for attractiveness of the branch for investors.

Structurally the minimum regulated revenue include operational expenses of the company, assets for return of the joint-stock and borrowed capital and the assets for payment of income for the invested capital basis. The main article, which can be influenced by network companies, is the operating expenses (hereinafter

— OPEX). The base level of OPEX is established by the method of economically based expenses. At that, the index of the change in operating expenses (X-factor 1), formed on the basis of benchmarking and the analysis of deviations from activity indicators of best companies is taken into consideration.

Advantages of the
transfer to RAB

First, there appear stable and predicted “rules of the game” for the long-term perspective: according to RAB method tariffs are established for three years for the first regulation period and for five years for the following periods. It increases the “transparency” of tariff regulation, reduces the investors’ risks. Investors obtain guaranteed profitability for the invested capital.

Companies, in their turn, obtain the opportunity to involve large-scale investments with simultaneous prevention of drastic growth of the tariff. The regulator forms the companies’ tariff in such a way that they have the possibility to gradually, during several years, return the invested assets and interest on the invested capital, by analogy with the hypothecary crediting mechanism.

Second, the new method stimulates the companies to economize on the expenses, as it sets economically substantiated rate of their obligatory decrease. In case the company in the course of its activity has achieved bigger decrease relative to the regulated level, then the corresponding economy remains with it for 5 years. Upon expiration of this term, the customer obtains benefit from the economy.

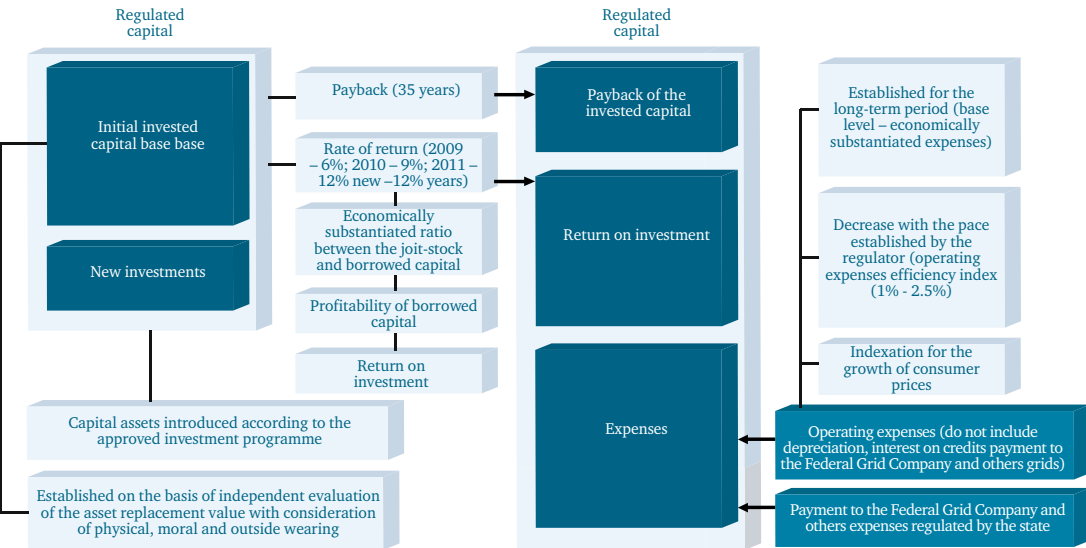
Third, RAB method stimulates the companies to raise the quality of service for their customers. The regulator establishes requirements to reliability and service quality in measurable indicators with consideration of specificity of the branch. In case of infringement of these requirements, lowering factors will be applied to the company’s tariff size.

The new RAB method of tariff regulation has been introduced in five branches of IDGC of Center, JSC:

- Since 01.01.2009 — in “Tverenergo”, “Lipetskenergo”, “Belgorodenergo”;
- Since 01.01.2010 — in “Kurskenergo”, “Jarenergo”.

Main parametres of RAB model of the above branches are provided in Appendix 6.

Components of the Minimum Regulated Revenue (MRR) by RAB method



Risks

On January 19th, 2010, by the decree of the Government of the Russian Federation No.30-r, the deadline has been established for transition of branches of IDGC of Center, JSC — “Bryanskenergo”, “Voronezhenergo”, “Kostromaenergo”, “Orelenergo”, “Smolenskenergo”, “Tambovenergo” — to the invested capital profitability method (RAB) — before July 1st, 2010, subject to the timely amendment of a series of regulatory documents governing pricing in electric power industry.

The policy of the Company in the field of risk management:

At present IDGC of Center, JSC implements the following main principles of the policy in the field of the Company’s risk management:

- risks are classified according to principal operating fields of the Company’s activity;
- identification of new risks and monitoring of probability of the revealed risk events is performed both within the frameworks of strategic planning cycle, and within the frameworks of operating activity of profile subdivisions of the Company;
- on each risk revealed by profile subdivisions complex of response measures took in case of event is being developed.

Besides, at present time the project on development of risks management full-featured system is launched.

Industry risks

The most significant events (changes) in the branch of the electric power industry for the Company are:

- transition to a new system of tariff regulation;
- adoption of the Federal Law “On energy saving and on raising of energy effi-

ciency and on alteration of certain legislative acts of the Russian Federation” (dated 23.11.2009 No.261-FZ).

During the reform of the electric power industry the United operational company IDGC of Centre, JSC (UOC) was formed. Transformation into UOC allowed the Company to increase control level and to ensure efficiency and reliability of operation of power grid complex of its responsibility zone.

Now the Company participates in the process of implementation of a new regulation system RAB, however, at present it is difficult to forecast in details the probability and correlation of risks connected with change of tariff regulation system.

The global financial crisis influenced on the condition of sector, having brought on, on the one hand total energy saving (4.6% for 2009, according to “UES SO”), on the other hand — appreciation of borrowed funds. Implementation of turnaround program of the Government of the Russian Federation for 2009 supposes the realization of the following measures directly influencing on the condition of sector:

- implementation of state policy in the field of tariffs on product (services) of natural monopolies, supposing containment of increase of tariffs in comparison with the earlier planned graphic;
- implementation of the mechanisms of financing of investment programs of natural monopolies not so much at the expense of increase of tariffs, as at the expense of increase of inner efficiency of the companies themselves, decrease of expenses, restriction of increase of salary of workers and remunerations of management;
- establishment of reduced tariffs on technological connection to the electric networks for small enterprises.

The abovementioned measures significantly increase the probability of underfunding of current investment program of the Company, in this connection the Company implements the program on internal costs saving and optimization of financial flow.

Adoption of the Law on energy efficiency supposes energy saving in Russian economy-wide, according to various estimates, by 10% that can be compensated as by means of integration of territorial and municipal network assets so as by means of diversification of the business in part of composition of rendering services.

In whole, in spite of continuing at present time (although, according to number of expert opinions, particularly ended) global financial crisis, in mid-term prospect there are prerequisites allowing to assume with a high probability that the tendency of approaching of the estimation of electric power industry companies value will approach their fair value.

According to the Company's estimation, now deterioration of the situation in the sector may be connected with:

1. The operational (industrial) risks connected with physical deterioration, infringement of terms of operation and drastic change of parameters of the electric power equipment operation. Occurrence of these risks may lead to damage (failures) and destruction of constructions.

Due to the mode of operation of the main electric power equipment intensive enough, progressing process of its ageing is provoked. The unsatisfactory condition of the equipment due to its physical deterioration and obsolescence is a principal cause of occurrence of industrial risks, the main of which are:

— risk of high-grade performance of obligations under contracts on rendering services on transmission of electric energy;

— Risk of failures with partial or full short shipment of the electric power with corresponding adverse social consequences.

Actions of the Company on this risk management:

The probability of breakdown of electric power equipment is at medium level there-with at the occurrence of risk events the consequences for activities of the Company may fluctuate from insignificant up to medium. For the purpose of leveling of consequences of production risk realization, all the main industrial facilities of the Company are insured. Besides, a complex of measures on maintenance of reliability of the equipment and constructions is being carried out by the Company, namely:

1. Fixed parameters of repair program and investment program regarding changes and reconstruction (up to 50% of total volume of investment program) are fulfilled in the volume necessary for ensuring of power supply continuity;

2. The structure and amount of volume of spare parts is constantly optimized;

3. The tender selection of the service and supplying organizations was implemented for the purpose of improvement of quality of these services and materials, the responsibility of counterparts and decrease in specific expenses;

4. For maintenance of the system reliability, the emergency control automatics have been implemented and are being modernized according to the modern requirements. The tasks of the centralized system of the emergency control automatics include maintenance of the system reliability in all power supply system at occurrence of local failures.

5. To decrease deterioration level, modernization of electric power capacities is carried out on the basis of implementation of the innovative power equipment.

6. Now the automated asset management system is being implemented, intended to optimization of processes of operation, maintenance service and repairs of grid assets and also to order investment activity of the Company.

Risk management in the field of observance of requirements of industrial safety in the total structure of management of the Company and its branches industrial risks is provided by observance of the Federal Law in the field of industrial safety and the system of industrial inspection over observance of the industrial safety requirements at the specified enterprises functioning on its basis.

2. The risks connected with state regulation of tariffs for services, rendered by the Company.

Activities on transmission of the electric power through distribution grids and also technological connection to electric grids are regulated by the State. Thus, adoption by the regulatory bodies of tariff rates for services of the Company directly influences on volumes of the received proceeds. Even at RAB implementation, the role of the respective authorities in the process of tariff formation is still preserved. Besides, at present the Government of the Russian Federation implements the policy of limiting of increase of tariffs on product and services of natural monopolies.

In this connection there are risks of:

— Establishment of tariffs below the economically proved level and as consequence lack of the Company's financial assets (in case of transition to the tariff regulation system RAB — establishment of the amount of profitability norm lower than the average market interest rate for attraction of borrowed funds). Medium probability with medium consequences for the Company's activity is forecasted for the risk;

— Reduction of volumes of proceeds in connection with changes of actual structure of transmission of the electric power by the voltage levels concerning that adopted at approval of tariffs (probability is insignificant, consequences for activities of the Company are medium);

— Change of productive supply structure due to crisis and growth of power exchange in networks by dropping of ineffective generators (Insignificant probability, consequences for the Company's activity are insignificant);

— Occurrence of the additional charges connected with existence of cross subsidizing (probability is insignificant, consequences for activities of the Company — from insignificant to medium). Presence of cross subsidizing does not allow establishing

economically proved tariffs by voltage levels; in this connection initialization from consumers of judicial claims is possible;

— The risks connected with change of the legislation in the sphere of pricing concerning electric and thermal energy in the retail markets (probability is insignificant, consequences for activities of the Company may fluctuate in wide range).

The following measures are applied to eliminate the given risks:

1. Work with Federal Service for tariffs and bodies of regulation of tariffs of the Russian Federation entities on economic substantiation of the expenses included in tariffs, on amending the legislation of the Russian Federation in the sphere of pricing on services of natural monopolies for the purpose of the account of interests of the distributive network companies is held at establishment of tariffs for electric energy in the retail market;

2. Development and coordination of long-term programs of development of regions of the zones of activity of branches of the Company with regional and local authorities with signing Agreements in is held which volumes of sources of financing of investment programs, in particular, are coordinated;

3. Regular work on reduction of the Company's costs and investment program optimization is held;

4. As of 31.12.2009 new system of the tariff regulation based on the method of return on the invested capital (RAB) is already implemented in the branches of the Company Belgorodenergo, Tverenergo and Lipetsenergo. Application of the given method should contribute to attraction of long-term investments into the sector, and also to decrease influence of subjective factors on taking tariff decisions. New system of tariff regulation has been implemented in the branches Kurskenergo and Yarenergo since 01.01.2010.

3. Environmental risks which are expressed in an opportunity of leaking of transformer oil at substations to rivers and lakes.

Environmental risk is a probability and scale of consequences of any anthropogenic changes of natural objects unfavorable for environmental resources.

At social polls intended for revealing of priorities in human concern of environment condition, environmental risks do not stand apart of risks, which are dangerous for health.

Risks can rise from the sources of permanent and single action. Sources of the permanent action include hazardous emissions of stationary installations (in respect to the Compa-

ny — insignificant), as well as transport systems — movable sources. In the process of startup, warm-up, entrance and departure of motor vehicles there is emission of carbon, nitrogen, carbon hydride and soot. But according to the results of measuring maximum-single emission do not exceed accepted values in surface air at the sanitary protection zone limit. To prevent possible negative impacts on the environment the Company performs control over toxicity of burnt transport gases. On this ground environmental risks connected with emissions of polluting agents in the atmosphere are minimal and, besides, with insignificant consequences for the Company's activity in case of occurrence.

Environmental risks can be expressed in possibility of leakage of transformer oil at substations providing that there are no oil-receiving devices at surface water run-offs into a river of lake, it can cause pollution of water of fish economic importance with oil products. In the consequence of these infringements of nature protection law high fines can be imposed on the Company in accordance with the Federal law. Probability of these risks is estimated as significant with insignificant consequences for the Company's activity.

Environmental policy approved by the Board of Directors of the Company serves as the instrument for reduction of environmental risks. The Company bears serious expenses for environmental policy implementation: so in 2009 expenses amounted to 22,463.36 thousand rubles.

Environmental policy of the Company aims to increase the environmental security level for the account of ensuring of reliable and environmentally safety transport and power distribution, complex approach to use of natural power resources. The principle direction of the program is reduction of negative impact of the Company's activity on environment.

In particular, much attention is paid to work on handling with hazardous waste — observance of rules of storage, transportation, recycling — this considerably reduces influence of toxic agents on soil and in consequence on human health.

Reduction of environmental risks is contributed by multi-year program on change of oil switcher to vacuum in distribution grids of 6-10 kV, including installation of reclosers, this reduces technological cycles of dielectric oils and excludes their penetration in the environment and necessity to bear expenses for recycling of used oils. Effectiveness of change of oil switcher to vacuum consists in the following: noiselessness, clean, serviceability, grounded by low energy release in the arc and absence of oil slobbering and gas exhaust at switching on of short-circuit currents; absence of pollution of the environment.

In the course of implementation of measures provided by perspective program of technical re-equipping and reconstruction the Company changes elements and

electric equipment sites to upgrading, which construction ensures high environmental safety of production.

4. Risks of receiving less incomes than one is due, connected with payment from end users or decrease in their level of power consumption in comparison with the target level

The main Company buyers are the marketing companies which carry out delivery of electric energy to end users. Accordingly, the main risk connected with buyers is the probability of increase in the debt receivable in connection with infringement by payment discipline of end users of electric energy and occurrence of necessity of attraction of additional credit resources. During the certain periods, there is a risk of insufficiency of money resources on the Company's accounts in connection with presence of time cash breaks between reception of money resources from the marketing company and necessity of financing of current operations. The foregoing risk probability decreased a little bit within 2-3 quarters 2009, but, nevertheless, it remains to be considerable under conditions of the economic crisis continuing at present. For minimization of the given risks, financial management of the Company develops the well-thought credit policy, on management of debt receivable directed to optimization of its amount and collection of debt. The Company performs as well active claim-related work on debt collection, implements policy of conclusion of direct contract with electric power consumers.

Moreover, as the proceeds of the company are influenced by dynamics of power consumption of regions of IDGC of Centre's branches activity zone, there is a risk of receiving less incomes than one is due in connection with decrease in electric power consumption by separate large consumers in relation to the target level (so, recession in demand for electric power countrywide in 2009 was 4.7%, according to "UES SO", JSC). At present this risk probability is estimated as high, with medium consequences for the Company's activity.

To reduce this risk probability and minimize its consequences the issuer implements a complex of measures on expansion of sales markets and diversification of package of services rendered to electric power consumers.

5. Risks connected with construction by large consumers of the alternative grid facilities.

Construction by large consumers of alternative grid facilities can lead in the future to reduction of the volume of services rendered by the Company on transmission of the electric energy. This risk probability is estimated as insignificant with unessential consequences for the Company's activity.

For leveling this risk, the Company carries out active work with consumers directed to formation of mutually advantageous relations.

Additional actions of the Company for reduction of the designated risks:

- increase of operational efficiency by realization of programs on decrease in industrial costs and economy;
- carrying out of works on increase in the share of long-term contracts at rendering services on transmission of electric energy in the total amount of the concluded contracts;
- carrying out by the Company of the well thought-out financial policy.

6. Risk of uncertainty of limiting volumes of rendering services on transmission of electric power.

The risk of uncertainty of the limiting volumes of rendering services consists in

- absence in some RF entities and municipal formations of economic development plans with indication of the behaviour of growth of power consumption for the certain period;
- probability of reduction of electric power consumption over the Russian economy in whole in connection with forecasted adoption of the Federal law "On energy saving and on raising of energy efficiency and on alteration of certain legislative acts of the Russian Federation" (dated 23.11.2009 No.261-FZ);
- probability of economy-wide reduction of electric power consumption due to uncertainty of end of recessionary tendencies.

The specified circumstances make it impossible to perform exact forecasting of volumes of investments into the sector capable to satisfy an increasing demand for electric energy in medium-term and long-term prospect. Also these circumstances can result in fall of profitable component of the Company's budget within the long-term perspective. Basically, the given risk influences performance of obligations on rendering services on transmission of the electric power. This risk probability is estimated as medium with medium consequences for the Company's activity. **Minimization of the given risk is carried out by means of the following actions:**

- work with the state bodies of the Russian Federation entities and institutions of local government on formation of plans of economic development of the region in the medium-term and long-term prospect;

— protection of tariffs for transmission of electric energy in authorized state bodies in view of the investment component including RAB-regulation;

— planning of diversification of the Company's services portfolio with it further transformation into power service company rendering among all services related to increase of power effectiveness.

7. Risks connected with shortage of qualified specialists in the industry

At present flow of qualified personnel in the industry is reducing. Keeping the current reduction rates the Company can confront with shortage of qualified personnel in the region of the Company's presence. This risk is estimated as average within the long-term period with consequences for the Company's activity varying from insignificant up to medium. **For the purposes of minimization of this risk probability the Company performs the following measures:**

— support of industrial secondary special and higher industrial institutions in the region of the Company's presence including creation of financial support of implementation of the program on training of specialists in the field of electric power with subsequent guaranteed employment of trained specialists;

— implementation of a series of programs intended to increase of motivation and reduction of volumes of staff turnover including implementation of a series of non-material motivation methods, constructive interaction with trade unions (conclusion of collective agreements).

8. The risks connected with possible change of prices for component parts and services used by the Company in the activity (separately in the internal and external markets), and their influence on activity of the Company and execution of obligations under securities.

In the process of the Company's activity, the Company can run the risks connected with increase of the prices for component parts, equipment and other material resources which will be used by the Company. **The given risks are caused basically, by the inflationary processes and can be minimized by the following actions:**

— increase of operational, — efficiency on the basis of realization of programs on decrease in industrial costs (creation of the competitive environment in the sphere of works and products purchases, optimization of expenses for repairs and operational needs and capital construction, etc.);

— centralization of purchasing activity for reception of "scale effect" at purchases;

— increase in purchasing of share of equipment and component parts of the Russian production with the purpose of reduction of dependence on currency fluctuations.

In opinion of the Company, influence of the given risks on activity of the Company (under condition of their minimization on the part of the Company) under conditions of the economic crisis at the current rate of inflation processes is medium at medium probability of risks.

9. The risks connected with possible change of the prices for services of the Company (separately in the internal and external markets), and their influence on activity of the Company and execution of obligations under securities.

The Company runs the risks connected with decrease of the tariff for services on transmission of electric energy below the level economically grounded for the Company's activity. At present under conditions of the world economic crisis the Government of the Russian Federation implements the policy of containment of growth of tariffs for products and services of natural monopolies within the frameworks of anti-crisis program; this preserves this risk probability as high one.

In opinion of the Company, influence of the given risks on activity of the Company (under condition of their minimization on the part of the Company) is medium.

At present the Company develops concept of risk management system, which will allow to track condition of the activity risks and in case of necessity to counteract influence of risks or minimize damage from their realization.

The Company does not carry out and does not plan to carry out activity in the external market, the Company does not purchase component parts and equipment abroad. Therefore, risks connected with possible aggravation of the situation in the Company's industry in the external market; risks connected with possible change of prices for component parts and services used by the Company in its activity in the external market as well as risks connected with change of prices in external markets cannot influence on the Company's activity.

Risks of failure of the Company to fulfill obligations before holders of equity securities in virtue of change of industry conjuncture is not described by reason of absence of the Company's obligations relating to payment of dividends to holders of preference shares and payment interests and redemption of bonds.

Country and regional risks

Country risks

Before the middle of 2008 the positive tendency of increase of the international ratings of the Russian Federation is observed. According to the classification of Fitch, Moody's and Standard & Poor's international rating agencies, Russia received an investment rating according to which the economic and political situation in Russia is estimated as harmless in the short-term prospect. At the end of 2008, under conditions of the continuing world economic crisis sovereign rating has decreased and remains at the level "BBB" (Fitch, Standard & Poor's) and "Baa1" (Moody's). Nevertheless, recently the positive tendencies can be observed — so, for instance, in December 2009 "Standard & Poor's" reconsidered the level of forecast from "negative" to "stable" one. Upon final crisis end the favorable factors contributing to increase in the ratings of Russia must play their role, in opinion of agencies, are the economic growth observed in Russia within last several years, caused improvement of the majority of key performance indicators, including proficiency of the account of current operations, and also growth of gold and exchange currency reserves of Russia and reduction of external short-term obligations.

On the other hand, financial problems or aggravated perception of risks of investment in the countries with a developing economy can lower the volume of foreign investments into Russia and render negative influence on the Russian economy. Besides, as Russia makes and exports great volumes of natural gas and oil, the Russian economy is especially vulnerable to changes of the world prices for natural gas and oil, and falling of the price for natural gas and oil can slow down or shake development of the Russian economy. Besides, dynamics of growth of prices for consumer products in the country remains to be the problem. These events can limit access of the issuer to the capital and render adverse influence on purchasing capacity of consumers of the Company's products. Also at present the Government of the Russian Federation commenced to implement policy of containment of growth of tariffs for products and services of natural monopolies within the frameworks of anti-crisis program for 2009, this can result in shortage of financing of the Company's investment program.

Probability of these risks is estimated as high with consequences for the Company's activity varying from average to severe.

Within the frameworks of minimization of the foregoing risks the Company performs work on reduction of internal costs and optimization of the investment program as well as implements factored policy in the field of attraction of borrowed funds.

Regional risks

The Company was registered as a tax bearer on the territory of the Central Federal District of the Russian Federation being an economically developed region of the country, the center of financial and political activity.

According to the Investment Rating of Regions of Russia 2007-2008 (prepared by the "Expert RA" Rating Agency), the majority of regions (9 out of 11), with which the Company's activity is connected, are referred to the territories with moderate investment risks and in various investment potential, one of the regions (Lipetsk region) — to the regions with the minimal investment risks, and one of the regions (Tver region) — to the regions with high investment risks.

Regional risks in activity of the Company are generally connected with rejection of the part of economically proved charges declared by the Company for inclusion in the corresponding tariff by the authorized state tariff establishment bodies. Besides, under conditions of the economic crisis reduction of electric power consumption by large industrial enterprises of regions is possible. The given circumstance can have essential influence on realization of the scale investment program of the Company, and their probability is high under conditions of the crisis. In order to decrease influence of regional risks on realization of the investment program, the Company on a constant basis cooperates with the state bodies and other stakeholders. The Company performs as well measures on optimization of the investment program financing for the account of reduction of internal costs.

The risks connected with possible military conflicts, introduction of state of emergency and strikes in the country and regions in which the Company is registered as the tax bearer and/or carries out primary activity.

The probability of military conflicts and introductions of state of emergency in the country and in regions of presence of the Company is insignificant. In case of occurrence of possible military conflicts, the Company bears risks of its fixed assets decommissioning.

The risks connected with geographical features of the country and region, in which the Company is registered as the tax bearer and/or carries out primary activity, including the raised danger of acts of nature, the possible interruption of transport communication due to remoteness and/or inaccessibility, etc.

Geographic features of the region, in which the Company performs its activity, suppose risk of natural disasters within the autumn and winter period (AWP).

Financial risks

These risks are valued by the Company as medium. The Company implements complex of measures on preparing of the grid complex for autumn and winter period, each branch of the Company is certified for readiness to AWP. At the constant basis works on reduction of time period, which is necessary for operative rectification of consequences of natural disasters within autumn and winter period, are carried out.

In case of one or several risks listed below, IDGC of Centre, JSC will undertake all possible measures on minimization of negative consequences. To neutralize a part of risks possible measures on the Company's actions, following this or that risk described below, are developed. However, it is necessary to remark that preliminary development of appropriate measures, which correspond to the events, is handicapped by uncertainty of the situation development, and parameters of conducted measures will to the great extent depend on particularities of the situation in each certain case. IDGC of Centre, JSC cannot guarantee that actions directed to overcoming of arisen negative changes will be able to remedy the situation because described factors are beyond the control of the Company.

Risks connected with exchange rates change

Companies conducting foreign economic activity are subject to this risk. It reveals in the terms of shortage of receiving of provided income as a result of direct impact of change of foreign exchange used in foreign economic transaction on expected cash flows from these transactions.

The Company sells serves carrying out settlements in rubles (currency of the Russian Federation) in the internal market of the Russian Federation, in this connection it is not subject to risks of exchange rate change. In this case it is necessary to underline that the Company can purchase products from foreign suppliers, value of services of which depends on currency fluctuation, when performing investment activity. In this connection it can be said that exchange risk is minimal for the Company.

Risks connected with interest rate change

Taking into account absence of definiteness in understanding of terms of attainment of "the bottom" and terms of end of the financial crisis interest rate change is estimated by the Company as medium.

For the purposes of leveling of credit interest rate growth risk the Company performs work on interaction with credit organizations, which deal with the budgetary funds (state, constituent entities of the Federation, municipal) as well as with the international financial organizations.

In this case the Company, being the entity of own monopoly, performs selection of financial organizations for rendering of services by means of open one-stage contest or open auction in accordance with the procedures established by the law of the Russian Federation (the Federal Law No. 135-FZ dated 26.07.2006 "On competitiveness protection", the Federal Law No. 94-ФЗ dated 21.07.2005 "On placement of orders for goods supplies, work performance, service rendering for state and municipal needs"). In compliance with the part 4.1 of the Article 9 of the Law on placement of orders, price of the state order or municipal contract is fixed and cannot change in the course of its fulfillment. Thus, the risk of interest rate change on valid credit contracts decreases.

Risks connected with inflation influence

Change of consumer prices index has certain influence on the profitability level of IDGC of Centre, JSC and as the consequence on financial situation and possibility of fulfillment of obligations, however, this influence is not the direct dependence factor.

Notwithstanding that IDGC of Centre, JSC saved activity profitability even at considerable increase if consumer prices level, there are no firm guarantees that possible increase or decrease of consumer prices will result in fall of profitability level of IDGC of Centre, JSC in future. It is impossible to forecast critical inflation level of IDGC of Centre, JSC, because except consumer prices level it is necessary to take into account change of actual ruble purchasing power, conjuncture in the regional sales markets and the further policy of the state in relation to tariffs for electric power transmission.

Influence of financial risks on financial statements indicators

Change of prices on electric power transmission will impact on the volume of sales income of the Company and essentially influence on the net profit of the Company.

Inflation processes resulting in appreciation of materials and raw materials used in production can essentially influence on balance currency increase taking into consideration growth of accounts receivable and devaluation of accounts payable.

Also inflation processes in the economy of the Russian Federation can essentially influence on the net profit of the Company in connection with that opportunities of IDGC of Centre, JSC relating to increase of prices on electric power transmission are limited by the annual state regulation, that is they cannot be changed by the Company depending on inflation rate changes, and at the same time the Company's expenses expressed primarily in rubles are changes in accordance with inflation rates.

The Company implements a series of measures intended to decrease of consequences of influence of inflation processes on the activity:

- increase of operating efficiency by means of reduction of production costs;
- performance of works on increase of stake of long-term service contracts for electric power transmission in the total volume of concluded contracts;
- implementation of weighed financial policy.

Political and economic risks

In accordance with the changes of political and economic conjuncture and for the purposes of improvement of bank, judicial, tax, administrative and legislative systems the Government of the Russian Federation performs a series of consequent reforms intended to stabilization of the contemporary Russian economy and its integration to the world system. During the process of reforming of business and legislative infrastructure the risks, such as low liquidity level in the long-term crediting and investment markets as well as inflation level exceeding inflation of the developed countries.

Risks connected with development of crisis signs in the world economy

The world economy is in the state of the global economic crisis accompanied by reduction of consumption, investments as a result recession of industrial

production. Financial and economic situation in the world reflected to the great extent at the economy of the Russian Federation.

At the same time under conditions of increasing crisis signs in the world economy there are no guarantees that measures undertaken by the leading economies of the world will allow to compensate negative development of the events. Thus, there is a threat of the further aggravation of the situation, including bankruptcy of significant entities of economic relations, growth of unemployment and social tension, either in developed so in developing countries.

Up to now it is probability of the Company's financial risks. Remaining or aggravation of unfavorable conditions in the world financial markets can influence negatively on capability of IDGC of Centre, JSC to attract new loans and refinance the current part of the debt under former conditions. General decrease of liquidity level typical for the current market situation can affect solvency of counterparts and their capacity to ensure timely redemption of debts before the Company. Uncertainty of development of the situation the capital markets can require to review forecasts of the Company in relation to future money flows and reserves for devaluation of financial and non-financial assets.

Under the current conditions IDGC of Centre, JSC undertakes necessary measures on ensuring of stable activity development, including but not limiting:

- reduction of volumes and forming of the investment program with maximum positive combined effectiveness and complying with the requirements related to reliability and quality;
- working out of the item relating to possibility of listing of system forming enterprises;
- conclusion of agreement with credit institution relating to saving of risk limits for the company, this implies their obligations on debt refinancing.

IDGC of Centre, JSC developed strategic model of activity planning under conditions of the global economic crisis, which takes into account different scenarios of development of raw material and finance markets, and in the opinion of the management of IDGC of Centre, JSC, will allow adequately react to possible aggravation of the situation. In this case taking into account high uncertainty in relation to the further development of crisis signs there are no absolute guarantees that implementation of this strategy make possible to achieve desired results.

Legal risks

Legal risks, in particular, those related to ambiguous interpretation of norms of the tax legislation, may result in incorrect assessment and payment of taxes whereby punitive sanctions may be enforced by tax bodies. Actions are being taken to lawfully improve the methodology of calculation of the tax base with regard to various taxes with monitoring of their compliance with the applicable law on an ongoing basis to reduce such risks.

Besides, there are risks of the losses resulting from amendments to legislation or incorrect legal execution of documents and legal support of the Company's business. Practically all operations of the Company undergo prior legal examination to minimize such risks.

The Company (like all other joint-stock companies operating within the territory of the Russian Federation) faces the risk of amendments to legislation (federal laws and by-law statutory acts) regulating joint-stock and corporate mutual relations.

The Company is exposed to the risks of major transactions and interested-party transactions being contested by shareholders (if such transactions are entered into without due prior approval by the Board of Directors or the General Meeting of Shareholders or approved inappropriately).

For minimization of such risks compulsory legal review of transactions to be entered into is carried out to determine whether prior corporate procedures are required as prescribed by the applicable law and/or the Articles of Association. The relevant transactions are referred to the appropriate management bodies of the Company if necessary.

For minimization of the risks related to the mutual relations with shareholders of the companies affiliated with the Company, the last carries out a complex of measures to ensure informational interaction with shareholders and full respect of the lawful rights and interests of the latter (disclosure of information in compliance with the procedure prescribed by regulations, regular meetings of the management of the companies with shareholders aimed primarily at the clarification of the urgent issues of current activity; compliance with the corporate procedures and internal regulatory documents.

Considering that the Company does not carry out and does not plan to carry out the activity outside the Russian Federation, there are no legal risks connected with activity of the Company on the foreign markets.

The risks connected with change of the currency regulation

The risks connected with change of the currency legislation actually cannot affect

activity of the Company as the Company does not plan to carry out the activity outside the Russian Federation, and volume of currency transactions is insignificant and is not able essentially influence on the Company's activity.

The risks connected with change of tax legislation

Now tax legal relationships in the Russian Federation are regulated by the Tax Code of the Russian Federation, a number of the federal laws adopted pursuant thereto, the laws of entities of the Russian Federation, and also regulations of local government bodies. The system of lawfully imposed taxes and dues includes, in particular, the value-added tax, the income tax, the property tax, the unified social tax and other statutory payments. The existing regulations are quite often ambiguous or use terms without a clear-cut legal definition. Also official interpretations of the tax legislation by the Ministry of Finance of the Russian Federation and the Federal Tax Service of the Russian Federation are not always available to fill these gaps.

It is taking into account as well that formation of rules and mechanisms of preparation and granting of the tax reporting together with other elements of the system of regulation of tax legal relations are in the competence, first of all, of the tax bodies having the right to make additional tax charges and tax collections charges, to charge the sums of fines, to impose significant penalties resulting in significant increase of tax risks.

The management of the Company thinks that the Company in full observes the tax laws concerning its activity that, nevertheless, does not eliminate potential risks of its bringing to the tax responsibility in case of changes in the state fiscal policy concerning separate taxes and tax collections, and also change (not in favor of the tax bearer) of judiciary practice on separate categories of tax affairs. In connection with foregoing this risk is estimated as insignificant.

In case of amending the operating order and conditions of the taxation, the Company is going to plan the financial and economic activity in view of these changes.

The risks connected with change of rules of the customs control and duties

Change of rules of the customs control and duties does not bear any risks since the Company does not carry out and does not plan to carry out export of services outside the limits of the Russian Federation.

The risks connected with change of requirements to licensing of primary activity of the Company or licensing of rights to use objects, which availability in its turn is limited (including natural resources)

Possible change of requirements on licensing the primary activity of the Company can lead to increase in the term of preparation of the documents necessary for reception or prolongation of validity of the license, and also necessity of conformity of the Company with the requirements set forth. However, as a whole, it is necessary to consider the given risk as insignificant, except for those cases when for reception or prolongations of the license or for realization of the activity which is subject to licensing will be stipulated requirements which cannot be met by the Company, or conformity which will be connected with excessive expenses.

In case of change of requirements on licensing activity of the Company or licensing of rights to use of facilities which circulation is limited, the Company will take necessary measures for reception of the corresponding licenses and sanctions.

The risks connected with change of judiciary practice on the issues connected with activity of the Company (including concerning licensing) which can negatively affect results of its activity, and also results of the current litigations in which the Company participates

The possibility of change of the judiciary practice connected with activity of the Company (including concerning licensing) is considered as insignificant and will not have essential influence on its activity.

In case of amending the judiciary practice concerning the issues connected with activity of the Company, the latter is going to plan its financial and economic activity in view of these changes.

The risks connected with activity of the Company

Below are the risks peculiar exclusively for the Company.

The risks connected with the current litigations in which the Company participates.

At the moment, there are no large proceedings initiated by the Company and/or against the Company. In this connection, the Company does not run the risk concerning participation in the current litigations.

The risks connected with absence of an opportunity to prolong terms of the license of the Company on conducting a certain kind of activity or on use of objects, the availability of which in its turn is limited (including natural resources).

After completion of reorganization of the Company in the form of its DGC consolidation with the Company, included in the Company's configuration, and obtaining of the status of the operational company the Company performed procedures on acquisition of a series of licenses, which belonged to RGC previously. The risks connected with non-receipt of the licenses necessary for operational activity of the Company are estimated as insignificant by the Company.

The risk connected with the possible responsibility of the Company under debts of the third parties, including subsidiaries of the Company is estimated as insignificant by the Company in connection of absence of the Company's corresponding obligations before the third persons.

The risk connected with an opportunity of loss of consumers, the turnover with which is at least 10 percent of the total receipt of products (works, services) the Company is estimated as insignificant by the Company in connection of absence of such consumers.

The risks connected with the possible juridical procedures as a result of non-fulfillment of obligations by the third persons before the Company on the primary type of activity (technological connection and electric power transmission).

The risks connected with the possible juridical procedures as a result of non-fulfillment of obligations by the third persons before the Company on the primary type of activity (technological connection and electric power transmission) are possible in connection with the economic situation existing at present. In this case the Company makes necessary efforts (performs pre-trial settlement of disputes, conducts necessary negotiations) on minimization of these risks and dominating damage for the Company. In the Company's opinion these risks are insignificant at present.

There are no other risks connected with activity of the Company peculiar exclusively for the Company and which the Company considers necessary to be reflected in this report.

1971

- Single-rate.
- Absence of distant automatic reading.
- Mechanical display.
- High metering error.
- Exposure to tamper to operation of meters.

- Multiple-rate.
- Possibility of distant reading.
- Digital display of indications.
- Accuracy of indications.
- Calibration interval is 6–16 years.
- Accounting meter operation tamper-resistance.

2009



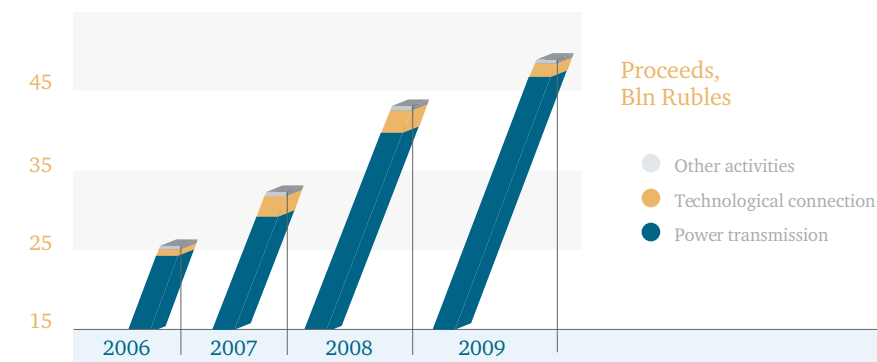
6. FINANCIAL RESULTS

Profit and Loss Statement

Company's profit in 2009 was 49.05 bln Rubles which is 13% higher than in 2008. On the one hand, the Company substantially raised the prices for its services in 2009 compared to 2008. Thus an average estimated transmission tariff was increased by 23.7%. At the same time the Company's profit growth has been considerably restricted due to a 6.2% reduction of the Company's productive supply compared to 2008.

Profit/ loss, aggregates

Bln Rubles	2006	2007	2008	2009	2007/2006	2008/2007	2009/2008
Proceeds	25.91	32.40	43.55	49.05	25%	34%	13%
Production cost	23.09	27.55	37.55	43.26	19%	36%	15%
Gross profit	2.83	4.85	6.00	5.80	71%	24%	-3%
Sales gross profit margin	10.9%	15.0%	13.8%	11.8%			
EBITDA	4.74	6.83	6.76	7.64	44%	-1%	13%
Net profit	1.32	1.98	0.87	1.33	50%	-56%	52%
Sales net profit margin	5.1%	6.1%	2.0%	2.7%			



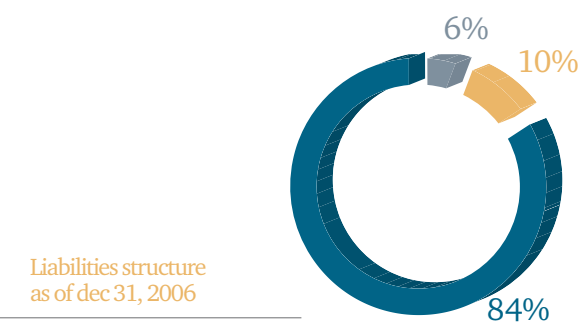
Automated measuring and information system for electric power fiscal accounting for household and small engine consumer facilities with intelligent microprocessor meters provides maximal accuracy of settlements of power engineers with consumers, allows to reduce commercial losses of electric power, as well as provides the opportunity to conduct steady monitoring of quality of power supply of consumers.

Capital structure

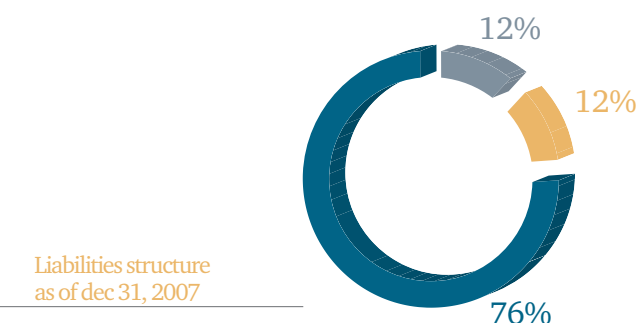
As of the end of 2009 the liability structure changed as follows:

- A share of the short-term liabilities reduced to 11.9%. Similar indicator as of the end of 2008 amounted to 19.4%. Such change in the liabilities structure resulted from repayment of debts (accounts payable) in the amount of 0.5 bln Rubles as well as changes in the Company's credit policy related to replacement of short-term borrowings with long-term credit borrowings (-3.5 bln Rubles).
- A share of long-term liabilities increased (20.6% as of December 31, 2009) mostly due to attraction of long-term loans for funding of the investment program and, to a lesser extent, as a result of the increase in deferred tax liabilities.
- An equity capital in absolute terms increased by 1.3 bln Rubles due to positive financial results of 2009, at that its share in the liability structure reduced from 68.7% as of 2008 to 67.5%.

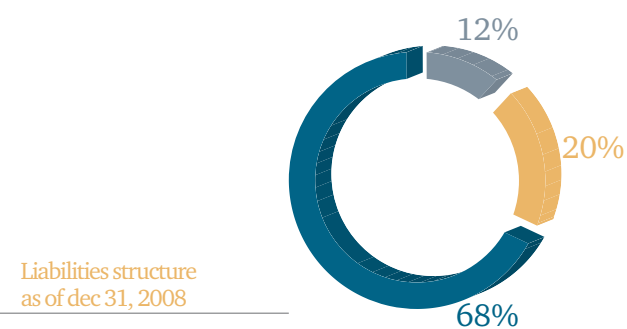
Index, bln Rubles	2006	2007	2008	2009	2007/2006	2008/2007	2009/2008
Equity capital	37.3	39.1	39.7	41.2	4.8%	1.5%	3.9%
Borrowed capital, incl.	7.4	12.1	18.4	19.8	63.5%	52.1%	7.7%
<i>Loans and borrowings</i>	3.4	6.5	9.381	11.126	91.2%	44.3%	18.6%
<i>Payables</i>	2.8	4.1	7.1	6.7	41.9%	72.7%	-6.1%
Borrowed capital share in the liabilities, %	17%	24%	32%	32%	41.2%	33.3%	1.4%
Cash funds as of the end of the period	0.11	0.38	0.07	0.37	245.5%	-81.2%	415.1%
Net debt	3.3	6.1	9.3	10.8	84.8%	52.5%	15.7%



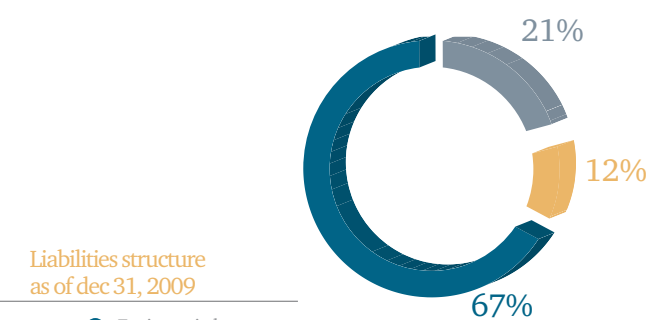
● Equity capital
● Long-term borrowed capital
● Short-term borrowed capital



● Equity capital
● Long-term borrowed capital
● Short-term borrowed capital



● Equity capital
● Long-term borrowed capital
● Short-term borrowed capital



● Equity capital
● Long-term borrowed capital
● Short-term borrowed capital

Basic ratios

Current assets of IDGC of Centre in 2009 decreased by 3.7% — from 7.831 to 7.539 bln Rubles. This insignificant reduction in the current assets was a result of decrease in the receivables.

A share of accounts receivable (both short-term and long-term) in the current assets decreased from 76.8% to 72.6%. In the reporting year the current receivables amount reduced by 0.539 bln Rubles as a result of measures taken to recover the accounts receivable.

Return on equity in the reporting year was 3.21%, this increase resulted from the Company’s net profit growth as compared to 2008.

Despite some breaches of payment discipline by a number of power sales companies, by the end of the reporting year IDGC of Centre fulfilled its obligations to suppliers and contractors in strict adherence to the contract terms. An overdue accounts payable as of the end of 2009 amounted to 0%.

2009 saw a general insignificant increase in the Company’s performance and profit indicators due to the gradual recovery of the economy of Russia and, in particular, the regions of the IDGC of Centre, JSC presence.

The Company’s performance indicators are represented in the table below.

Index	2006	2007	2008	2009	07/06	08/07	09/08
Current assets/ Short-term debt, bln rubles	1.23	1.25	0.69	1.04	1.63%	-44.46%	49.80%
Product profitability, %	8.72%	12.25%	10.84%	9.38%	—	—	—
ROE,%	3.52%	5.07%	2.20%	3.21%	—	—	—
Share of the borrowed funds in the liabilities, %	17%	24%	32%	32%	—	—	—
Receivables, bln rubles	3.946	4.866	6.013	5.474	23.31%	23.58%	-8.97%
Current assets, bln rubles	5.612	7.406	7.831	7.539	31.97%	5.73%	-3.73%
Share of receivable in the current assets, %	70.31%	65.70%	76.78%	72.61%	—	—	—

Information on Credit Ratings of IDGC of Centre



In 2008, according to National Rating Agency LLC IDGC of Centre, JSC received credit rating of A+ (high level of credit capacity, first level). This level of credit capacity means that the Company is capable of fulfilling its debt and loan obligations without losing its financial solvency and stability and has a low insolvency risk in case of increase of the debt burden with respect to the existing liabilities. The A+ rating had been confirmed by a monitoring performed on September 8, 2009.

On November 16, 2009 S&P rated IDGC of Center as BB-/B/ruAA- — Stable forecast on the international scale, which means the Company is not exposed to any risks in the short-run, but it’s vulnerable to adverse changes in commercial, financial and economic conditions, with slight chance of the changes.

1970

Large volume of performance of height rising works without use of special vehicles.

Absence of personal protective equipment with high resistance to electric arc impact in the goods market.

Deficiency of specialized equipment for assembly works.

Provision of personnel with high-effective personal protective equipment.

Implementation of new forms of professional development.

Decrease of labor inputs.

Reduction of costs of repair and operation works.

Use of safe technologies in production.

2009

7. SOCIAL RESPONSIBILITY

Personnel

A main target of the personnel policy is to form a highly experienced professional team able to achieve the corporate objectives.

To reach this target the following tasks are being accomplished:

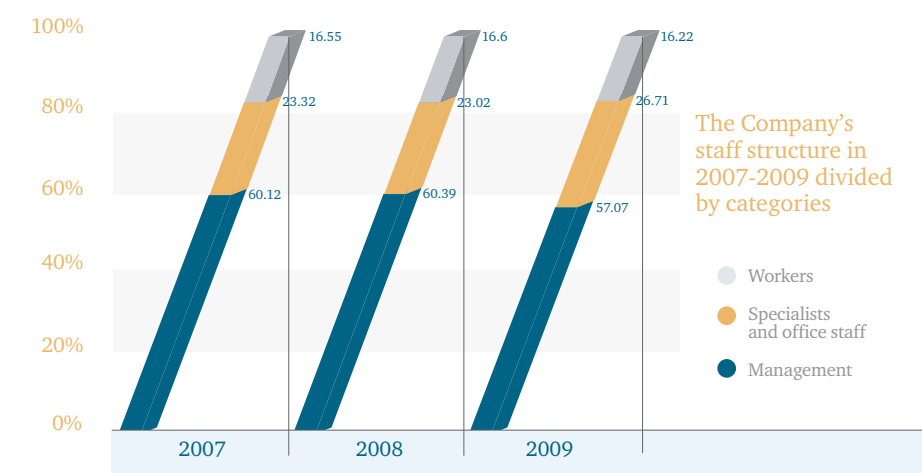
- Increase of professional qualification;
- improvement of personnel reserve development;
- strengthening personnel commitment;
- social support of the employees.

Staff structure

As of December 31, 2009 an average headcount of the Company amounted to 28,331 persons which is by 4,651 persons more than in 2008. The headcount increase resulted from undertaking of the following functions: electricity billing metering, setting up of the power transmission volumes, maintenance of means of billing metering and technical record-keeping as well as functions of capital construction, logistics, HR recordkeeping, legal support, property management, corporate events maintenance and office administration.

The diagram shows the Company's staff structure in 2007—2009 divided by categories.

In 2009, compared to 2008, a number of specialists and office staff increased 1.16 times (or by 3.1%) whereas a workers' number decreased by 0.94 times (or 5.6%).



Provision of personnel with necessary protective equipment, overall, instruments and devices, personnel development and control over observance of labor protection rules (LP) are important directions of work intended to prevention of industrial injuries and improvement of labor protection management system.

On the whole, a percentage of the fluctuations in the staff categories in 2007-2009 was not significant proving stability of the existing staff system at the Company.

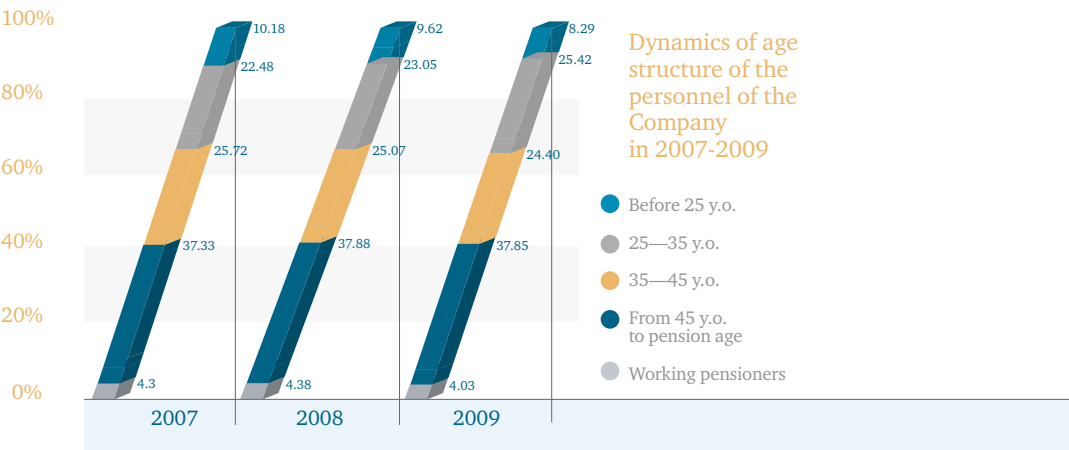
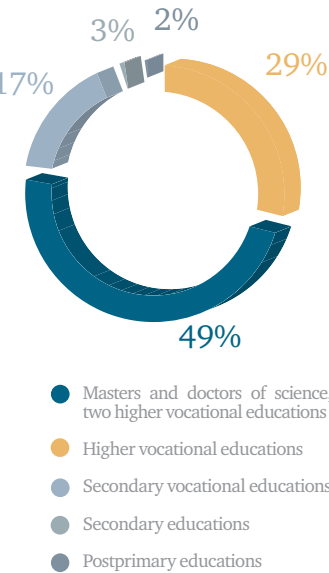
Changes in the Company staff age structure show a trend towards its rejuvenation, mainly due to increase of the 25–35 group by 1,743 persons compared to 2008. A number of employees in the rest of the groups changed insignificantly. An average age of the Company staff in 2009 was less than 41 y.o. (40.8 y.o.). A group of employees from 45 y.o. to the pension age amounting to 37.8% makes the major part of the Company staff in age terms.

An aggregate percentage of the staff aged under 25 and from 25 to 35 y.o. increased 1.03 times in 2009 compared to 2008. Young professionals have been attracted and kept through the favorable labor conditions and various social programmes. A total share of working pensioners in the Company reduced by 0.4% which proves a steady rejuvenation of the Company staff.

According to changes in qualification structure of the Company staff in 2008-2009 a number of the employees with secondary education decreased by more than two times (thus in 2008 this category was 34.5% against 17.0% in 2009) whereas the shares of the employees with secondary and higher vocational education increased by 13.5% and 2.97% respectively; number of masters and doctors of science and the employees with two or more higher educations increased by 0.8% as compared to 2008.

As of December 31, 2009 the Company staff has high qualification in general: 41 employees are masters and doctors of science, 472 have two higher educations, 8,363 have higher vocational education, 13,838 — secondary vocational education, 4,824 — secondary education.

Qualification structure of the personnel of the Company in 2009



Personnel training, personnel reserve

Securing competency and development of personnel represents an integral part of the policy in the field of professional development and personnel qualification improvement.

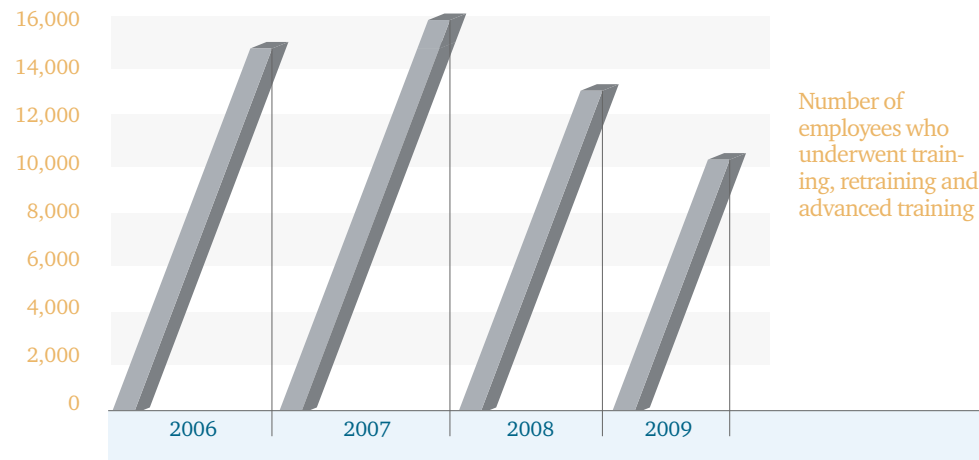
Comprehensive system of personnel training is aimed at:

- timely improvement of personnel qualification;
- performance enhancement of personnel;
- personnel reserve development;
- increasing personnel motivation;
- strengthening of personnel loyalty towards the Company;
- growth of the Company's appeal as employer.

All categories of personnel take part in the process of training which includes:

- Personnel training and development is a systematic and continuous process which includes identification of demand for training, planning and budgeting, organisation of education and control of efficiency thereof.
- Training is formed in accordance with the specific character of the Company's business processes. Programmes of personnel training are planned in terms of practical activities of personnel (based on production need).

The chart below shows the number of employees of the Company who underwent training, retraining and advanced training.



Energy industry has special requirements to qualification of personnel. Thus, the Company provides for continuous training, retraining and advanced training of its employees.

The Company pays special attention both to compulsory form of personnel management established in accordance with the applicable laws of the Russian Federation and the Regulations for Personnel Management for power sector organisations, and training of management and specialists being part of personnel reserve. Thus, in 2009 the Company organised training activities under special programmes “Development of leadership and managerial skills of thermal power plants’ management” The abovementioned seminars in the form of business role play simulate for the participants problems which need to be solved in the best possible way. Training and advanced training of personnel being part of the personnel reserve contributes to prompt preparation of active managers, capable of ensuring steady operation of the Company.

Furthermore, the Company’s personnel underwent training at specially organised short-term seminars and courses and took an active part in expositions dedicated to various branches of the electric energy sector.

10,344 of the Company’s employees have undergone the above described training in 2009, which makes up 40.3% of the average staff headcount of the Company. Over 80% of the Company’s employees took part in training activities including personnel which underwent pre-examination training in relevant rules and guidelines.

In 2009 the work on the personnel reserve for executive positions at IDGC of Centre JSC was continued. Performance of personnel reserve assigned to executive positions was 75%. Individual professional development plan has been established as part of the personnel reserve training. 2,749 people became part of the personnel reserve as of December 31, 2009.

Concept of work with young people of IDGC of Centre JSC

For the purpose of development of the uniform personnel management system of the operational company and improvement of forms and methods of work with young people Guidelines on Work with Young People No. 27-CA were established and put into effect in IDGC of Centre JSC on February 16, 2009.

Primary objectives of work with young people are as follows:

- Engaging of the most gifted, talented and ambitious graduates of higher edu-

cational institutions, specialised secondary educational institutions/ non-state professional educational institutions;

- Acceleration of the process of production adaptation of young specialists;
- Retention of young employees using individual approach to each young specialist aimed at the best use and development of creative, innovative and scientific potential;
- Active participation of graduates in solution of the Company’s re-equipment problems;
- Contribution to the professional growth of young employees;
- Development of their professional training.

On April 10, 2009 the Company faced establishment of Councils for Work with Young Employees in branches thereof. In 2009 the councils held cultural, sports, information and social events including 1 Youth Forum, campaign for promotion of healthy lifestyle in advance of the World No Tobacco Day “Leave off smoking!”, trainings for young specialists “My future — my prospects”, special campaign for collection of charitable contributions for “Chukhloma Orphan Asylum” Regional government department.

In 2009 the Company carried on cooperation with over 60 educational institutions of higher, secondary and elementary education specialised in the primary activities of the Company. Such cooperation was based on taking measures under signed agreements on cooperation in the field of target training, retraining and advanced training of specialists.

Social Policy

Social policy of IDGC of Centre, JSC is realized though development of social partnership system thus creating a possibility to reach balance of interests between employees and employers based on cooperation and compromise and leading to social consensus. Social partnership serves as an effective instrument for combining economic benefit and social justice.

The Unified Shop-floor Union Organisation of IDGC of Centre, JSC that unites 11 shop-floor union organisations of Company’s subsidiaries represents interests of employees of IDGC of Centre, JSC.

The Social Policy of Company is implemented in accordance with applicable

laws subject to securing of additional social guaranties provided by IDGC of Centre Collective Agreement for 2009–2011 years.

Company’s employee is provided with a social package by means of the following social programs:

- non-state pension coverage for employees;
- voluntary health insurance;
- assistance in improvement to dwelling;
- personnel awarding;
- improving health status of employees and their relatives;
- carrying out holiday corporate events and contests.

Management of health protection of personnel and improving labor safety

One of major priority in Personnel policy of IDGC of Centre, JCS is priority of occupational health and personal safety.

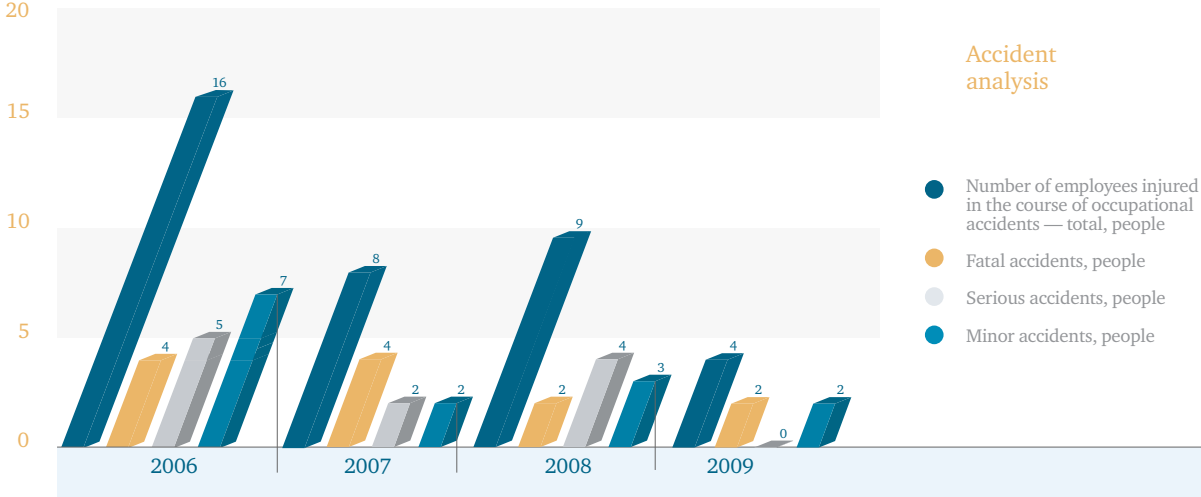
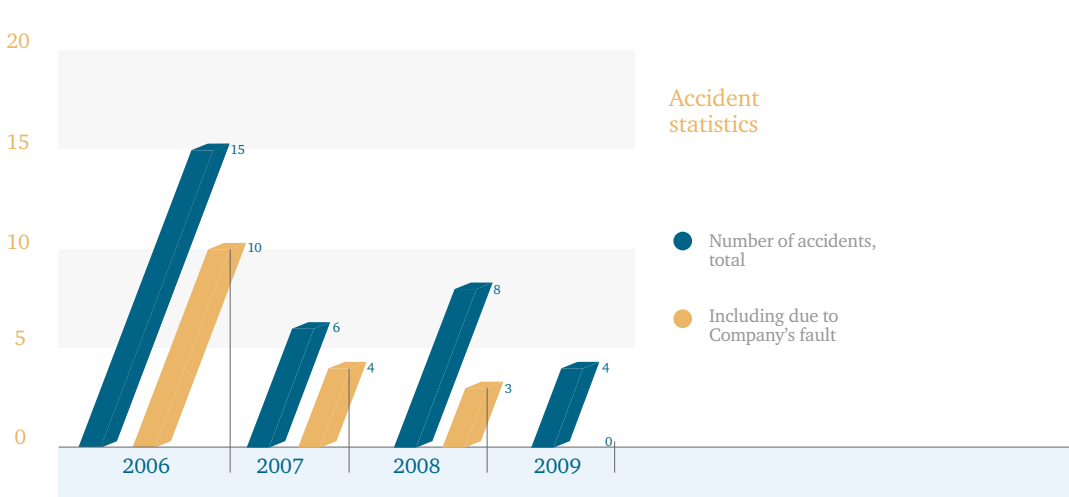
For the purpose of compliance with requirements of current labor law and according the Regulation “On Labor Safety Management System of IDGC of Centre JSC” the Company carries out medical examination of personnel. The Company also keeps records on personnel engaged in harmful, hazard-

ous and arduous working conditions. Records are maintained based on the results of assessment of work places on working conditions. In accordance with labor law and Collective Agreement such categories of employees are provided with additional compensations (additional leaves, free issue of milk and other equal foodstuff according to established norms).

In accordance with Rules No. 49 “On Personnel Relations in Organisations of Electric Power Industry of the Russian Federation”, approved by the Order of the Ministry of Fuel and Energy of Russia on February 19, 2000 all persons employed to positions with harmful and hazardous working conditions are trained for safe methods and procedures of work. Employees take regular training programmes on labor safety for special categories of workers, pass tests on knowledge of labor protection requirements.

The system of psycho-physiological assurance of reliability and safety of occupational activity and personnel health maintenance is implemented in the Company. In 2009 Department of Recruitment, Development and Training of Personnel carried psycho-physiological diagnostics of candidates upon employment (transfer).

Analysis of accidents in 2006-2009 demonstrates considerable decrease in number of job-related accidents and injured persons up to 2009 year. There were no fatal accidents due to Company’s fault in 2009.



Environmental policy

In 2009, for the purpose of improving the environmental safety and investment appeal by means of providing reliable and environmentally safe transmission and distribution of electric power, integrated approach to usage of natural resources, IDGC of Centre implemented the “Environmental policy” adopted in 2008 and “The Programme of implementation of the environmental policy for 2008-2010” defining main actions on protection of the environment from the negative influence of operating activities:

• “Air Protection”:

Survey of the emission sources and development of draft standards for maximum allowable emission limits, monitoring of vehicle exhaust gases toxicity, maintenance or replacement of fuel systems of vehicles; organisation of control of compliance with the standards of maximum allowable emission limits, land improvement and planting.

• “Water Protection and Sustainable Use”:

laboratory analysis of microbiological, radiological and chemical parameters of ground waste water and discharge water, complex treatment of sewage wells and systems, monitoring of observance of maximum allowable concentration of harmful waste water impurities, regular water sampling from artesian boreholes, determination of places for car washing.

• “Land Protection and Sustainable Use”:

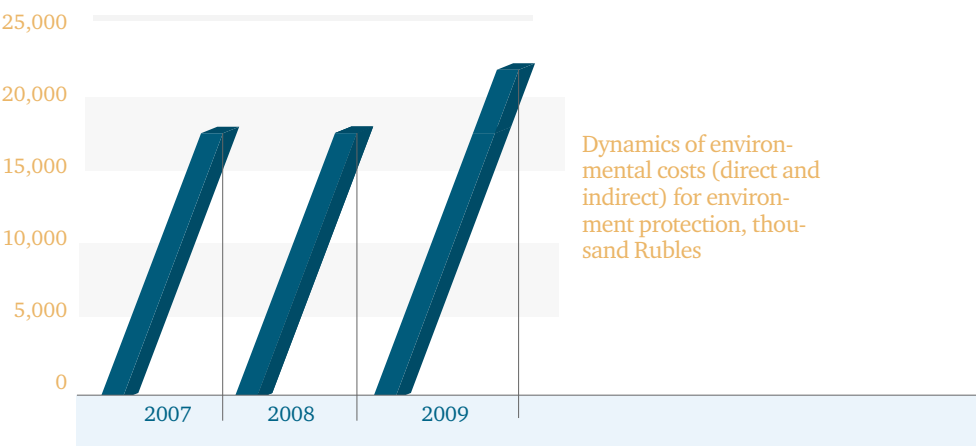
primary recording of waste generation and management; regular monitoring of accumulation and temporary storage of extra-hazardous wastes, i.e. used mercury lamps; production waste recovery, delivery of production waste (entry into delivery

contracts) to special organisations for further recycling or disposal thereof; determination of waste disposal limits; making arrangements for improvement of industrial sites to be used for temporary storage (accumulation) of waste.

• “Engineering actions”:

Actions on operation and maintenance of equipment at substations, including replacement of oil-filled switches by vacuum, maintenance of oil headers of transformers, drain systems, replacement of oil-filled bushings of transformers by solid insulation bushings, and retirement of worn out automotive equipment and acquisition of the new one.

In 2009 242 oil-filled switches were replaced which made it possible to reduce the environmental risk by 1% as compared with its level in 2008.



CONTACTS

Full business name	Interregional Distribution Grid Company of Centre, Open Joint-Stock Company
Brief business name	IDGC of Centre, JSC
Location and mailing address	4/2, Glukharev Lane, Moscow, 129090
Single hotline for shareholders and customers of the Company	8-800-50-50-115
Contact telephone numbers	Contact Centre: +7 495 747 9292 Fax: +7 495 747 9295
E-mail	posta@mrsk-1.ru
Web	www.mrsk-1.ru
Shareholders and investors relations	Yevgeny Ochkasov, Head of Shareholders and Investors Relations Department Tel. +7 495 747 9292 E-mail: www.mrsk-1.ru
Bank details	Taxpayer Identification Number (INN) / Tax Registration Reason Code (KPP): 6901067107 / 770801001 Settlement account: 40702810000000019885 in Commercial Bank ROSBANK OJSC Bank Identification Code: 044525256 Correspondent account: 30101810000000000256 or Settlement account 407028103000000004749 in Gazprombank (Open Joint-Stock Company) Bank Identification Code: 044525823 Correspondent account: 301018102000000000823

GLOSSARY

EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation; indicator showing the profit of the company before income taxes, interest accrued on loans and depreciation are deducted
Free float	A portion of tradable shares of the Company, that is, shares not held by controlling or strategic shareholders
RAB (Regulatory Asset Base)	Method of return on investment. The basic principle of the method is ensuring return of funds invested into the Company assets during a specified period and receipt of standardised income
ROE*	Return on equity — net income of the company expressed as a percentage to the equity capital
AISEBM*	Automated Information System of Electricity Billing Metering
ADS*	Automated Dispatching System
ASEBM	Automated System of Electricity Billing Metering
BP	Business Processes
OTL	Overhead transmission lines
HV	High voltage (over 110 kV)
EGMS*	Extraordinary General Meeting of Shareholders
AGMS*	Annual General Meeting of Shareholders
(SDC)	Subsidiaries and dependent companies, that is corporate persons in which the Company has more than 20% of voting shares, is entitled to determine decisions made by such corporate person due to either having prevailing interest in its authorised capital or under a contract or by any other right

CF	Cash Flow
UNEG	Unified National (All-Russian) Electric Grid
ISG	Indoor Switchgear
ITS	Indoor Transformer Substation
IP	Investment programme
CI	Capital Investments
Company	IDGC of Centre, JSC
KPI	Key performance indicator
Switchgear and control gear	Switchgear and control gear
Outdoor switchgear and control gear *	Outdoor switchgear and control gear
SF6 insulation switchgear and control gear	SF6 insulation switchgear and control gear
TL	Transmission line
mIn kWh	Million Kilowatts per Hour
MICEX	Moscow Interbank Currency Exchange
MUE*	Municipal unitary enterprise
MRR*	Minimum regulated revenue
LV	Low voltage
R&D	Research and development

Company	IDGC of Centre, JSC
Isolating switch, short-circuitor	Isolating switch, short-circuitor
ODU	Heat deficit period
Outdoor switchgear	Outdoor switchgear
FA	Fixed assets
ECA	Emergency Control Automatics
conversion and distribution substation	conversion and distribution substation
Rules for Electrical Equipment Installation	Rules for Electrical Equipment Installation
RPAE*	Relay Protection and Automatic Equipment
Single-phase earthing reactor with smooth regulation, arc-suppression coil	single-phase earthing reactor with smooth regulation, arc-suppression coil
NP “Russian Directors Institute”	Non-profit Partnership “Russian Directors Institute”
DP	Distribution point
DGC	Distribution Grid Company
RTS	Regional Tariff Service
RTS	Russian Trading System Stock Exchange
REC	Regional Energy Commission
DZ	Distribution zone

MV-1	medium voltage (35 kW)
MV-2	medium voltage (10 kW)
CT	Current transformer
Oil-immersed forced-air-cooled, on-load tap-changing three-phase transformer	oil-immersed forced-air-cooled, on-load tap-changing three-phase transformer
VT	Voltage transformer
TSS	Transformer substation
TU&R	Technical upgrading and rehabilitation
TGO*	Territorial grid organisation
Federal Law /FZ*	Federal Law
Salary fund	Salary fund
Federal Grid Company	Federal Grid Company
RF Federal Tariff Service	Federal Tariff Service of the Russian Federation
CSC*	Customer service centre
Key BPM	Key BPM (Business Process Management)
CBP*	Central distribution point
NCC	Network Control Centre
Fire cabinets	Fire cabinets

Appendix 1

Annex to the order of
Ministry of Finance of
the Russian Federation
N 67 n dated 22.07.03

BALANCE SHEET

Under the internal standard of Open Society “Holding IDGC “
as of December 31, 2009

Organisation IDGC of Centre, JSC

Id. tax payer number
Type of activity electric power transmission
Management of financial and industrial groups

Business legal structure / Form of ownership JSC

Measurement unit thousand Rubles
Location (Address)

Form No. 1 according to All-Russian Classifier of Management Documentation	CODES
Date (year, month, day according to All-Russian Classifier of Businesses and Organisations	710 001
Id. tax-payer number according to All-Russian Classifier of Economic Activities according to All-Russian Classifier of Legal Structures of Businesses / All-Russian Classifier of Forms of Ownership	2009.12.31
	75720657
	6901067107
	40.10.2 74.15
	47/16
	384

ASSETS	Note	Code	For the beginning of the reporting year	For the end of the reporting period
1	A	Date of mailing / receipt	3	4
I. NON-CURRENT ASSETS				
Intangible assets		110	44,782	35,678
including:				
rights for patents, programs, trade marks (service trademarks)				
other analogous to the listed rights and assets		111	8,334	35,678
goodwill		112	—	—

ASSETS	Note	Code	For the beginning of the reporting year	For the end of the reporting period
1	A	2	3	4
other type of intangible assets		113	36,448	—
R&D results		114	—	—
Fixed assets		120	45,220,975	49,105,074
including:				
land plots and environmental facilities		121	88,424	104,588
buildings, machinery and equipment, constructions		122	44,678,167	48,527,724
other types of fixed assets		123	454,384	472,762
Construction in progress		130	3,987,074	2,860,952
including:				
equipment for installation		13001	322,566	375,558
investments in non-current assets		13002	3,664,508	2,485,394
Profitable investments in tangible assets		135	—	—
including:				
property for leasing		136	—	—
property on tenancy contract basis		137	—	—
Long-term financial investments		140	49,626	145,551
including:				
investments in subsidiaries		141	15,355	15,355
investments in affiliates		142	—	—
investments in other companies		143	34,271	130,196
loans granted to companies for more than 12 months period		144	—	—
other long-term financial investments		145	—	—
Deferred tax assets		148	108,328	136,000
Other non-current assets		150	833,109	1,227,590
TOTAL for the section I		190	50,243,894	53,510,845
II. CURRENT ASSETS				
Supply		210	1,692,269	1,639,282

ASSETS	Note	Code	For the beginning of the reporting year	For the end of the reporting period
1	A	2	3	4
including:				
raw material, materials and other analogous values		211	1,504,261	1,500,610
rears and fatteners		212	—	—
construction in progress costs		213	—	—
finished products and goods for resale		214	16,956	1,804
shipped goods		215	—	—
deferred expenses		216	171,052	136,868
other supplies and expenses		217	—	—
Value added tax according to purchased valuables		220	51,448	54,789
Accounts receivable (payments on which are expected more than within 12 months after accounting date)		230	68,623	62,913
including:				
buyers and customers		231	694	1,055
bills receivable		232	—	—
debts of subsidiaries and affiliates		233	—	—
prepaid expenses		234	—	—
other accounts receivable		235	67,929	61,858
among them:				
bills		23501	—	—
Accounts receivable (payments on which are expected within 12 months after accounting date)		240	5,945,024	5,411,376
including:				
buyers and customers		241	4,110,988	4,148,278
bills receivable		242	1,000	—
debts of subsidiaries and affiliates		243	—	—
debts of participators (founders) according to contributions in the authorized capital		244	—	—

ASSETS	Note	Code	For the beginning of the reporting year	For the end of the reporting period
1	A	2	3	4
prepaid expenses		245	909,048	384,342
including:				
to supplies of materials		24501	20,595	13,154
to building organizations		24502	384,797	28,055
to repair organizations		24503	22,232	2,968
to service providers		24504	275,128	221,855
other prepaid expenses		24505	206,296	118,310
other accounts receivable		246	923,988	878,756
among them:				
according to interest fines, penalties, forfeits under contracts		24,601	77,839	13,472
excess payment of taxes in Federal budget		24602	50,677	12,370
excess payment of taxes in budgets of constituent entities of the RF		24603	39,590	70,361
excess payment of taxes in local budgets		24604	2,103	512
excess payment in governmental extra-budgetary funds		24605	954	10,380
settlements for share acquisition		24606	—	—
bills		24607	—	—
other accounts receivable		24608	752,825	771,661
Short-term financial investments		250	—	—
including:				
loans granted to organizations for less than 12 months period		251	—	—
other short-term financial investments		252	—	—
Monetary funds		260	71,459	368,104
including:				
cashier's desk		261	—	—
settlement accounts		262	66,390	363,395

ASSETS	Note	Code	For the beginning of the reporting year	For the end of the reporting period
1	A	2	3	4
foreign exchange accounts		263	—	—
other monetary funds		264	5,069	4,709
including:				
special accounts in banks		26401	5,069	4,609
monetary documents		26402	—	—
transfers in transit		26403	—	100
Other currents assets		270	2,698	2,766
Total for the section II		290	7,831,521	7,539,230
BALANCE		300	58,075,415	61,050,075
LIABILITIES	Note	Code	For the beginning of the reporting year	For the end of the reporting period
1	A	2	3	4
III. CAPITAL AND RESERVES				
Authorized capital		410	4,221,794	4,221,794
including:				
in preferred shares		41001	—	—
in ordinary shares		41002	4,221,794	4,221,794
Treasury shares repurchased from shareholders		415	—	—
Additional capital		420	33,269,936	33,269,936
Reserve capital		430	—	108,245
including:				
reserves formed according to the legislation		431	—	108,245
reserves formed according to constituent documents		432	—	—
Retained profit of past years		460	2,418,009	2,309,764
Uncovered loss of past years		465	—	—
Retained profit of the reporting period		470	—	1,324,777
Uncovered loss of the reporting period		475	—	—
TOTAL for the section III		490	39,909,739	41,234,516

LIABILITIES	Note	Code	For the beginning of the reporting year	For the end of the reporting period
1	A	2	3	4
IV. LONG-TERM LIABILITIES				
Loans and credits		510	5,470,683	10,726,250
including:				
bank credits subject to payment more than within 12 months after the reporting date		511	5,124,961	10,380,512
loans subject to payment more than within 12 months after the reporting date		512	345,722	345,738
Deferred tax liabilities		515	1,373,853	1,749,243
Other long-term liabilities		520	40,312	90,493
including:				
accounts payable of suppliers and contractors		521	9,585	9,585
accounts payable to social funds		522	—	—
including:				
Pension Fund of the Russian Federation		52201	—	—
Compulsory Medical Insurance Fund		52202	—	—
Social Insurance Fund		52203	—	—
according to interest fines and penalties of governmental and extra-budgetary funds		52204	—	—
Other long-term liabilities		523	30,727	80,908
TOTAL for the section IV		590	6,884,848	12,565,986
V. SHORT-TERM LIABILITIES				
Loans and credits		610	3,910,626	400,000
including:				
Bank credits subject to payment within 12 months after the reporting date		611	3,910,626	400,000
Loans subject to payment within 12 months after the reporting date		612	—	—
Accounts payable		620	7,076,212	6,594,607
including:				
suppliers and contractors		621	3,849,961	3,895,158

LIABILITIES	Note	Code	For the beginning of the reporting year	For the end of the reporting period
1	A	2	3	4
among them:				
to building organizations		62101	1,072,153	1,239,444
to repair organizations		62102	106,854	107,178
to other suppliers and contractors		62103	2,670,954	2,548,536
bills payable		622	—	—
debt to subsidiaries and affiliates		623	—	—
debt to personnel relating to labor payment		624	295,704	288,195
including:				
current		62401	295,704	288,195
overdue		62402	—	—
debt to governmental and extra-budgetary funds		625	93,584	45,320
including:				
Pension Fund of the Russian Federation		62501	71,590	34,961
Compulsory Medical Insurance Fund		62502	15,608	7,448
Social Insurance Fund		62503	6,386	2,881
according to interest fines and penalties of governmental extra-budgetary funds		62504	—	30
taxes and levies payable		626	436,324	593,578
current debt to the budget		62610	436,324	593,578
including:				
to the federal budget		62601	348,939	529,107
budgets of constituent entities of the Russian Federation		62602	78,019	52,803
to local budgets		62603	9,366	11,668
advances received		627	2,182,860	1,640,726
other creditors		628	217,779	131,630
Debts to participators (founders) according to income payment		630	30,069	15,975
Deferred income		640	43,928	50,732
Reserves of future expenses and payments		650	219,993	188,259

LIABILITIES	Note	Code	For the beginning of the reporting year	For the end of the reporting period
1	A	2	3	4
Other short-term liabilities		660	—	—
TOTAL for the section V		690	11,280,828	7,249,573
BALANCE		700	58,075,415	61,050,075
Statement of valuables charged on off-balance account				
ASSETS	Note	Code	For the beginning of the reporting year	For the end of the reporting period
1	A	2	3	4
Leased fixed assets		910	7,656,440	14,195,898
Including on leasing		911	4,549,147	4,089,685
Inventory items accepted to responsible storage		920	—	—
Materials accepted for processing		921	—	—
Goods accepted on commission		930	—	—
Equipments accepted for assembling		931	—	—
Indebtedness of insolvent debtors written-off to losses		940	1,218,562	1,131,601
Securities received for obligations and payments		950	—	500,882
Securities given for obligations and payments		960	3,456,610	3,164,660
Depreciation of fixed assets		970	3,540	3,827
Depreciation of land improvement facilities and other analogous facilities		980	1,348	1,579
Registered high-security forms		990	862	1,303
Leased-out fixed assets		991	34,680	34,680
Federally owned property		992	107,989	139,468
Intangible assets received for use		993	—	—
Property transferred to share capital for payment of acquired shares		994	—	—
Director				E.F. Makarov
Chief accountant				S.Yu. Puzenko
27.02.2010				

PROFIT AND LOSS STATEMENT				
for 12 months of 2009		Form No. 2 according to All-Russian Classifier of Management Documentation	CODES	
		Date (year, month, day)	710 001	
		according to All-Russian Classifier of Businesses and Organizations	2009.12.31	
Organisation IDGC of Centre, JSC			75720657	
Id. tax payer number		Id. tax-payer number	6901067107	
Type of activity electric power transmission		according to All-Russian Classifier of Economic Activities	40.10.2 74.15	
Management of financial and industrial groups		according to All-Russian Classifier of Legal Structures of Businesses / All-Russian Classifier of Forms of Ownership	47/16	
Business legal structure / Form of ownership		JSC	384	
Measurement unit thousand Rubles				
Name of indicator	Note	Line code	For the reporting period	For the same period of the previous year
1	A	2	3	4
Profits and expenses of ordinary activities				
Income (net) from sale of goods, products, works, services (minus Value added tax, excise tax and analogical compulsory payments)		010	49,053,276	35,659,578
income from electric power transportation		011	46,869,934	32,632,995
income from technical connections		012	1,646,694	2,502,421
services on functioning organisation and development of UES of Russia		018	—	—
electric power for retail companies		013	—	—
income from participation in other organizations		014	—	—
lease income		015	—	—
other goods, products, works, services of industrial nature		016	536,648	524,162
other goods, products, works, services of non-industrial nature repa		017	—	—

Name of indicator	Note	Line code	For the reporting period	For the same period of the previous year
1	A	2	3	4
Prime cost of sold goods, products, works, services including sold:		020	(43,257,087)	(30,243,722)
electric power transportation		021	(42,724,908)	(29,684,421)
technical connections		022	(365,441)	(275,966)
services on functioning organization and development of UES of Russia		028	—	—
electric power for retail companies		023	—	—
expenses from participation in other organizations		024	—	—
lease expenses		025	—	—
other goods, products, works, services of industrial nature		026	(166,738)	(283,335)
other goods, products, works, services of non-industrial nature		027	—	—
Gross profit		029	5,796,189	5,415,856
Commercial expenses		030	—	—
Management expenses		040	(1,192,683)	(595,732)
Profit (loss) from sale		050	4,603,506	4,820,24
Other profit and expenses				
Interest receivable		060	3,121	10,280
Interest payable		070	(1,228,391)	(555,889)
Profit from participation in other organisations		080	19	55
Miscellaneous income		090	1,562,218	1,457,414
Miscellaneous expenses		100	(2,545,766)	(2,079,233)
Profit (loss) before taxation		140	2,394,707	3,652,751
Deferred tax asset		141	29,223	(66,161)
Deferred tax liabilities		142	(380,226)	(290,487)
Current profit tax		143	(777,757)	(1,102,780)
Other analogous compulsory payments		144	58,830	(28,419)
Profit tax and other analogous compulsory payments		150	(1,069,930)	(1,487,847)

Name of indicator	Note	Line code	For the reporting period	For the same period of the previous year
1	A	2	3	4
Profit (loss) from ordinary activities		160	1,324,777	2,164,904
Net profit (undistributed profit (loss) of the reporting period)		190	1,324,777	2,164,904
REFERENCE				
Permanent tax liabilities (assets)		200	649,819	582,768
Basic earnings (loss) per share, in RUR		201	0,0314	0,0513
Deluted earnings (loss) per share, in RUR		202	—	0,0513
INTERPRETATION OF SEPARATE PROFITS AND LOSSES				
Penalties, interest fines and forfeits admitted or on which collection court (arbitration) decisions were taken				
Profit		210	17,992	11,337
Loss		211	8,485	8,108
Profit (loss) of past years				
Profit		220	77,688	18,703
Loss		221	232,664	60,298
Indemnity for losses incurred by failure to fulfill or improper fulfillment of obligations				
Profit		230	230,472	29,082
Loss		231	5,145	(28,607)
Rate differences on transactions in foreign exchange				
Profit		240	—	1
Loss		241	—	1
Allocations to valuation reserves				
Loss		250	1,005,046	540,242
Write-off of accounts receivable and payable, which validity has been expired				
Profit		260	20,134	46,077
Loss		261	25,695	23,907

Name of indicator	Note	Line code	For the reporting period	For the same period of the previous year
1	A	2	3	4
Interpretation of form No. 2 “Profit and loss statement” for 2009 according to the inner standard Holding IDGC, JSC				
			On shipped products	
Interest payable		07000	1,228,391	555,889
including:				
Interests on credits, loans		07001	1,228,391	555,889
Other interests payable (interests on bills, bonds etc.)		07002	—	—
Miscellaneous income		09000	1,562,218	1,457,414
including:				
From sale of fixed assets, except apartments		09001	59,866	46,272
From sale of apartments		09002	—	—
From sale of inventories		09003	33,429	34,573
From sale of foreign exchange		09004	—	—
From sale of fictitious assets		09005	—	—
From sale of securities		09006	—	139,100
From sale of other assets		09007	—	—
From the joint activity		09008	—	—
Profit 2008 elicited within the reporting period		09009	73,493	—
Profit 2007 elicited within the reporting period		09010	3,758	3,340
Profit 2006 elicited within the reporting period		09011	168	14,560
Profit before 01.01.2006, elicited within the accounting period		09012	269	803
Interest fines, penalties and forfeits, accepted or concerning which court decisions were received		09013	17,992	11,337
Accounts payable more than three years		09014	20,134	46,077
Rate differences		09015	—	1
Excess of property following the results of inventory		09016	321,282	531,694

Name of indicator	Note	Line code	For the reporting period	For the same period of the previous year
1	A	2	3	4
Donated assets, except fixed assets and fictitious assets		09017	1,556	2,058
Income from the donated assets determined in accordance with the established procedure		09018	4,847	3,648
Value of tangible assets remained from write-off in consequence of emergency useless for recovery and for further use of assets		09019	—	—
Miscellaneous income		09020	1,025,424	623,951
Miscellaneous expenses		10000	2,545,766	2,079,233
including:				
From sale of fixed assets, except apartments		10001	7,067	19,819
From sale of apartments		10002	—	—
From sale of inventories		10003	29,915	30,295
From sale of foreign exchange		10004	—	—
From sale of fictitious assets		10005	—	—
From sale of securities		10006	—	121,641
From sale of other assets		10007	—	—
Other taxes		10008	—	—
Bank services		10009	55,731	16,506
Securities costs		10010	1,352	3,939
Allowance for doubtful accounts		10011	816,787	320,249
Provision for impairment of financial investments		10012	—	—
Reserve provided for the value reduction of material valuables		10013	—	—
Reserve on discontinuing operation		10014	—	—
Reserve on other contingent liabilities		10015	188,259	219,993
Retirement of assets incomeless		10016	59,134	19,328
VAT on unpaid made over property		10017	—	—
Loss 2008 elicited within the reporting period		10018	221,907	—

Name of indicator	Note	Line code	For the reporting period	For the same period of the previous year
1	A	2	3	4
Loss 2007 elicited within the reporting period		10019	7,348	31,264
Loss 2006 elicited within the reporting period		10020	2,993	22,050
Loss before 01.01.2006 elicited within the reporting period		10021	416	6,984
Interest fines, penalties and forfeits, accepted or concerning which court decisions were received		10022	8,485	8,108
State duties under economic agreements		10023	—	13,319
Accounts receivable more than three years		10024	25,695	23,907
Rate differences		10025	—	1
Law expenses		10026	4,365	4,151
Embezzlements, deficiencies		10027	26	504
Costs on the enforcement		10028	245	13
Repayment value of the apartments of employees		10029	—	5,803
Expenses for carrying out of sports		10030	5,283	3,220
Expenses for carrying out of social activities		10031	11,892	7,614
Charitable contributions		10032	10	65,692
Value of lost inventory		10033	—	9
Losses from write-off in consequence of emergency		10034	—	—
Miscellaneous expenses		10035	1,098,856	1,134,824
Tax on profits and other analogous compulsory payments		15000	1,069,930	1,487,847
including: Provisional profits tax expense (income)				
Permanent tax liabilities		15010	478,941	876,660
Write-off of Deferred Tax Liability		15020	649,819	582,768
Write-off of Deferred Tax Asset		15030	(4,836)	(1,203)
Penalties of State Tax Inspection		15040	1,551	24,390
among them:		15050	31	834

Name of indicator	Note	Line code	For the reporting period	For the same period of the previous year
1	A	2	3	4
in respect of profit tax				
in respect of VAT		15051	—	376
in respect of property tax		15052	—	—
in respect of other taxes		15053	—	—
Interest fines of State Tax Inspection		15054	31	458
among them:		15060	7,920	175
in respect of profit tax				
in respect of VAT		15061	1,889	76
in respect of property tax		15062	5,933	14
in respect of property tax		15063	71	27
in respect of other taxes		15064	27	58
Penalties in the State non-budgetary funds		15070	—	—
among them:				
Pension Fund of the Russian Federation		15071	—	—
Social Insurance Fund		15072	—	—
Compulsory Medical Insurance Fund		15073	—	—
Interest fines in the State non-budgetary funds		15080	534	39
among them:				
Pension Fund of the Russian Federation		15081	521	13
Social Insurance Fund		15082	7	26
Compulsory Medical Insurance Fund		15083	6	—
Other compulsory payments		15090	(64,030)	4,184

Director E.F. Makarov

Chief accountant S.Yu. Puzenko

27.02.2010

STATEMENT OF CHANGES IN EQUITY

			Form No. 3 according to All-Russian Classifier of Management Documentation	CODES
for 2009			Date (year, month, day according to All-Russian Classifier of Businesses and Organizations)	710 001
				2009.12.31
Organisation IDGC of Centre, JSC			Id. tax-payer number according to All-Russian Classifier of Economic Activities according to All-Russian Classifier of Legal Structures of Businesses / All-Russian Classifier of Forms of Ownership	75720657
Id. tax payer number				6901067107
Type of activity electric power transmission				40.10.2 74.15
Management of financial and industrial groups				
Business legal structure / Form of ownership	JSC			47/16
Measurement unit thousand Rubles				384

Indicator	Code	Authorised Capital	Incremental Capital	Reserve capital	Retained Profit (Uncovered Loss)	Total
1	2	3	4	5	6	7
Balance as of December 31 of the year prior to the previous one	010	10,000	497	500	63,878	74,875
2008						
(previous year)						
Changes in accounting policy	011	x	x	x	—	—
Revaluation of fixed assets	012	x	—	x	—	—
Changes of accounting rules	013	x	—	x	—	—
Balance as of January 1 of the previous year	020	10,000	497	500	63,878	74,875
Foreign currency conversion result	023	x	—	x	x	—
Net profit	025	x	x	x	2,164,904	2,164,904
Dividends	026	x	x	x	—	—

Indicator	Code	Authorised Capital	Incremental Capital	Reserve capital	Retained Profit (Uncovered Loss)	Total
1	2	3	4	5	6	7
Provisions for reserve fund	030	x	x	—	—	—
Increase of capital value by means of	040	4,211,794	33,269,439	(500)	(63,878)	37,416,855
Additional share issue	041	—	x	x	x	—
increase of shares par value	042	—	x	x	x	—
corporate restructuring	043	4,211,794	x	x	(63,878)	4,147,916
other	044	—	33,269,439	(500)	—	33,268,939
						—
Reduction of capital value by means of	050	—	—	—	—	—
reduction of share par value	051	—	x	x	x	—
Reduction in the number of shares	052	—	x	x	x	—
corporate restructuring	053	—	x	x	—	—
other	054	—	—	—	—	—
Balance as of December 31 of the previous year	060	4,221,794	33,269,936	—	2,164,904	39,656,634
2009 год						
(reporting year)						
Changes in accounting policy	061	x	x	x	—	—
Revaluation of fixed assets	062	x	—	x	—	—
Changes of accounting rules	063	x	—	x	253,105	253,105
Balance as of January 1 of the reporting year	100	4,221,794	33,269,936	—	2 418 009	39,909,739
Foreign currency conversion result	103	x	0	x	x	—
Net profit	105	x	x	x	1,324,777	1,324,777
Dividends	106	x	x	x	—	—
Provisions for reserve fund	110	x	x	108,245	(108,245)	—
Increase of capital value by means of	120	—	—	—	—	—

Indicator	Code	Authorised Capital	Incremental Capital	Reserve capital	Retained Profit (Uncovered Loss)	Total
1	2	3	4	5	6	7
Additional share issue	121	—	x	x	x	—
increase of shares par value	122	—	x	x	x	—
corporate restructuring	123	—	x	x	—	—
other	124	—	—	—	—	—
Уменьшение величины капитала за счет:	130	—	—	—	—	—
уменьшения номинала акций	131	—	x	x	x	—
уменьшения количества акций	132	—	x	x	x	—
реорганизации юридического лица	133	—	x	x	—	—
прочее	134	—	—	—	—	—
Остаток на 31 декабря отчетного года	140	4,221,794	33,269,936	108,245	3,634,541	41,234,516

II. RESERVES					
Indicator	Code	Balance	Inflow	Outflow	Balance
1	2	3	4	5	6
Statutory reserves					
Previous year data	150	500	—	(500)	—
Reporting year data	151	—	108,245	—	108,245
Reserves formed in accordance with constituent documents					
Previous year data	152	—	—	—	—
Reporting year data	153	—	—	—	—
Valuation reserves					
Reserve for bad debts					

Indicator	Code	Balance	Inflow	Outflow	Balance
1	2	3	4	5	6
Previous year data	160	—	555,137	(83,499)	471,638
Reporting year data	161	471,638	816,787	(96,032)	1,192,393
Reserve for devaluation of investments					
Previous year data	162	—	22,018	—	22,018
Reporting year data	163	22,018	—	(22,018)	—
Reserve for liabilities due to recognition of operation as discontinuing					
Previous year data	164	—	—	—	—
Reporting year data	165	—	—	—	—
Reserves formed in accordance with contingency consequences					
Previous year data	166	—	219,993	—	219,993
Reporting year data	167	219,993	188,259	(219,993)	188,259
Reserve for tangible assets depreciation					
Previous year data	168	—	—	—	—
Reporting year data	169	—	—	—	—
Others					
Previous year data	170	—	—	—	—
Reporting year data	171	—	—	—	—
Reserves for future expenses:					
reserve for payment of remuneration at the year-end					
Previous year data	180	166,348	(54,440)	(111,908)	—
Reporting year data	181	—	—	—	—
Reserve for vacation pay (including charges)					
Previous year data	182	—	—	—	—
Reporting year data	183	—	—	—	—

Indicator	Code	Balance	Infolw	Outflow	Balance
1	2	3	4	5	6
Reserve for annual long-service award payment					
Previous year data	184	—	—	—	—
Reporting year data	185	—	—	—	—
Reserve for repairs of fixed assets					
Previous year data	186	—	—	—	—
Reporting year data	187	—	—	—	—
Others					
Previous year data	188	—	—	—	—
Reporting year data	189	—	—	—	—

REFERENCES

Indicator	Code	Opening balance		Closing balance	
1	2	3		4	
1) Net assets	200	39,953,667		41,285,248	
		From budget		From non-budgetary funds	
		Reporting year data	Previous year data	Reporting year data	Previous year data
		3	4	5	6
2) Received for expenses from ordinary activities — total	210	4,281	291	986	—
Including:					
payments for Chernobyl cleanup veterans	211	—	—	—	—

Others	212	4,281	291	986	—
Capital investments in non-current assets	220	—	—	—	—
Including:					
	221	—	—	—	—
Others	222	—	—	—	—

Director
Chief accountant
27.02.2010

E.F. Makarov
S.Yu. Puzenko

CASH FLOW STATEMENT

		Form No. 4 according to All-Russian Classifier of Management Documentation	CODES
for 2009		Date (year, month, day according to All-Russian Classifier of Businesses and Organisations	710 001
Organisation IDGC of Centre, JSC		Id. tax payer number	2009.12.31
Id. tax payer number		Type of activity electric power transmission	75720657
Type of activity electric power transmission		Management of financial and industrial groups	6901067107
Management of financial and industrial groups		Business legal structure / Form of ownership	40.10.2 74.15
Business legal structure / Form of ownership	JSC	Measurement unit thousand Rubles	47/16
Measurement unit thousand Rubles			384

Indicator	Code	Reporting period	The same period of the previous year
1	2	3	4
Cash balance for the beginning of the reporting year	010	71,459	150,544
Cash flow from operating activity:			
Cash received from buyers and customers	020	54,061,398	37,215,156
Inflow of acquired foreign currency	030	—	—
Other income (proceeds)	050	141,784	183,432
Cash outflow:			
payments for goods, work, services, materials and other current assets purchased	150	(33,738,469)	(21,945,071)
labour expenses	160	(6,117,537)	(3,711,272)
dividend and interest payments	170	(1,431,669)	(669,381)
payment of taxes and dues	180	(5,160,615)	(3,233,155)

Indicator	Code	Reporting period	The same period of the previous year
1	2	3	4
other expenses (payments)	190	(1,038,835)	(889,82)
Total net cash provided (used) by operating activities	200	6,716,057	6,950,427
Cash flows from investing activities			
Proceeds from sale of fixed assets and other noncurrent assets	210	76,024	23,116
Proceeds from sale of securities and other financial as-sets	220	—	139,100
Dividends received	230	19	55
Interest received	240	2,832	10,280
Proceeds from repayment of loans extended to other or-ganizations	250	—	—
Other proceeds	260	—	—
Purchase of subsidiaries	280	—	—
Purchase of fixed assets, income-bearing investments and intangible assets	290	(6,185,691)	(7,889,615)
Purchase of securities and other financial assets	300	—	—
Loans extended to other organizations	310	—	—
Other expenses	320	—	—
Net cash flow relating to investing activities	340	(6,106,816)	(7,717,064)
Cash flow relating to financing activities			
Proceeds from issue of shares and other participatory share instruments	350	—	—
Proceeds from loans and advances extended by other or-ganizations	360	16,501,467	8,816,442
roceeds from special-purpose financing	370	4,281	—
Other income	380	—	—

Indicator	Code	Reporting period	The same period of the previous year
1	2	3	4
Repayment of loans and advances (net of interest)	390	(14,735,845)	(6,935,398)
Repayment of finance lease obligations	400	(2,082,499)	(1,187,195)
Other expenses	405	—	(6,297)
Net cash flow relating to financing activities	410	(312,596)	687,552
Net increase/decrease in cash and cash equivalents	420	296,645	(79,085)
Cash closing balance	430	368,104	71,459
Influence of changes in exchange rate between foreign currency and Russian rouble	440	—	—
Director			E.F. Makarov
Chief accountant			S.Yu. Puzenko
27.02.2010			

APPENDIX TO BALANCE SHEET

for 2009	Form No. 5 according to All-Russian Classifier of Management Documentation	CODES
	Date (year, month, day)	710 001
Organisation IDGC of Centre, JSC	according to All-Russian Classifier of Businesses and Organisations	2009.12.31
Id. tax payer number	Id. tax-payer number	75720657
Type of activity electric power transmission	according to All-Russian Classifier of Economic Activities	6901067107
Management of financial and industrial groups	according to All-Russian Classifier of Legal Structures of Businesses / All-Russian Classifier of Forms of Ownership	40.10.2 74.15
Business legal structure / Form of ownership	JSC	47/16
Measurement unit thousand Rubles		384

Indicator	code	Available at the beginning of the reporting year	Inflow	Outflow	Available for the end of the reporting year
1	2	3	4	5	6
Objects of intellectual property (exclusive rights to results of intellectual property)	010	11,711	39,991	—	51,702
including the right to:					
a patent holder to an invention, industrial design, utility model	011	—	54	—	54
of possessor of right to computer software, databases	012	11,586	39,937	—	51,523
an owner to a trademark and a service mark, the name of the place of origin of goods	014	125	—	—	125
goodwill	030	—	—	—	—
others	040	39,937	—	(39,937)	—
total	045	51,648	39,991	(39,937)	51,702

Indicator description	code	Opening balance	Closing balance
1	2	3	4
Total depreciation of intangible assets	050	6,866	16,024

Fixed assets					
Indicator	code	Available at the beginning of the reporting year	Inflow	Outflow	Available for the end of the reporting year
1	2	3	4	5	6
Buildings	110	5,442,070	905,003	(15,731)	6,331,342
Structures and transfer means	111	28,358,210	2,977,319	(12,446)	31,323,083
Machinery and equipment	112	13,494,578	3,956,355	(38,339)	17,412,594
Vehicles	113	466,342	289,237	(87,905)	667,674
Production and auxiliary fixtures	114	101,303	17,450	(647)	118,106
Working animals	115	—	—	—	—
Productive livestock	116	—	—	—	—
Perennial plants	117	777	—	—	777
Other fixed assets	118	129	—	(8)	121
Land plots and objects of nature management	119	88,424	17,009	(845)	104,588
Capital investment in reclamation	120	—	—	—	—
Total	130	47,951,833	8,162,373	(155,921)	55,958,285

Indicator description	code	Opening balance	Closing balance
1	2	3	4
Total depreciation of fixed assets	140	2,730,858	6,853,211
including:			
buildings and structures	141	1,505,115	3,710,505
machinery, equipment and vehicles	142	1,197,081	3,088,049

Indicator description	code	Opening balance	Closing balance
1	2	3	4
other	143	28,662	54,657
Total fixed assets leased out	150	656,013	688,777
including:			
buildings	151	586,470	627,151
structures	156	5,686	5,599
machinery, equipment and vehicles	152	61,785	54,807
other	153	2,072	1,220
Fixed assets assigned for conservation	155	8,323	5,144
Total fixed assets taken on lease	160	7,656,440	14,195,898
including:			
buildings and structures	161	1,249,885	1,022,702
machinery, equipment and vehicles	162	4,272,367	3,784,192
other	163	2,134,188	9,389,004
Real property items accepted for use under state registration	165	150,866	450,486
For Reference	2	3	4
Results of revaluation of fixed assets:	170	—	—
initial/replacement value	171	—	—
depreciation	172	—	—
Change in fixed assets value resulting from completion of construction, retrofit, recon-struction, partial liquidation	180	2,469,027	2,449,496

Income-Bearing Investments in Tangible Assets					
Indicator description	code	Available at the beginning of the reporting year	Inflow	Outflow	Available for the end of the reporting year
1	2	3	4	5	6
Property for leasing	210	—	—	—	—
Property leased out under rental agreement	220	—	—	—	—

Indicator description	code	Available at the beginning of the reporting year	Inflow	Outflow	Available for the end of the reporting year
1	2	3	4	5	6
Other	230	—	—	—	—
Total	240	—	—	—	—
	code	Opening balance	Closing balance		
1	2	3	4		
Depreciation of income-bearing investment in tangible assets	250	—	—		
Research-and-Development Expenditures					
Types of work description	code	Available at the beginning of the reporting year	Inflow	Written off	Available for the end of the reporting year
1	2	3	4	5	6
Total	310	—	—	—	—
including		—			
	311	—	—	—	—
	312	—	—	—	—
	313	—	—	—	—
For reference			code	Opening balance	Closing balance
			2	3	4
Expenses relating to research-and development, experimental designing work in progress			320	—	—
			code	Reporting period	The same period of the previous year
			2	3	4
Expenses relating to research-and-development, experimental designing and technological work without positive results recognized as non-operating expenses			330	—	—

Natural Resources Development Expenses

Indicator description	code	Balance at the beginning of the reporting year	Received	Written off	Balance for the end of the reporting year
1	2	3	4	5	6
Total resource development expenses	410	—	—	—	—
including					
	411	—	—	—	—
	412	—	—	—	—
	413	—	—	—	—
For reference			code	Opening balance	Closing balance
			2	3	4
Expenses for subsoil plots under non-completed prospecting and evaluation, exploration and/or hydrogeological survey and other similar work			420	—	—
Amount of expenses for development of natural resources recognized as non-operating expenses as having no positive results in the reporting period			430	—	—
Investments					
Indicator description	code	Long-term Opening balance	Long-term Closing balance	Short-term Opening balance	Short-term Closing balance
1	2	3	4	5	6
Total contributions to authorized/share capital of other organizations	510	15,355	15,355	—	—
including subsidiaries and dependent business entities	511	15,355	15,355	—	—
Government and municipal securities	515	—	—	—	—
Total securities of other organizations	520	34,271	130,196	—	—
including debt securities (bonds, bills)	521	—	—	—	—
Loans extended	525	—	—	—	—
Deposits	530	—	—	—	—

Indicator description	code	Long-term		Short-term	
		Opening balance	Closing balance	Opening balance	Closing balance
1	2	3	4	5	6
Total	540	49,626	145,551	—	—
Including investments with current market value: Total contributions to authorized/ share capital of other organizations including subsidiaries and dependent business entities					
	550	—	—	—	—
Government and municipal securities	551	—	—	—	—
Total securities of other organizations	555	—	—	—	—
including debt securities (bonds, notes)	560	34,271	128,191	—	—
Others	561	—	—	—	—
	565	—	—	—	—
Total	570	34,271	128,191	—	—
For Reference. Changed value resulting from adjusted assessment of investments with current market value					
Difference between initial value and par value of debt securities recognized as financial result of the reporting period	580	(216,299)	95,925	—	—
	590	—	—	—	—

Accounts Receivable and Payable				
Indicator description		code	Opening balance	Closing balance
1		2	3	4
Accounts receivable:				
total short-term receivables		610	5,945,024	5,411,376
Including:				
settlements with buyers and customers		611	4,110,988	4,148,278
advance payments		612	909,048	384,342
other		613	924,988	878,756
total long-term receivables		620	68,623	62,913

Indicator description	code	Opening balance	Closing balance
1	2	3	4
Including:			
settlements with buyers and customers	621	694	1,055
advance payments	622	—	—
other	623	67,929	61,858
Total	630	6,013,647	5,474,289
Accounts payable:			
total short-term payables	640	10,986,838	6,994,607
Including:			
settlements with suppliers and contractors	641	3,849,961	3,895,158
advance payments received	642	2,182,860	1,640,726
taxes and dues	643	436,324	593,578
credits	644	3,910,626	400,000
loans	645	—	—
other	646	607,067	465,145
total long-term payables	650	5,510,995	10,816,743
Indicator description	code	Opening balance	Closing balance
1	2	3	4
including:			
settlements with suppliers and contractors	651	9,585	9,585
taxes and dues	652	—	—
credits	653	5,124,961	10,380,512
loans	654	345,722	345,738
other	655	30,727	80,908
Total	660	16,497,833	17,811,350

Expenses for Ordinary Activities (By Cost Component)			
Indicator description	code	Opening balance	Closing balance
1	2	3	4
Financial costs	710	24,508,137	16,780,438
Labour costs	720	6,382,831	4,072,458
Benefit-related deductions	730	1,452,024	982,033
Depreciation	740	4,006,733	2,672,962
Other costs	750	8,100,045	6,331,563
Total by cost component	760	44,449,770	30,839,454
Changes in balance (increase [+], decrease [-]):			
work-in-progress	765	—	—
deferred expenses	766	360,297	998,138
reserve for future expenses	767	(31,734)	53,645
Security			
Indicator description	code	Opening balance	Closing balance
1	2	3	4
Total security obtained	810	—	500,882
including:			
bills	811	—	—
Assets in pledge	820	—	—
including:			
Fixed assets	821	—	—
securities and other investments	822	—	—
other	823	—	—
Total security provided	830	3,456,610	3,164,660
including:			
bills	831	—	—
Pledged assets	840	—	964,107

Indicator description	code	Opening balance	Closing balance
1	2	3	4
including:			
Fixed assets	841	—	—
securities and other investments	842	—	—
other	843	—	964,107
Government Assistance			
Indicator description	code	Reporting period	The same period of the previous year
1	2	3	4
Total budget funds received within the reporting period	910	4,281	291
including:			
Mobile reserve	911	429	-
Employment centre [Federal program]	912	3,852	291
	Opening balance	received within the reporting period	returned within the reporting period
		3	4
			5
			6
Total government credits	920	—	—
including:	921	—	—
	922	—	—

Director

Chief accountant

27.02.2010

E.F. Makarov

S.Yu. Puzenko

IDGC of Centre, JSC

Explanatory Note for Financial Statements for 2009

(Data is expressed in thousand rubles)

Contents:

- 1) Information on the company
- 2) General rules of drawing up of the financial statements
- 3) Accounting policy
- 4) Disclosure of essential indicators

1. Information on the company

1. Full name	Interregional Distribution Grid Company of Centre, Joint-Stock Company; tax payer number 6901067107
2. Short name	IDGC of Centre, JSC
3. Date of state registration	December 17, 2004
4. Information on the authorized capital	The authorized capital of the company equals to 4 221 794 146,8 (four billion two hundred and twenty-one million seven hundred and ninety-four thousand one hundred and forty-six) rubles
5. Information on the participants	Total number of persons, recorded in the register of issuer's shareholders as of expiration date of the last accounting quarter: 15 306 Total number of nominees: 22
6. Information on the auditor	HLB Vneshaudit, CJSC performing auditor functions under License No E000548 issued by the Ministry of Finance of the Russian Federation on 25.06.2002 with the validity term of 10 years.

The main business activities of IDGC of Centre, JSC are:

- Electric power transmission and distribution in 0,4-110kV power lines services
- Technological connection to 0,4-110kV power grids services

The main sales markets of services provided by IDGC of Centre, JSC and by the Company's branches are:

IDGC of Centre, JSC performs its activity in 11 constituent entities of the Russian Federation, located in Central Federal District of the Russian Federation. These constituent entities include the following regions: Belgorod, Bryansk, Voronezh, Kostroma, Kursk, Lipetsk, Orel, Smolensk, Tambov, Tver and Yaroslavl.

IDGC of Centre, JSC renders technological connection services to the following final applicant: individuals (private sector), legal entities (small, medium-sized, large business), territorial cooperating grid organizations, budget organizations.

Branches and representative offices of the Company

No.	Name and opening date of branch	Branch location
1.	Branch of IDGC of Centre, JSC — “Belgorodenergo”	42 Preobrazhenskaya St., Belgorod, 308000, the Russian Federation
2.	Branch of IDGC of Centre, JSC — “Bryanskenergo”	35 Sovetskaya St., Bryansk, 241000, the Russian Federation
3.	Branch of IDGC of Centre, JSC — “Voronezhenergo”	2 Arzamasskaya St., Voronezh, 394033, the Russian Federation
4.	Branch of IDGC of Centre, JSC — “Kostromaenergo”	53 Mir Avenue, Kostroma, 156961, the Russian Federation
5.	Branch of IDGC of Centre, JSC — “Kurskenergo”	27 K. Marks St., Kursk, 305029, the Russian Federation
6.	Branch of IDGC of Centre, JSC — “Lipetskenergo”	33 50 let NLMC St., Lipetsk, 398001, the Russian Federation
7.	Branch of IDGC of Centre, JSC — “Orelenergo”	2 Mir Square, Orel, 302030, the Russian Federation
8.	Branch of IDGC of Centre, JSC — “Tambovenergo”	23 Morshanskoe shosse, Tambov, 392680, the Russian Federation
9.	Branch of IDGC of Centre, JSC — “Smolenskenergo”	33 Tenisheva St., Smolensk, 214019, the Russian Federation
10.	Branch of IDGC of Centre, JSC — “Tverenergo”	1 Bebel St., Tver, 170006, the Russian Federation
11.	Branch of IDGC of Centre, JSC — “Yarenergo”	12 Voinov St., Yaroslavl, 150003, the Russian Federation

Number of the Company’s personnel of IDGC of Centre, JSC as of December 31, 2009 was 28 334 people.

Management bodies of the Company

Management bodies of the Company are:

- General Meeting of Shareholders;
- Board of Directors;
- General Director;

The Company’s Board of Directors performs general management of the Company’s activity, except for solution of issues referred to the competence of the General Meeting of Shareholders by the Federal Law “On Joint-Stock Companies” and the Company’s Articles of Association.

Structure of the Board of Directors of IDGC of Centre, JSC

Full name	Function
Sergey Borisovich Kosarev	Director of Legal Department of State Corporation “Rosnano”, Adviser General Director of IDGC Holding, JSC
Tatiana Alexandrovna Seliverstova	Head of the Securities Division of the Department of corporate governance and interaction with shareholders of IDGC Holding, JSC
Aleksandr Markovich Branis	Director of Analytical Department of the Representative office of «Prosperity Capital Management (RF) Ltd.»
Yevgeny Fedorovich Makarov	General Director of IDGC of Centre, JSC
Sergey Nikolaevich Ivanov	First Deputy Chairperson of the Management Board of FGC UES, JSC
Sergey Nikolaevich Popovsky	Member of the Management Board — Deputy Chairperson of the Management Board — Noncommercial partnership “Market council for organization of effective system of whole sale and retail of electric power and power” (NP «Market council», NP “ATS” till 03.09.2008)
Denis Alexandrovich Spirin	Director for the Corporate Governance of the Representative office of Prosperity Capital Management (RF) Ltd.
Alexandr Grigoryevich Starchenko	Member of the Board of Directors (Chairman of the Board of Directors since 11.04.2008) of «Lipetsk Power Sales Company”, JSC
Sergey Borisovich Syutkin	General Director of the Branch of JSC «SO UES» — Operational Dispatching Office of Centre
Maria Gennadyevna Tikhonova	Deputy Director of Department for economic regulation and property relations in Fuel and Energy Complex of Ministry of Energy of the Russian Federation
Roman Alexeevich Filkin	Deputy Director of the Representative Office of Prosperity Capital Management, (Russian Federation) Ltd.

Chairman of the Company’s Board of Directors — **Sergey Borisovich Kosarev**, Director of Legal Department of State Corporation “Rosnano”, Adviser General Director of IDGC Holding, JSC

Management of the Company’s current activity is performed by the sole executive body — General Director. **Makarov Yevgeny Fedorovich** is the General Director of IDGC of Centre, JSC.

The composition of Audit Committee of IDGC of Centre, JSC is:

Full name	Function
Olga Vladimirovna Rokhlina	Chief expert of Internal Audit Department of IDGC Holding, JSC
Vadim Evgenyevich Bunin	Head of the Internal Control and Audit Department of IDGC of Centre, JSC
Anna Yuryevna Katina	Head of the division for analysis and control of corporate governance of the Department for the Corporate Governance and Interaction with Shareholders of IDGC Holding, JSC
Lyudmila Romanovna Matyunina	—
Irina Vasilyevna Mikhno	—

The Company associates its future with mitigation of activity risks expressed in transfer to long-term system of regulation on RAB basis. Increase in transparency either of regulation process itself or of operating activity the Company’s target is to increase a degree of confidence of activity results forecasting, that is necessary for both management and investors. Other aspect of risks mitigation is expressed in improvement of grid operation reliability.

Growth of market share of the Company within the territory of the activity is possible due to absorption of electric grid assets of other territorial grid organizations. Aim of absorption of grid assets is increase of their cost due to more effective management, improvement of service quality; this will positively affect the Company’s value.

The Company associates its competitive advantages with implementation of modern system of management. Development of matrix management system will allow as concentrating of management efforts for achievement of strategic targets so as reducing of expenses (temporary, financial) for taking of managerial decisions.

The Company views itself in the financial market in future as an object for conservative long-term investments. Besides striving to make business of the Company with minimal risks and forecasted profitability, management pays considerable attention to development of stock market and interaction with investors. Target of this activity is growth of capitalization, lower borrowing cost in the open market in future and possibility to attract share capital at fair prices for absorption of grid assets.

2. General rules of drawing up of the financial statements

Annual financial statements of the Company are prepared in accordance with the requirements of the Law of the Russian federation.

Accounting records of the property, liabilities and business operations is kept on the basis of natural measures in monetary terms by means of continuous, uninterrupted, documental and correlated reflection. Indicators of annual financial statements are listed on the basis of the principle of essentiality for estimation of the financial state by all interested customers.

Annual financial statements of the company are drawn up in accordance with assumptions of the going concern that presupposes the possibility of assets disposal and performance of obligations during ordinary business activity.

Data of the financial statements is expressed in thousand rubles.

3. Accounting policy

The present financial statements of the Company are drawn up on the basis of the accounting policy approved by the order No. 2 dated 26.12.2005 “On accounting policy of IDGC of Centre, JSC since 01.04.2008, JSC” and by the order No. 90a dated 31.03.2008 “On introduction of alterations into the order dated 14.01.2008” and by the order No. 315 dated 31.12.2008 “On accounting policy of IDGC of Centre, JSC”. The accounting policy is formed in accordance with the requirements of:

The Civil Code of the Russian federation;

129-FL “On Accounting” dated 21.11.96:

Regulation on accounting and reporting in the Russian Federation (order of the Ministry of Finance of the Russian Federation No. 34-n dated 29.07.1998).

RAS (Russian Accounting Standards) 1/2008 “Accounting policy of an organisation”, RAS 2/2008 “Accounting of construction contracts”, RAS 3\2006 “Accounting of assets and liabilities of, the price of which is expressed in foreign currency”, RAS 4/99 “Financial statements of an organisation”, RAS 5/01 “Inventory accounting”, RAS 6/01 “Accounting of fixed assets”, RAS 7/98 “Events after the reporting date”, RAS 8/01 “Contingencies”, RAS 9/99 “Profit of an organisation”, RAS 10/99 “Expenses of an organisation”, RAS 11/2008 “Information on affiliated entities”, RAS 12/2000 “Segment information”, RAS 13/2000 “Accounting of state aid”, RAS 14/2007 “Accounting of intangible assets”, RAS 15/2008 “Accounting under loans and credits”, RAS 16/02 “Information on discontinuing operation”, RAS 17/02 “Accounting of expenses for research, development and technological works”, RAS 18/02 “Accounting of calculations on income tax of organisations”, RAS 19/02 “Accounting of financial investments”, RAS 20/03 “Information on participation in the joint activity”, RAS 21/2008 “Change of accounting estimate”.

Accounting policy alterations are formed in accordance with alterations made in RAS 1/2008, RAS 15/ 2008.

3.1. Short-term and long-term assets and liabilities

In the statements assets and liabilities are referred to as short-term if the term of their retirement does not exceed 12 months since the day following the reporting date. All other assets and liabilities are presented in the statements as long-term.

3.2. Intangible assets

Possessed by the Company nonmonetary objects, which do not have physical structure irrespective of their value intended for beneficial use in production of outputs, services rendering or for management needs within the period not less than 12 month and are capable to provide economic benefits in future are recognized as the intangible assets.

The Company does not recognize objects to be the intangible assets relating to which at their inclusion for the accounting (at the moment of qualification) the decision on alienation in favor of other persons (resale, exchange etc. is meant) was taken. In this case the object is qualified by the Company as the goods.

The intangible assets are included for the accounting at actual (historical) cost determined as of the date of their receipt for the accounting.

Intangible value at which they are included for the accounting shall not be subject to variation.

Amount of depreciation on intangible assets is determined by standards calculated upon their historical cost and useful life (straight-line method).

Useful life of the intangible assets is determined by the expert committee and approved by the Director of the Company (or specially authorized by him person) at the inclusion of the object for the accounting.

Accrual of depreciation is carried out monthly on the special account "Depreciation of intangible assets".

In case of retirement of the object of intangible assets its cost is subject to write-off in corresponding accounting period. Herewith the retirement of intangible assets is reflected at residual cost similarly to the order determined for fixed assets.

Change of actual (historical) cost of intangible asset at which it is included for the accounting is allowed in cases of revaluation and impairment of intangible assets.

The Company may revalue the groups of homogeneous intangible assets at current market value determined only according to the data of active market of mentioned intangible assets not more frequently than once a year (at the beginning of the accounting year).

In case of major change of duration of a period during which the organisation proposes to use asset its useful life is subject to adjustment.

3.3. Fixed assets

As the fixed assets the Company recognizes the assets regarding which the following conditions are fulfilled simultaneously:

- there is assumed the use of outputs in the production, during execution of work or services rendering or for management needs for a long period (of useful life exceeding 12 months or normal operating cycle if it exceeds 12 months);
- capability to provide economic benefits (income) in future as well as the following resale of mentioned assets is not assumed by the Company.

The assets regarding which the above mentioned conditions are fulfilled and which cost is up to the amount of 20000 rubles per unit are reflected in accounting and financial statement in composition of business inventories except for the objects of power supply networks facilities (power transmission lines, transformer substations) and the motor vehicles. In order to provide the safety of these objects in operation and at use the control for their motion is organized in the Company. These objects are accounted in quantitative terms.

The Company does not recognize objects to be the fixed assets relating to which at their inclusion for the accounting (at the moment of qualification) the decision on alienation in favor of other persons (resale, exchange etc. is meant) was taken. In this case the object is qualified by the Company as the goods.

Objects inappropriate for sale with life time exceeding 12 months for which participation in processes of manufacturing or in management processes as well as gaining of economic benefits from their use cannot be reasonably sufficient are considered to be included in the fixed assets separately as nonproductive fixed assets.

Depreciation accrued on the mentioned objects of the fixed assets as well as mentioned objects service expenses is recognized to be the current expenses without recognition for the purposes of taxation on income tax.

Buildings, constructions, machinery and equipment, transport, production and organizational stock and plots of land are reflected in fixed assets.

Change of historical cost of fixed assets at which they are included for the accounting is allowed in cases of further construction, further equipping, reconstruction, modernization, partial liquidation and revaluation of the objects of fixed assets.

Immovable properties relating to which the capital investments are completed, correspondent primary accounting acceptance and transfer documents are executed, documents are turned over for state registration and which are actually used are included for the accounting as the fixed assets and are insulated in the analytical accounting.

Objects of the fixed assets are included for the accounting according to actual expenses on purchase. Objects received by the Company according to the Adhesion contract dated 03.12.2007 w/o No. in consequence of reforming by accession to RGC IDGC of Centre, JSC are included for accounting at the residual cost.

In the financial statements the fixed assets are shown at the replacement cost less depreciation accumulated during the whole period of use except for objects received in the process of reformation.

Depreciation of the fixed assets was accrued by straight-line method under the norms of RF Government Decree No. 1 “On classification of fixed assets included in amortization groups” dated 01.01.2002:

Group of fixed assets	Useful life (number of years) of assets Accepted transfer of ownership
buildings and constructions	15-50 years
transmission networks	5-20 years
equipment for power transmission	5-20 years
other	1-30 years

Change of historical cost of fixed assets is allowed in case the decision on their revaluation up to replacement cost is taken. Regularity of fixed assets revaluation performing: the decision regarding the revaluation is taken in case of significant deviation of cost at which the fixed assets are reflected in the accounting from their current (replacement) cost. Revaluation of the fixed assets is performed under the Company special directive.

3.4. Financial investments

As financial investments the Company recognizes assets which do not have material and physical form and are capable to provide economic benefits (income) in future in form of interest, dividends or increment of their value (in form of difference between selling price (redemption) and purchase value) as the result of their exchange, use at repayments of liabilities, increase of current market value.

Analytical accounting of financial investment is kept in frame of reference of long-term and short-term financial investments.

The long-term financial investments are the investments made with a view to draw income on them during more than one year.

Other financial investments are the sort-term ones.

In the financial statements the financial investments are subdivided into short-term and long-term depending on the circulation (repayment) period.

The financial investments on which the current market value may be determined ordinarily are reflected in the statements for later the reporting year at the current market value by means of adjustment of their appraisal on the previous accounting date. The mentioned adjustment is carried out by the Company quarterly.

Difference between the appraisal of financial investments at the current market value at the accounting date and the previous appraisal of financial investments is recognized by the Company to be the other income and expenditure. Therefore, increment of market value of investments is reflected according to the debit of account “Financial investments” and according to the credit-side “Other income and expenditure”, reduction — according to the debit of account “Other income and expenditure” and according to credit-side “Financial investments”.

In case when at the accounting date the current market value is not determined regarding the object of the financial investments appraised before at the current market value such object of the financial investments is reflected in the statements at the value of its last appraisal.

The financial investments basing on which the current market value is not determined are reflected in the accounting at the initial value.

At the retirement of assets included for the accounting as financial investments basing on which the current market value is determined their value is determined by the Company on the basis of the last appraisal.

Securities (shares and bonds) are valued at the retirement at the average historical cost which is determined for each type of securities.

Income on the financial investments is recognized by the Company to be the other income.

3.5. Inventory

Inventory was estimated in the sum of actual expenses for acquisition. Disposal of inventory for production was performed per a unit of the prime cost.

Reserve for the sum of decrease in the cost of the materials was not created by the Company.

3.6. Expenses of future periods

Expenses taken by the Company in the reporting year but referring to the next reporting periods are reflected as the expenses of future periods. These expenses are being gradually written off according to their intended purpose within the periods they are related to.

Period over which expenses of future periods are written off is determined by the Company's Director on the basis of expert opinion or other documentary evidence. Expenses of future periods are subject to writing-off gradually within the period they are related to.

3.7. Debts of consumers and customers

Debts of consumers and customers is defined on the basis of prices fixed by the contracts concluded between the Company and consumers (customers) with account of all discounts (mark-ups) granted by the Company and VAT. In the reporting period the Company did not render services under the conditions of commercial credit granted in the form of deferral of payment.

3.8. Credits and loans

The Company recognizes liability on received borrowed funds (on loans and credits) as separate kind of liabilities accounted on the independent accounts.

Indebtedness under credits and loans is divided into:

long-term and short-term:

- short-term indebtedness is considered to be the indebtedness under obtained loans and credits which payment period under the conditions of the contract does not exceed 12 months;
- long-term indebtedness is considered to be the indebtedness under obtained loans and credits which payment period under the conditions of the contract exceeds 12 months;

due payment and overdue payment:

- due payment is considered to be the indebtedness under obtained loans and credits which payment period under the conditions of the contract did not begin or is extended (prolonged) ordinarily;
- overdue payment is considered to be the indebtedness under obtained loans and credits with expired under the conditions of the contract period of payment.

In case of conclusion of additional agreements to the contract the due payment is changed into the overdue payment.

The Company takes into account the borrowed funds which are in its possession and which payment period under the contract of loan or credit exceeds 12 months before the expiry of mentioned period on the long-term indebtedness side.

3.9. Inventory procedures

Inventory procedures of property and financial liabilities are performed under the existing Methodological Instructions No. 49 of the Ministry of Finance of the Russian Federation dated 13.06.95. Before drawing up of the annual report the Company performed inventory procedures of material valuables, fixed assets, incomplete construction, intangible assets as of 01.10.2009, monetary funds, securities, other financial investments, calculations of taxes and obligatory deductions to the budget, calculations with debtors and creditors, expenses of future periods, reserve of future expenses and payments as of 31.12.2009.

3.10. Revenue recognition

The Company divides the revenues into revenues from ordinary activities and other revenues.

Revenues from ordinary activities are the incomings connected with rendering of services, execution of work, as well as from the sale of production and goods to the outside organisations.

The Company recognizes to be the revenues from ordinary activities the following incomings:

- incomings from electric power transmission and transit services;
- incomings from technological connection to grid services,
- incomings from execution of other works and rendering of industrial nature services;
- incomings from execution of other works and rendering of nonindustrial nature services

All incomings not connected with execution of works and rendering of services in ordinary activities are the other revenues. Revenue is included for the accounting in amount calculated in monetary terms and equal to the amount of cash inflow and other property and (or) amount of accounts receivable.

Revenues earned (accrued) in the accounting period but relevant to the future accounting periods as well as forthcoming of shortfall indebtedness inflow discovered in the accounting period for past years and difference between the sum is to be collected from guilty persons and the value of assets included for the accounting at the discovery of shortfall and damage are recognized to be the revenues of future periods.

3.11. Order of recognition of expenses.

The Company divides the expenses into expenses for ordinary activities and other expenses.

Expenses for ordinary activities are the expenses connected with rendering of services, execution of works.

Expenses for ordinary activities are formed from operational costs (prime cost of services, of works, of production), management expenses.

Expenses for ordinary activities at first instance are:

- expenses for electric power transmission and transit services;
- expenses for technological connection to grid services,
- expenses associated with execution of other works and rendering of industrial nature services;
- expenses associated with execution of other works and rendering of nonindustrial nature services

Management expenses are recognized in the prim cost of sold production, goods, works, and services in full in the reporting year as the expenses for ordinary activities.

3.12. Record keeping of calculations on income tax of organizations (RAS 18/02)

Amounts of current income tax are determined by the Company on the basis of data formed in accounting.

Sum of income tax determined by reference to book income (loss) and reflected in the accounting independent from sum of taxable income (loss) is provisional profits tax expense (income).

Provisional profits tax expense (income) equals to the amount determined as product of book income formed in the accounting period by income tax rate fixed by the tax and levy legislation of the Russian Federation and which is valid at the accounting date.

Provisional profits tax expense (income) is accounted in the accounting on independent provisional profits tax expense (income) subaccount to profit and loss ledger.

Income tax for the purposes of taxation determined by reference to the amount of contingent gain (loss) adjusted according to sums of permanent tax liabilities (asset), increase or reduction of deferred tax asset and deferred tax liabilities of the accounting period is recognized to be the current income tax.

If there are no permanent differences, deductible temporary differences and taxable temporary differences which result in creation of permanent tax liabilities (assets), deferred tax assets and deferred tax liabilities then provisional profits tax expense will be equal to current income tax. Herewith amount of current income tax should correspond to sum of calculated income tax reflected in income tax return;

Sum of additional payment (overpayment) of income tax due to recovery of errors (mis-statements) in previous accounting (tax) periods not affecting on current income tax of the accounting period is reflected on separate item of profit and loss statement (next to item of current income tax).

Deferred tax assets and deferred tax liabilities are reflected by the Company in detail.

4. Disclosure of essential indicators

4.1. Intangible assets.

The following intangible assets are accounted in balance of the Company: trademark and program products.

Value and profile of intangible assets of the Company are presented by the following table:

No.	Name of groups As of 01.01.2010	Initial cost	Accrued depreciation	Residual cost
1	Trademark	125	31	94
2	Program products	51 577	15993	35 584
	Total of IA:	51 702	16 024	35 678

4.2. Fixed assets.

The Company accrued the depreciation in the amount of 4 017 241 thousand rubles for accounting period.

Value and profile of fixed assets in groups as of 31.12.2009 is presented by the following table:

No.	Name of groups	Replacement cost as of 31.12.09	Residual cost as of 31.12.09	As % of total
1	Plots of land	104 588	104 588	0.2
2	Buildings	6 331 342	6 006 365	11.3
3	Installations and transmission facilities	31 323 083	27 937 556	56.0
4	Material-working machinery and equipment	17 412 594	14 583 803	31.1
5	Transport	667 674	408 415	1.2
6	Production and organizational inventory	119 004	64 347	0.2
	Total	55 958 285	49 105 074	100.0

Fixed assets which initial cost equals 5 144 thousand rubles and residual cost equals 4 714 thousand rubles are not used temporary in production activity (laid-up) as of 31.12.2009. Depreciation on these objects is not accrued.

Leased fixed assets

Leased fixed assets in the total amount of 14 195 898 thousand rubles are on the off-balance account of the Company. This value was calculated on the basis of value of property reflected in the lease contracts for the accounting period. Among leased fixed assets are buildings and constructions — 1 022 702 thousand rubles, machinery and equipment, transport — 3 784 192 thousand rubles and other (for the most part presented by plots of land under supports and transformers) — 9 389 004 thousand rubles.

The Company took on financial lease the property in sum of 4 297 030 thousand rubles. Among them 207 345 thousand rubles are on the balance of the Company and 4 089 685 thousand rubles are off the balance.

Coming lease payments for the equipment which is on the off-balance account, thousand rubles

branch	2010	2011	2012	2013	2014
Belgorodenergo	480 831	282 877	151 799	67 940	0
Bryanskenergo	70 522	45 314	39 022	32 713	2 439
Voronezhenergo	78 883	67 794	58 380	48 940	3 649
Kostromaenergo	61 493	46 886	38 598	31 524	2 350
Kurskenergo	57 038	49 067	43 669	27 383	1 807
Lipetskenergo	110 173	94 101	80 242	37 620	2 685
Orelenergo	48 413	36 897	31 111	26 080	1 944
Smolenskenergo	84 575	63 527	54 486	36 972	2 597
Tambovenergo	54 613	42 784	37 043	27 715	2 011
Smolenskenergo	95 581	72 673	59 171	47 691	15 407
Yarenergo	130 004	102 539	63 897	41 458	3 078
total	1 272 125	904 458	657 418	426 036	37 966

Coming lease payments for the equipment booked on balance, thousand rubles

branch	2010	2011	2012	2013
Yarenergo	1 756	501	96	14

4.3. Financial investments.

Shares of associated Company Sanatorium-Preventorium “Energetik”, JSC in the amount of 15 355 thousand rubles are booked on the balance of the Company according to line code 141.

Shares of other organizations in the amount of 130 196 thousand rubles are booked according to line code 143.

4.4 Assets and liabilities in foreign currency

In accounting period there were no payments in foreign currency.

4.5. Inventory (line code 210 of accounting balance-sheet)

Inventory is evaluated in the amount of actual expenses for acquisition, its amount at the end of the year equals 1 639 282 thousand rubles, 21,74% of current assets or 2,7% of all assets of the Company.

4.6. Expenses of future periods

Expenses of future periods with payment period of more than one year in form 1 “Accounting balance-sheet” are presented in section I “Non-current assets” on line code 150 and expenses of future periods with payment period of less than one year are presented in section II “Current assets” on line code 216.

thousand rubles

Type of EFP	long-term line code 150	short-term line code 216
Licenses	37 034	32
Program products	1 140 416	49 556
Insurance	4 040	66 478
Expenses for vacation pay of next periods	0	6 784
Other EFP	46 100	14 018
Total	1 227 590	136 868

4.7. Accounts receivable (line code 230 and 240 of Accounting sheet-balance).

Profile of the accounts receivable is presented in the following table:

(thousand rubles)

Detailed interpretation of other debtors is presented in Appendix No.1

Name	Line code	2008	2009
Accounts receivable including:	230+240	6 013 647	5 474 289
Accounts receivable (payments on which are expected more than within 12 months after accounting date including:	230	68 623	62 913
buyers and customers	231	694	1 055
other debtors	235	67 929	61 858
Accounts receivable (payments on which are expected within 12 months after accounting date including:	240	5 945 024	5 411 376
buyers and customers	241	4 110 988	4 148 278
Bills receivable	242	1 000	0
advances made	245	909 048	384 342
other debtors	246	923 988	878 7556

Accounts payable (line code 520 and 620 of Accounting sheet-balance).

Profile of the accounts payable is presented in the following table:

Name	Line code	2008	2009
Accounts payable including:	520+620	7 116 524	6 685 100
Accounts payable (payments on which are expected more than within 12 months after accounting date including:	520	40 312	90 493
suppliers and contractors	521	9 585	9 585
other	523	30 727	80 908
accounts payable (payments on which are expected within 12 months after accounting date including:	620	7 076 212	6 594 607
suppliers and contractors	621	3 849 961	3 895 158
Debt to personnel relating to labor payment (current)	624	295 704	288 195

Name	Line code	2008	2009
Debt to governmental and extra-budgetary funds including:	625	93 584	45 320
to Pension Fund of the Russian Federation	62501	71 590	34 961
to Compulsory Medical Insurance Fund	62502	15 608	7 448
to Social Insurance Fund	62503	6 386	2 881
Taxes and levies payable to the budget	626	436 324	593 578
to federal budget	62601	348 939	529 107
budgets of constituent entities of the Russian Federation	62602	78 019	52 803
to local budgets	62603	9 366	11 668
Advances received	627	2 182 860	1 640 726
other creditors	628	217 779	131 630

Detailed interpretation of other creditors is presented in Appendix No.2

The Company has unsettled accounts payable in the sum of 725 256 thousand rubles which is declared by suppliers but not recognized by the Company. For indebtedness in the amount of 87 182 thousand rubles the contingency reserve is formed taking into account estimation of its recovery probability. The reserve for other sums of indebtedness is not formed because the Company estimates its recovery probability to be the low one.

4.8. Reserves of future expenses and valuation reserves

At the end of accounting period the following reserves are reflected in the accounting sheet-balance:

- reserves for doubtful debts in the amount of 1 192 393 thousand rubles
- reserves for future expenses and payments in the amount of 188 259 thousand rubles

Information on reserves for contingent liabilities.

Branch of IDGC of Centre, JSC — “Kostromaenergo”

Nature of liability — legal proceedings in progress as of 31.12.2009 on claim of Kostroma Sales Company, JSC against the branch of IDGC of Centre, JSC — Kostromaenergo for the unfounded enrichment due to application in settlements for electric power transmission services of value of declared power taking into account power reserve provided for by the clause 9 of the Order of formation of free manufacturing statement of production and electric power (capacity) deliveries within the framework of UES of Russia over constituent entities of the Russian Federation approved by the Order of Federal Tariff Service of

Russia No.225-5/4 dated 04.09.2007 in the amount of 101180481,38 RUR (case No. A31-6083/2009 examined by the Arbitration Court of Kostroma region).

Expected deadline for the fulfillment of liability — for the moment of creation of reserve IDGC of Centre, JSC took an appeal to the Court of Appeal; date of the court session is not fixed. Entry into

legal force of decision in abovementioned case is expected to be not earlier than 2010, amount of liability is 101 180 481,38 RUR.

The maximum possible amount of contingent liability (probability of liability attachment is determined in 99,9% (as very high)) according to expert estimation is 101 080 481,38 RUR.

On this fact as of 31.12.2009 the accounting statements provide contingent facts reserve in the amount of 101 080 481 RUR.

Branch of IDGC of Centre, JSC — “Smolenskenergo”

At the conclusion of electric power transmission service contract No. 1 for 2008 with guarantee supplier “Smolenskenergosbyt”, JSC clauses related to the order of determination of points of delivery of electric energy (power) to multifamily residential houses remained unregulated.

During 2008 the branch of IDGC of Centre, JSC — “Smolenskenergo” was forming the volumes of rendered electric power transmission services taking into account volumes of electric power fixed by the accounting meters at input into multifamily residential houses. “Smolenskenergosbyt”, JSC was contesting indicated volumes considering individual accounting meters of residential consumers living in multifamily residential houses to be the points of delivery.

So, following the results of 2008 disagreements concerning rendered electric power transmission services (in compliance with signed acts) were in the amount of 28 978 410,13 RUR (including VAT).

With a view to disagreements IDGC of Centre, JSC — branch “Smolenskenergo” filed an action with arbitration court of Smolensk region against “Smolenskenergosbyt”, JSC and “Zhilishchnik”, JSC for the recovery in joint order.

Abovementioned as for “Zhilishchnik”, JSC is applicable for cases of recovery of indebtedness in a judicial procedure. But there are risks connected with legal proceedings when it will be difficult to recover unfounded enrichment from managing organization by reason of failure of conformation of service rendering base on accounting meters. In many cases there are no accounting meters at the boundary of balance delineation and payment is performed only according to accounting meters installed inside the flat. If there are no accounting me-

ters at the boundary of balance delineation indicators of meters installed in grids of IDGC of Centre, JSC of the branch “Smolenskenergo” near to boundary of balance delineation are not accepted by guarantee supplier and consumers as calculated ones.

In accordance with clause 50-51 of RF Government Ordinance No. 861 dated 27.12.2004 amount of actual electric power losses in power grids is determined as difference between volume of electric power supplied into power grid from other grids or from producers of electric power and volume of electric power consumed by power receivers connected to this grid and transmitted to other grid organisations as well.

Grid organisations have to pay the cost of actual losses occurred in power supply facilities belonged to them less cost of losses provided through the prices (tariffs) for electric power in wholesale market.

Thus, rise of disagreements between the branch “Smolenskenergo” and “Smolenskenergosbyt”, JSC regarding volume of rendered electric power transmission services (i.e. volume of electric power consumed by power receivers connected to this grid) in 2008 stipulates in its turn rise of disagreements regarding volume of electric power losses in power grids.

Therefore disagreements regarding buying of electric power losses (in compliance with signed acts) in 2008 were in the amount of 74 111 163,77 RUR (including VAT).

On this fact as of 31.12.2009 the accounting statements provide reserve for doubtful debts amounting to the indebtedness in respect of rendered electric power transmission service for the period January-December 2008 in the amount of 28 978 410, 13 RUR (including VAT) and contingent facts (liabilities) reserve at buying of electric power losses in the amount of 74 111 163,77 RUR (including VAT).

Branch of IDGC of Centre, JSC — “Belgorodenergo”

As of 31.12.2009 between IDGC of Centre, JSC and Belgorod Sales Company, JSC there are disagreements in the amount of 29 422 683,18 RUR regarding volumes of rendered electric power transmission services and, consequently, regarding volumes of losses in power grids which are subject to compensation under the electric power transmission service contract No. 40009698 dated January 01, 2008 as amended by the additional agreement No. DS3100/00483/03 dated December 23, 2009. Reason of mentioned disagreements was existence between Belgorod Sales Company, JSC and IDGC of Centre, JSC of disputed part regarding the volumes of electric power transmitted to the consumers of Belgorod Sales Company, JSC. Mentioned dispute arose in connection with failure of methodology of determination of electric power transmission volume in the current legislation and unadjusted procedure by the contract as well. Earlier such dispute was subject of proceedings of first and appellate instance arbitration courts. In course of proceedings in case the parties regulated disputed legal relationship voluntarily. In accordance with clauses 212 and 136 of Rules

of functioning of retail markets of electric power during transitional period of reforming of electric power industry (hereinafter referred to as the Rules of functioning) volume of losses and payment of rendered services is performed on the basis of data received with the help of accounting meters and/or by calculated method in accordance with the Rules of revenue metering approved by the federal body of executive power. Mentioned Rules of revenue metering are still not adopted and not put in force. By reference to the requirements of the clause 159 of the Rules of functioning grid organisation provides collection of data of electric power revenue metering at boundary points of its grids. In view of failure of evidences of fulfillment of requirements of the clauses 121, 136 and 159 of the Rule by the branch of IDGC of Centre, JSC — “Belgorodenergo” and taking into account that the volume of disputed rendered services by grid organisation is not documented risk of probable production of Belgorod Sales Company, JSC before the Arbitration Court of Belgorod region with bill of complaint in respect of recovery of sums which are subject to compensation of electric power losses in grids belonging to the branch of IDGC of Centre, JSC — “Belgorodenergo” on an ownership basis or on another legal foundation arises. Thus, unregulated volume of expenses related to compensation of technological losses in the grids of the branch of IDGC of Centre, JSC — “Belgorodenergo” equals 29 422 683,18 RUR. Degree of possible outcome of legal proceedings in favor of Belgorod Sales Company, JSC is approximately estimated to be equal to 43-45%.

On this fact as of 31.12.2009 the accounting statements provide contingent facts reserve in the amount of 13 067 800 RUR.

4.9. Shares of the Company (Property Management Department)

As of December 31, 2009 the Authorized capital of the Company was fully paid and consists of:

Name	Total quantity, shares	Par value, RUR
Ordinary shares	42 217 941 468	4 221 794 146,8
Preference shares	—	-
Total	42 217 941 468	4 221 794 146,8

List of registered persons holding more than 5% of ordinary shares as of December 31, 2009 without regard to data on customers of nominee holders:

No.	Registered persons	Name/Full name	Ordinary shares	% of outstanding shares
1	Nominee holder	Limited Liability Company “Depositary and corporate technologies”	21 206 473 501	50.2310
2	Nominee holder	Closed Joint-Stock Company “Depositary Clearing Company”	7 904 420 657	18.7229
3	Nominee holder	Limited Liability Company “Deutsche Bank”	5 775 353 373	13.6799
4	Nominee holder	Closed Joint-Stock Company commercial bank “Citibank”	2 572 213 859	6.0927

4.10. Authorized capital

The Authorized capital of IDGC of Centre, JSC as of 31.03.2008 equaled 4 221 794 146, 80 rubles it is divided into 42 217 941 468 ordinary registered shares par value of which is 10 kopecks.

4.11. Credits and loans

Indebtedness of IDGC of Centre, JSC under credits and loans as of 01.01.2009 was 9 381 309,47 thousand rubles including 5 443 505,81 thousand rubles — under long-term credits, 27 177,84 thousand rubles — under accrued but not paid interests on long-term credits, 3 890 425,40 thousand rubles — under short-term credits, 20 200,42 thousand rubles — under accrued but not paid interests on short-term credits

Data on flow of borrowed funds in 2009 is presented in the Table 1.

Flow of borrowed funds of IDGC of Centre, JSC in 2009

Type of indebtedness	Indebtedness as of 31.12.2008	2-4 quarter, 2008		Indebtedness as of 31.12.2009
		Attracted/accrued	Repaid/ is repaid	
Long-term credits	5 443 505,81	6 930 000,00	1 673 952,80	10 699 553,01
interests on long-term credits	27 177,84	986 918,04	987 399,26	26 696,63
Short-term credits	3 890 425,40	9 571 467,15	13 061 892,55	400 000,00
interests on short-term credits	20 200,42	422 645,38	442 845,80	0,00
Credits total	9 333 931,21	16 501 467,15	14 735 845,35	11 099 553,01
Interests total	47 378,26	1 409 563,43	1 430 245,06	26 696,63
TOTAL	9 381 309,47	17 911 030,58	16 166 090,41	11 126 249,64

Indebtedness under credits and loans of IDGC of Centre, JSC as of 31.12.2009 will be repaid during the following terms:

In the 1st quarter, 2010 — 827 483,41 thousand rubles;

In the 2nd quarter, 2010 — 2 022 920,26 thousand rubles;

In the 3rd quarter, 2010 — 1 685 507,37 thousand rubles;

In the 4th quarter, 2010 — 1 400 499,41 thousand rubles.

Total in 2010 credits and loans in the amount of 5 936 410,45 thousand rubles will be repaid.

From indicated sum indebtedness under credits and loans in the amount of 5 536 410,45 thousand rubles is reflected on line code 510 “Long-term credits” of accounting sheet-balance in accordance with the Accounting policy of IDGC of Centre, JSC and conditions of credit contracts.

5 163 142,56 thousand rubles will be paid within the period since 2011 till 2014 including in 2011 — 2 163 588,55 thousand rubles, in 2012 — 1 433 764,53 thousand rubles, in 2013 — 894 736,84 thousand rubles, in 2014 — 671 052,64 thousand rubles.

Sum of interests paid in 2009 and attributed to investment assets equaled 187 253 thousand rubles.

Sum of available limits on contracts in force of the Company equaled 5 495 768 thousand rubles as of 31.12.2009.

4.12. Earnings and expenses from ordinary activities

Earnings and expenses for the accounting year are reflected in the profit and loss statement separately on ordinary activities and on other earnings and expenses with disclosure of types and amounts.

For the accounting year the proceeds from rendering of services equaled 49 053 276 thousand rubles.

Name	2009
Total income (line code 010 of form No. 2)	49 053 276

For the accounting year prime cost of service rendering equaled 43 257 087 thousand rubles in comparison with last year prime cost increased by 13 013 365 thousand rubles.

Name	2009
Total prime cost (line code 020 of form No. 2)	43 257 087

4.13. Earnings and expenses

The Company receives proceeds from rendering of the following services:

No.	Kinds of proceeds	Sum
1.	Proceeds from electric power transmission	46 869 934
2.	Proceeds from technical connection	1 646 694
3.	Proceeds from execution of other works, rendering of services of industrial nature	536 648
	Total proceeds	49 053 276

Administrative expenses and prime cost of the Company’s production consist of:

No.	Name	Sum
1.	Material cost:	24 508 137
	Including lost at electric power transmission	9 766 456
2.	Salary	6 382 831
3.	Uniform Social Tax	1 452 024
4.	Depreciation of the fixed assets and intangible assets	4 006 733
5.	Other costs	8 100 046
	Including:	
1	Revenue metering services	864 177
2	Services	1 300 181
3	Telecommunication services	120 759
4	Public services	45 642
5	Instruments test services	18 854
6	Transport services	363 394
7	Post and typographic services	1 741
8	Services of extra-departmental guards	194 013
9	Fire protection services	5 910
10	Connection services	158 557
11	Staff training services	44 949
12	Labour protection expenses	33 116
13	Equipment repair and maintenance services	568 294
14	Information services	285 739
15	Consultative services	21 408
16	Legal and notarial services	2 862
17	Auditing services	19 791
18	Representation expenses	9 791
19	Advertising costs	8 833
20	Taxes	232 229
21	Traveling expenses	65 833
22	Real estate rent	245 572
23	Motor vehicles rent	40 193
24	Land rent	86 444
25	Other property rent	11 809

No.	Name	Sum
26	Leasing	1 810 959
27	Non-State pension fund	140 596
28	Property insurance	187 555
29	Insurance of employees	139 707
30	Expenses of future periods	31 448
31	Services on organization of operation and development of UES of Russia	441 000
32	Other	830 918
	Total prime cost from sales	44 449 770

Other earnings consist of:

No.	Name	Sum
1.	Sale of fixed assets	59 866
2.	Sale of inventory	33 429
3.	Profit of the past years revealed in the accounting period	77 688
4.	Interest fines, penalties and forfeits, accepted or concerning which court decisions were received	17 992
5.	Accounts payable more than three years	20 134
6.	Income from rent	293 912
7.	Increase in the value of noncurrent assets	96 118
8.	Income from holding of securities of subcontracted enterprises	19
9.	Excess of property following the results of inventory	321 282
10.	Compensation for incurred losses	230 472
11.	Income from fixed assets write-off	38 609
12.	Income from the donated fixed assets	4 847
13.	Donated assets, except fixed assets and intangible assets	1 556
14.	Recovery of reserve for doubtful debts	14 161
15.	Shareholders' register maintenance services	41
16.	Earnings from emergencies	88 151
17.	Recovery of reserve for other contingent liabilities	206 777
18.	Other	57 164
	Total other earnings	1 562 218

Other expenses consist of:

No.	Name	Sum
1.	Expenses from sale of fixed assets	7 067
2.	Expenses from sale of material valuables	29 915
3.	Bank services	55 731
4.	Securities maintenance costs	1 352
5.	Reserve for doubtful debts	816 787
6.	Reserve for other contingent liabilities	188 259
7.	Retirement of assets incomeless	59 134
8.	Losses of past years	232 664
9.	Interest fines, penalties and forfeits, accepted or concerning which court decisions were received	8 485
10.	State duty	2 894
11.	Accounts receivable more than three years	25 695
12.	Enforcement proceeding costs	245
13.	Law costs and enforcement proceeding costs	4 365
14.	Embezzlements, deficiencies	26
15.	Charitable contributions	10
16.	Expenses from rent	54 902
17.	Transfers to the extra-budgetary funds NSPF, Innovations in electric power industry	14 143
18.	Cultural and sport events	17 175
19.	Material aid and other payments to the workers and pensioners	545 073
20.	Payments to the Board of Directors	26 341
21.	Non-recoverable VAT	28 797
22.	Traveling expenses	1 987
23.	Contributions and payments to the employees of trade union committee	31 892
24.	Payments for emission of polluting substances above the allowable level	2 826
25.	Expenses from state registration of objects	7 402
26.	Expenses connected with payment of services rendered by credit organisations	5 903
27.	Compensation for incurred losses	5 447
28.	Expenses for management of capital and meeting of shareholders	1965
29.	Expenses from emergencies	8 231
30.	Transfers to Energy Saving Fund	111 631
31.	Other	249 422
	Total other expenses	2 545 766

4.14. Taxes

For accounting of income and expenses at calculation of the taxable profit the Company uses the accrual method. Income and expenses are recognized in that accounting (tax) period in which they took place, regardless of actual inflow of monetary funds, other property or property rights. Cases of income and expenses incurrence at the accrual method are specified by the Articles 271, 272, 316, 317 of the Tax Code of the Russian Federation. Tax computation by the results of 2009 was carried out on the basis of the tax accounting data. Taxable profit for the accounting period equaled 3 888 785 thousand rubles, income tax calculated at the rate of 20% equaled 777 757 thousand rubles.

The earliest one of the following dates is recognized by the Company as the date of defining of the tax base for VAT calculation under the Chapter 21 of the Tax Code of the Russian Federation:

1. Day of dispatch (transfer) of goods (products, services), property rights.
2. Date of payment, partial payment against future delivery of goods (performance of works, rendered services), transfer of property rights.

The sum of the value-added tax accrued for payment for 2009 is 2 117 061 thousand rubles.

Tax base of the property tax is fixed by the Company on the basis of the fixed assets cost reflected in the Company's asset side of the sheet-balance. The fixed assets are taken into account at the replacement cost. The sum of property tax for 2009 is 160 504 thousand rubles.

Accrual and payment of other taxes and dues is performed under the legislation on taxes and dues which regulates the order of accrual and payment of correspondent taxes and dues.

4.15. Deferred tax assets and deferred tax liabilities

The Company reflects in the accounting differences which arise due to divergence between the accounting income and the income calculated in accordance with the requirements of Chapter 25 of the Tax Code (TC) of the Russian Federation.

Obligatory character and rules of formation of such indicators are specified by RAS 18/02 "Accounting of the income tax calculations"

Provisional profits tax expense for 2009 is:

Provisional expense = accounting income x 20% = 2 394 707 x 20% = 478 941 thousand rubles.

Transfer from the accounting income to taxable income for 2009 is presented in the table:

No	Indicator	Sum
1	Income (expenses) under form No. 2 (line code140)	2 394 707
2	Permanent differences	3 249 095
2.1.	Material aid, social benefits, etc to employees, pensioners, etc.	545 073
2.2.	Increase in value of noncurrent assets	(96 118)
2.3.	Recovery of reserve for doubtful debts	(14 496)
	Recovery of reserve for other contingent liabilities	(206 777)
2.4.	Depreciation of the fixed assets	1 262 890
2.5.	Income of the past years	(77 688)
2.6.	Expenses of last tax periods, accounted in the past tax periods on the basis of revised declaration	232 664
2.7.	Charitable contribution	10
2.8.	Accounts receivable write-off	24 342
2.9.	Transfers to the extra-budgetary funds NSPF, Innovations in electric power industry	14 143
2.10.	Cultural and sport events	17 175
2.11.	Payments to the Board of Directors	26 341
2.12.	Non-recoverable VAT	28 797
2.13.	Contributions and payments to the employees of trade union committee	31 892
2.14.	Payments for emission of polluting substances above the allowable level	2 826
2.15.	Penalties, interest fines, forfeits, payments under amicable agreements	3 369
2.16.	Reserve for doubtful debts	972 795
2.17.	Reserve for other contingent liabilities	188 259
2.18.	Other	554
3.	Deductible temporary differences	146 115
3.1	Depreciation of the fixed assets (the depreciation amount for tax accounting is lesser than the depreciation amount for accounting statements)	41 576
3.2	Sum of expenses at sales of fixed assets adjourned to future period	-970
3.3.	Other	105 509
4	Taxable temporary differences	1 901 132
4.1.	Depreciation of the fixed assets (the depreciation amount for tax accounting is more than the depreciation amount for accounting statements)	1 793 638
4.2.	Expenses included for the accounting as expenses of future periods (licenses, software, etc.)	(11 103)
4.3.	Other taxable temporary differences	118 597

No	Indicator	Sum
	Total (total of line 2 + total of line 3 — total of line 4)	1 494 078
DATA OF THE TAX DECLARATION		
5.	Total income (expense) under line code 050 of Page 02 of the Tax Declaration of the current tax period	3 888 785
5.1.	Current profits tax under form No. 2 (line code 143)	777 757
6	Total additionally accrued income under line code 050 of Page 02 of the Tax Declaration f the past tax periods	(266 792)
6.1.	Additionally assessed income tax of the past tax periods under form No. 2 (line code 15090)	(64 030)

Amount of written-off deferred tax assets is 1 551 thousand rubles, including:

- 526 thousand rubles — from liquidation of fixed assets;
- 1 025 thousand rubles — in respect of undistributed contributions to NSPF.

Amount of written-off deferred tax liabilities is 4 836 thousand rubles, including:

- 1 975 thousand rubles — from liquidation of fixed assets;
- 882 thousand rubles — from write-off or sale of overall;
- 1 979 thousand rubles — from write-off of expenses of future periods

4.16. Earnings per share

Basic earnings per share reflect part of earnings of the accounting period which may be implicitly distributed between shareholders — holders of ordinary shares. It is calculated as ratio of basic earnings for the accounting year to average quantity of ordinary shares circulating during the accounting year. Basic earnings equal net earnings of the accounting year (line code 190 of the profit and loss statement).

Name	2009
Basic earnings for the accounting year, RUR	
Average quantity of ordinary shares circulating during the accounting year, thousand shares	42 217 941 468
Basic earnings per share, RUR	0,0314

Diluted earnings per share are not calculated according to the section 4 of the clause 16

of the Order of Ministry of Finance of the Russian Federation No. 29n dated 21.03.2000 “On approval of Methodic recommendations regarding disclosure of information on income per share”.

4.17. Information disclosure in accordance with the Federal Law No. 261 dated 23.11.09 “On energy savings and on raising of energy efficiency and on introduction of alterations into certain legislative acts of the Russian Federation”

In the course of business activity IDGC of Centre, JSC consumes electric power and heat/energy for business needs.

In 2009 electric power in the amount of 376 608 thousand rubles and heat/energy in the amount of 44 263 thousand rubles were consumed for balance-of-plan needs.

4.18. Related parties

Associated companies:

Name of company	Field of activities	Share in authorized capital %
Sanatorium-Preventorium “Energetik”, JSC	Organization and performance of health resort treatment	100

The Company does not perform any transactions and does not have unaffected payments to key managing officers and their close relatives except for payments of remuneration to them in form of salary, premiums and other payments indicated in the table.

Payments to key management personnel.

Category of key management personnel and kinds of payments	
I. Remuneration of labour	140 055
II. Treatment and medical service costs	18
III. Annual paid leave	8 955
IV. Payments to the Non-state pension insurance fund	315
V. Dividends	0
VI. Terminal wage	8 569
Total	157 912

Operations with other related parties

Volume of the most material transactions with related parties is presented in the table below.

Counterpart	Type of transaction	Volume of transactions regarding each type separately	Payment amount
IDGC Holding, JSC	Services on organization of operation and development of UES of Russia	520 380	494 361

4.18. Contingent liabilities

The most essential abortive trials as of 31.12.2009 in which IDGC of Centre, JSC participates as plaintiff and defendant are reflected in the Appendix No.3.

4.19. Guarantees

Amount of joint liabilities of IDGC of Centre, JSC from collateral pledged to third persons at the date of the end of the 4th quarter 2009 is 3 164 660,00 thousand rubles. Including amount of liabilities from pledged collateral in form of sureties is 1 781 552 thousand rubles, in form of pledge at obtaining of credits is 964 108 thousand rubles, in form of bank guarantee at obtaining of credit is 419 000 thousand rubles:

Interpretation of collaterals and liabilities issued (line code 960) by IDGC of Centre, JSC as of 31.12.2009.

No.	Name of DGC	Kind of liability	Beneficiary	Amount, thousand rubles	Date of issue	Issued till	Risk of liability fulfillment	Principal
1	2	3	4	5	6	7	8	9
1	Belgorodenergo	Surety	Belgorod Department of Savings Bank 8592	2 099	19.10.2005	24.09.2010	Low	“Energoleasing”, JSC
			Belgorod Department of Savings Bank 8592	3 238	27.10.2005	24.09.2010	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	5 703	29.11.2005	24.09.2010	Low	“Energoleasing”, JSC

No.	Name of DGC	Kind of liability	Beneficiary	Amount, thousand rubles	Date of issue	Issued till	Risk of liability fulfillment	Principal
1	2	3	4	5	6	7	8	9
1	Belgorodenergo	Surety	Belgorod Department of Savings Bank 8592	6 631	12.12.2005	24.09.2010	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	4 776	19.12.2005	24.09.2010	Low	“Energoleasing”, JSC
		Surety	Gazenergo-prombank	6 308	18.05.2006	12.05.2011	Low	“Energoleasing”, JSC
		Surety	Belgorod city Gazenergo-prombank	18 081	23.05.2006	20.05.2011	Low	“Energoleasing”, JSC
		Surety	Belgorod city Gazenergo-prombank	10 583	30.05.2006	27.05.2011	Low	“Energoleasing”, JSC
		Surety	Belgorod city Gazenergo-prombank	2 026	16.06.2006	10.06.2011	Low	“Energoleasing”, JSC
		Surety	Belgorod city Gazenergo-prombank	7 971	23.06.2006	17.06.2011	Low	“Energoleasing”, JSC
		Surety	Belgorod city Gazenergo-prombank	6 403	29.06.2006	23.06.2011	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	30 065	17.07.2006	13.07.2011	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	29 331	21.07.2006	20.07.2011	Low	“Energoleasing”, JSC

No.	Name of DGC	Kind of liability	Beneficiary	Amount, thousand rubles	Date of issue	Issued till	Risk of liability fulfillment	Principal
1	2	3	4	5	6	7	8	9
	Belgorodenergo	Surety	Belgorod Department of Savings Bank 8592	30 256	26.07.2006	25.07.2011	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	25 180	28.07.2006	27.07.2011	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	6 356	25.08.2006	23.08.2011	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	13 425	31.08.2006	30.08.2011	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	326	18.12.2006	14.12.2011.	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	21 067	05.07.2007	23.06.2011	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	3 350	09.08.2007	23.06.2010	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	87 449	03.10.2007	23.09.2010	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	50 463	15.02.2008	08.02.2013	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	20 301	22.02.2008	08.02.2013	Low	“Energoleasing”, JSC

No.	Name of DGC	Kind of liability	Beneficiary	Amount, thousand rubles	Date of issue	Issued till	Risk of liability fulfillment	Principal
1	2	3	4	5	6	7	8	9
1	Belgorodenergo	Surety	Belgorod Department of Savings Bank 8592	33 784	11.03.2008	06.03.2013	Low	“Energoleasing”, JSC
		Surety	Belgorod Department of Savings Bank 8592	89 251	13.03.2008	08.03.2013	Low	“Energoleasing”, JSC
		Bank guarantee	Department for Finance and Budget Policy of Belgorod region	419 000	12.11.2008	18.11.2011	Low	Branch of IDGC of Centre, JSC — “Belgorodenergo”
total				933 423	x	x	x	
2	Information Agency of IDGC	Surety	Joint-stock Commercial Bank “ROS-BANK” (JSC)	1 267 130	28.10.2008	31.01.2014	Low	“Energoleasing”, JSC
		Pledge of commodities and materials	Joint-stock Commercial Savings Bank of RF (JSC)	611 123	17.12.2008	16.06.2010	Low	IDGC of Centre, JSC
		Pledge of commodities and materials	Joint-stock Commercial Savings Bank of RF (JSC)	352 984	19.02.2009	18.08.2010	Low	IDGC of Centre, JSC
total				2 231 237	x	x	x	
TOTAL				3 164 660	x	x	x	

Agreement No. BG-1467/08 dated November 11, 2008 on issue of bank guarantee in the amount of 419 000 thousand rubles is concluded between IDGC of Centre, JSC (“the Principal”) and Joint-Stock Commercial Bank “ROSBANK” (JSC) (“the Guarantor”) in favor of the Department for Finance and Budget Policy of Belgorod region (“the Beneficiary”) as a security of proper discharge of liabilities of the Principal to the Beneficiary regarding refund of received monetary amount (credit) in accordance with State contract on granting of budget credit No. 12SC dated November 17, 2006 in the amount of 340 000 thousand rubles and payment of interests on it at the rate of 8% per annum.

Guarantee agreement No. PR/348/08 dated October 28, 2008 is concluded between IDGC of Centre, JSC (“the Guarantor”) and Joint-Stock Commercial Bank “ROSBANK” (JSC) (“the Creditor”) as a security of proper discharge of liabilities of “Energoleasing”, JSC (“the Borrower”) to the Creditor on Credit agreement No. RK/170/08 dated October 28, 2008. Indebtedness of the Borrower to the Creditor under abovementioned Credit agreement as of December 31, 2009 is 1 267 129,56 thousand rubles.

Interpretation of collaterals and liabilities received (line code 950) by IDGC of Centre, JSC as of 31.12.2009.

(thousand rubles)

No.	Name of Branch	Kind of li-ability	Beneficiary	Amount, thousand rubles	Date of issue	Issued till	Principal
1	Smolenskenergo	Pledge	IDGC of Centre, JSC	14.00	29.03.2004	30.11.2023	T.N. Minkina
		Pledge	IDGC of Centre, JSC	137.85	11.05.2004	01.05.2024	S.A. Radchenkov
		Pledge	IDGC of Centre, JSC	109.55	26.04.2004	29.02.2027	V.V. Burakov
		Pledge	IDGC of Centre, JSC	140.00	26.04.2004	28.02.2024	M.K. Kirienko
		Pledge	IDGC of Centre, JSC	10.30	09.06.1997	31.01.2017	T.V. Korshunova
		Pledge	IDGC of Centre, JSC	5.20	09.06.1997	31.01.2017	N.V. Shcherbina
		Pledge	IDGC of Centre, JSC	45.88	29.02.2000	30.11.2019	S.E. Sherstnev
		Pledge	IDGC of Centre, JSC	15.85	9.06.1997	31.01.2017	V.S. Borisenkova
		Pledge	IDGC of Centre, JSC	85.16	30.12.2003	18.12.2018	S.V. Shukshin
		Pledge	IDGC of Centre, JSC	4.57	26.04.2004	01.05.2024	S.S. Ivanova
		Pledge	IDGC of Centre, JSC	168.45	24.04.2004	01.05.2024	O.V. Panasenko
		Pledge	IDGC of Centre, JSC	131.72	11.05.2004	01.01.2024	V.B. Svatov
		Pledge	IDGC of Centre, JSC	13.79	29.05.1997	01.02.2017	V.V. Filipenkov
total			882	x	x		

No.	Name of Branch	Kind of liability	Beneficiary	Amount, thousand rubles	Date of issue	Issued till	Principal
	Information Agency of IDGC	Surety	Joint-stock Commercial Savings Bank of RF (JSC)	500 000.00	30.06.2009	27.12.2010	IDGC of Centre, JSC
total				500 000	x	x	
TOTAL				500 882	x	x	

Guarantee agreement No. 965-p dated June 30, 2009 is concluded between Joint-stock Commercial Savings Bank of RF (JSC) (“the Bank”) and “KorSsis”, JSC “the Guarantor” as a security of proper discharge of liabilities of IDGC of Centre, JSC (“the Borrower”) to the Bank under the Contract on opening of revolving line of credit No. 965 dated June 30, 2009. Indebtedness of the Borrower to the Bank on under abovementioned credit agreement as of December 31, 2009 is 500 000 thousand rubles.

4.20. Information on segments

The Company does not disclose information on segments in the annual financial statements.

4.21. Events after the reporting date

Dividends

Amount of the annual dividend per one share will be fixed in 2010 by the General Meeting of Shareholders of the Company following the results of work of 2009. Planned date of holding of the Annual General Meeting of Shareholders is 22.06.2010.

General Director E.F. Makarov

Chief Accountant S.Yu. Puzenko

27.02.2010

Seal: The Russian Federation Moscow Joint-Stock Company
“Interregional Distribution Grid Company of Centre”
IDGC of Centre, JSC Tax payer number 6901067107

**BREAKDOWN
of accounts receivable as of December 31, 2009**

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
1	2		3		5
1	other		241	6014	3100
2	CJSC Vityaz	17.12.2008	241	829	3100
3	Norilchanin Ltd.	31.07.2008	241	1792	3100
4	BelVeloks Ltd.	31.08.2009	241	8756	3100
5	S.E. Sidorenko Anatoliy Akimovich	24.12.2008	241	7417	3100
6	other		24608	2963	3100
7	Individual (damage)	30.12.2009	24608	730	3100
8	other		24505	163	3100
9	URALENERGOSERVIS Ltd.	28.12.2009	24505	1500	3100
10	Beldorstroy Ltd.	17.02.2009	241	704	3100
11	Belgorod Sales Company, JSC	31.12.2009	24505	70105	3100
12	other		24504	1483	3100
13	Belgorod Sales Company, JSC	31.12.2009	24504	554	3100
14	FGC of UES, JSC	18.09.2008	24504	920	3100
15	Individual (damage)	31.12.2009	24608	638	3100
16	other		24602	292	3100
17	VAT on advances received	31.12.2009	24608	15043	3100
18	RB-Leasing Ltd.	30.12.2009	24608	2713	3100
19	other		24503	667	3100
20	other		24501	1742	3100
21	other		24502	14	3100
22	Priorskoye, CJSC	26.06.2008	241	864	3100
23	Social Investment and Construction Center of Regional Government Department	03.12.2009	241	3129	3100
24	Settlements on purchased appartments	31.12.2009	235	644	3100
25	Social Insurance Settlements	31.12.2009	24605	574	3100

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
26	Belgorod Sales Company, JSC	31.12.2009	241	316564	3100
27	Directorate of the residential district Severny, JSC	28.10.2008	241	7829	3100
28	Housing engineering and construction company ZhBI-3, CJSC	27.10.2008	241	8400	3100
29	Housing engineering and construction company ZhBI-3, CJSC	27.10.2008	241	20067	3100
30	Khomutsky Ltd.	23.06.2008	241	3328	3100
31	Social Investment and Construction Center of Regional Government Department	03.12.2009	241	579	3100
32	Payments for the environment pollution	31.12.2009	24608	823	3100
33	Belstroyinvest Ltd.	29.12.2007	241	2546	3100
34	Svoy Dom Ltd.	09.10.2008	241	536	3100
35	CCM Belgorodstroymontazh Ltd.	27.08.2008	241	12359	3100
36	GRINN Corporation, CJSC	25.12.2008	241	42037	3100
37	Marafon Ltd.	26.09.2008	241	547	3100
38	Reserve on doubtful debts on the repair organisations	31.12.2009	24503	-395	3100
39	Reserve on doubtful debts on material suppliers	31.12.2009	24501	-491	3100
40	Reserve on doubtful debts on thermal power transfer and transit	31.12.2009	241	-16357	3100
41	Reserve on doubtful debts on technological connection	31.12.2009	241	-36743	3100
42	Reserve on doubtful debts other	31.12.2009	241	-879	3100
43	other		231	501	3200
44	Argicultural production cooperative Znamya	01.04.2005	231	553	3200
45	other		245	6045	3200
46	Systel Avtomatizatsiya Ltd.	31.12.2009	245	1124	3200
47	Energostroy-Holding Bryansk branch	20.11.2009	245	2487	3200
48	Energostroy-Holding Bryansk branch	30.12.2009	245	595	3200
49	RN-Card-Bryansk Ltd.	31.12.2009	245	1339	3200
50	other		246	4702	3200
51	VAT on advances received	31.12.2009	246	26356	3200
52	Individual (elimination of freelance interference)	31.12.2009	246	649	3200

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
53	Kvartsit, JSC	31.12.2009	246	2139	3200
54	Dubrovsky district water canal MUE	30.11.2009	246	743	3200
55	Dyatkovsky crystal plant Ltd.	31.12.2009	246	3763	3200
56	Bryansk Sales Company, JSC	31.12.2009	241	72911	3200
57	Rusenegrosbyt Ltd.	31.12.2009	241	3308	3200
58	other		241	5100	3200
59	Mezhregionsbyt Ltd.	31.12.2009	241	4807	3200
60	Maltsovskoye karyeroupravlenie Ltd.	14.12.2009	241	1878	3200
61	Corporate service systems	31.12.2009	241	1067	3200
62	Forvard Ltd.	31.03.2009	241	2442	3200
63	Klintovsky silicate plant, CJSC	14.10.2009	241	523	3200
64	Bryansk kommunenergo SUE	14.03.2007	241	8112	3200
65	other		24501	40	3600
66	other		24502	94	3600
67	other		24503	3	3600
68	other		24504	2 394	3600
69	Voronezh grid company, JSC	31.12.2009	24608	165 000	3600
70	Voronezh teploenergo-Service Ltd. Ka- lachevsky branch	11.12.2009	24504	621	3600
71	Administration of Nizhnokislyayskoye urban settlement Buturlin	30.01.2009	24505	1 193	3600
72	other		24505	508	3600
73	BGPO of the Borisoglebsk urban district of Voronezh region MUE	31.12.2009	241	11 347	3600
74	MUE Voronezh city power grid	31.12.2009	241	659	3600
75	Voronezh atomenegrosbyt, JSC	31.12.2009	241	2 863	3600
76	Voronezh power sales company, JSC	31.12.2009	241	233 036	3600
77	Siburenergomangement, JSC	31.12.2009	241	2 895	3600
78	other		241	3 576	3600
79	Corporate service systems, Joint-Stock Company	31.12.2009	241	1 100	3600
80	VMU-2, CJSC	16.11.2009	241	757	3600
81	other		24602	39	3600
82	other		24605	9	3600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
83	other		24608	814	3600
84	Kleymenov Ivan Petrovich	30.11.2008	235	5 861	3600
85	Kleymenov Ivan Petrovich	31.12.2009	24608	733	3600
86	VAT on advances received	31.12.2009	24608	43 250	3600
87	Voronezh power sales company, JSC	31.12.2009	24608	43 578	3600
88	MUE Voronezh water canal	25.09.2008	24608	23 115	3600
89	Voronezhregiongaz Ltd.	31.03.2008	24608	766	3600
90	Energoleasing, CJSC	31.12.2009	24608	2 116	3600
91	Payments for appartments	31.12.2009	235	8 084	4600
92	other		241	6 121	4600
93	President Ltd.	30.06.2009	241	541	4600
94	Luchik Subsidiary of Autonomous Non- commercial Association	31.08.2009	241	588	4600
95	Individual (technological connection)	24.12.2009	241	617	4600
96	Energoatom group Kursky nuclear plant branch	31.12.2009	241	756	4600
97	Energoservice Ltd.	31.05.2009	241	865	4600
98	Corporate service systems	31.12.2009	241	930	4600
99	Kursk construction company	31.12.2009	241	954	4600
100	Seymsky market Ltd.	31.12.2008	241	1 446	4600
101	Shchigry Glavprodukt Ltd.	24.12.2009	241	1 522	4600
102	Sbytenergo Ltd.	31.12.2009	241	2 055	4600
103	Luch Ltd.	30.06.2009	241	2 125	4600
104	Energolink Ltd.	31.12.2009	241	2 301	4600
105	Agroindustrial Alliance «YUG», JSC	31.12.2009	241	2 713	4600
106	Almatea+ Ltd.	30.12.2008	241	3 212	4600
107	Rosinka Ltd.	31.12.2008	241	3 766	4600
108	Pribor Ltd.	30.04.2009	241	4 764	4600
109	Region power sales company	31.12.2009	241	24 003	4600
110	Kursk power sales company, JSC	31.12.2009	241	213 608	4600
111	Kursk PSC, JSC	31.12.2009	241	224 764	4600
112	other		24501	268	4600
113	other		24502	343	4600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
114	Column convoy No.12, JSC	31.08.2009	24502	1 195	4600
115	Energolink Ltd.	31.10.2009	24502	5 988	4600
116	other		24503	126	4600
117	other		24504	1 243	4600
118	Attestat Ltd.	23.06.2008	24504	728	4600
119	Non-commercial organisation Football Club Avangard	17.11.2009	24504	3 000	4600
120	other		24505	668	4600
121	Kurskoblnfteprodukt Ltd.	01.12.2009	24505	3575	4600
122	other		24602	102	4600
123	Excess payment to NVF	31.12.2009	24605	902	4600
124	other		24608	1388	4600
125	VAT on advances received	31.12.2009	24608	6917	4600
126	Volga, JSC	31.12.2009	24608	535	4600
127	Energoleasing, CJSC	31.12.2009	24608	5312	4600
128	Fatezhskie Communal electric and heat- ing networks Ltd.	30.04.2008	24608	1878	4600
129	Kursk electric network, JSC	31.12.2009	24608	10597	4600
130	Kursk Bearing Company, CJSC	31.12.2008	24608	1765	4600
131	Improvement to dwealing loan	31.12.2009	24608	1 012,17	4600
132	Settlement on purchased apartment	31.12.2009	24608	1 184,18	4600
133	other		24505	370	4800
134	other		24501	719	4800
135	other		24503	36	4800
136	other		24504	3 342	4800
137	Lipetsk power sales company, JSC	31.12.2009	24504	3 956	4800
138	FGC of UES, JSC	31.12.2009	24504	1 324	4800
139	FGC of UES, JSC	31.12.2009	24504	1 582	4800
140	FGC of UES, JSC	31.12.2009	24504	6 973	4800
141	FGC of UES, JSC	31.12.2009	24504	1 280	4800
142	other		24502	837	4800
143	Lipetsk IPC, JSC	28.06.2007	24502	1 761	4800
144	Lipetsk IPC, JSC	28.06.2007	24502	1 387	4800

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
145	Production investment company	31.12.2009	241	500	4800
146	Special Economic zone power sales company	31.12.2009	241	7 438	4800
147	Lipetsk PGC (NUTSH), JSC	31.12.2009	241	64 229	4800
148	Mezhregionenergosbyt, JSC	31.12.2009	241	556	4800
149	Rusenergoresurs Ltd.	31.12.2009	241	2 718	4800
150	Yeletsky city milk plant, JSC	31.12.2009	241	381	4800
151	other		241	5 296	4800
152	LeMaz Ltd.	31.12.2009	241	1 613	4800
153	City power sales company, JSC	31.12.2009	241	62 918	4800
154	Novolipetsk metallurgical combine	31.12.2009	241	126 850	4800
155	Lipetsk power sales company, JSC	31.12.2009	241	38 736	4800
156	KORPORATSIYA INZHTRANSSTROY Ltd.	24.12.2009	241	21 574	4800
157	Agrofirm Trio-Plus Ltd.	25.12.2009	241	16 476	4800
158	Lipetsk Mortgage Corporation, JSC	28.09.2009	241	33 449	4800
159	Corporate service systems, JSC	31.12.2009	241	538	4800
160	Lipetsk IPC, JSC	30.06.2007	241	644	4800
161	MUE on Yelets improvement	30.06.2008	241	1 714	4800
162	other		24608	5 149	4800
163	Lipetskmyasoprom, JSC	31.07.2009	24608	601	4800
164	Yeletskrupa LLC	30.06.2009	24608	636	4800
165	Training-production and medical-prophy- lactic center	31.08.2003	24608	36 684	4800
166	Energoleasing, CJSC	31.12.2009	24608	13 930	4800
167	other		235	627	4800
168	Settlements with dismissed employees on purchased apartments (short-term)	31.12.2009	24608	2 843	4800
169	VAT on advances received	31.12.2009	24608	11 228	4800
170	other		24605	183	4800
171	other		235	814	5700
172	Ermolenko Alexandr Vladimirovich	31.12.2009	235	1 615	5700
173	Aminyakov Sergey Vladimirovich	31.12.2009	235	567	5700
174	Sukhorukov Yury Vladimirovich	31.12.2009	235	1 468	5700
175	other		241	2 603	5700

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
176	Orel sales company, JSC	31.12.2009	241	103 024	5700
177	INTER RAO UES Orel branch	31.12.2009	241	101 505	5700
178	other		24501	401	5700
179	other		24502	1	5700
180	other		24504	1 391	5700
181	other		24505	101	5700
182	RB-Card-Orel Ltd.	23.12.2009	24505	1 256	5700
183	other		24605	438	5700
184	Orelenergo	01.01.2007	24608	453	5700
185	other		24608	2 437	5700
186	VAT on advances received	31.12.2009	24608	2 186	5700
187	other		245	6 066	6700
188	Smolensk land survey enterprise	26.05.2009	245	1 539	6700
189	Smolenskenergosbyt, JSC	25.12.2009	245	101 492	6700
190	Energobalance-Centr Ltd.	31.12.2008	245	2 571	6700
191	Rusenergoresbyt Ltd.	31.12.2009	241	12 972	6700
192	Smolenskenergosbyt, JSC	31.12.2009	241	328 286	6700
193	MUE Gorvodokanal	28.01.2008	241	604	6700
194	other		241	6 021	6700
195	Agricultural cooperative Zhukovo	30.06.2009	241	828	6700
196	SMOLENSK AIRCRAFT PLANT, JSC	31.03.2009	241	2 271	6700
197	Vash Dom, CJSC	29.12.2008	241	8 424	6700
198	Gagarinsky Plywood Plant Ltd.	28.10.2008	241	1 414	6700
199	Smolensk Construction Company Ltd.	25.12.2007	241	4 443	6700
200	Smolenskenergoremont, JSC	31.12.2009	241	1 002	6700
201	Branch of TGC-4 — Smolensk regional generation, JSC	31.12.2009	241	1 065	6700
202	Branch of SO of UES of Regional Dis- patching Office ES, JSC of Smolensk, Bryansk and Kaluga regions	31.12.2009	241	593	6700
203	Vyazma urban settlement administration of Vyazemsky district	31.12.2009	241	1 350	6700
204	other		246	11 002	6700
205	other		235	2 469	6700

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
206	VAT on advances received	31.12.2009	246	11 073	6700
207	Akulina Zinaida Petrovna S.E.	21.12.2009	246	1 175	6700
208	Vodokanal Ltd.	01.12.2009	246	778	6700
209	Military unit 46120	29.12.2009	246	607	6700
210	Vyazemsky electrotechnical plant — OO power systems	11.06.2009	246	901	6700
211	Golynki MUE of Housing and Utilities Service	01.12.2009	246	553	6700
212	MUE Shumyachskoe RPO of Housing and Utilities Service	16.12.2009	246	1 908	6700
213	Monastyrshchinskoye MUE Kommunal- nik of Municipal District Administration	16.12.2009	246	1 427	6700
214	Novikova Irina Alexeevna S.E.	29.12.2009	246	660	6700
215	Oster	17.12.2009	246	1 797	6700
216	Mibile Mechanical Division Demidovs- kaya, JSC	22.04.2009	246	802	6700
217	Safonovomekhtmontazh Ltd.	21.12.2009	246	8 222	6700
218	Smolensk communal systems, JSC	31.12.2009	246	1 411	6700
219	Vyazma branch of Smolenskregion- teploenergo Ltd.	09.11.2009	246	920	6700
220	Stodolishchensky Hosing and Unitary Site of MUUE	16.12.2009	246	875	6700
221	Stroy-Centre Ltd.	30.12.2009	246	1 501	6700
222	Management Company Ltd.	14.12.2009	246	3 617	6700
223	Management company Zhilishchnik Ltd.	01.12.2009	246	1 468	6700
224	Management company Pionerny Ltd.	31.12.2009	246	1 573	6700
225	Management company Pionerstroy Ltd.	01.12.2009	246	589	6700
226	Management company Santekhmontazh Ltd.	01.12.2009	246	673	6700
227	Management company Santekhservis Ltd.	01.12.2009	246	935	6700
228	Individual (elimination of freelance inter- ference)	28.12.2009	246	2 777	6700
229	Individual (accommodation loan)	30.03.2008	246	1 427	6700
230	Energoleasing, CJSC	06.11.2009	246	13 986	6700
231	Settlment on Unified Social Tax-Social Insurance Fund	31.12.2009	246	1 104	6700
232	Orgtekhnika, JSC	01.01.1999	235	2 774	7600
233	Individuals (a/c 7301)	31.10.2008	235	3 472	7600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
234	Individuals (a/c 7305)	15.11.2002	235	1 364	7600
235	Individuals (a/c 762901)	10.07.2002	235	1 230	7600
236	GrosStems Ltd.	30.11.2009	241	559	7600
237	other		241	3123	7600
238	Borisoglebsky Municipal District Admin- istration	25.12.2009	241	2 028	7600
239	MUE Housing and Utilities Service MEN- DELEEVETS	01.05.2001	241		7600
240	Housing and Utilities Service of Pere- slavsky municipal district	24.12.2009	241	1 240	7600
241	KRASNY OKTYABR, CJSC	25.12.2008	241		7600
242	Myshkino podvorye Ltd.	31.12.2008	241		7600
243	MetaKon Ltd.	31.12.2009	241	719	7600
244	MUE Housing and Utilities Service NEK- OUZSKOYE	11.04.2000	241		7600
245	Production company Nikomed Ltd.	25.12.2009	241	2 360	7600
246	MUE RYBINSK CITY ELECTRIC GRID	31.12.2009	241	18 547	7600
247	ME Rostov Housing and utilities service	31.03.2003	241		7600
248	Sistel Automatizatsiya Ltd.	16.12.2009	241	1 245	7600
249	Transneftservice S Ltd.	31.12.2009	241	975	7600
250	Individual (technical connection)	31.12.2009	241	201	7600
251	Yaroslavl city electric grid MUE	29.10.2009	241	44 794	7600
252	Yaroslavl sales company, JSC	30.04.2008	241	332 238	7600
253	other		24501	494	7600
254	Siemens high-voltage devices Ltd.	30.10.2009	24502	1 452	7600
255	other		24503	25	7600
256	other		24504	3 265	7600
257	Branch of FGC of UES — Main Power Grids of Centre, JSC	28.03.2008	24504	27 476	7600
258	Russian Post FSUE	23.12.2009	24504	526	7600
259	ZEMRESURS Ltd.	30.06.2009	24504	2 058	7600
260	Tax technologies Ltd.	06.10.2009	24504	800	7600
261	Energoyurservis, CJSC	15.04.2008	24504	24 000	7600
262	other		24505	871	7600
263	INFINEON ENGINEERING Ltd.	30.11.2007	24505	1 085	7600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
264	Siemens high-voltage devices Ltd.]	30.10.2009	24505	23 625	7600
265	other		24601	522	7600
266	YAROSLAVL RIVER PORT, JSC	31.08.2006	24601	645	7600
267	MUE Housing and Utilities Service MEN- DELEEVETS	11.01.2005	24601	666	7600
268	other		24602	301	7600
269	other		24603	0	7600
270	other		24608	12 100	7600
271	Yaroslavl sales company, JSC	31.12.2009	24608	836	7600
272	Pereslavsky district administration	27.11.2009	24608	553	7600
273	Housing and Utilities Service of Pere- slavsky municipal district	26.11.2009	24608	1 351	7600
274	Pereslavsky district administration	29.09.2009	24608	834	7600
275	ROSBUSINESSLEASING, JSC	31.12.2009	24608	767	7600
276	ROSBUSINESSLEASING, JSC	31.12.2009	24608	691	7600
277	Danilovskoe housing and public services	31.10.2009	24608	827	7600
278	Golovino of Golovinsky structural subdivision of Municipal Autonomous Institution	24.12.2008	24608	511	7600
279	Energoselo of Uglichsky municipal district	16.10.2009	24608	576	7600
280	Rybinsky municipal district administra- tion	10.06.2009	24608	682	7600
281	MUE Energetik Energoselo branch	25.07.2009	24608	1 223	7600
282	KHIMTORG Ltd.	11.01.2005	24608	2 878	7600
283	KOZLOV V.A. S.E.	31.03.2007	24608	625	7600
284	FGC of UES, JSC	31.12.2005	24608	3 629	7600
285	Energoleasing, CJSC	31.12.2009	24608	4 153	7600
286	Energoleasing, CJSC	31.12.2009	24608	1 324	7600
287	Energoleasing, CJSC	31.12.2009	24608	906	7600
288	Energoleasing, CJSC	31.12.2009	24608	4 947	7600
289	Energoleasing, CJSC	31.12.2009	24608	2 003	7600
290	Sattlements on land lease	31.12.2009	24608	704	7600
291	VAT on advances received	31.12.2009	24608	91 334	7600
292	Individuals (a/c 71)	31.12.2009	24608	8 956	7600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
293	Individuals (a/c 7301)	31.10.2008	24608	510	7600
294	Individuals (a/c 762901)	31.12.2009	24608	1 212	7600
295	other		24501	5	7700
296	Income tax in entity budget	31.12.2009	24603	9264	7700
297	other		24602	549	7700
298	Penalties on income tax on income in entity budget	31.12.2009	24603	518	7700
299	other		24603	252	7700
300	other		24605	30	7700
301	Settlements on pension insurance (ac- cumulated part)	31.12.2009	24605	2167	7700
302	Inspectorate of RF FTS No.8 in Moscow	31.12.2009	24602	1155	7700
303	Inspectorate of RF FTS No.8 in Moscow	31.12.2009	24602	9710	7700
304	Inspectorate of RF FTS No.8 in Moscow	31.12.2009	24603	59925	7700
305	other		24504	2266	7700
306	All-Russian R&D Institute of Certifica- tion, JSC	31.12.2009	24504	539	7700
307	KPMG, CJSC	31.12.2009	24504	5700	7700
308	Telecom Energy Ltd.	21.10.2009	24504	3310	7700
309	other		241	441	7700
310	other		24608	259	7700
311	Abaeva Olga Georgievna S.E.	31.12.2009	24608	609	7700
312	Long-term loan	31.12.2009	235	9409	7700
313	Advances made on returns	07.12.2009	24608	837	7700
314	Short-term worker's loan	31.12.2009	24608	3830	7700
315	other		24503	176	7700
316	other		24505	428	7700
317	other		235	330	6800
318	Kozoderov A.V.	04.12.2008	235	2895	6800
319	Zamotay A.M.	01.12.2008	235	4500	6800
320	Khromykh E.A.	16.10.2008	235	2470	6800
321	other		241	442	6800
322	Rusenergotrade Ltd.	31.07.2009	241	11374	6800
323	Tambovmyaso Ltd.	31.01.2009	241	800	6800

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
324	Tambov meat LLC	31.01.2009	241	1900	6800
325	RN-Inform Ltd.	30.06.2009	241	37	6800
326	Garant-Servis Ltd.	31.07.2008	241	5	6800
327	AgroTekhMash, CJSC	17.12.2008	241	3552	6800
328	Transneftservis-S Ltd.	31.05.2008	241	11961	6800
329	Tambov power sales company, JSC	31.12.2009	241	24817	6800
330	other		245	2656	6800
331	RN-Card-Tambov Ltd.	23.12.2009	245	778	6800
332	other		246	1698	6800
333	Settlements on Unified Social Tax — So- cial Insurance Fund	31.12.2009	246	1374	6800
334	Energoleasing, CJSC	15.07.2009	246	1077	6800
335	VAT on advances received	31.12.2009	246	3420	6800
336	Kozoderov A.V.	04.12.2008	246	660	6800
337	Zamotay A.M.	01.12.2008	246	600	6800
338	Tver power sales company Ltd.	31.12.2009	241	105189	6900
339	Almaz Garden Non-Commercial Partner- ship	21.12.2009	241	651	6900
340	Betiz-ZhBI, JSC	19.09.2009	241	12550	6900
341	General Department Territorialnaya	12.09.2008	241	778	6900
342	Danton-ptitseprom Ltd.	27.10.2009	241	514	6900
343	Dilinkor Ltd.	08.08.2008	241	622	6900
344	Konakovoagropromenergo, CJSC	13.09.2008	241	1611	6900
345	Corporate service systems	05.03.2009	241	1139	6900
346	Lenenergo Grid Enterprise of Dispatching and Technological Control Means	08.09.2009	241	1106	6900
347	Mobile TeleSystems (MTS), JSC	08.09.2008	241	2143	6900
348	other		241	5616	6900
349	Rusenergosbyt Ltd.	31.12.2009	241	6023	6900
350	Siburenergomanagement, JSC	31.12.2009	241	1309	6900
351	Tavrida Electric Centr Ltd.	09.01.2009	241	814	6900
352	Tver power sales company	07.12.2009	241	787	6900
353	Tver power sales company, JSC	31.12.2009	241	1045106	6900
354	SUE Tveroblstoyzakazchik	06.10.2009	241	1126	6900

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
355	Tveroblenergosbyt Ltd.	31.12.2009	241	533	6900
356	TeliaSonera International Carrier	28.10.2008	241	1016	6900
357	Energostroy-holding, JSC	28.02.2009	241	5944	6900
358	Energostroy-holding, JSC	27.10.2009	241	563	6900
359	other		245	8061	6900
360	Elbrus Ltd.	12.09.2007	245	2417	6900
361	SO Tvernefteproduct Ltd.	14.09.2007	245	2691	6900
362	Rzhev Gorenergo MUE	12.09.2007	245	1262	6900
363	Natural resources control department	31.01.2009	245	560	6900
364	Energobalance-Centr Ltd.	12.01.2009	245	1032	6900
365	Energolink Ltd.	10.08.2007	245	654	6900
366	Law and economy TEC Non-commercial-fund	07.09.2007	245	3911	6900
367	Settlements with accountable persons	31.12.2009	246	632	6900
368	Settlements with personnel on other transactions	31.12.2009	235	8442	6900
369	Settlements with personnel on other transactions	31.12.2009	246	814	6900
370	MUE Tvergorelektro	31.12.2000	246	11639	6900
371	Settlments woth other debtors	31.12.2009	246	85785	6900
372	Nikonorov Alexey Anatolyevich	19.02.2009	235	2823	4400
373	other		241	2636	4400
374	Kostroma sales company, JSC	31.12.2009	241	204692	4400
375	Kostroma Department — Branch of JSC Electrocentrmontazh	31.12.2009	241	654	4400
376	Kostroma plant Motordetal, JSC	31.12.2009	241	69454	4400
377	MUE of A.M.O. of urban settlement Ner-ekhta of municipal district	21.12.2008	241	531	4400
378	Rusenergosbyt Ltd.	31.12.2009	241	3708	4400
379	TermoDom Monolitstroy, CJSC	24.06.2007	241	796	4400
380	MD Cultury and entertainment center	24.06.2008	241	923	4400
381	other		24501	110	4400
382	other		24502	9	4400

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
383	Branch of Energostroy-holding, JSC in Kostroma region	31.12.2009	24502	5612	4400
384	Branch of FGC of UES — Main Power Grids of Centre, JSC	28.05.2007	24502	782	4400
385	other		24503	6	4400
386	other		24504	1049	4400
387	Manturovsky municipal district adminis-tration of Kostroma region	30.11.2009	24505	2357	4400
388	ME Gorenergoservis	31.12.2004	24505	2593	4400
389	other		24505	66	4400
390	TNK-Stolitsa, JSC Yaroslavl branch	31.12.2009	24505	1414	4400
391	other		24602	40	4400
392	other		24604	3	4400
393	other		24605	12	4400
394	Inspectorate of Federal Tax Service of Russia	31.12.2009	24605	842	4400
395	other		24608	2139	4400
396	Advance VAT	31.12.2009	24608	5944	4400
397	Rosgosstrakh Ltd.	31.12.2009	24608	671	4400
398	other		246	1105	6900
399	other		24604	31	7600
400	other		24605	1229	7600
Total:				5 474 287,67	

**BREAKDOWN
of accounts payable as of December 31, 2009**

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
1	2	3	4	5	6
1	other		627	4 664	3100
2	Zhemchuzhina Oskola Ltd.	22.12.2009	627	500	3100
3	other		62103	5 604	3100
4	Stroybusiness, CJSC	30.11.2009	62103	839	3100
5	Elektrostandart-2000 Ltd.	15.12.2009	62103	590	3100
6	Belgodorstroy Ltd.	30.11.2009	627	19 938	3100
7	MegaFon Povolzhsky, JSC	12.08.2009	627	1 147	3100
8	FGC of UES, JSC	30.11.2009	62103	111 326	3100
9	Oskol Elektrometallurgical Plant (OEMK)	30.11.2009	62103	1 256	3100
10	other		628	1 173	3100
11	70% primary professional organization of IDGC, JSC — Belgorodenergo	30.12.2009	628	656	3100
12	Belgorodenergoremont, JSC	31.12.2009	62103	915	3100
13	other		62101	565	3100
14	Belgorodenergoremont, JSC	31.12.2009	62101	239 482	3100
15	Stroybusiness, CJSC	30.11.2009	62101	32 705	3100
16	Column convoy No. 77, JSC	31.12.2009	62101	106 618	3100
17	Impuls, CJSC	31.12.2009	62101	52 958	3100
18	Column convoy No. 26, JSC	31.12.2009	62101	9 881	3100
19	Energostroy Ltd.	31.12.2009	62101	1 396	3100
20	Elektrostroy Ltd.	30.11.2009	62101	584	3100
21	Voronezhenergoproekt, JSC Belgorod branch	31.12.2009	62101	7 121	3100

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
22	PSA OSA Ltd.	31.12.2009	62101	589	3100
23	GF TepLOTSentrostroy Ltd.	30.11.2009	62101	78 770	3100
24	Labaz Ltd.	22.10.2009	627	981	3100
25	Valuyskaya Poultry farm Ltd.	22.09.2009	627	1 934	3100
26	Federal Pension Fund	31.12.2009	62601	1 920	3100
27	Pension Fund insurance part	31.12.2009	62501	1 577	3100
28	Pension Fund accumulation part	31.12.2009	62501	932	3100
29	other		62502	470	3100
30	other		62503	471	3100
31	Alimony	31.12.2009	628	1 338	3100
32	staff salary settlements	31.12.2009	62401	49 155	3100
33	TUPI settlements	31.12.2009	62601	11 569	3100
34	Land tax	31.12.2009	62603	2 321	3100
35	other		62602	52	3100
36	Belgorod power sales company	31.12.2009	627	1 570	3100
37	Lebedinsky MCC, JSC	31.12.2009	627	7 890	3100
38	RusAgro-Volonovka Ltd.	31.12.2009	627	584	3100
39	estate tax	31.12.2009	62602	6 439	3100
40	Belgorod regional innovating resource center RGD	17.11.2009	627	769	3100
41	Belgrankorm Ltd.	03.12.2009	627	1 730	3100
42	Gazprom Publicinvest Ltd.	29.12.2009	627	49 748	3100
43	capital stock Agro — Belogorye Ltd.	07.12.2009	627	6 347	3100
44	Union of Youth Housing Complex of Russia Belgorod regional division of the All-Russian Rublic Organisation	15.09.2008	627	825	3100
45	Energon Company Ltd.	31.12.2009	62103	1 720	3100
46	Column convey No. 26, CJSC	31.12.2009	62103	19 132	3100
47	Souzelektroavtomatika, CJSC	31.12.2009	62103	23 721	3100
48	Energovolt, CJSC	31.12.2009	62103	51 670	3100
49	KomplektEnergo Ltd.	31.12.2009	62103	3 506	3100
50	Belgorodenergoremont, JSC	31.12.2009	62102	12 304	3100

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
51	Column convoy No. 77, JSC	31.12.2009	62102	5 247	3100
52	other		62102	327	3100
53	Stroybusiness, CJSC	30.09.2009	62103	2 059	3100
54	Baltic complex, Ltd.	31.12.2009	62103	1 331	3100
55	Service Center EnergoArm Ltd.	31.12.2009	62103	871	3100
56	115 Ltd.	31.12.2009	62103	559	3100
57	ATE-Energy Ltd.	31.12.2009	62103	6 760	3100
58	Bel.RU Ltd.	31.12.2009	62103	1 409	3100
59	Belgorodenergoremont, JSC	31.12.2009	62103	2 150	3100
60	Vympel-Center PSA Ltd.	31.12.2009	62103	1 391	3100
61	Corporate service system, JSC	31.12.2009	62103	28 892	3100
62	Sciener Ltd.	31.12.2009	62103	3 078	3100
63	other		62601	0	3100
64	other		621	11089	3200
65	NIS-21 Ltd.	18.12.2009	621	2044	3200
66	Souzelektroavtomatika, CJSC	29.12.2009	621	648	3200
67	Elektrik Center Tavrida Ltd.	16.12.2009	621	2508	3200
68	Profi-Snab Ltd.	30.12.2009	621	1898	3200
69	Bryansk branch Energostroy hold- ing company	31.12.2009	621	17241	3200
70	FGC of UES, JSC	31.12.2009	621	62897	3200
71	Bryansk power sales company, JSC	31.12.2009	621	8147	3200
72	Altay Transformer Plant, JSC	14.10.2009	621	2376	3200
73	Trading house electrical facilities	08.12.2009	621	2092	3200
74	Mitep Company, JSC	18.12.2009	621	1381	3200
75	Rosentek Ltd.	30.11.2009	621	1341	3200
76	Baltic complex Ltd.	05.12.2009	621	1123	3200
77	Trading house Khorda Ltd.	20.10.2009	621	1103	3200
78	NIS-21 Ltd.	31.12.2009	621	1042	3200
79	Energomash, JSC	02.09.2009	621	731	3200
80	MEGATEK Ltd.	20.10.2009	621	679	3200

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
81	Energokomplekt Ltd.	20.10.2009	621	677	3200
82	Bryansk power sales company, JSC	31.12.2009	621	694	3200
83	Zhukovskoe housing and utilities infrastructure MUE	31.12.2009	621	993	3200
84	Power supply MRF of JSC RRF branch	31.12.2009	621	1486	3200
85	Sciener Ltd.	31.12.2009	621	11431	3200
86	Corporate service systems, JSC	31.12.2009	621	7426	3200
87	Bryansk municipal systems, JSC	31.12.2009	621	39901	3200
88	Sistel Avtomatizatsiya Ltd.	17.12.2009	621	4918	3200
89	Profisnab Ltd.	30.12.2009	621	9639	3200
90	Energoholding Bryansk Branch	31.12.2009	621	8533	3200
91	Kurskenergosetremont Ltd.	22.12.2009	621	1711	3200
92	staff salary settlements	31.12.2009	624	14912	3200
93	Settlements on Unified Social Tax — Pension Fund insurance part	31.12.2009	625	1989	3200
94	Settlements on Unified Social Tax — Pension Fund accumulation part	31.12.2009	625	724	3200
95	other		625	771	3200
96	estate tax	31.12.2009	626	2065	3200
97	TUPI settlements	31.12.2009	626	5673	3200
98	Land tax	31.12.2009	626	512	3200
99	other		626	152	3200
100	Settlements of UST on FB PF	31.12.2009	626	1494	3200
101	other		627	8258	3200
102	Ministry of Industry and Trade	21.12.2009	627	70751	3200
103	RRF MRF, JSC	23.10.2009	627	14166	3200
104	Chicken Kingdom-Bryansk Ltd.	01.10.2009	627	13288	3200
105	Kartofelnaya-Niva Ltd.	02.10.2008	627	11419	3200
106	Bryansk customs SI	23.12.2008	627	9161	3200
107	Bryansk meat processing plant	20.08.2009	627	6000	3200
108	Universal construction firm	31.03.2008	627	4333	3200
109	Quantum — City Ltd.	22.12.2009	627	3807	3200

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
110	Forward Ltd.	31.03.2008	627	3326	3200
111	Federal Industry Agency	24.12.2007	627	3213	3200
112	Klimovsky krakhmal Ltd.	06.07.2007	627	2637	3200
113	Gross — Auto -Plus Ltd.	10.12.2009	627	2417	3200
114	Druzhba Ltd.	15.12.2009	627	2118	3200
115	Pioneer Housing Construction Combine	01.10.2007	627	1822	3200
116	Metrobeton, CJSC	21.01.2009	627	1785	3200
117	Trekstroy Ltd.	29.03.2007	627	1772	3200
118	Promelit Alliance, CJSC	24.01.2007	627	1772	3200
119	Nashgorod Ltd.	04.09.2008	627	1667	3200
120	Individual person (technical con- nection)	31.12.2009	627	1556	3200
121	Premium Proekt Ltd.	31.03.2008	627	1437	3200
122	PSP Lux Ltd.	29.08.2008	627	962	3200
123	Military unit 33841 SI	16.06.2008	627	896	3200
124	Stroytekhmontazh Ltd.	23.06.2008	627	800	3200
125	Senator, JSC	26.09.2007	627	595	3200
126	Bryansk Road Facility Management	01.12.2009	627	1128	3200
127	Individual person (electric meter assembly)	31.12.2009	627	935	3200
128	Other		628	1962	3200
129	Individual person (elimination of freelance consumption)	31.12.2009	628	548	3200
130	Voronezhenergoproekt, JSC	31.12.2009	62101	5 857	3600
131	Electric mains operating and con- struction Company	31.12.2009	62101	9 023	3600
132	other		62101	863	3600
133	ReconEnerg, CJSC	31.12.2009	62101	5 427	3600
134	Technology of XXI Ltd.	31.12.2009	62101	46 143	3600
135	Energostroy Holding, JSC Voronezh branch	31.12.2009	62101	107 779	3600
136	other		62102	1 754	3600
137	Liga Ltd.	31.12.2009	62102	814	3600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
138	Energostroy Holding, JSC Voronezh branch	31.12.2009	62102	7 738	3600
139	other		62103	15 620	3600
140	Column convey N26, JSC	31.12.2009	62103	6 814	3600
141	Energostroy Holding, JSC Voronezh branch	31.12.2009	62103	2 726	3600
142	Elecom Ltd.	31.12.2009	62103	886	3600
143	Electrotechnical Company Energo- import Ltd.	31.12.2009	62103	1 000	3600
144	Energy-M Ltd.	31.12.2009	62103	3 735	3600
145	Energostroy-M.N., JSC	31.12.2009	62103	4 382	3600
146	Agreman Ltd.	31.12.2009	62103	584	3600
147	Baltic complex Ltd.	30.11.2009	62103	4 484	3600
148	Vektor Ltd.	31.10.2009	62103	589	3600
149	Globus -office Ltd.	25.12.2009	62103	654	3600
150	Enkor company Ltd.	31.12.2009	62103	760	3600
151	Megatech Ltd.	08.09.2008	62103	1 846	3600
152	Metro Ltd.	31.12.2009	62103	555	3600
153	NIS-21 Ltd.	31.12.2009	62103	3 116	3600
154	office appliances Ltd.	25.12.2009	62103	719	3600
155	RN-Cart-Voronezh Ltd.	31.12.2009	62103	4 037	3600
156	Tehnosnab 2000 Ltd.	31.12.2009	62103	1 078	3600
157	Marketing company Lyudinovoka- bel- JSC Atoll branch	23.12.2009	62103	581	3600
158	Trading house Electrotechnical Equipment, JSC	25.12.2009	62103	1 872	3600
159	Energostroy Holding, JSC Voronezh branch	31.12.2009	62103	5 039	3600
160	Trading House Khorda Ltd.	31.12.2009	62103	1 408	3600
161	Shintorg Ltd.	25.12.2009	62103	1 497	3600
162	Energokontrakt FIG, JSC	31.08.2009	62103	4 707	3600
163	FGC of UES, JSC	31.12.2009	62103	85 091	3600
164	Voronezh grid company, JSC	31.12.2009	62103	41 262	3600
165	Corporate service systems, JSC	31.12.2009	62103	13 935	3600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
166	Voronezh condenser plant, CJSC	31.12.2009	62103	5 695	3600
167	Finance and investment, CJSC	31.12.2008	62103	4 000	3600
168	Sciener Ltd.	31.12.2009	62103	13 112	3600
169	Voronezh power sales company, JSC	31.12.2009	62103	886	3600
170	Gazprom Energo Ltd.	31.12.2009	62103	767	3600
171	Elektropribor-98 PCF Ltd.	31.12.2009	62103	717	3600
172	Voronezh branch Rosenergoatom- direction group, JSC	31.12.2009	62103	671	3600
173	Veks Voronezh excavator, JSC	31.12.2009	62103	653	3600
174	TeploEnergoGaz Ltd.	31.12.2009	62103	586	3600
175	Active — Management Ltd.	31.12.2009	62103	525	3600
176	MUE Novovoronezh district «City power grids»	31.12.2009	62103	524	3600
177	other		627	11 373	3600
178	Rusenergosbyt Ltd.	31.12.2009	627	6 467	3600
179	Energoaviakosmos, JSC	31.12.2009	627	745	3600
180	AVA — Stroy Ltd. FSG	10.09.2008	627	2 017	3600
181	Agrosputnic Ltd.	16.11.2009	627	563	3600
182	Agriculture Ertil Ltd.	25.12.2009	627	1 229	3600
183	Anninsky district Artjushinsky rural village administration	16.09.2009	627	600	3600
184	Kashirsky municipal district Admin- istration	06.06.2008	627	542	3600
185	country-building cooperative Alyona	02.09.2008	627	35 713	3600
186	Armax group Ltd.	24.12.2009	627	724	3600
187	Aerobus Ltd.	29.06.2009	627	5 053	3600
188	Bobrovsky refinery Ltd.	30.04.2009	627	4 956	3600
189	Vpack invest, CJSC	25.08.2008	627	2 000	3600
190	WB-Development-Chernozemye, JSC	30.03.2009	627	3 326	3600
191	Wisson Ltd.	29.12.2009	627	1 833	3600
192	VSK, JSC	31.12.2009	627	33 621	3600
193	Vitland, CJSC	02.12.2009	627	19 967	3600
194	Voronezh-Realty Ltd.	18.11.2009	627	9 599	3600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
195	Voronezh — Stroy Ltd.	14.12.2009	627	500	3600
196	Voronezhmyasoprom Ltd.	09.12.2008	627	6 732	3600
197	Voronezhsintezkauchuk, JSC	31.08.2009	627	2 115	3600
198	Voronezh branch Interdorstroy Ltd.	06.04.2009	627	535	3600
199	State research Institute	19.03.2009	627	1 568	3600
200	Groundvaler, CJSC	30.09.2009	627	8 178	3600
201	House Construction Company, JSC	26.11.2009	627	28 295	3600
202	Interdorstroy Ltd.	26.02.2009	627	869	3600
203	Istobnoe Ltd.	24.12.2009	627	1 344	3600
204	S.E. Ishutin Vadim Borisovich	13.10.2008	627	1 338	3600
205	KIT- Capital, JSC	16.10.2007	627	10 333	3600
206	Km/h Ltd.	01.11.2008	627	5 248	3600
207	Complex Techstroy Ltd.	24.08.2009	627	4 227	3600
208	Lisko Broyler Ltd.	30.12.2009	627	736	3600
209	Monolit, CJSC	16.04.2009	627	600	3600
210	Nika-Olymp Ltd.	19.03.2008	627	1 800	3600
211	Novokhopyorskstroypodryad Ltd.	10.08.2009	627	506	3600
212	ISK Phinist Ltd.	25.11.2009	627	3 025	3600
213	Pavlovskgranit, JSC	25.12.2009	627	639	3600
214	Professional+ Ltd.	30.11.2009	627	2 041	3600
215	Skat- 41 Ltd.	31.12.2009	627	5 000	3600
216	Spartan-concentrat Ltd.	14.07.2008	627	622	3600
217	Voronezh Construction-finance group	31.12.2009	627	4 500	3600
218	Story Art Ltd.	31.12.2009	627	1 000	3600
219	TSS Ltd.	05.12.2008	627	1 865	3600
220	Tander, CJSC	21.12.2009	627	689	3600
221	S.E. Tatarinov I.N.	14.07.2009	627	704	3600
222	Tikhy Don, CJSC	31.03.2008	627	3 087	3600
223	S.E. Tonkikh Yury Viktorovich	29.12.2009	627	961	3600
224	Individual person (technical con- nection)	31.12.2009	627	2 409	3600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
225	Power Company-4, JSC branch — Voronezh regional generation	29.09.2009	627	3 564	3600
226	Centrtorg, JSC	23.01.2009	627	7 550	3600
227	EcoNivaAgro Ltd.	30.07.2008	627	746	3600
228	Energetik Ltd.	30.11.2009	627	4 259	3600
229	Armax Group Ltd.	23.10.2009	627	686	3600
230	Profi -S, CJSC	29.05.2009	627	25 000	3600
231	staff salary settlements	31.12.2009	624	36 983	3600
232	Settlements of UST on PF insure part	31.12.2009	62501	4 692	3600
233	Settlements of UST PF accumulation part	31.12.2009	62501	1 531	3600
234	Settlements of UST-CHI territorial Fund	31.12.2009	62502	791	3600
235	Settlements of UST-CHI federal Fund	31.12.2009	62502	558	3600
236	other		62503	552	3600
237	other		62601	2 738	3600
238	Russian MI FTA Voronezh left-bank district	31.12.2009	62601	713	3600
239	Russian MI FTA No.2 Voronezh region	31.12.2009	62601	514	3600
240	Russian MI FTA No.3 Voronezh region	31.12.2009	62601	1 055	3600
241	Russian MI FTA No.5 Voronezh region	31.12.2009	62601	590	3600
242	Russian MI FTA No.6 Voronezh region	31.12.2009	62601	545	3600
243	Russian MI FTA No.9 Voronezh region	31.12.2009	62601	1 257	3600
244	Settlements of UST-CHI federal budget LF	31.12.2009	62601	3 219	3600
245	transport tax	31.12.2009	62602	782	3600
246	Estate tax	31.12.2009	62602	5 745	3600
247	Land tax (payment for land)	31.12.2009	62603	1 470	3600
248	other		628	2 113	3600
249	warrant of execution settlement	31.12.2009	628	808	3600
250	Alfastrakhovanie, JSC	31.12.2009	628	7 117	3600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
251	Primary trade union organization Voronezhenergo WPP Ltd.	31.12.2009	628	608	3600
252	other		62101	440	4400
253	RKL Ltd.	09.10.2007	62101	1343	4400
254	Telecom Energy Ltd.	25.12.2009	62101	671	4400
255	Energostroy Holding, JSC branch of Kostroma region	31.12.2009	62101	16942	4400
256	other		62102	22	4400
257	Energostroy Holding, JSC branch of Kostroma region	24.12.2009	62102	5272	4400
258	PO Promarmatura, JSC	30.12.2009	62103	1169	4400
259	other		62103	6034	4400
260	Elektronpribor Ltd.	29.12.2009	62103	1683	4400
261	Energobalance — Centre Ltd.	18.11.2009	62103	5943	4400
262	Energovolt, CJSC	26.11.2009	62103	970	4400
263	Kostroma sales company, JSC	31.12.2009	62103	13228	4400
264	Baltic complex Ltd.	02.12.2009	62103	1000	4400
265	Istok Prom Ltd.	20.11.2009	62103	613	4400
266	S.E. Tokar Oleg Yakovlevich	31.12.2009	62103	508	4400
267	Trading House supplies and materi- als, CJSC	24.12.2009	62103	1639	4400
268	trading house electrical equipment, CJSC	14.12.2009	62103	2604	4400
269	FAN UK Ltd.	29.12.2009	62103	1850	4400
270	Vympel Centre PSC Ltd.	31.12.2009	62103	733	4400
271	non-commercial organisation Kostroma energy saving fund	31.12.2009	62103	3111	4400
272	Omega Ltd.	31.12.2009	62103	712	4400
273	Power supply SRF of RRF, JSC branch	31.12.2009	62103	662	4400
274	Sciener Ltd.	31.12.2009	62103	11533	4400
275	TGC-2 SI of Kostroma region, JSC	31.12.2009	62103	833	4400
276	FGC of UES, JSC	31.12.2009	62103	36465	4400
277	Energostroy holding, JSC Kostroma branch	31.12.2009	62103	4731	4400
278	Energobalance- Engineering Ltd.	28.10.2009	62103	3729	4400

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
279	Energoservice Ltd.	31.12.2009	62103	2782	4400
280	staff salary settlements	31.12.2009	624	14469	4400
281	CPI Insurance part of pension pay- ments	31.12.2009	62501	2281	4400
282	CPI Funded part of pension pay- ments	31.12.2009	62501	682	4400
283	other		62502	610	4400
284	other		62503	177	4400
285	Budget settlement on estate tax	31.12.2009	62602	2451	4400
286	other		62602	405	4400
287	Budget settlement on land tax	31.12.2009	62603	1650	4400
288	Budget settlement on TIPI	31.12.2009	62601	3234	4400
289	FGC payments to the federal budget	31.12.2009	62601	1610	4400
290	other		627	14689	4400
291	VerhneVolzhskaya Investment — construction Company, CJSC	25.12.2009	627	1930	4400
292	Victoria, CJSC	29.05.2009	627	1074	4400
293	GALEREYA Ltd.	29.09.2008	627	642	4400
294	ICPU Kostromagorstroy Ltd.	20.09.2007	627	651	4400
295	Kostroma regional dental clinic SHCI	03.07.2009	627	568	4400
296	S.E. Nidershtrud Vilena Vladimirov- na	01.04.2009	627	619	4400
297	Office Center Ltd.	25.12.2009	627	3563	4400
298	Rosenergobank, CJSC	04.07.2008	627	803	4400
299	Russkaya-derevnya Ltd.	29.06.2009	627	685	4400
300	Stroy -Spetsmontazh Ltd.	16.11.2009	627	1310	4400
301	Stroymekhanizatsiya, JSC	21.10.2008	627	1201	4400
302	Kostroma Administration Direction of capital construction	29.10.2009	627	531	4400
303	Bikkulova Raisa Nazipovna	19.10.2009	627	685	4400
304	S.E. Chernov Andrey Valentinovich	04.06.2008	627	2229	4400
305	«Energy-efficient construction tech- nology» Ltd.	31.12.2008	627	2750	4400
306	Monolit Ltd.	27.08.2009	627	1000	4400

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
307	Liga Alliance Ltd.	04.09.2009	627	2612	4400
308	other		628	1918	4400
309	Alfastrakhovanie, JSC	31.05.2009	628	1954	4400
310	Alfastrakhovanie, JSC	30.06.2009	628	4633	4400
311	deposited sum settlements	31.12.2009	628	689	4400
312	other		62101	522	4600
313	Gidroremont-VKK, JSC	30.11.2009	62101	1 303	4600
314	Svetstroyresurs Ltd.	31.12.2009	62101	2 773	4600
315	Kurskenergospetsremont, JSC	30.11.2009	62101	3 272	4600
316	Kurskenergospetsremont Ltd.	30.10.2009	62101	4 267	4600
317	Smolenskenergoremont, JSC	31.12.2009	62101	7 468	4600
318	Telecom Energy Ltd.	31.12.2009	62101	17 153	4600
319	Column convoy N 12, JSC	30.10.2009	62101	56 153	4600
320	other		62102	247	4600
321	Column convoy N 12, JSC	31.12.2009	62102	8 452	4600
322	other		62103	4 371	4600
323	Power supply of south-east RF	29.12.2009	62103	671	4600
324	Power supply of Moscow RF Ltd.	29.12.2009	62103	738	4600
325	Zheleznogorsk grid company Ltd.	31.12.2009	62103	926	4600
326	Gazprom Energo Ltd.	31.12.2009	62103	1 335	4600
327	Gorelektroseti ID Zheleznogorsk	31.12.2009	62103	4 233	4600
328	Kursk Power Sales Company, JSC	31.12.2009	62103	14 727	4600
329	Kursk electric grids, JSC	30.12.2009	62103	23 535	4600
330	FGC of UES, JSC	31.12.2009	62103	53 238	4600
331	Kurskelektrokabel Ltd.	18.12.2009	62103	537	4600
332	Trading house electrical facilities	22.12.2009	62103	1 635	4600
333	Vympel — Center PSC Ltd.	31.12.2009	62103	2 209	4600
334	Corporate service systems, JSC	31.12.2009	62103	6 664	4600
335	Sciener Ltd.	31.12.2009	62103	13 349	4600
336	Energobalance Center Ltd.	30.11.2009	62103	2 800	4600
337	Elektrolab Ltd.	30.11.2009	62103	4 534	4600
338	debts to staff	31.12.2009	62401	25 906	4600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
339	Debt to PF	31.12.2009	62501	3 642	4600
340	Debt to CMIF	31.12.2009	62502	793	4600
341	other		62504	336	4600
342	Debt to federal taxation and revenue budget	31.12.2009	62601	9 101	4600
343	Debt to regional taxation and revenue budget	31.12.2009	62602	6 010	4600
344	Debt to local taxation and revenue budget	31.12.2009	62603	2 868	4600
345	other		627	4 315	4600
346	Individual person (electric meter assembly)	31.12.2009	627	600	4600
347	Company Group Promresource Ltd.	30.06.2009	627	638	4600
348	Vtorsplav Ltd.	16.12.2009	627	757	4600
349	Individual person (technical connection)	31.12.2009	627	854	4600
350	Mezhregionenergosbyt, JSC	28.12.2009	627	889	4600
351	Kursk concrete-panel construction plant	16.10.2009	627	898	4600
352	Regional power supply Company	28.12.2009	627	963	4600
353	Kursk poultry farm, JSC	31.12.2009	627	1 073	4600
354	Stroypostavka Ltd.	30.11.2009	627	1 080	4600
355	Kurskelektrotrans MUE	26.11.2009	627	1 741	4600
356	RossAgroInvest Ltd.	03.06.2008	627	1 758	4600
357	Korenevsk sugar beet plant	28.12.2009	627	2 560	4600
358	Direction of capital construction	21.10.2009	627	3 168	4600
359	KMA Energosbyt, JSC	28.12.2009	627	3 320	4600
360	MC Kontinent Ltd.	30.09.2008	627	5 326	4600
361	Agroindustrial firm Lyubimovskaya, CJSC	16.12.2009	627	5 406	4600
362	Kursk construction company Ltd.	12.03.2009	627	10 000	4600
363	other		628	860	4600
364	advances received VAT	31.12.2009	628	810	4600
365	Enforcement document settlements	31.12.2009	628	850	4600
366	Energoleasing, CJSC	31.12.2009	628	1 314	4600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
367	Trade union committee Kursken-ergo, JSC	31.12.2009	628	549	4600
368	other		62103	11 469	4800
369	SKE-Elektro Ltd.	25.12.2009	62103	8 213	4800
370	ServiceStroyCenter Ltd.	01.12.2009	62103	1 040	4800
371	Energouchet Service Ltd.	31.12.2009	62103	566	4800
372	Elektrosnab Ltd.	31.12.2009	62103	586	4800
373	Elektrosnab Ltd.	31.12.2009	62103	816	4800
374	PN Cart Lipetsk Ltd.	31.12.2009	62103	1 742	4800
375	Baltenergo Ltd.	31.12.2009	62103	517	4800
376	Lipetsk power sales company, JSC	31.12.2009	62103	820	4800
377	Trading House supplies and materials, CJSC	31.12.2009	62103	714	4800
378	Trading House Horda Ltd.	31.12.2009	62103	639	4800
379	Reinforced-concrete plant, JSC	31.12.2009	62103	538	4800
380	East-Service-Spetskoplekt, CJSC	31.12.2009	62103	1 024	4800
381	other		62102	1 589	4800
382	Regionstroy Ltd.	31.12.2009	62102	590	4800
383	Regionstroy Ltd.	31.12.2009	62102	589	4800
384	Regionstroy Ltd.	31.12.2009	62102	586	4800
385	Regionstroy Ltd.	31.12.2009	62102	587	4800
386	Regionstroy Ltd.	31.12.2009	62102	3 005	4800
387	PO Energostroy, JSC	31.12.2009	62102	3 194	4800
388	PO Energostroy, JSC	31.12.2009	62102	1 212	4800
389	Gorstroy Ltd.	31.12.2009	62102	574	4800
390	Gorstroy Ltd.	31.12.2009	62102	516	4800
391	GIAL-Service, JSC	31.12.2009	62102	537	4800
392	Tavrida Elektrik Chernozemye Ltd.	31.12.2009	62102	325	4800
393	Column convoy No.77, JSC	31.12.2009	62102	864	4800
394	Lipetskenergo EPC, JSC	31.12.2007	62103	631	4800
395	Lipetsk SEZ IPT, JSC	31.12.2009	62103	759	4800
396	Vympel-Centre PSA Ltd.	30.11.2009	62103	2 138	4800
397	Lipetsk power sales company, JSC	31.12.2009	62103	107 896	4800

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
398	Enforce Ltd.	22.12.2009	62103	562	4800
399	Lipetsk Centrolit Plant, JSC	31.12.2009	62103	1 014	4800
400	LSEC Ltd.	31.12.2009	62103	15 964	4800
401	Sciener Ltd.	17.12.2009	62103	11 013	4800
402	FGC of UES, JSC	17.12.2009	62103	68 515	4800
403	Corporate service systems, JSC	31.12.2009	62103	1 776	4800
404	Corporate service systems, JSC	31.12.2009	62103	1 269	4800
405	Corporate service systems, JSC	31.12.2009	62103	863	4800
406	Corporate service systems, JSC	31.12.2009	62103	508	4800
407	Corporate service systems, JSC	31.12.2009	62103	1 600	4800
408	other		62101	167	4800
409	other		62101	56	4800
410	ServiceStroyCenter Ltd.	21.12.2009	62101	3 092	4800
411	other		62101	20	4800
412	other		62101	30	4800
413	other		62101	51	4800
414	Lipetskenergoremont, CJSC	31.12.2009	62101	2 360	4800
415	other		62101	354	4800
416	Column convoy No.77, JSC	23.12.2009	62101	748	4800
417	Mezhregionsbyt Ltd.	29.12.2009	627	1 422	4800
418	other		627	20 160	4800
419	SO of UES, JSC	21.12.2009, 09.09.2009, 16.09.2009	627	1 461	4800
420	Polimer — I Ltd.	13.05.2008, 17.12.2008	627	643	4800
421	TC Rodina Ltd.	27.10.2009	627	563	4800
422	Lipetsk Knipping Ltd.	17.12.2008	627	662	4800
423	Lipetsk investment-industrial Fund	24.09.2008	627	1 324	4800
424	GISIT Ltd.	09.10.2008	627	779	4800
425	Lipetskmyasoprom, JSC	17.12.2009	627	935	4800
426	Progress, JSC	17.07.2009	627	3 060	4800
427	Progress, JSC	31.08.2007	627	1 479	4800
428	Stimet Ltd.	22.09.2008	627	637	4800

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
429	Lipets Regional finance direction	31.12.2009	627	868	4800
430	New Technologies PO Ltd.	02.06.2009, 17.12.2007, 26.03.2009, 06.05.2009	627	1 300	4800
431	Vodstroy Ltd.	02.11.2009	627	528	4800
432	AgroInvest Ltd.	27.03.2009, 16.11.2009,02.12.2009	627	779	4800
433	Lipetskmyaso, JSC	28.05.2009	627	1 274	4800
434	Vodstroy Ltd.	24.07.2009	627	563	4800
435	RSO Rus' Ltd.	28.09.2009	627	528	4800
436	IAPC Telezhenka Ltd.	10.08.2009	627	340	4800
437	Administrative Board of Education	24.06.2009, 25.06.2009, 20.11.2009	627	587	4800
438	Novolipetsk metallurgical complex	31.12.2008, 03.07.2009	627	8 254	4800
439	Novolipetsk metallurgical complex	31.12.2008	627	1 582	4800
440	Power Company-4 eastern genera- tion, JSC	29.01.2009	627	1 324	4800
441	MHCI Gryazinskaya CDH	22.01.2009, 29.10.2008	627	908	4800
442	Gryazy bread-baking complex	26.06.2008, 03.12.2009	627	3 223	4800
443	Svoy Dom, JSC	22.08.2008	627	739	4800
444	S.E. Struganov Vyacheslav Ivanovich	27.11.2008	627	563	4800
445	Svoy Dom, JSC	01.10.2009	627	572	4800
446	Promzhilstroy	24.10.2008	627	563	4800
447	Lipetsk mortgage corporation, JSC	17.03.2008	627	1 041	4800
448	Patriarshenskoe cereal receiving point, JSC	10.07.2009	627	623	4800
449	Kemy Akva Ltd.	21.04.2008	627	1 200	4800
450	Agrofirm Dolgorukovsky dairy plant	27.08.2008	627	2 000	4800
451	Individual person (technical con- nection)	31.12.2009	627	3 858	4800
452	Olshansk opencasting, JSC	13.03.2009	627	760	4800
453	Lipetskmyasoprom, JSC	06.04.2007	627	1 000	4800
454	Tashir -Lipetsk Ltd.	03.04.2007	627	1 770	4800
455	Novolipetsk metallurgical complex	31.01.2009	627	3 230	4800
456	Liter, JSC	07.07.2009	627	500	4800
457	Avtograd Ltd.	31.12.2009	628	2 044	4800

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
458	other		628	2 995	4800
459	Avtograd Ltd.	31.12.2009	628	1 791	4800
460	Promservice M Ltd.	31.12.2009	628	785	4800
461	Promservice M Ltd.	31.12.2009	628	841	4800
462	Energoleasing, CJSC	31.12.2009	628	537	4800
463	Energoleasing, CJSC	31.12.2009	628	569	4800
464	staff salary settlements	31.12.2009	624	16 769	4800
465	advances received VAT	31.12.2009	628	2 795	4800
466	other		625	222	4800
467	Settlements of UST on FB PF	31.12.2009	626	1 944	4800
468	Settlements of PF payments (insure poart)	31.12.2009	625	3 136	4800
469	Settlements of PF payments (funded part)	31.12.2009	625	745	4800
470	Settlements of UST — RCMIF	31.12.2009	625	510	4800
471	other		625	326	4800
472	other		626	1	4800
473	Estate tax	31.12.2009	626	5 715	4800
474	other		626	7	4800
475	TIPI	31.12.2009	626	6 218	4800
476	other		626	210	4800
477	other		626	176	4800
478	Znamensk selected hybrid center	10.04.2008	627	4 398	5700
479	other		627	6 205	5700
480	Kaskad Energoset Ltd.	15.08.2009	627	2 553	5700
481	Individual person (electric meter assembly)	31.12.2009	627	1 025	5700
482	other		628	2 259	5700
483	Alfastrakhovanie Orel branch	31.03.2009	628	1 814	5700
484	Alfastrakhovanie, JSC	31.03.2009	628	6 903	5700
485	Central Regional Branch	31.12.2009	628	515	5700
486	other		62101	1 894	5700
487	Orel Energostroy Holding branch	31.12.2009	62101	35 462	5700

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
488	Gidroelektromontazh, JSC	22.12.2009	62101	12 709	5700
489	Profi-snab Ltd.	31.12.2009	62101	21 633	5700
490	other		62102	7	5700
491	Orel Energostroy Holding branch	31.12.2009	62102	1 561	5700
492	other less then million RUR	31.12.2009	62103	4 613	5700
493	Orel Sales Company, JSC	31.12.2009	62103	5 948	5700
494	SKE-Elektro Ltd.	31.12.2009	62103	4 106	5700
495	Vympel-Center PSA Ltd.	31.12.2009	62103	1 518	5700
496	Orel Energostroy Holding branch	30.11.2009	62103	1 516	5700
497	Power Management Consulting Ltd.	31.12.2009	62103	667	5700
498	Amper Smolensk Ltd.	31.12.2009	62103	6 666	5700
499	MPOTK Technokomplekt, CJSC	03.08.2009	62103	2 268	5700
500	Profi-snab Ltd.	03.12.2009	62103	1 257	5700
501	BUC-Energo Ltd.	20.11.2009	62103	3 444	5700
502	Oreoblenergo, JSC	31.12.2009	62103	41 803	5700
503	Sciener Ltd.	31.12.2009	62103	9 434	5700
504	115 Ltd.	31.12.2009	62103	704	5700
505	Corporate service systems	31.12.2009	62103	6 228	5700
506	FGC of UES, JSC	31.03.2009	62103	23 874	5700
507	MRF power supply	31.12.2009	62103	1 113	5700
508	Trading House Equipment and materials, CJSC	31.12.2009	62103	2 340	5700
509	Mzensk urban electric grids MUE	31.12.2009	62103	3 544	5700
510	staff salary settlements	05.11.2009	62401	14 392	5700
511	Settlements of UST on PF insure part	31.12.2009	62501	1 964	5700
512	other		62501	495	5700
513	other		62502	527	5700
514	other		62503	62	5700
515	other		62601	4 409	5700
516	Settlements of UST-CHI federal budget PF	31.12.2009	62601	1 441	5700
517	Estate tax budget sub-federal unit	31.12.2009	62602	1 297	5700
518	other	31.12.2009	62602	480	5700

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
519	other		62603	184	5700
520	other		621	15 256	6700
521	Construction Company Nash Dom Ltd.	30.06.2009	621	19 017	6700
522	Energobalance Center Ltd.	31.12.2009	621	798	6700
523	SKE-Elektro Ltd.	31.12.2009	621	2 738	6700
524	Volga Trade, CJSC	30.09.2009	621	539	6700
525	Istok Prom Ltd.	30.11.2009	621	1 532	6700
526	Koleso Ltd.	25.12.2009	621	653	6700
527	Megatech Ltd.	31.12.2009	621	1 045	6700
528	PP Promtekhresursy Ltd.	30.11.2009	621	418	6700
529	TH Spetsodezhda, CJSC	30.11.2009	621	1 097	6700
530	TH Dielektrik Ltd.	30.11.2009	621	878	6700
531	Trading house Electrotechnical Equipment, CJSC	25.12.2009	621	944	6700
532	Energobalance Center Ltd.	31.12.2009	621	727	6700
533	Energokomplekt Ltd.	30.11.2009	621	516	6700
534	Rusenergostroy Ltd.	31.12.2009	621	947	6700
535	Elektrocentromontazh, JSC	30.12.2009	621	684	6700
536	Smolenk energostroy Holding branch, JSC	31.12.2009	621	7 451	6700
537	Vympel-Center PSA Ltd.	31.12.2009	621	1 179	6700
538	Real-estate agency Garant-Zhilyo Ltd.	31.12.2009	621	592	6700
539	Corporate service system, JSC	31.12.2009	621	24 764	6700
540	Moscow foundry-bar plant SUE	31.12.2009	621	2 264	6700
541	MUE CPU MF Desnogors Smolensk region	31.12.2009	621	675	6700
542	Sciener Ltd.	31.12.2009	621	17 854	6700
543	Smolenskenergoby, JSC	31.12.2009	621	5 544	6700
544	FGC of UES, JSC	31.12.2009	621	27 929	6700
545	Rotex Moscow branch Ltd.	31.12.2009	621	1 368	6700
546	Center telecom firm (CeterTeke-com), JSC	31.12.2009	621	562	6700

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
547	Gaspromenergo Center branch Ltd.	31.12.2009	621	4 000	6700
548	ELS, JSC	31.12.2009	621	3 493	6700
549	Enegobalance Ltd.	31.07.2009	621	2 571	6700
550	Power supply MRF JSC RRF branch	31.12.2009	621	1 887	6700
551	Engineering and technical center TP, CJSC	31.12.2009	621	2 923	6700
552	Quant C Ltd.	31.12.2009	621	657	6700
553	North-west EnergeticEngineering-Center, JSC	24.12.2009	621	563	6700
554	Tavrida Elektrik Center Ltd.	31.12.2009	621	957	6700
555	Telecom Energy Ltd.	30.11.2009	621	1 161	6700
556	Voronezhenergoproekt Smolensk branch, JSC	31.12.2009	621	2 880	6700
557	CentrEnergoStroy Ltd.	31.12.2009	621	669	6700
558	Ekos Ltd.	24.12.2009	621	2 661	6700
559	Elektrosetremont Ltd.	31.12.2009	621	1 704	6700
560	Energostroy Holding Smolensk branch, JSC	31.12.2009	621	57 515	6700
561	other		627	15 612	6700
562	military unit 71361	30.12.2009	627	4 423	6700
563	Grazhdanstroy Ltd.	04.12.2009	627	640	6700
564	Moscow foundry-bar mill SUE	14.07.2009	627	2 246	6700
565	Russkaya Kosmetika Ltd.	30.12.2009	627	19 724	6700
566	SEC Smolenskagropromdorstroy, JSC	21.01.2009	627	1 059	6700
567	Smit Yarzevo Ltd.	23.09.2009	627	3 814	6700
568	Smolenskagropromstroy trust, JSC	29.10.2009	627	1 031	6700
569	Smolenskgazifikatsiya, CJSC	18.07.2008	627	554	6700
570	Smoloblgrazhdanstroy, CJSC	06.06.2007	627	946	6700
571	Smolstrom-service, CJSC	25.12.2009	627	4 493	6700
572	Techinvest M Ltd.	19.11.2009	627	1 486	6700
573	Smolenskinveststroy Management Company Ltd.	26.09.2008	627	5 422	6700
574	FGC Vezh Ltd.	27.11.2009	627	636	6700

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
575	Individual person (technical connection)	31.12.2009	627	7 154	6700
576	Podryad Firm Ltd.	02.09.2009	627	639	6700
577	Central bank of the Russian Federation	28.12.2009	627	931	6700
578	Gagrin avtoterminal server Ltd.	01.12.2008	627	1 211	6700
579	Trans-Oil Ltd.	18.11.2009	627	573	6700
580	payroll liabilities	31.12.2009	624	25 409	6700
581	Estate tax budget sub-federal unit	31.12.2009	626	4 214	6700
582	TIPI settlements	31.12.2009	626	7 011	6700
583	Land tax	31.12.2009	626	810	6700
584	transport tax	31.12.2009	626	567	6700
585	other		626	0	6700
586	other		625	1 149	6700
587	Settlements of UST-CHI federal budget PF	31.12.2009	626	2 033	6700
588	Settlements of UST on PF insure part	31.12.2009	625	2 981	6700
589	Settlements of UST PF accumulation part	31.12.2009	625	959	6700
590	other		628	4 233	6700
591	Energoleasing, CJSC	31.12.2009	628	739	6700
592	Alfastrakhovanie, JSC	31.12.2009	628	4 063	6700
593	Alfastrakhovanie Smolensk branch	30.11.2009	628	5 728	6700
594	Computer World Merkury Ltd.	31.12.2009	621	24	6700
595	other		621	5 175	6800
596	Energon Company Ltd.	25.12.2009	621	3 269	6800
597	PO Energostroy, JSC	30.12.2009	621	8 518	6800
598	ServiceStroyCenter Ltd.	31.12.2009	621	969	6800
599	SistelAvtomatizatsiya Ltd.	28.12.2009	621	674	6800
600	Tavrida Elektrik Chernozemye Ltd.	30.12.2009	621	2 780	6800
601	Tambovelektrosetstroy Ltd.	31.12.2009	621	4 923	6800
602	Telecom Energy Ltd.	30.11.2009	621	516	6800
603	Energostroypostavka Ltd.	31.12.2009	621	6 844	6800

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
604	FGC of UES, JSC	31.12.2009	621	5 549	6800
605	Tambov power sales company, JSC	31.12.2009	621	2 613	6800
606	Michurinsk Urban network system	31.12.2009	621	2 265	6800
607	Sciener Ltd.	31.12.2009	621	10 364	6800
608	FGC of UES, JSC	28.02.2007	621	1 685	6800
609	FGC of UES, JSC	31.12.2009	621	26 332	6800
610	Energon Company Ltd.	25.12.2009	621	9 010	6800
611	Promtechnofinance, CJSC	25.12.2009	621	5 865	6800
612	Technoera Ltd.	24.12.2009	621	587	6800
613	staff salary settlements	31.12.2009	624	12 588	6800
614	Settlements of UST on PF insure part	31.12.2009	625	1 367	6800
615	other		625	787	6800
616	Settlements of UST federal budget PF	31.12.2009	626	1 108	6800
617	TIPI settlements	31.12.2009	626	3 260	6800
618	TIPI penalty fee	30.06.2007	626	534	6800
619	other		626	504	6800
620	estate tax	31.12.2009	626	2 468	6800
621	Land tax	31.12.2009	626	961	6800
622	other		627	5 044	6800
623	SIA International LTD, CJSC	06.11.2008	627	1 055	6800
624	Tander, CJSC	03.06.2009	627	1 918	6800
625	Mezhregionsbyt, JSC	31.12.2009	627	530	6800
626	Tambov regional sales company	31.12.2009	627	13 871	6800
627	other		628	2 581	6800
628	Energoleasing, CJSC	31.12.2009	628	893,0	6800
629	115 Ltd.	10.01.2009	621	1483	6900
630	other		621	16723	6900
631	ACC EKFI, CJSC	17.01.2009	621	1828	6900
632	Altay transformer works, JSC	08.09.2009	621	15813	6900
633	AMS Trade Ltd.	08.09.2009	621	501	6900
634	ATE-Energia Ltd.	07.12.2007	621	587	6900

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
635	Brava Ltd.	25.01.2008	621	590	6900
636	Volga Trade, CJSC	03.10.2007	621	17228	6900
637	Vostok — Service Spetskomplekt, CJSC	10.01.2009	621	1099	6900
638	Vympel-Centre PSA Ltd.	23.12.2009	621	1743	6900
639	Garant Ltd.	01.07.2009	621	701	6900
640	Urban network system Ltd.	02.07.2008	621	13495	6900
641	Urban network system Ltd.	29.09.2008	621	20382	6900
642	Euro-lite Trading Ltd.	27.07.2009	621	1426	6900
643	HPU Radchenko, JSC	13.09.2009	621	878	6900
644	TPF «Monolit — Energo», JSC	05.03.2009	621	2193	6900
645	Istok Prom Ltd.	21.05.2009	621	1173	6900
646	Energo Company Tver Ltd.	29.05.2008	621	544	6900
647	Konakovoenergo Ltd.	20.02.2009	621	2846	6900
648	Konakovoenergo Ltd.	20.02.2008	621	3157	6900
649	Corporate service systems	12.10.2007	621	11564	6900
650	Krasnokholmenergo MUE	30.06.2009	621	578	6900
651	Krasnokholmenergo MUE	11.09.2007	621	1536	6900
652	Column convoy N26, CJSC	30.12.2009	621	1324	6900
653	Column convoy N26, CJSC	30.12.2009	621	2595	6900
654	Mobile TeleSystems branch, JSC	30.12.2009	621	2051	6900
655	MPOTK Technokoplekt, CJSC	11.01.2009	621	1349	6900
656	municipal unitary enterprise	05.10.2007	621	3559	6900
657	municipal unitary enterprise	29.01.2008	621	2949	6900
658	Oktaybrsk energy supply direction	06.12.2007	621	23030	6900
659	Oktaybrsk energy supply direction	29.07.2009	621	9017	6900
660	OleninoGorEnergo MUE	27.08.2008	621	2705	6900
661	Optima Lux Ltd.	01.10.2007	621	1137	6900
662	Orion Ltd.	13.11.2007	621	590	6900
663	Ostashkovselhozenergo Ltd.	10.08.2008	621	1087	6900
664	S.E. Panyaev Valery Borisovich	29.04.2009	621	3533	6900
665	Partner Ltd.	28.02.2009	621	1157	6900
666	IFC Gazstroyinvest Ltd.	30.01.2009	621	2502	6900

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
667	Raigorenergo ME	30.12.2009	621	2492	6900
668	Raigorenergo ME	22.10.2009	621	3228	6900
669	Regionstroy Ltd.	28.02.2009	621	5909	6900
670	Sciener Ltd.	30.01.2009	621	28497	6900
671	Samara Cabel Company, CJSC	15.07.2009	621	1384	6900
672	Sigma A Ltd.	08.09.2007	621	1790	6900
673	Sigma A Ltd.	31.01.2007	621	1098	6900
674	Skif Ltd.	30.10.2009	621	590	6900
675	SKE-Elektro Ltd.	20.10.2007	621	4106	6900
676	Souzelektroavtomatika, CJSC	08.09.2007	621	3200	6900
677	Staritsk Urban network system Ltd.	30.12.2009	621	5255	6900
678	Staritsk Urban network system Ltd.	13.10.2007	621	1837	6900
679	Stroybusiness, CJSC	11.11.2009	621	17252	6900
680	Tver carriage works Ltd.	13.09.2009	621	1018	6900
681	Tver glass-manufacturing plant Ltd.	30.11.2009	621	901	6900
682	Tvergorelektro MUE	30.01.2008	621	14078	6900
683	Tvergorelektro MUE	30.01.2009	621	16694	6900
684	Tveroblenergosbyt Ltd.	11.01.2008	621	518	6900
685	Tverenergoaktiv Ltd.	13.09.2009	621	2173	6900
686	Tverenergoaktiv Ltd.	08.09.2009	621	11349	6900
687	Tverenergogas Ltd.	09.04.2008	621	8898	6900
688	TH Spetsodezhda, CJSC	30.07.2009	621	978	6900
689	Telecom Energy Ltd.	08.09.2009	621	1326	6900
690	Techelektromontazh Ltd.	04.09.2009	621	1062	6900
691	Trading house Electrotechnical Equipment, CJSC	30.08.2009	621	2067	6900
692	TransServisEnergo, CJSC	23.06.2008	621	9501	6900
693	Universalkomplekt Ltd.	31.12.2009	621	2100	6900
694	Ecofriendly Furniture factory Ltd.	31.12.2009	621	883	6900
695	FG KEU 41 maintenance engineering	31.12.2009	621	2610	6900
696	FG KEU 41 maintenance engineering	26.11.2009	621	636	6900
697	FGC of UES, JSC	05.09.2009	621	10636	6900

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
698	FGC of UES, JSC	30.12.2009	621	48016	6900
699	Khorda shopping center Ltd.	30.12.2009	621	1795	6900
700	Centromed Ltd.	31.01.2009	621	523	6900
701	Centertelecom (Tver branch), JSC	26.03.2009	621	817	6900
702	Wiring company Ltd.	30.11.2009	621	3128	6900
703	Wiring company Ltd.	14.12.2009	621	804	6900
704	Elektrostroysservice Ltd.	29.10.2009	621	2793	6900
705	Elektrostroysservice Ltd.	29.10.2008	621	853	6900
706	Energia-M Ltd.	15.12.2009	621	907	6900
707	Energovolt, CJSC	22.06.2009	621	1132	6900
708	Energokomplekt Ltd.	30.10.2009	621	1058	6900
709	Energostroy Ltd.	14.01.2009	621	17641	6900
710	Energostroy Ltd.	01.04.2008	621	3081	6900
711	Energostroysnabkomplekt ES, JSC	29.07.2009	621	825	6900
712	Energostroy-holding, JSC	28.01.2008	621	22283	6900
713	Energostroy-holding, JSC	28.01.2009	621	6512	6900
714	Energostroy-holding, JSC	30.09.2009	621	97898	6900
715	Unayt-Avto Ltd.	25.09.2007	621	618	6900
716	141 capital construction manage- ment	22.01.2009	627	9988	6900
717	other		627	8748	6900
718	Andreapolsky woodworking plant	19.01.2009	627	600	6900
719	ANPZ, JSC	16.09.2008	627	12818	6900
720	Astoria Travels Ltd.	25.10.2007	627	1039	6900
721	S.E. Baglay Sergey Anatolyevich	15.07.2009	627	3000	6900
722	Virazh Ltd.	29.01.2008	627	2281	6900
723	military unit 21692	19.10.2007	627	3257	6900
724	Gorodok Ltd.	08.09.2009	627	13000	6900
725	Druzhkov S.E.	30.12.2008	627	997	6900
726	Investcity Ltd.	12.05.2008	627	662	6900
727	Indgern Holdings Limit.	06.10.2007	627	4458	6900
728	Initsiativa Ltd.	12.09.2007	627	3039	6900
729	Capital Ltd.	11.09.2007	627	4099	6900

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
730	Capital-invest Ltd.	11.09.2009	627	4522	6900
731	Kvantum Ltd.	30.12.2009	627	14160	6900
732	Kommunalshchik Ltd.	13.09.2007	627	803	6900
733	Krestyanskoye zagorye Ltd.	16.01.2009	627	1882	6900
734	KPX Nefedikha Ltd.	05.03.2007	627	700	6900
735	Megafon north-west region branch, JSC	24.09.2007	627	3463	6900
736	Kolkhoz Mechty Iiyicha	03.09.2009	627	2532	6900
737	Mobile TeleSystems, JSC	18.09.2009	627	835	6900
738	Mobile TeleSystems branch, JSC	25.02.2009	627	841	6900
739	Special economic zone, JSC	13.09.2009	627	50000	6900
740	Petrol-lux Ltd.	29.07.2009	627	4978	6900
741	Proekt Invest-2 Ltd.	03.08.2009	627	4682	6900
742	Rumos-Avto, JSC	12.09.2007	627	2198	6900
743	Spayt Ltd.	30.12.2008	627	2900	6900
744	Spetsstroyinvest ZATO-Centre, CJSC	30.12.2009	627	2000	6900
745	StarZemInvest Ltd.	04.08.2008	627	1169	6900
746	Staritsky Svyato-Uspensky monastyr	29.10.2008	627	1466	6900
747	Construction company Zapad Ltd.	30.12.2009	627	853	6900
748	Construction industrial company M	30.12.2009	627	2500	6900
749	Sroy Invest Ltd.	11.01.2007	627	937	6900
750	Sroytrubservice Ltd.	05.02.2009	627	2978	6900
751	Tver Territoria Ltd.	05.09.2007	627	3495	6900
752	Tver U-Tver, CJSC	11.03.2008	627	1013	6900
753	Tverkompleks Ltd.	30.12.2009	627	566	6900
754	GUP Tverstroyoblzakazchik	30.12.2009	627	4628	6900
755	Tverstroymash Ltd.	30.12.2009	627	1560	6900
756	Terra Ltd.	30.11.2009	627	18000	6900
757	Totaloy-Rzhev Ltd.	29.11.2007	627	814	6900
758	TransSroyInvest Ltd.	13.09.2009	627	1303	6900
759	Individual (other)	04.08.2009	627	553	6900
760	Individual (technological connec- tion)	16.01.2009	627	21676	6900
761	Shell Service, CJSC	30.12.2009	627	59630	6900

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
762	Elit Service Ltd.	30.11.2009	627	5469	6900
763	Energo-T Ltd.	09.11.2007	627	5000	6900
764	salary accruals	25.02.2009	624	28858	6900
765	Debt to public and non-budgetary funds	30.04.2009	625	4991	6900
766	tax and fees debt	30.10.2009	626	14369	6900
767	Settlements with accountable persons	19.01.2009	628	513	6900
768	other		628	5	6900
769	Settlements with other debtors	30.12.2009	628	29148	6900
770	other		62101	10 214	7600
771	ELBI Ltd.	27.12.2009	62101	562	7600
772	Energostroy-holding Yar. Branch, JSC	31.12.2009	62101	31 216	7600
773	Oblenergoresurs Ltd.	25.12.2009	62101	928	7600
774	Energostroy-holding Yar. Branch, JSC	31.12.2009	62101	31 373	7600
775	Energy proekt-servis Ltd.	22.12.2009	62101	586	7600
776	Voronezh energoproekt, JSC	16.12.2009	62101	1 528	7600
777	Rosproekt Engeniering Ltd.	30.12.2009	62101	3 163	7600
778	RegionElektroMontazh Ltd.	24.12.2009	62101	710	7600
779	Sistel Automatizatsiya Ltd.	17.12.2009	62101	3 534	7600
780	other		62102	819	7600
781	other		62103	27 805	7600
782	MUE Gorelectroset	31.12.2009	62103	14 152	7600
783	Baltic complex Ltd.	31.12.2009	62103	627	7600
784	MMR Energetik MUE	31.12.2009	62103	1 492	7600
785	MUE HCG Gavrilov-Yamskoye	31.12.2009	62103	3 466	7600
786	Avtoray Ltd.	30.12.2009	62103	9 581	7600
787	MUE HCG Nekrasovskoe	31.12.2009	62103	1 340	7600
788	Souzelektroavtomatika, CJSC	31.12.2009	62103	1 247	7600
789	MUE HCG Kykoboyskoe	22.12.2009	62103	1 290	7600
790	Yaroslavl sales company, JSC	31.12.2009	62103	9 497	7600
791	NNP Dinamika Ltd.	31.12.2009	62103	540	7600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
792	Slavich company, JSC	31.12.2009	62103	616	7600
793	SNS-Trading Ltd.	04.12.2009	62103	548	7600
794	PSC Vympel-Centre Ltd.	31.12.2009	62103	1 388	7600
795	Yarshintorg TK, CJSC	31.12.2009	62103	1 845	7600
796	Energostroy-holding Yar. Branch, JSC	31.12.2009	62103	9 119	7600
797	Factory housing and utilities infra-structure	31.12.2009	62103	1 752	7600
798	ELPRIB Ltd.	31.12.2009	62103	2 565	7600
799	SKE-Elektro Ltd.	31.12.2009	62103	6 844	7600
800	Yaroslavl power grid company	31.12.2009	62103	11 998	7600
801	Energoosnova Ltd.	31.12.2009	62103	1 146	7600
802	Electro-techn. Company Energoy	31.12.2009	62103	26 054	7600
803	Polimeks Ltd.	31.12.2009	62103	515	7600
804	Trust-service Ltd.	30.12.2009	62103	569	7600
805	Ellegia Ltd.	30.12.2009	62103	581	7600
806	Yaroslavl city power grid	31.12.2009	62103	26 497	7600
807	Spetsstroyontazh, CJSC	31.12.2009	62103	4 631	7600
808	Energosetservis Ltd.	31.12.2009	62103	907	7600
809	KPF Argo, CJSC	30.12.2009	62103	1 127	7600
810	Volgaenergoresurs, CJSC	31.12.2009	62103	1 050	7600
811	Altay Transformer Plant	31.12.2009	62103	728	7600
812	Mitep Company, CJSC	31.12.2009	62103	633	7600
813	Mitep Company, CJSC	31.12.2009	62103	2 331	7600
814	Yaroslavl regional grid company	31.12.2009	62103	5 230	7600
815	Dunay shopping centre Ltd.	31.12.2009	62103	634	7600
816	Energeservice, CJSC	31.12.2009	62103	1 109	7600
817	Stone engineering services Ltd.	25.12.2009	62103	1 951	7600
818	FGC of UES, JSC	31.12.2007	62103	1 228	7600
819	FGC of UES, JSC	31.12.2009	62103	49 947	7600
820	Corporate service systems	31.12.2009	62103	10 284	7600
821	Sciener Ltd.	31.12.2009	62103	15 818	7600
822	Khorda shopping center Ltd.	31.12.2009	62103	6 582	7600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
823	Telecom Energy Ltd.	31.12.2009	62103	3 528	7600
824	FPG Elektrokontrakt, CJSC	20.11.2009	62103	2 751	7600
825	Rybinsk city power grid MU	31.12.2009	62103	12 927	7600
826	Megatech Ltd.	31.12.2009	62103	12 574	7600
827	Universalkomplekt Ltd.	31.12.2009	62103	779	7600
828	Energolink Ltd.	31.12.2009	62103	1 314	7600
829	Russian Railways, JSC	31.12.2009	62103	4 442	7600
830	Wage settlements	31.12.2009	62401	23 583	7600
831	Pension Fund of the RF	31.12.2009	62501	676	7600
832	other		62502	125	7600
833	other		62503	229	7600
834	Federal budget	31.12.2009	62601	6 112	7600
835	budget of a constituent entity of the RF	31.12.2009	62602	3 463	7600
836	Local budget	31.12.2009	62603	590	7600
837	Yasnie Zori sanatorium MHCI	16.09.2008	627	967	7600
838	other		627	31 321	7600
839	Hardware unit LLC	09.10.2007	627	523	7600
840	SZhD Russian Railway branch, JSC	30.04.2009	627	1 450	7600
841	Krasny Oktyabr, CJSC	15.01.2009	627	1 019	7600
842	Spetsstroyontazh Ltd.	07.02.2007	627	780	7600
843	SI EMERCOM	31.08.2009	627	740	7600
844	Stroyinvest, CJSC	28.02.2007	627	1 083	7600
845	IRS Ltd.	14.04.2008	627	991	7600
846	KOD Ltd.	31.03.2008	627	1 340	7600
847	TsGLICH yacht club Ltd.	30.05.2007	627	1 888	7600
848	Avtodizel (gazgroup), JSC	31.12.2009	627	725	7600
849	Atrus, CJSC	02.11.2009	627	1 081	7600
850	Yamalgazinvest, CJSC	18.08.2009	627	2 867	7600
851	HCG YO Yarkommunservis GUP	02.10.2008	627	1 219	7600
852	Yaroslavl motor-car repair plant	13.10.2007	627	1 500	7600
853	Yaroslavl house building company	25.08.2007	627	1 172	7600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
854	Golden Ring resort Ltd.	13.08.2009	627	1 274	7600
855	Yaroslavl capital construction department	06.05.2009	627	98 241	7600
856	PromTrade Ltd.	14.11.2008	627	4 248	7600
857	Komatsu Manufacturing Rus Ltd.	30.01.2009	627	4 850	7600
858	DNT Malye Soli	26.08.2008	627	3 500	7600
859	Yaroslavl city power grid	09.10.2009	627	6 703	7600
860	Avto San, CJSC	10.11.2009	627	669	7600
861	NPO Geophysicist TNV, JSC	19.11.2009	627	2 390	7600
862	Severnaya land promotion enterprise Ltd.	13.04.2009	627	1 284	7600
863	Gammakhin Invest Ltd.	24.05.2007	627	531	7600
864	Yartplomontazhproekt, CJSC	20.11.2007	627	853	7600
865	Garant-999 Ltd.	20.08.2007	627	600	7600
866	Ruenergosbyt Ltd.	31.12.2009	627	566	7600
867	Spectr Company, JSC	31.01.2007	627	2 160	7600
868	PZhSK GOROZHANIN	15.02.2007	627	806	7600
869	Novy Don Ltd. (Danilov)	07.02.2007	627	2 400	7600
870	Standart (Yaroslavl) Ltd.	09.08.2007	627	774	7600
871	architecture building committee	15.04.2008	627	1 568	7600
872	MF Etalon Ltd.	03.03.2008	627	708	7600
873	Sibneft-Yaroslavprodukt, JSC	27.03.2009	627	537	7600
874	Dachnoye non-comertion union Rodnie Prostory	25.04.2008	627	680	7600
875	Construction company Souz Ltd.	08.10.2007	627	2 077	7600
876	TBS Ltd.	29.01.2007	627	1 500	7600
877	Yaroslavl city power grid	31.03.2008	627	315 136	7600
878	Rybinsk city power grid MU	06.08.2009	627	4 180	7600
879	Transneftservis S Ltd.	31.12.2009	627	1 192	7600
880	Ruenergosbyt Ltd.	31.12.2009	627	2 640	7600
881	Individual	31.03.2008	627	9 966	7600
882	MUE HCG Danilovskoe	28.12.2007	628	750	7600
883	other		628	1 962	7600

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
884	Trade union organisation Yar. Branch	31.12.2009	628	708	7600
885	Yarkom Joint Trade Union, JSC	31.03.2009	628	939	7600
886	Land lot rent agency	31.12.2009	628	838	7600
887	Alfa Strakhovanie, JSC	29.11.2009	628	4 529	7600
888	FGC of UES, JSC	06.07.2006	628	3 767	7600
889	RAO UES of Russia, JSC	31.12.2008	628	12 022	7600
890	Russian Railways, JSC	31.12.2009	628	530	7600
891	Individuals (a/c 7602)	31.12.2009	628	530	7600
892	Individuals (a/c 762901)	31.12.2009	628	1 262	7600
893	other		62504	29,69	7700
894	other		62502	72,17	7700
895	Wage settlements	31.12.2009	62401	25 171,50	7700
896	other		62602	1 642,99	7700
897	TUPI settlements	31.12.2009	62601	6 290,87	7700
898	other		62503	209,17	7700
899	UST-fed.bud. PF settlements	31.12.2009	62601	1 848,71	7700
900	other		62601	69,84	7700
901	other		62501	178,45	7700
902	MI FTA RF No.10 for Tver region	31.12.2009	62602	721,74	7700
903	IFTS RF No. 8 for Moscow	31.12.2009	62601	424 439,80	7700
904	IFTS RF No. 8 for Moscow	31.12.2009	62601	1 158,44	7700
905	DFT for Lipetsk region (IFTS RF)	31.12.2009	62602	771,83	7700
906	Fiscal agent VAT	31.12.2009	62601	6 396,23	7700
907	IFTS RF for Belgorod	31.12.2009	62602	1 281,72	7700
908	Levoberezhny district IFTS	31.12.2009	62602	717,37	7700
909	115 Ltd.	31.12.2009	62103	697,33	7700
910	other		62103	2 955,81	7700
911	ATP-Energiya Ltd.	31.12.2009	62103	2 024,90	7700
912	PSC Vypel-Centry Ltd.	31.12.2009	62103	514,17	7700
913	KPMG, CJSC	31.12.2009	62103	3 953,00	7700
914	Corporate service systems	31.12.2009	62103	2 871,21	7700

No.	Counterparty	date of debt incurrence	Form 1 line	Amount, thousand RUR	BU
915	Mobile TeleSystems (MTS), JSC	31.12.2009	62103	866,81	7700
916	IDGC Holding, JSC	31.12.2009	62103	26 019,00	7700
917	other		628	963,30	7700
918	Corporate service systems	31.12.2009	62103	104 251,81	7700
919	SAP CIS Ltd.	31.12.2009	62103	218 800,00	7700
920	IT-Energo Service Ltd.	15.05.2008	62103	746,88	7700
921	Printing trade and communication, CJSC	01.11.2008	62103	801,43	7700
922	Energobalance-Centre Ltd.	27.11.2009	62103	1 010,43	7700
923	enforcement documents calculation	31.12.2009	628	1 175,94	7700
TOTAL:				6 594 607	
1	other		520	422	4400
5	RKL Ltd.	17.10.2008	520	1000	4400
1	other		520	3 041	7600
11	Rosbusinessleasing, JSC	31.07.2004	520	672	7600
57	Meredian Ltd.	15.01.2009	520	14 000	7600
62	International Vynil Company Vostok Ltd.	16.05.2009	520	50 976	7600
63	Industrial Commercial Company S	26.11.2009	520	6 797	7600
64	Kaskad-Energoset Ltd.	29.08.2008	520	4 000	7600
	Lenenergo, JSC	01.12.1999	520	9 585	6900
TOTAL:				90493	

Major Disputes of JSC IDGC of Centre in 2009

Parties to a Trial				Subject of Claim (application, action)	Amount of Claim	Trial Court Proceeding	Review of Judgements			Probability of Judgement for Claimant
No.	Claimant/Appellant	Defendant/ Interested Person	Third Parties				Court of Cassation/Appeal	Court of Cassation (Arbitration Proceeding)	Supervisory Authority	
1	2	3	4	5	6	7	8	9	10	11
Belgorodenergo — Branch Office of JSC IDGC of CENTRE										
1	JSC IDGC of Centre	JSC BSC		Debt for electric power transmission	RUB 420,334,046	31.12.09 an amicable agreement was executed				
2	JSC BSC	JSC IDGC of Centre		Debt for loss compensation	RUB 195,302,953	05.10.09 the claim was dismissed				
3	JSC IDGC of Centre	Regional Generation Company LLC		Debt	RUB 4,830,548.00	The claims were satisfied	12.02.10 appealing proceeding			Medium
4	JSC IDGC of Centre	A.A. Sidorenko, Sole Proprietor		Debt Recovery	RUB 4,375,439.00	The claims were satisfied by judgement dd. 08.10.09	25.12.09 upheld	Cassation appeal		Medium
Bryanskenergo — Branch Office of JSC IDGC of CENTRE										
1	JSC BSC	JSC IDGC of Centre, Bryanskenergo Branch Office	1) JSC Bryansk Utility Systems, 2) Russian Federal Service for Ecological, Technical and Atomic Supervision for the Bryansk Region	Redress claim	RUB 1,252,387.56	Pending action				Low
2	JSC IDGC of Centre, Bryanskenergo Branch Office	Klimovsky Krakhmal LLC	-	Claim for recovery of network connection debt	RUB 5,266,560.64 + 1,364,917 interest = RUB 6,631,477.64	The claim was satisfied to the extent of RUB 6,401,979.91 by the court judgement dd. 02.02.2010				
3	JSC IDGC of Centre, Bryanskenergo Branch Office	JSC Bryansk Power Sales Company		Claim for recovery of penalty under agreement	RUB 1,142,210.64. amended up to RUB 614,616.12	Court judgement dd. 03.11.2009 on partial claim satisfaction				
VORONEZHENERGO — Branch Office of JSC IDGC of CENTRE										
1	JSC Voronezh Power Sales Company	JSC IDGC of Centre		Case No. A14-4327/2008/151/14 principal debt recovery for December, 2006 and collection of interest	RUB 6,341,115.68 (debt) and RUB 758,493.27 (interest)	25.08.08 RUB 6,431,115.68 (debt) and RUB 758,493.27 (interest) were recovered UPON REHEARING: 05.08.2009 — the case was stayed to carry out an expert examination, the proceeding was resumed, the court hearing was adjourned to 18.12.2009 the court hearing was adjourned to 23.12.2009 the court hearing was indefinitely adjourned	JSC IDGC of Centre's claim was dismissed on 30.10.08 The trial court judgement was upheld.	The cassation appeal was filed by JSC IDGC of Centre on 10.02.09. The case is referred to rehearing		Low

Parties to a Trial				Subject of Claim (application, action)	Amount of Claim	Trial Court Proceeding	Review of Judgements			Probability of Judgment for Claimant
No.	Claimant/Appellant	Defendant/ Interested Person	Third Parties				Court of Cassation/Appeal	Court of Cassation (Arbitration Proceeding)	Supervisory Authority	
1	2	3	4	5	6	7	8	9	10	11
2	JSC IDGC of Centre	JSC Voronezh Power Sales Company		Case No. № A 14-366/2009/11/25 on recovery of debt under the service agreement for electric power transmission (non-metered consumption)	RUB 5,627,378.01	The Arbitration Court of the Voronezh Region dismissed the claims of JSC IDGC of Centre on 19.10.2009. The counter claim of JSC Voronezh Power Sales Company against JSC IDGC of Centre was satisfied to the amount of RUB 7,390,792.00 (grid losses)	21.01.2010 — the trial court judgement was upheld, the appeal of JSC IDGC of Centre was dismissed			High
3	JSC Voronezh Power Sales Company	JSC IDGC of Centre		Case No. A14-366/2009/11/25 on counter claim for recovery of power loss under the service agreement for electric power transmission for November, 2008	RUB 7,685,000	stayed until the judgement dd. 06.05.09 regarding Case No. A 14 – 16813/2008/551/18 becomes effective. The proceeding was resumed by the judgement of the Arbitration Court of the Voronezh Region dd. 19.10.2009, the counter claim of JSC Voronezh Power Sales Company was satisfied, RUB 7,390,792.00 was recovered from JSC IDGC of Centre (grid losses)	21.01.2010 — the trial court judgement was upheld , the appeal of JSC IDGC of Centre was dismissed			Low
4	JSC Kit Capital	JSC IDGC of Centre		Recovery of unjust enrichment under the network connection agreement	RUB 10,333,066.80 (unjust enrichment) and RUB 6,324.38 (interest for use of other persons' monetary assets)	The claimant's recovery of RUB 8,794,955.58 was dismissed by the judgement dd. 27.10.2009, the defendant recovered RUB 1,538,110.42 (unjust enrichment) and RUB 555.43 (interest for use of other persons' monetary assets)	01.02.2010 — the judgement was partially changed by the judgement of the court of appeal			Low
5	Voronezh Water Canal (Vodokanal Voronezha) Municipal Unitary Enterprise	JSC IDGC of Centre, JSC Voronezh Power Sales Company, JSC TGC-4, JSC FGC UES	Information Computer Centre Municipal Unitary Enterprise	Case No. A14-15513/2007/403/15 on recovery of unjust enrichment due to failure to pay for water from 2002 through 2007	RUB 14,851,560	JSC TGC-4 was fully recovered from by the judgement dd. 24.04.09	JSC TGC-4 filed an appeal and the court hearing was adjourned to 26.02.2010			High probability of recovery from JSC TGC-4
6	JSC Voronezh Power Sales Company	JSC IDGC of Centre, Russian Railways JSC		Recovery of debt for electric power supplied to compensate grid losses in December, 2006	RUB 6,291,875.06	27.10.2009 — the case was stayed until Case No. A 14-4327/2008/151/14 is examined.				Low
7	JSC IDGC of Centre	JSC TGC-4	JSC Voronezh Power Sales Company	Case No. A 14-13579/2009/466/25 on recovery of debt arising from the joint and several liability of JSC IDGC of Centre	The debt is RUB 23,287,171.83, the enforcement fee is RUB 1,617,931.43	The claims of JSC IDGC of Centre were fully satisfied on 25.12.2009	JSC TGC-4 filed an appeal and the court hearing was scheduled for 26.02.2010			High probability of recovery from JSC TGC-4

Parties to a Trial				Subject of Claim (application, action)	Amount of Claim	Trial Court Proceeding	Review of Judgements			Probability of Judgement for Claimant
No.	Claimant/Appellant	Defendant/ Interested Person	Third Parties				Court of Cassation/Appeal	Court of Cassation (Arbitration Proceeding)	Supervisory Authority	
1	2	3	4	5	6	7	8	9	10	11
Kostromaenergo — Branch Office of JSC IDGC of CENTRE										
1	JSC IDGC of Centre	KronoEhergo LLC	Department of Fuel and Energy Complex and Tariff Policy of the Kostroma Region	Recovery of debt under agreement	RUB 154,402.92	The claim was dismissed on 16.06.2009, the appeal was filed on 16.07.2009	The appellant is JSC IDGC of Centre, the appeal was dismissed on 18.08.2009	JSC IDGC of Centre filed the cassation appeal, the court hearing was scheduled for 02.12.2009, an amicable agreement was executed		
2	JSC IDGC of Centre	Rusenergosbyt LLC	Department of Fuel and Energy Complex and Tariff Policy of the Kostroma Region	Recovery of debt under agreement	RUB 8,019,955.12, when the claims were partially withdrawn, the claim amount was RUB 92,184.78	An amicable agreement to the amount of RUB 16,747 was executed on 07.09.2009				
Kurskenergo — Branch Office of JSC IDGC of CENTRE										
1	JSC IDGC of Centre represented by Kurskenergo Branch Office	JSC KMA-Energosbyt		Debt recovery	RUB 25,289,431.03	An amicable agreement was executed on 20.01.2009 and approved by the Arbitration Court of the Kursk Region				
2	Kurskenergo — Branch Office of JSC IDGC of Centre (Case No. A35-1252/09-C11)	JSC Kursk Power Sales Company		On recovery of debt for the services related to electric power transmission	RUB 184,219,850.85 + RUB 12,872,016.43 claims increase plus RUB 215,982.94 (interest)	The court hearing was indefinitely adjourned on 04.02.2010				High
3	Kurskenergo — Branch Office of JSC IDGC of Centre	JSC Kursk PSC		Recovery of principal debt + interest for use of other persons' monetary assets subject to Article 395 of the Civil Code of the Russian Federation	RUB 108,306,605.67 (principal debt) + RUB 434,188.8 (interest for June)	The case was resumed with no date specified				High
4	JSC Kursk PSC	Kurskenergo — Branch Office of JSC IDGC of Centre		Recovery of debt for the electric power purchased to compensate losses	RUB 6,724,872.83	The court hearing was indefinitely adjourned on 03.02.2010				Low
5	JSC Kursk PSC	Kurskenergo — Branch Office of JSC IDGC of Centre		Recovery of debt for the electric power from January through September, 2009	RUB 27,403,840.46	The court hearing was indefinitely adjourned on 02.02.2010				Low
6	Maksim Vyacheslavovich Yakovlev	Kurskenergo — Branch Office of JSC IDGC of Centre		On forbidding operation of OTL-35 and OTL-110 and moral damage indemnification	RUB 10,000,000	Pending action				Low

Parties to a Trial				Subject of Claim (application, action)	Amount of Claim	Trial Court Proceeding	Review of Judgements			Probability of Judgment for Claimant
No.	Claimant/Appellant	Defendant/ Interested Person	Third Parties				Court of Cassation/Appeal	Court of Cassation (Arbitration Proceeding)	Supervisory Authority	
1	2	3	4	5	6	7	8	9	10	11
Lipetskenergo — Branch Office of JSC IDGC of CENTRE										
1	JSC Lipetsk PSC	JSC IDGC of Centre represented by Lipetsk-energo Branch Office	—	Recovery of interest for use of other persons' monetary assets	RUB 779,005.45	The court hearing was scheduled for 21.04.2009, for 18.05.2009 21.05.2009 08.06.2009 the judgement on recovery of RUB 408,774.97 was passed on 08.06.2009 the appeal dd. 10.07.2009	JSC IDGC of Centre represented by Lipetsken-ergo Branch Office 20.08.2009 — upheld			
9	JSC IDGC of Centre represented by Lipetsk-energo Branch Office	Municipal Unitary Enterprise for Improvement of Yelets	—	On debt recovery	RUB 2,096,886.52	24.11.2009 16.12.2009 21.12.2009 21.01.2010 -satisfied				
10	JSC Lipetsk PSC	JSC IDGC of Centre represented by Lipetsk-energo Branch Office	—	On recovery of funds under agreement	RUB 6,648,388.91	The court hearing was scheduled for 04.05.2009 25.05.2009 14.07.2009 04.08.2009 21.08.2009 28.08.2009 stayed due to an expert examination				Low
11	JSC Lipetsk PSC	JSC IDGC of Centre represented by Lipetsk-energo Branch Office	—	On recovery of funds under agreement	RUB 7,173,790.29	Scheduled for 01.06.2009 24.06.2009 17.08.2009 24.08.2009 25.08.2009 stayed due to an expert examination				Low
Oryolenergo — Branch Office of JSC IDGC of CENTRE										
	Independent Directors Consulting Company LLC	JSC IDGC of Centre		No. A40-19854/09-52-230 dd. 12.03.09 on party substitution for its assign and issue of an enforcement order	RUB 11,724,439.51	09.04.2009, adjourned to 16.04. — dismissed	Claimant's appeal, scheduled for 25.06.2009	dismissed		Low
	JSC OGK-5	JSC IDGC of Centre		No.A40-91217/09-39-663 dd. 28.08.09 on issue of an enforcement order	RUB 11,724,439.51	24.09.2009, adjourned to 28.09.09 — dismissed				Low
	JSC IDGC of Centre	CJSC Energoprommontazh		No.A41-35184/09 dd. 30.09.09 return of funds	RUB 14,158,116.72	24.11.09, adjourned to 14.01.10 and then to 17.02.10				High

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No.	Claimant/Appellant	Defendant/ Interested Person	Third Parties				Court of Cassation/Appeal	Court of Cassation (Arbitration Proceeding)	Supervisory Authority	
1	2	3	4	5	6	7	8	9	10	11
	JSC IDGC of Centre	CJSC Energoprommon-tazh		No.A48-5231/2009 dd. 19.10.09 return of funds	RUB 72,771,578.10 + RUB 4,953,794.99 (interest)	05.11.09 , adjourned to 04.12.09, to 29.12.09, to 29.01.10, to 19.02.10				High
	Profisnab LLC	JSC IDGC of Centre		No. A48-4766/2009, debt under contractor agreement	RUB 31,766,797.89	adjourned to 22.10.09, to 12.11.09, to 03.12.09, to 24.12.09 claim abandonment, an amicable agreement was executed				High
	CJSC Energoprommon-tazh	JSC IDGC of Centre		No.A48-6484/2009	RUB 5,264,594.51	adjourned to 10.02.10 and then to 02.03.10				Low
	Administration of the Oryol Region	JSC Oryolgorteploenergo	JSC IDGC of Centre	A48-2918/08-1 dd. 17.12.08 recovery of funds	RUB 101,033,249.91	To be resumed on 21.05.09, on 27.05.09 on 15.06.09, on 16.06.09, on 29.06.09, on 06.07.09 on 13.07, 20.07 -satisfied	The defendant filed an appeal on 24.09.09, adjourned to 22.10.09, to 19.11.09 to 26.11.the defendant's appeal was satisfied			High
Smolenskenergo — Branch Office of JSC IDGC of CENTRE										
1.	JSC IDGC of Centre	JSC Smolenskenergosbyt	no	Recovery of interest for use of other persons' monetary assets	RUB 1,408,654.06	15.09.2009 — to recover	JSC Smolenskenergosbyt, 26.11.2009 — the judgment was upheld and the claim was dismissed	JSC Smolenskenergosbyt, is not yet scheduled for examination		High
2.	JSC IDGC of Centre	Firma Teplo LLC	JSC Smolenskenergosbyt	Recovery of unjust enrichment	RUB 2,419,492.96	17.02.2010 — preliminary hearing				High
3.	JSC IDGC of Centre	JSC Smolenskenergosbyt	no	Recovery of interest for use of other persons' monetary assets	RUB 1,459,744.03	17.02.2010 — preliminary hearing				High
4.	JSC Smolenskenergosbyt	JSC IDGC of Centre	no	Recovery of interest for use of other persons' monetary assets	RUB 1,214,179.27	26.10.2009 — the claim is to be partially satisfied and RUB 65,388.48to be recovered	no	JSC Smolenskenergosbyt, 10.02.2010 — the judgment was upheld and the claim was dismissed		Low
5	JSC IDGC of Centre	Rusenergosbyt LLC		Recovery of damages	RUB 1,817,523.62	01.02.10, adjourned to 25.02.10				High
6	JSC IDGC of Centre	JSC Smolenskenergosbyt		Recovery of debt under agreement	RUB 66,215,303. 76	Next hearing is scheduled for 23.03.2010				Low

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No.	Claimant/Appellant	Defendant/ Interested Person	Third Parties				Court of Cassation/Appeal	Court of Cassation (Arbitration Proceeding)	Supervisory Authority	
1	2	3	4	5	6	7	8	9	10	11
Tambovenergo — Branch Office of JSC IDGC of CENTRE										
1	Tambovenergo — Branch Office of JSC IDGC of Centre	Transneftservis S LLC	—	No. A40-89952/09-137-698 13.07.2009 On recovery of debt for peak power capacity	RUB 38,355,164.74, including RUB 11,960,635.13 (debt under agreement), RUB 26,394,529.34 (default interest)	The claims were satisfied to the extent of RUB 14,600,088.06, including RUB 11,960,635.13 (debt under agreement) and RUB 2,639,452.93 (default interest) by judgement of the Arbitration Court of Moscow dd. 02.12.2009 The state duty of RUB 100, 000 was collected.	Transneftservis S LLC filed an appeal. The hearing is not yet scheduled	—	—	High
2.	Tambovenergo — Branch Office of JSC IDGC of Centre»	Rusenergotrade LLC	—	A 40-89998/09-47-644 13.07.2009 On recovery of debt for peak power capacity	RUB 1,781,692.89	The claims were fully satisfied by judgement of the Arbitration Court of Moscow dd. 21.10.2009	Rusenergotrade LLC, the trial court judgement was upheld by the Ninth Arbitration Court of Appeal on 03.02.2010	—	—	High
3.	Tambovenergo — Branch Office of JSC IDGC of Centre	Rusenergotrade LLC	—	Case No. A40-1056/10-48-14 On recovery of debt under agreement	RUB 5,840,488.71, including: RUB 5,820,911.28 (debt under agreement), RUB 19,577.43 (penalty)	The hearing is scheduled for 25.02.2010, 11:10 a.m. by the Arbitration Court of Moscow	—	—	—	High
4.	JSC Tambovenergo	The Inspectorate of the Federal Tax Service of the Russian Federation (IFTS of Russia) for Tambov	—	Case No. A64-3027/07-22, on invalidating the resolution of the tax authority regarding additional VAT and profit tax charges	RUB 22,037,644.15	The claims were fully satisfied by judgement of the Arbitration Court of the Tambov Region dd.17.03.2008 The Arbitration Court of the Tambov Region dismissed the petition of IFTS of Russia for Tambov to review the case upon discovery of new facts on 02.06.2009 The judgement of the Arbitration Court of the Tambov Region dd. 17.03.2008 was cancelled by the Arbitration Court of the Tambov Region on 15.12.2009. New hearing for IFTS of Russia for Tambov is scheduled for 10.02.2010	The appeal of IFTS of Russia for Tambov was satisfied by the ruling of the Nineteenth Arbitration Court of Appeal dd. 31.07.2009, the trial court ruling was cancelled, the case is scheduled for rehearing.	The judgements of the trial courts and the courts of appeal were upheld by the judgement of the Federal Arbitration Court of the Central District dd. 27.10.2008 and the cassation appeal of IFTS of Russia for was dismissed. The judgement regarding case review upon discovery of new facts of the court of appeal was upheld by the Federal Arbitration Court of the Central District on 02.11.2009, the cassation appeal of JSC IDGC of Centre was dismissed.	—	High

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No.	Claimant/Appellant	Defendant/ Interested Person	Third Parties				Court of Cassation/Appeal	Court of Cassation (Arbitration Proceeding)	Supervisory Authority	
1	2	3	4	5	6	7	8	9	10	11
5.	JSC Tambovenergo	IFTS of Russia for Tambov	—	Case No. A64-737/05-15 on invalidating the resolution of the tax authority regarding tax liability	RUB 16,131,434.42 (RUB 9,829,610 — tax, RUB 5,668,246.25 — default interest, RUB 1,991,699.74 — sanctions)	The claims were satisfied by the judgement of the Arbitration Court of the Tambov Region on 25.05.2005 as follows: additional charges of RUB 9,829,610, including RUB 5,427,172 (tax), RUB 3,121,693 (default interest), and RUB 1,280,745 (penalties) were recognised illegal. The claims were satisfied to the extent of RUB 1,800,000 by the judgement of the Arbitration Court of the Tambov Region on 03.08.2009	The hearing was scheduled for 05.03.2010 by the Nineteenth Arbitration Court of Appeal on 09.02.2010	The judgements were cancelled to the extent of profit tax additional charges in the amount of RUB 2,257,045 by the judgement of the Federal Arbitration Court of the Central District dd. 20.10.2008. rehearing was referred to the trial court	—	High
6.	JSC Tambov Regional Power Sales Company	Milorem Michurin Locomotive Repair Works	Tambovenergo — Branch Office of JSC IDGC of Centre	Case No. A64-5485/09 , O On recovery of debt for electric power input	RUB 11,567,200.19	The claims were fully satisfied by the judgement of the Arbitration Court of the Tambov Region on 18.01.2010	—	—	—	High
7	Oktyabr Tambov Plant JSC	JSC Tambov Utility Systems	Tambovenergo — Branch Office of JSC IDGC of Centre	Case No. A64-2512/08-21, On claims for material damage	RUB 3,926,314.69	The case was stayed by the Arbitration Court of the Tambov Region on 10.06.2009 until Case No. A64-2794/08-9 is examined.	—	—	—	Medium
8	JSC Tambov Regional Power Sales Company	Milorem Michurin Locomotive Repair Works	Tambovenergo — Branch Office of JSC IDGC of Centre	Case No. A64-395/2010, On recovery of debt for the electric power input	RUB 23,977,113.10	The hearing was scheduled for 02.03.2010 by the Arbitration Court of the Tambov Region	—	—	—	High
Tverenergo — Branch Office of JSC IDGC of CENTRE										
1	Municipal Unitary Enterprise for Housing and Communal Services of the Administration of the Maksatikha District of the Tver Region	JSC IDGC of Centre	JSC Tver Power Sales Company	On recovery of debt for the services related to electric power transmission from February through April of 2008	RUB 2,842,567.30	The claims were satisfied to the extent of RUB 2,435,856.01 by the judgement dd. 17.04.2009	The appeal of JSC IDGC of Centre was dismissed by the judgement of the 14 th Arbitration Court of Appeal dd. 22.06.2009	The cassation appeal of JSC IDGC of Centre was dismissed by the ruling of the Federal Arbitration Court of the North-Western District dd. 16.09.09		
2	Tvergorelektro Municipal Unitary Enterprise	JSC IDGC of Centre		On recovery of debt for the services related to electric power transmission from September through December of 2008 and collection of interest as per Article 395 of the Civil Code of the Russian Federation	RUB 29,529,869.48 (increased up to RUB 69,534,769.51)	RUB 70,570,576.61 was recovered from JSC IDGC of Centre by the judgement dd. 09.09.09	The appeal of JSC IDGC of Centre was dismissed by the judgement of the 14 th Arbitration Court of Appeal	A cassation appeal is being prepared		

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1	2	3	4	5	6	7	8	9	10	11
3	Russian Railways JSC	JSC IDGC of Centre	Rusenergosbyt LLC, JSC Tver Power Sales Company	On recovery of debt for the services related to electric power transmission from August through December of 2008 and collection of interest as per Article 395 of the Civil Code of the Russian Federation	RUB 5,477,403.33 (increased up to RUB 30,879,538.90)	RUB 30,045,581.13 was recovered from JSC IDGC of Centre by the judgement dd. 27.07.09		The cassation appeal of JSC IDGC of Centre was dismissed by the ruling of the Federal Arbitration Court of the Moscow Region dd. 02.12.2009		
4	JSC IDGC of Centre	JSC Tver Power Sales Company		On recovery of debt for the services related to electric power transmission from December, 2007 through December, 2008 and collection of interest as per Article 395 of the Civil Code of the Russian Federation	RUB 136,129,394.65 (increased up to RUB 1,399,554,279.40)	Case proceeding in the Tribunal under PETEK Charitable Trust (Law and Economy of Fuel and Energy Complex Charitable Trust) is stayed				
5	Regional Electric Grid Company LLC	JSC IDGC of Centre		On recovery of debt for the services related to electric power transmission from January through March of 2009 and collection of interest as per Article 395 of the Civil Code of the Russian Federation	RUB 41,916,306.26	RUB 1,237,747.01 was recovered from JSC IDGC of Centre by the judgement of the Arbitration Court of the Tver Region		The cassation appeal of JSC IDGC of Centre was dismissed by the ruling of the Federal Arbitration Court of the North-Western District		Low
6	JSC IDGC of Centre	Tveroblenergosbyt LLC		On recovery of debt for the services related to electric power transmission and collection of interest	RUB 20,078,372.32	RUB 128,505.32 was recovered from Tveroblenergosbyt LLC in favour of JSC IDGC of Centre				High
7	JSC Vasilyevsky Mokh	JSC IDGC of Centre		Recovery of debt for the services related to electric power transmission	RUB 4,409,670.76	The claims were partially satisfied upon the judgement dd. 08.12.2009	The appeal was filed			Low
8	REC LLC	JSC IDGC of Centre		Recovery of debt for the services related to electric power transmission	RUB 65,673,584.94	The hearing was adjourned to 03.03.10				Low
9	Russian Railways JSC	JSC IDGC of Centre		Recovery of debt for the services related to electric power transmission and collection of interest	RUB 22,238,724.50	RUB 11,488,672.56 was recovered from JSC IDGC of Centre by the judgement dd. 25.01.2010	The appeal is being prepared			Low
10	Gorenergo of Rzhev, Municipal Unitary Enterprise	JSC Tver Power Sales Company	JSC IDGC of Centre	On recovery of debt for the services related to electric power transmission	RUB 24,731,242.18	The claim is received				Low

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No.	Claimant/Appellant	Defendant/ Interested Person	Third Parties				Hearing Date and Outcome	Court of Cassation/Appeal	Court of Cassation (Arbitration Proceeding)		Supervisory Authority
								Appellant, Hearing Date and Outcome	Appellant, Hearing Date and Outcome		Appellant, Hearing Date and Outcome
1	2	3	4	5	6	7	8	9	10	11	
Yarenergo — Branch Office of JSC IDGC of CENTRE											
1.	JSC IDGC of Centre	JSC YaSC		Collection of interest	RUB 104,109,237.34	18.06.2009 — the claims were fully satisfied — interest in the amount of RUB 1,167,394.59 was collected (debt in the amount of RUB 102,941,842.75 was repaid)	20.08.2009 — the court judgement was upheld			High	
2.	Russian Railways JSC	JSC IDGC of Centre	Rusenergosbyt LLC	Recovery of debt and collection of interest	RUB 17,979,509.36	RUB 429,832.72 was recovered from JSC IDGC of Centre by the judgement dd. 29.09.2009				High	
3.	JSC IDGC of Centre	Investstroi CJSC		On recovery of debt under the network connection agreement	RUB 2,777,720.00	11.11.2008 — the claims were satisfied	16.01.2009 — trial court judgement was upheld			High	
4.	JSC IDGC of Centre	JSC TGC-2		Recovery of funds payable under the joint and several liability agreement	RUB 13,028,927.07	26.03.2009 — the claims were satisfied				High	
5.	JSC IDGC of Centre	JSC TGC-2		Recovery of funds payable under the joint and several liability agreement	RUB 22,196,818.26	10.04.2009 — the claims were satisfied				High	
6.	JSC IDGC of Centre	MAREM+ CJSC		Recovery of debt and collection of interest	RUB 37,152,270.00	13.07.2009 — an amicable agreement as executed				High	
7	JSC YaSC	JSC IDGC of Centre»		Recovery of debt and collection of interest	RUB 7,139,026.39	13.08.2009 — the claims were satisfied to the extent of collection of interest in the amount of RUB 221,148.51				High	
8.	Energomash LLC	JSC IDGC of Centre		Demand for return of advance payment under the network connection agreement	RUB 38,000,000	The claims were dismissed by the judgement dd. 25.11.08	The trial court judgement dd. 03.02.2009 was upheld	The judgements were upheld by the ruling dd. 11.04.09		Low	
9	RAIM CJSC	JSC IDGC of Centre		Recovery of debt under agreement and collection of interest	RUB 13,410,654.75	The claims were fully satisfied by the judgement dd. 20.03.2009	JSC IDGC of Centre, the trial court judgement was upheld by the judgment of the court of appeal dd. 25.05.2009	JSC IDGC of Centre, the judgements were upheld by the ruling of the court of cassation dd. 31.08.2009		High	
10	JSC IDGC of Centre	JSC Rusenergosbyt		Recovery of debt under electric power transmission agreement	RUB 42,179,349.43	An amicable agreement was executed under which the claimant shall withdraw its claims and the defendant shall pay 50% of the state duty. It is approved by the ruling dd. 2.11.2010.				High	
11.	JSC IDGC of Centre	MAREM+ CJSC		Recovery of debt under electric power transmission agreement	RUB 61,577,586.05	Withdrawal of claims was accepted by the court on 17.07.2009				High	

Parties to a Trial				Subject of Claim (application, action)	Amount of Claim	Trial Court Proceeding	Review of Judgements			Probability of Judgment for Claimant
No.	Claimant/Appellant	Defendant/Interested Person	Third Parties				Court of Cassation/Appeal	Court of Cassation (Arbitration Proceeding)	Supervisory Authority	
1	2	3	4	5	6	7	8	9	10	11
12	JSC IDGC of Centre	Interregional Inspectorate of the Ministry of Finance of the Russian Federation for the Supervisory Committee of the Yaroslavl Region		Collection of interest as per Article 79 of the Tax Code of the Russian Federation	RUB 11,340,970.26	The claims were fully satisfied by the judgement dd. 21.11.08	The appeal of the Interregional Inspectorate of the Ministry of Finance of the Russian Federation was dismissed (Resolution dd. 18.12.2008)	The cassation appeal of the Interregional Inspectorate of the Ministry of Finance of the Russian Federation was dismissed (Resolution dd. 15.06.2009)		High
13	JSC IDGC of Centre	Department of Municipal Services of Yaroslavl Mayor's Office, Ministry of Finance of the Russian Federation		Recovery of debt under agreement	RUB 34,979,425.43	The claims were partially satisfied to the extent of RUB 29,467,319 by the judgement dd. 26.12.2008	The appeal of the Ministry of Finance of the Russian Federation was dismissed (Resolution dd. 22.01.2009)	The cassation appeal of the Ministry of Finance of the Russian Federation was dismissed (Resolution dd. 05.06.2009)		High
14	JSC IDGC of Centre	Infineon Engineering LLC		Recovery of debt under agreement	RUB 1,085,486.02	The claims were fully satisfied by the judgement dd. 07.10.09				High

THE AUDITING COMMITTEE
of IDGC of CENTRE, JSC
Minutes No. 01/09 dated June 16, 2009
Elected by the decision of the General meeting of shareholders

FINDINGS
of THE AUDITING COMMITTEE
On the results of audit of financial and economic activity
Interregional distribution grid company of Centre,
Joint-Stock Company
for 2009

April 09, 2010

Moscow

INFORMATION ON THE COMPANY	
Full name	Interregional distribution grid company of Centre, Joint-Stock Company
Legal address	4/2, Glukharev Lane, Moscow, 129090
Mail address	4/2, Glukharev Lane, Moscow, 129090
Contact information	Telephone: (495) 747-92-92 Fax: (495) 747-92-95 E-mail: posta@mrsk-1.ru
State registration (Primary State Registration Number, date)	1046900099498, December 17, 2004
Id. tax payer number/Record validity code	6901067107/770801001
Branches and separate subdivisions with separate balance	Branches: — the branch of IDGC of Centre, JSC — “Belgorodenergo”; — the branch of IDGC of Centre, JSC — “Bryanskenergo”; — the branch of IDGC of Centre, JSC — “Voronezhenergo”; — the branch of IDGC of Centre, JSC — “Kostromaenergo”; — the branch of IDGC of Centre, JSC — “Kurskenergo”; — the branch of IDGC of Centre, JSC — “Lipetskenergo”; — the branch of IDGC of Centre, JSC — “Orelenergo”; — the branch of IDGC of Centre, JSC — “Smolenskenergo”; — the branch of IDGC of Centre, JSC — “Tambovenergo”; — the branch of IDGC of Centre, JSC — “Tverenergo”; — the branch of IDGC of Centre, JSC — “Yarenergo”.
Executive body (Full name, position, date of entry into office) of everybody within the reporting period and events after the reporting date	Evgeny Fedorovich Makarov, General Director, December 17, 2004
Chief accountant (Full name, position, date of entry into office) of everybody within the reporting period and events after the reporting date	Svetlana Yuryevna Puzenko, Director for Accounting Policy, April 26, 2007

INFORMATION ON MEMBERS OF THE AUDITING COMMITTEE

Chairperson of the Auditing Committee	Olga Vladimirovna Rokhlina
Secretary of the Auditing Committee	Vadim Evgenyevich Bunin
Members of the Auditing Committee	Liudmila Romanovna Matyunina
	Irina Vasilyevna Mikhno
	Anna Yuryevna Katina

INFORMATION ON THE AUDITOR

Full name of organisation	Closed Joint-Stock Company «HLB Vneshaudit»
Legal address (location)	25-27/2, B. Yakimanka St., Moscow, 109180
Mail address	Office 701, Entrance 3, Krasnopresnenskaya embankment, 12, Moscow, 123610
State registration (Primary State Registration Number, date)	1027739314448, January 14, 2005
	Licenses: <ul style="list-style-type: none">— License for auditor activity No. E 000548, issued by Ministry of Finance of the Russian Federation on June 25, 2002, valid till June 25, 2012.
License (membership in self-regulatory organisations, date of entry, name of self-regulatory auditing association)	<ul style="list-style-type: none">— License of Federal Security Service of Russia GT No. 0002045, registration number 11141 dated November 19, 2007, valid till October 24, 2012.Member of the self-regulatory organisation Non-commercial partnership «Institute of professional auditors» (General Registration Number 10202000095).Valid since — October 30, 2009.
Minutes of the annual meeting of shareholders (that approved the auditor confirming accounting (financial) reporting)	Minutes No. 01/09 dated June 16, 2009
Auditor's opinion	February 27, 2010
	L.M. Mitrofanov, General Director (Qualification certificate of auditor No. 010089 dated December 25, 1997 in the sphere of the general audit, issued for an indefinite term, number in the register of auditors and auditing organisations — 20402002484).
Persons signed the auditor's opinion (Full name, auditor's certificate, membership in self-regulatory organisations)	E.S. Maximova, Audit Leader (Qualification certificate of auditor No. 013564 dated March 30, 2004 in the sphere of the general audit, issued for an indefinite term, number in the register of auditors and auditing organisations — 20402002462).

I. ANALYTICAL PART

The audit was conducted in accordance with:

- the Federal Law “On joint-stock companies”;
- the Articles of Association of the Company;
- the Regulation on Auditing Committee;
- the Decision of the annual meeting of shareholders on election of the Auditing Committee (Minutes No. 01/09 dated June 16, 2009);
- the Decision of the Auditing Committee on approval of this Findings (Minutes No. 6 dated April 14, 2010);
- other regulatory documents and decisions of the authorized bodies of the Company.

Goal of the audit: confirmation of fairness of the accounting (financial) reporting and annual report of IDGC of Centre, JSC (hereinafter referred to as the Company) for 2009, hereinafter jointly referred to as the Reporting. The reliability means in all material respects the degree of the Reporting data accuracy which allows users of this Reporting to make correct conclusions on the results of economic activity, financial and property situation of the Company and take grounded decisions basing on these conclusions.

Object: the accounting (financial) reporting, the annual report, compliance of conducting of financial and economic activities of the Company with the current Law and internal local regulatory acts.

This Findings is the document officially available for publication, intended to shareholders, investors and other interested persons.

We conducted the audit in compliance with:

- the Federal Law No. 129-FZ dated November 21, 1996 “On accounting”;
- the Order of Ministry of Finance of the Russian Federation No. 34n dated July 29, 1998 “On approval of the Regulation on keeping of accounting reporting in the Russian Federation”;
- the Order of Ministry of Finance of the Russian Federation No. 67n dated July 22, 2003 “On forms of accounting reporting of organisations”;
- Other legislative and internal local acts.

Responsibility for the observance of the Law of the Russian Federation when performing financial and economic transactions lies on the executive body of the Company.

The Audit was planned and conducted in such a way as to get reasonable assurance that the annual report and accounting (financial) reporting for 2009 do not contain any material misrepresentations.

The Audit was planned on a test basis and included the test study of proofs confirming the data of the accounting (financial) reporting and disclosure of the information on financial and economic activity of the Company, estimation of principles and methods of accounting, rules applicable to preparation of the Reporting, Determination of significant accounting estimates.

When conducting the audit, we took into account the fact of observance of the Law of the Russian Federation by the Company. We made compliance of a number of financial and economic transactions performed by the Company with the Law only to obtain reasonable and sufficient assurance that the Reporting does not contain any material misrepresentations.

In the course of the audit we determined a level of materiality (level of cumulative tolerable error). Under materiality we understand the tendency of information disclosed in the annual reporting and annual report to influence on taking decisions of users of this Reporting. Level of tolerable error is the criterion in terms of confirmation of the Company Reporting fairness for us.

We determined the level of materiality at the rate of 2 073 300 thousand Rubles.

The audited period:

We conducted the Audit of the Reporting enclosed to the Findings for the period:

1) reporting:

since	January 01, 2009	till	December 31, 2009	within the framework of financial and economic activity for	2009
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2) Events after the reporting date:

since	January 01, 2010	till	April 09, 2010
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Date of the Findings is the date of the last day of the Audit.

The Reporting is drawn up in compliance with the legislative and regulatory acts of the Russian Federation (RAS) and internal regulatory local acts of the Company.

Structure of the Company Reporting confirmed by the Auditing Committee:

No.	Form No.	Reporting form	Date of approval by the Directorate	Number of pages in the document
	No.1	Balance sheet (<i>consolidated over all separate subdivisions of the Company</i>)	February 27, 2010	4
	No.2	Profit and Loss Statement (<i>consolidated over all separate subdivisions of the Company</i>)	February 27, 2010	5
	No.3	Statement of changes in equity	February 27, 2010	3
	No.4	Cash flow statement	February 27, 2010	1
	No.5	Appendix to the Balance sheet	February 27, 2010	6
	—	Explanatory note (<i>consolidated over all separate subdivisions of the Company</i>)	February 27, 2010	33
	—	The Auditor's opinion on the accounting (financial) reporting of IDGC of Centre, JSC for 2009	February 27, 2010	3
	—	The annual report (<i>consolidated over all separate subdivisions of the Company with reflection of information on subsidiaries and affiliates</i>)		107

We consider that the audit conducted provides sufficient grounds for us to express our opinion concerning reliability of the Reporting of the Company.

II. FINAL PART

In our opinion the Reporting of the Company attached to this Auditor's Opinion in all material respects give a true and fair view of the financial status and results of financial and economic activity of the Company since January 01, 2009 till December 31, 2009 inclusive. The Reporting is formed in accordance with the requirements of the Law of the Russian Federation in terms of preparation of accounting (financial) reporting, conducting of audit and giving of the auditor's opinion as well as in compliance with internal local acts in terms of formation of the annual report of the Company.

SPECIAL OPINION

Members of the Auditing Committee do not have special opinion that differs from that given in the final part of the Findings.

Approved by the Minutes of the Auditing committee No. 9 dated April 09, 2010.

Chairperson of the Auditing Committee

O.V. Rokhlina

**Auditor's opinion
on accounting (financial) statements
of Interregional Distribution Grid Company of Centre,
Joint-Stock Company
for the period from January 1 to December 31, 2009**

Addressee: shareholders of Interregional Distribution Grid Company of Centre, Joint-Stock Company and other users of accounting (financial) statements of Interregional Distribution Grid Company of Centre, Joint-Stock Company.

Addressable entity:

Full name: Interregional Distribution Grid Company of Centre, Joint-Stock Company.

Brief name: IDGC of Centre, JSC.

State registration: Registered in the Uniform State Register of Legal Entities on December 17, 2004 under Primary State Registration Number 1046900099498.

Location: 4/2, Glukharev Lane, Moscow, 129090.

Auditor:

Full name: Closed Joint-Stock Company "HLB Vneshaudit".

Brief name: CJSC "HLB Vneshaudit".

State registration: Registered by Moscow Registration Chamber on February 17, 1992, certificate No. 470.740. Registered in the Uniform State Register of Legal Entities on January 14, 2005 under Primary State Registration Number 1027739314448.

Location: 25-27/2, Bolshaya Yakimanka St., Moscow, 109180, (telephone 967-0495, fax 067-0497).

Mail address: office 701, entrance 3, Krasnopresnenskaya embankment 12, Moscow, 123610.

CJSC "HLB Vneshaudit" is the member of self-regulatory organization of auditors, Non-commercial partnership "Institute of Professional Auditors", and included in the Register of auditors and auditing organisations of the specified self-regulatory organization of auditors on October 30, 2009 under Primary State Registration Number 10202000095.

Work quality of CJSC "HLB Vneshaudit" is confirmed by the auditing service quality certificate No. 219, valid since November 24, 2009 till November 24, 2012.

We have audited the attached accounting (financial) statements of IDGC of Centre, JSC for the period from January 1 to December 31, 2009 inclusive. The accounting (financial) statements of IDGC of Centre, JSC consists of:

- accounting balance sheet;
- profit and loss statement;
- appendix to the accounting balance sheet and profit and loss statement;
- explanatory note.

The accounting (financial) statements specified is prepared in compliance with the requirements of the Law and regulatory acts of the Russian Federation that condition the preparation procedure of accounting (financial) statements.

Responsibility for the preparation and submission of this accounting (financial) statements lies on the executive body of IDGC of Centre, JSC. Our obligation is to give our opinion on the reliability of accounting (financial) statements in all material respects basing on the audit conducted.

The audit was conducted in compliance with:

- the Federal Law "On auditor's activity";
- federal rules (standards) for the auditor's activity.

The Audit was planned and conducted in such a way as to get reasonable assurance that the accounting (financial) statements do not contain any material misrepresentations. The Audit was conducted on a test basis and included:

- the test study of proofs confirming the data of the accounting (financial) statements reporting and disclosure of the information on financial and economic activity of the audited entity;
- estimation of compliance with accounting standards and rules applicable to preparation of the accounting (financial) statements;
- examination of the basic performance indices received by the Management of the audited entity when preparing accounting (financial) statements;
- estimation of the submission of the accounting (financial) statements.

We consider that the audit conducted provides sufficient grounds for us to express our opinion concerning reliability of the accounting (financial) statements in all material respects.

In our opinion the accounting (financial) statements of IDGC of Centre, JSC with the balance currency of 61,050,075 thousand RUR give a true and fair view of financial status of the organisation as of December 31, 2009 and the results of its financial and economic activity for the period from January 1 to December 31, 2009 inclusive in accordance with the requirements of the Law and regulatory acts of the Russian Federation in terms of preparation of the accounting (financial) statements.

Without changing the opinion concerning reliability of the accounting (financial) statements of the Company, we draw your attention to the information specified in the section 4.11 of the Explanatory note to the accounting (financial) statements, namely: in compliance with the accounting policy the borrowed funds which are at the Company disposal and re-payment term of which exceeds 12 months under the loan contract or credit are recognized in the long-term debt till expiry of the term specified. As of December 31, 2009 the loan liabilities on such loans and credits recognized in the long-term debt (line code 510 of the accounting balance sheet) subject to re-payment within 12 months after the reporting date amounted to 5,536 410.45 thousand RUR.

Date of audit completion — February 27, 2010.

General Director

(Qualification auditor certificate No. K010089 dated December 25, 97 in the sphere of the general audit is issued for an indefinite term, number in the Register of auditors and auditing organisations — 20402002484)

L.M. Mitrofanov

Audit Leader

(Qualification auditor certificate No. K013564 dated March 30, 2004 in the sphere of the general audit is issued for an indefinite term, number in the Register of auditors and auditing organisations — 20402002462)

E.S. Maximova

Appendix 2

Assets valuation methods

The Company assets valuation is performed by an independent valuator in cases provided by the Federal Law “On joint-stock companies” and regulatory acts of IDGC of Centre, JSC.

When valuating assets a valuator uses approaches and methods provided by the Federal Law “On valuation activities” No.135-FZ dated 29.07.1998 and Federal valuation standards (FVS No.1, FVS No.2, FVS No.3) approved by the orders of Ministry of Economic Development and Trade of Russia No.No.254, 255, 256 dated July 20, 2007.

The Company financial investments are valuated in accordance with the requirements of RAS 19/02 “Accounting of financial investments” approved by the Order of Ministry of Finance of Russia No.126n dated December 10, 2002 and the Accounting policy of the Company.

Appendix 3

Key provisions of the accounting policy

The accounting policy of “IDGC of Centre”, JSC for 2009 was approved by the Order No. 2 dated 14.01.2008 with changes for 2009 approved by the Order No.315 dated 31.12.2008.

The document has been developed according to requirements of the accounting and financial legislation of the Russian Federation and provides:

- unity of methods at the accounting organization and records maintenance;
- the main assumptions, requirements and approaches to the organization and conducting the accounting process;
- reliability of the prepared financial (accounting) statements;
- formation of full and trustworthy information about such objects of tax account as incomes, charges, property, property rights, obligations and economic operations, the cost of estimation of which defines tax base of the current period under report (tax) period.

Heads and employees of all structural subdivisions, services and divisions of the Company responsible for duly submission of primary documents and other accounting information to the accounting service are guided by the provisions of the accounting policy.

The accounting policy of the Company was generated according to the requirements of:

- Civil Code of the Russian Federation;
- Federal Law “On Accounting” No.129-FZ dated 21.11.96:
- Regulation on accounting and reporting in the Russian Federation (order of the Ministry of Finance of the Russian Federation No 34-n dated 29.07.1998).
- RAS (Russian Accounting Standards) 1/2008 “Accounting policy of an organization”, RAS 2/94 “Accounting of agreements (contracts) on capital construction”, RAS 3\2006 “Accounting of the property and liabilities of an organization, the price of which is expressed in foreign currency”, RAS 4/99 “Accounting statement of an organization”, RAS 5/01 “Inventory accounting”, RAS 6/01 “Accounting of fixed assets”, RAS 7/98 “Events after the reporting date”, RAS 8/01 “Contingencies”, RAS 9/99 “Profit of an organization”, RAS 10/99 “Expenses of an organization”, RAS 11/2008 “Information on affiliated entities”, RAS 12/2000 “Segment information”, RAS 13/2000 “Accounting of state aid”, RAS 14/2007 “Accounting of intangible assets”, RAS 15/2008 “Accounting of loans and credits and expenses for their servicing”, RAS 16/02 “Information on the discontinuing operation”, RAS 18/02 “Accounting of expenses for income tax”, RAS 19/02 “Accounting of financial investments”, RAS 20/03 “Information on participation in the joint activity”.

Accounting of property, liabilities and economic operations is kept on the basis of natural measures in monetary terms by means of overall, continuous, documental and interconnected presentation. Indicators of the annual accounting statements are presented on the basis of the materiality concept for evaluation of financial position by all interested users.

The full version of the accounting policy of IDGC of Centre, JSC is available on the Company’s corporate web-site: http://www.mrsk-1.ru/stockholder/inform/fin_bux/uchpolitik/.

Compliance of the accounting standards of the Company with the requirements of accounting standards adopted in the Russian Federation is approved by the Auditor’s findings of “HLB Vneshaudit JSC”, JSC regarding the annual accounting statements of the Company for 2009 dated February 27, 2010.

Appendix 4

JSC “IDGC of Centre”

Consolidated Financial Statements
for the year ended 31 December 2009

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Independent Auditors' Report

To the Board of Directors of Joint-Stock Company "IDGC of Centre"

We have audited the accompanying consolidated financial statements of Joint-Stock Company "IDGC of Centre" (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2009, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis for Qualified Opinion

We did not observe the counting of inventories stated at RUR 1,189,256 thousand as at 1 January 2008 because we were engaged as auditors of the Group only after that date. It was impracticable to satisfy ourselves as to those inventory quantities by other audit procedures. Accordingly, we were unable to determine whether any adjustments might be necessary to operating expenses, income tax expense and profit for the year ended 31 December 2008.

Qualified Opinion

In our opinion, except for the effects on the corresponding figures of such adjustments, if any, that might have been determined to be necessary had it been practicable to obtain sufficient appropriate audit evidence as described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2009, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

ZAO KPMG

30 April 2010

JSC “IDGC of Centre”
Consolidated Statement of Comprehensive Income for the year ended 31 December 2009
Thousands of Russian Roubles, unless otherwise stated

	Note	Year ended 31 December 2009	Year ended 31 December 2008
Revenue	7	49,313,709	43,726,639
Operating expenses	8	(45,266,019)	(38,841,920)
Other operating income		722,325	1,050,979
Results from operating activities		4,770,015	5,935,698
Finance income	10	98,748	10,903
Finance costs	10	(2,123,278)	(1,570,147)
Net finance costs		(2 024 530)	(1,559 244)
Profit before income tax		2,745,485	4,376,454
Income tax expense	11	(639,478)	(1,590,734)
Profit and total comprehensive income for the year		2,106,007	2,785,720
Profit and total comprehensive income attributable to:			
Owners of the Company		2,105,390	2,785,720
Minority interest		617	—
Profit and total comprehensive income for the year		2,106,007	2,785,720
Earnings per share — basic and diluted (in Russian Roubles)	21	0.050	0.066

These consolidated financial statements were approved on 30 April 2010:

General Director	Accounting Policy Director
E.F. Makarov	S. U. Puzenko

The consolidated statement of comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 319—371

JSC “IDGC of Centre”
Consolidated Statement of Financial Position as at 31 December 2009
Thousands of Russian Roubles, unless otherwise stated

	Note	31 December 2009	31 December 2008
ASSETS			
Non-current assets			
Property, plant and equipment	12	43,395,105	41,344,634
Intangible assets	13	1,262,685	900,749
Investments and financial assets	15	755,261	34,271
Other non-current assets	16	106,095	124,505
Total non-current assets		45,519,146	42,404,159
Current assets			
Cash and cash equivalents	17	368,171	74,672
Trade and other receivables	18	5,035,467	5,193,726
Income tax receivable		79,743	47,921
Inventories	19	1,232,130	1,363,067
Other current assets		91,635	80,439
Total current assets		6,807,146	6,759,825
Total assets		52,326,292	49,163,984
EQUITY AND LIABILITIES			
Equity	20		
Share capital		4,221,794	4,221,794
Additional paid-in capital		88,660	88,660
Retained earnings		24,238,902	21,777,436
Total equity attributable to equity holders of the Company		28,549,356	26,087,890

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 319—371

JSC “IDGC of Centre”
Consolidated Statement of Financial Position as at 31 December 2009
Thousands of Russian Roubles, unless otherwise stated

	Note	31 December 2009	31 December 2008
Minority interest		3,824	—
Total equity		28,553,180	26,087,890
Non-current liabilities			
Loans and borrowings	22	5,163,144	3,979,557
Finance lease liability	23	1,447,002	2,078,361
Employee benefits	24	1 447 817	1,146,076
Deferred tax liabilities	14	1,888,303	1,874,285
Other non-current liabilities		93,098	43,380
Total non-current liabilities		10,039,364	9,121,659
Current liabilities			
Loans and borrowings	22	5,963,106	5,401,751
Finance lease liability	23	762,393	1,047,926
Trade and other payables	26	5,877,949	6,500,383
Employee payables	25	480,874	473,803
Income tax payable		5,003	17,104
Other taxes payable	27	644,423	513,468
Total current liabilities		13,733,748	13,954,435
Total liabilities		23,773,112	23,076,094
Total equity and liabilities		52,326,292	49,163,984

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 319—371

JSC “IDGC of Centre”
Consolidated Statement of Cash Flows for the year ended 31 December 2009
Thousands of Russian Roubles, unless otherwise stated

	Note	Year ended 31 December 2009	Year ended 31 December 2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		2,745,485	4,376,454
Adjustments for:			
Depreciation and amortization	8	4,631,208	3,743,246
Allowance for impairment of accounts receivable	8	768,261	290,786
Net finance costs	10	2,024,530	1,559,244
Provision for inventory obsolescence	8	130,860	37,306
Loss on disposal of property, plant and equipment		183,783	158,081
Gain on disposal of investments		—	(13,784)
Gain on disposal of subsidiaries		—	(12,733)
Bad debts written-off	8	5,478	160,423
Adjustment for other non-cash transactions		(388,369)	(666,592)
Cash flows from operating activities before changes in working capital		10,101,236	9,632,431
Change in trade and other receivables		(594,521)	(2,153,077)
Change in inventories		4,943	(211,117)
Change in other assets		(164,855)	146,417
Change in trade and other payables		(652,850)	3,360,461
Change in employee payables		7,071	(392,588)
Change in employee benefits		150,688	(626,704)
Change in other liabilities		50,182	31,003
Change in other taxes payable		130,955	30,598

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 319—371

JSC “IDGC of Centre”
Consolidated Statement of Cash Flows for the year ended 31 December 2009
Thousands of Russian Roubles, unless otherwise stated

	Note	Year ended 31 December 2009	Year ended 31 December 2008
Cash flows from operations before income taxes and interest paid		9,032,849	9,817,424
Interest paid		(2,174,455)	(1,155,788)
Income tax paid		(758,402)	(1,314,648)
Cash flows from operating activities		6,099,992	7,346,988
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets		(6,593,902)	(9,788,000)
Proceeds from disposal of property, plant and equipment		76,024	52,370
Acquisition of subsidiaries		8,603	—
Proceeds from disposal of subsidiaries		—	55,356
Proceeds from disposal of investments		—	93,466
Interest received		2,823	10,903
Cash flows used in investing activities		(6,506,452)	(9,575,905)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and borrowings		16,501,767	12,840,707
Repayment of loans and borrowings		(14,736,144)	(10,013,455)
Repayment of finance lease liabilities		(1,065,664)	(892,340)
Cash flows from financing activities		699,959	1,934,912
Net increase/ (decrease)in cash and cash equivalents		293,499	(294,005)
Cash and cash equivalents at beginning of year		74,672	368,677
Cash and cash equivalents at end of year		368,171	74,672

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 319—371

JSC “IDGC of Centre”
Consolidated Statement of Changes in Equity for the year ended 31 December 2009
Thousands of Russian Roubles, unless otherwise stated

	Attributable to shareholders of the Group					
	Ordinary share capital	Additional paid in capital	Retained earnings	Total	Minority interest	Total equity
At 1 January 2008	4,221,794	88,660	18,991,716	23,302,170	—	23,302,170
Profit for the year	—	—	2,785,720	2,785,720	—	2,785,720
Total comprehensive in- come	—	—	2,785,720	2,785,720	—	2,785,720
At 31 December 2008	4,221,794	88,660	21,777,436	26,087,890	—	26,087,890
Profit for the year	—	—	2,105,390	2,105,390	617	2,106,007
Total comprehensive in- come	—	—	2,105,390	2,105,390	617	2,106,007
Acquisition of minority in- terest	—	—	—	—	3,207	3,207
Other movements	—	—	356,076	356,076	—	356,076
At 31 December 2009	4,221,794	88,660	24,238,902	28,549,356	3,824	28,553,180

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on 319—371

1 BACKGROUND

(a) The Group and its operations

Joint-Stock Company “IDGC of Centre” (hereafter, the “Company”) and its subsidiaries (together referred to as the “Group”) comprise Russian open joint stock companies as defined in the Civil Code of the Russian Federation. The Company was set up on 17 December 2004 based on Resolution no. 154p of 9 December 2004 and pursuant to the Board of Directors’ decision (board of directors’ meeting minutes no. 178 of 1 October 2004) and Management Board decision (Management Board minute no. 1102 of 15 November 2004) of the Russian Open Joint-Stock Company RAO “United Energy Systems of Russia” (hereafter, “RAO UES”).

The Company's registered office is 4/2, Glukharev Lane, Moscow, 129090, Russia.

The Group's principal activity is the transmission of electricity and the connection of customers to the electricity grid.

The Group consists of the Company and two subsidiaries — OJSC "Energetic" and OJCS "Yaroslavskaya Setevaya Company"

The reorganisation of the Company was completed on 31 March 2008 as a result of the merger of the following entities with the Company: OJSC "Belgorodenergo"; OJSC "Bryanskenergo"; OJSC "Voronezhenergo"; OJSC "Kostromaenergo"; OJSC "Kurskenergo"; OJSC "Lipetskenergo"; OJSC "Orelenergo"; OJSC "Smolenskenergo"; OJSC "Tambovenergo"; OJSC "Tverenergo"; OJSC "Yarenergo".

The merger was effected through the conversion of shares issued by the Company in exchange for shares in the merged entities. As a result of the merger, the above-mentioned companies ceased to exist as separate legal entities and the Company became their legal successor.

On 1 July 2008 RAO UES ceased to exist as a separate legal entity and transferred the shares of the Company to JSC IDGC Holding, a newly formed state-controlled entity.

As at 31 December 2009, the Government of the Russian Federation owned 54.99% shares of JSC IDGC Holding, which in turn owned 50.23% of the Company.

The Government of the Russian Federation influences the Group's activities through setting transmission tariffs.

(b) Russian business environment

The Russian Federation has been experiencing political and economic change that has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in the Russian Federation involve risks that typically do not exist in other markets. In addition, the contraction in the capital and credit markets and its impact on the Russian economy have further increased the level of economic uncertainty in the environment. These consolidated financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

2 BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements (hereinafter "Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(b) Basis of measurement

The Financial Statements are prepared on the historical cost basis except for investments at fair value through profit or loss; and property, plant and equipment which was revalued to determine deemed cost as part of the adoption of IFRS as at 1 January 2007.

(c) Functional and presentation currency

The national currency of the Russian Federation is the Russian Rouble ("RUR"), which is the Company's and its subsidiaries' functional currency and the currency in which these Financial Statements are presented.

All financial information presented in RUR has been rounded to the nearest thousand.

(d) Use of judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Note 28 — allowances for impairment of trade and other receivables.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Note 12 — useful lives of property, plant and equipment;
- Note 24 — employee benefits;
- Note 31 — contingencies.

(e) Changes in accounting policies and presentation

With effect from 1 January 2009, the Group changed its accounting policies in the following areas:

- determination and presentation of operating segments;
- presentation of financial statements.

(i) Determination and presentation of operating segments

As at 1 January 2009 the Group determines and presents operating segments based on the information that internally is provided to the Board of experts, which is the Group's operating decision making body. This change in accounting policy is due to the adoption of International Financial Reporting Standard 8 Operating Segments. Previously the Group did not disclose information about operating segments.

Comparative segment information has been presented in conformity with the requirements of IFRS 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Board of experts to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of experts include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets.

(ii) Presentation of financial statements

The Group applies revised IAS 1 Presentation of Financial Statements (2007), which became effective as at 1 January 2009. The revised standard requires a presentation of all owner changes in equity to be presented in the consolidated statement of changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, and have been applied consistently by Group entities, except as explained in note 2 (e), which addresses changes in accounting policies.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iii) Business combinations involving entities under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ulti-

mately controlled by the same party both before and after the business combination, and that control is not transitory.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognized previously in the acquired entity's IFRS financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognized as part of retained earnings. Any cash paid for the acquisition is recognised directly in equity.

(b) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Cash and cash equivalents comprise cash balances with original maturities of three months or less.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Group's investments in certain equity securities are classified as available-for-sale financial assets. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3(f)(i)), are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised or impaired, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Investments in equity securities that are not quoted on a stock exchange and where fair value cannot be reliably measured are stated at cost less impairment losses.

(ii) Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group has the following non-derivative financial liabilities: loans and borrowings, and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost of property, plant and equipment at 1 January 2007, the date of transition to IFRSs, was determined by reference to its fair value at that date.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing of assets and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are recognized net in "other operating income" or "other operating expense" in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment by type of facility are as follows:

- buildings — 15–50 years;
- transmission networks — 5–20 years;
- equipment for electricity transformation — 5–20 years;
- other — 1–30 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(iv) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leases, other than finance leases, are treated as operating leases, and leased assets are not recognized in the Group's consolidated statement of financial position. Operating lease payments (net of benefits granted by the lessor) are recognized in profit or loss on a straight line basis over the lease term.

(d) Intangible assets

(i) Initial recognition

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset.

The useful lives of intangible assets are as follows:

- patents and licenses — 1–12 years;
- computer software — 1–10 years.

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(e) Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories includes all acquisition costs, production costs and other costs incurred to bring inventories to their existing condition and location. Inventories are written-off to the profit and loss at average cost.

Net realizable value is the estimated selling price in the ordinary course of business, less **the estimated costs of completion and selling expenses**.

(f) Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale equity securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. Any subsequent recovery in fair value of an impaired available-for-sale equity securities is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised

in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(h) Revenue

Revenue from electricity transmission is recognized in the consolidated statement of comprehensive income when the customer acceptance of the volume of electricity transmitted is received. The tariffs for energy transmission are approved by the Federal Tariff Agency and Regional Energy Commission of each region of the Group's operations.

Revenue from connection services represents a non-refundable fee for connecting the customer to the electricity grid network. The tariffs for connection services are approved by the Federal Tariff Agency and Regional Energy Commission of each region of the Group's operations. The terms, conditions and amounts of these fees are negotiated separately and are independent from fees generated by electricity transmission services. Revenue is recognized when electricity is activated and the customer is connected to the grid network or, for contracts where connection services are performed in stages, revenue is recognized in proportion to the stage of completion when an act of acceptance is signed by the customer.

Revenue from installation, repair and maintenance services and other sales is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer or when the services are provided.

(i) Finance income and costs

Finance income comprises interest income on cash balances and bank deposits, dividend income and changes in the fair value of financial assets at fair value through profit and loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, employee benefits, finance leases, changes in the fair value of financial assets at fair value through profit and loss. All borrowing costs are recognised in profit or loss using the effective interest method, except for borrowing costs related to qualifying assets which are recognised as part of the cost of such assets.

(j) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax

assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(k) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans, including Russia's State pension fund, are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefits plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in profit or loss in the period in which they arise.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations as at reporting date and that are denominated in the same currency in which the benefits are expected to be paid.

The Group calculates obligation in respect of other long-term employee benefits using the projected-unit method.

Interest cost as a result of discount release is recognized as finance costs in profit or loss.

Actuarial gain and losses and past benefit costs that are measured because of introduction of new or changes in existing social programs, are recognized in full amount in profit or loss in the period in which they occur.

(iv) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in profit or loss as the employees perform their duties.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and if the obligation can be estimated reliably.

(l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(m) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

(n) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the board of experts to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available (see note 2 (e) (i)).

(o) New Standards and Interpretations not yet adopted

A number of new Standards, amendments to Standards and Interpretations are not yet effective as at 31 December 2009, and have not been applied in preparing Financial Statements. Of these pronouncements, potentially the following will have an impact on the Group's operations. The Group plans to adopt these pronouncements when they become effective.

- Revised IAS 24 Related Party Disclosures (2009) introduces an exemption from the basic disclosure requirements in relation to related party disclosures and outstanding balances, including commitments, for government-related entities. Additionally, the standard has been revised to simplify some of the presentation guidance that was previously non-reciprocal. The revised standard is to be applied retrospectively for annual periods beginning on or after 1 January 2011. The Group has not yet determined the potential effect of the amendment.
- Revised IFRS 3 Business Combinations (2008) and amended IAS 27 (2008) Consolidated and Separate Financial Statements came into effect on 1 July 2009 (i.e. they become mandatory for the Group's 2010 consolidated financial statements). The revisions address, among other things, accounting for step acquisitions, require acquisition-related costs to be recognised as expenses and remove the exception for changes in contingent consideration to be accounted by adjusting goodwill. The revisions also address how non-controlling interests in subsidiaries should be measured upon acquisition and require the effects of transactions with non-controlling interests to be recognised directly in equity. The Group has not yet determined the potential effect of the amendment.
- IFRS 9 Financial Instruments will be effective for annual periods beginning on or after 1 January 2013. The new standard is to be issued in several phases and is intended to replace International Financial Reporting Standard IAS 39 Financial

Instruments: Recognition and Measurement once the project is completed by the end of 2010. The first phase of IFRS 9 was issued in November 2009 and relates to the recognition and measurement of financial assets. The Group recognises that the new standard introduces many changes to the accounting for financial instruments and is likely to have a significant impact on Group's consolidated financial statements. The impact of these changes will be analysed during the course of the project as further phases of the standard are issued.

Various Improvements to IFRSs have been dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement purposes, will come into effect not earlier than 1 January 2010. The Group has not yet analysed the likely impact of the improvements on its financial position or performance.

4 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and for disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Investments in equity

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date.

(b) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(c) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

5 DISPOSALS OF SUBSIDIARIES

In 2008 the Company disposed of its investment in OJSC “Haulage contractor Lip-etskenenergo”. The subsidiary contributed RUR 11,679 thousand to the net profit for the year, including the gain on disposal of RUR 12,733 thousand.

The disposal of the subsidiary had the following effect on the Group’s assets and liabilities at the date of disposal:

	Carrying amount at date of disposal
Non-current assets	
Property, plant and equipment	35,792
Deferred tax assets	113
Total non-current assets	35,905
Current assets	
Inventories	1,408
Income tax receivable	297
Trade and other receivables	8,671
Cash and cash equivalents	1,254
Other current assets	243
Total current assets	11,873
Total assets	47,778
Non-current liabilities	
Deferred tax liabilities	254
Total non-current liabilities	254
Current liabilities	
Trade and other payables	3,647

	Carrying amount at date of disposal
Total current liabilities	3,647
Total liabilities	3,901
Net assets and liabilities	43,877
Consideration received, satisfied in cash	56,610
Cash disposed of	1,254
Net cash inflow	55,356

6 OPERATING SEGMENTS

The Group has eleven reportable segments representing branches of the Company, as described below, which are the Group’s strategic business units. The strategic business units offer similar services representing transmission of electric power and connection services, and are managed separately. For each of the strategic business units, the Board of experts, the Group’s operating decision making body, reviews internal management reports on at least a quarterly basis.

“Others” include operations of subsidiaries and the head office branch. None of them meets any of the quantitative thresholds for determining reportable segments in 2009 or 2008.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Board of experts. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment reports are based on the information reported in statutory accounts, which differ significantly from the consolidated financial statements prepared under IFRS. Reconciliation of items measured as reported to the Board of experts with similar in these Financial statements includes those reclassifications and adjustments that are necessary for financial statements to be presented in accordance with IFRS.

i) Information about reportable segments

As at and for the year ended 31 December 2009:

	Belgorodenergo	Bryanskenergo	Voronezhenergo	Kostromaenergo	Kurskenergo	Lipetskenergo	Orelenergo	Smolenskenergo	Tambovenergo	Tverenergo	Yarenergo	Others	Total
Revenue from electricity transmission	7,536,615	3,496,307	5,960,673	2,668,654	3,647,160	5,063,352	2,284,146	3,457,572	2,731,409	5,363,316	4,660,730	11,897	46,881,831
Revenue from connection services	231,497	83,678	360,556	88,696	115,000	97,836	21,473	55,247	30,684	246,231	315,796	59	1,646,753
Other revenue	220,876	22,027	7,744	10,609	29,701	28,089	6,861	160,997	12,828	14,296	22,620	32,730	569,378
Total external revenues	7,988,988	3,602,012	6,328,973	2,767,959	3,791,861	5,189,277	2,312,480	3,673,816	2,774,921	5,623,843	4,999,146	44,686	49,097,962
Results from operating activities	1,151,886	117,663	572,039	73,995	163,538	245,856	22,098	87,441	(108,913)	630,134	555,510	111,576	3,622,823
Finance income	44	1	—	307	2	—	—	4	—	—	13	2,750	3,121
Finance costs	(138,848)	(43,462)	(72,607)	(105,880)	(69,819)	(99,571)	(144,585)	(155,437)	(108,808)	(204,988)	(84,386)	(4)	(1,228,395)
Reportable segment profit/(loss) before income tax	1,013,082	74,202	499,432	(31,578)	93,721	146,285	(122,487)	(67,992)	(217,721)	425,146	471,137	114,322	2,397,549
Depreciation and amortization	1,057,735	181,557	318,777	201,409	430,976	505,000	139,457	371,296	188,391	310,741	290,689	11,460	4,007,488
Reportable segment assets	12,997,598	3,387,491	6,083,090	3,159,800	5,580,320	8,826,623	2,495,025	4,110,094	2,951,214	5,606,942	4,914,660	996,937	61,109,794
Property, plant and equipment	12,130,101	2,437,699	5,224,500	2,620,583	4,260,733	7,381,976	1,876,184	3,173,060	2,573,951	3,671,534	3,740,003	31,140	49,121,464
Reportable segment liabilities	1,842,165	771,365	1,035,939	719,902	552,921	532,104	867,262	921,706	383,835	1,308,372	1,532,339	9,382,688	19,850,598
Capital expenditure	2,466,632	323,769	603,017	229,695	490,877	654,901	266,388	304,472	169,936	536,083	473,074	11,717	6,530,561

As at and for the year ended 31 December 2008:

	Belgorodenergo	Bryanskenergo	Voronezhenergo	Kostromaenergo	Kurskenergo	Lipetskenergo	Orelenergo	Smolenskenergo	Tambovenergo	Tverenergo	Yarenergo	Others	Total
Revenue from electricity transmission	6,520,443	3,015,936	5,213,215	2,304,066	2,922,767	4,484,520	2,108,348	2,952,636	2,512,683	4,423,068	3,693,118	—	40,150,800
Revenue from connection services	1,215,862	143,482	337,029	60,636	176,690	132,708	54,089	204,109	16,868	114,628	345,990	—	2,802,091
Other revenue	249,995	4,168	4,880	4,513	10,382	9,919	16,072	88,635	16,950	10,834	9,736	220,139	646,223
Total external revenues	7,986,300	3,163,586	5,555,124	2,369,215	3,109,839	4,627,147	2,178,509	3,245,380	2,546,501	4,548,530	4,048,844	220,139	43,599,114
Results from operating activities	1,679,145	28,645	220,155	180,885	256,214	373,759	(112,575)	221,999	(186,812)	10,563	276,767	158,463	3,107,208
Finance income	563	—	103	434	11	10	13	6,054	14	1	92	3,627	10,922
Finance costs	(92,938)	(25,647)	(66,492)	(74,198)	(51,672)	(34,577)	(89,304)	(46,205)	(54,867)	(96,581)	(71,379)	(1,227)	(705,087)
Reportable segment profit/(loss) before income tax	1,586,770	2,998	153,766	107,121	204,553	339,192	(201,866)	181,848	(241,665)	(86,017)	205,480	160,863	2,413,043
Depreciation and amortization	903,134	191,341	260,659	180,430	383,358	449,785	142,612	307,428	182,795	267,101	256,300	1,360	3,526,303
Reportable segment assets	11,753,638	3,245,388	5,844,167	3,217,931	5,275,177	8,764,724	2,471,976	3,967,802	2,960,121	5,507,434	4,832,310	276,927	58,117,595
Property, plant and equipment	10,723,398	2,376,865	4,759,166	2,347,611	4,335,023	6,830,787	1,571,143	2,912,005,	2,509,590	3,329,745	3,507,412	34,143	45,236,888
Reportable segment liabilities	1,957,781	650,706	1,571,209	665,335	607,878	1,087,151	1,115,484	757,646	584,617	1,979,019	1,884,790	5,583,232	18,444,848
Capital expenditure	2,352,568	397,185	890,736	435,992	562,181	1,098,535	381,148	624,455	276,280	648,837	526,085	10,098	8,204,100

(ii) **Major customer**

In 2009 revenue from one customer of the Group's segment (Belgorodenergo) represented approximately 13% (RUR 6,450,482 thousand) of the Group's total revenue. In 2008 no customer represented more than 10% of the Group's total revenue.

(iii) **Reconciliations of reportable segment revenues, profit or loss and assets and liabilities**

Reconciliation of key segment items measured as reported to the board of experts with similar items in these Financial statements is presented in the tables below.

Revenues	Year ended 31 December 2009	Year ended 31 December 2008
Total revenue for reportable segments	49,097,962	43,599,114
Elimination of inter-segment revenue	(12,271)	(170,483)
Reclassification	228,018	298,008
Consolidated revenue	49 313,709	43,726,639

Profit before income tax	Year ended 31 December 2009	Year ended 31 December 2008
Total profit before income tax for reportable segments	2,397,549	2,413,043
Adjustments for depreciation of property, plant and equipment	(179,378)	38,653
Recognition of financial assets related to employee benefit fund	179,970	—
Unused vacation and annual bonus provision	(13,265)	76,460
Recognition of employee benefit obligations	(301,741)	475,897
Adjustment for finance lease	718,190	686,130
Adjustment for allowance for impairment of account receivables	57,303	687 632
Provision for inventory obsolescence	(130 860)	(37,306)
Other adjustments	17,717	35,945
Consolidated profit before income tax	2,745,485	4,376,454

Assets	31 December 2009	31 December 2008
Total assets for reportable segments	61,109,794	58,117,595
Elimination of inter-segment assets	(42,268)	(22,444)
Adjustments for property, plant and equipment	(8,634,258)	(8,334,523)
Recognition of financial assets related to employee benefit fund	625,065	—
Adjustment for allowance for impairment of account receivables	(307,134)	(364,438)
Provision for inventory obsolescence	(275,607)	(144,747)
Adjustment for deferred tax	(136,000)	(129,994)
Other adjustments	(13,300)	42,535
Consolidated total assets	52,326,292	49,163,984

Liabilities	31 December 2009	31 December 2008
Total liabilities for reportable segments	19,850,598	18,444,848
Elimination of inter-segment liabilities	(25,973)	(7,089)
Adjustment for finance lease	2,209,395	3,126,286
Unused vacation and annual bonus provision	190,919	184,440
Recognition of employee benefit obligations	1,447,817	1,146,076
Adjustment for deferred tax	138,993	225,661
Other adjustments	(38,637)	(44,128)
Consolidated total liabilities	23,773,112	23,076,094

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7 REVENUE

	Year ended 31 December 2009	Year ended 31 December 2008
Electricity transmission	46,777,977	40,150,828
Connection services	1,646,753	2,801,648
Rent	293,767	275,092
Repairs and maintenance	159,753	230,215
Other	435,459	268,856
	49,313,709	43,726,639

Revenue from connection services represents a non-refundable fee for connecting the customer to the electricity grid network.

8 OPERATING EXPENSES

	Year ended 31 December 2009	Year ended 31 December 2008
Electricity transmission	12,853,883	10,980,122
Purchased electricity	9,767,839	7,528,255
Personnel costs (Note 9)	8,687,723	6,984,251
Depreciation and amortization	4,631,208	3,743,246
Raw materials and supplies	1,471,110	1,508,331
Accounting outsourcing services	1,300,180	927,218
Electricity metering services	864,177	1,846,966
Allowance for impairment of accounts receivable	768,261	290,786
Repairs, maintenance and installation services	567,494	573,808
Electricity for own needs	420,871	354,550
Rent	413,622	260,521
Transportation costs	405,700	236,416
Consulting, legal and audit services	353,618	396,305

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	Year ended 31 December 2009	Year ended 31 December 2008
Insurance	239,072	245,050
Taxes other than income tax	214,519	252,804
Security	194,027	163,822
Provision for inventory obsolescence	130,860	37,306
Telecommunication services	120,008	339,892
Agent's fees on purchases	16,353	63,739
Membership fee	14,227	107,124
Bad debt written-off	5,478	160,423
Other	1,825,789	1,840,985
	45,266,019	38,841,920

9 PERSONNEL COSTS

	Year ended 31 December 2009	Year ended 31 December 2008
Salaries and wages	6,381,304	5,312,288
Contribution to the state pension fund	1,066,215	997,059
Recognized actuarial loss/(gain)	495,127	(765,030)
Unified Social Tax	389,051	320,578
Finance aid to employees and pensioners	236,072	323,554
Current service cost	61,902	66,659
Unused vacation provision	56,508	18,982
Annual bonus provision	(43,243)	43,243
Past service cost	(188,703)	191,616
Other personnel costs	233,490	475,302
	8,687,723	6,984,251

The average number of employees (including production and non production staff) was 25,412 in 2009 (2008: 24,199 employees).

10 FINANCE INCOME AND COSTS

Finance income	Year ended 31 December 2009	Year ended 31 December 2008
Net change in fair value of financial investments at fair value through profit and loss	95,925	—
Interest income	2,823	10,903
	98,748	10,903

Finance costs	Year ended 31 December 2009	Year ended 31 December 2008
Interest expense	1,228,395	705,087
Interest on finance lease liabilities	743,828	487,820
Net change in fair value of financial investments at fair value through profit and loss	—	226,433
Interest expense on employee benefits obligation	151,055	150,807
	2,123,278	1,570,147

11 INCOME TAX EXPENSE

The Group's applicable tax rate is the income tax rate of 20% (2008: 24%). With effect from 1 January 2009, the income tax rate has been reduced to 20%.

	Year ended 31 December 2009	Year ended 31 December 2008
Current tax expense		
Current year	(773,309)	(1,176,644)
Adjustment for prior years	58,830	—
	(714,479)	(1,176,644)

	Year ended 31 December 2009	Year ended 31 December 2008
Deferred tax expense		
Origination and reversal of temporary differences	75,001	(326,019)
Change in tax rate	—	(88,071)
	75,001	(414,090)
	(639,478)	(1,590,734)

Reconciliation of effective tax rate:	Year ended 31 December 2009	%	Year ended 31 December 2008	%
Profit before income tax	2,745,485	100	4,376,454	100
Income tax expense at applicable tax rate	(549,097)	(20)	(1,050,349)	(24)
Change in tax rate	—	—	(88,071)	(2)
Adjustment for prior years	58,830	2	—	—
Non-deductible items	(149,211)	(5)	(452,314)	(10)
Allowance for impairment of accounts receivable	—	—	(145,931)	(3)
Welfare, social and discretionary payments to employees	(109,014)	(4)	(119,353)	(3)
Charitable contributions	—	—	(18,997)	(0)
Other	(40,197)	(1)	(168,033)	(4)
	(639,478)	(23)	(1,590,734)	(36)

12 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Trans- mission networks	Equipment for electricity transforma- tion	Other	Construction in progress	Total
Deemed cost						
At 1 January 2008	5,666,879	18,998,517	5,898,723	2,879,000	2,483,666	35,926,785
Additions	198,811	364,121	1,463,978	660,322	9,261,797	11,949,029
Transfers	2,061,126	2,672,200	1,744,269	1,082,974	(7,560,569)	—
Disposals	(21,590)	(61,229)	(17,048)	(212,636)	(37,929)	(350,432)
Balance as at 31 De- cember 2008	7,905,226	21,973,609	9,089,922	4,409,660	4,146,965	47,525,382
At 1 January 2009	7,905,226	21,973,609	9,089,922	4,409,660	4,146,965	47,525,382
Additions	72,745	202,302	242,507	29,487	6,107,348	6,654,389
Transfers	2,021,709	1,919,576	2,496,963	1,044,981	(7,483,229)	—
Disposals	(29,433)	(61,563)	(39,683)	(149,185)	(44,336)	(324,200)
Balance as at 31 De- cember 2009	9,970,247	24,033,924	11,789,709	5,334,943	2,726,748	53,855,571
Accumulated deprecia- tion						
At 1 January 2008	(268,515)	(1,590,045)	(450,470)	(371,603)	—	(2,680,633)
Depreciation for the year	(439,658)	(1,827,766)	(774,805)	(562,486)	—	(3,604,715)
Disposals	2,774	14,651	6,356	80,819	—	104,600
At 31 December 2008	(705,399)	(3,403,160)	(1,218,919)	(853,270)	—	(6,180,748)
At 1 January 2009	(705,399)	(3,403,160)	(1,218,919)	(853,270)	—	(6,180,748)
Depreciation for the year	(574,860)	(2,131,305)	(976,890)	(679,553)	—	(4,362,608)
Disposals	4,068	23,814	14,901	40,107	—	82,890
At 31 December 2009	(1,276,191)	(5,510,651)	(2,180,908)	(1,492,716)	—	(10,460,466)

	Land and buildings	Trans- mission networks	Equipment for electricity transforma- tion	Other	Construction in progress	Total
Net book value						
At 1 January 2008	5,398,364	17,408,472	5,448,253	2,507,397	2,483 666	33,246,152
At 31 December 2008	7,199,827	18,570,449	7,871,003	3,556,390	4,146,965	41,344,634
At 31 December 2009	8,694,056	18,523,273	9,608,801	3,842,227	2,726,748	43,395,105

As at 31 December 2009 construction in progress includes advance payments for property, plant and equipment of RUR 54,898 thousand (as at 31 December 2008: RUR 453,204 thousand).

The amount of capitalized interest in 2009 was RUR 183,103 thousand (in 2008: RUR 161,028 thousand).

Leased property, plant and equipment

The Group leases production equipment and transportation vehicles under a number of finance lease agreements. Title to the leased assets transfers to the Group at the end of each lease.

As at 31 December 2009 and 31 December 2008 the net book value of leased property, plant and equipment, accounted for as part of the Group's property, plant and equipment, was as follows:

	Land and Buildings	Transmission networks	Equipment for electricity trans- formation	Other	Total
Cost	124,734	371,522	2,651,239	1,202,598	4,350,093
Accumulated depreciation	(8,534)	(24,097)	(123,398)	(176,158)	(332,187)
Net book value at 31 De- cember 2008	116,200	347,425	2,527,841	1,026,440	4,017,906
Cost	111,551	363,915	2,821,671	638,248	3,935,385
Accumulated depreciation	(14,607)	(37,953)	(299,960)	(149,519)	(502,039)
Net book value at 31 De- cember 2009	96,944	325,962	2,521,711	488,729	3,433,346

13 INTANGIBLE ASSETS

	Software	Licenses	Other intangible assets	Total
Cost				
At 1 January 2008	392,870	47,936	89,736	530,542
Reclassification	(222,547)	95,713	126,834	—
Additions	185,968	60,775	359,857	606,600
Disposals	(22,649)	(6,336)	(17,958)	(46,943)
At 31 December 2008	333,642	198,088	558,469	1,090,199
At 1 January 2009	333,642	198,088	558,469	1,090,199
Reclassification	(56,622)	(4,716)	61,338	—
Additions	182,714	2,277	464,044	649,035
Disposals	(35,097)	(37,616)	(8,307)	(81,020)
At 31 December 2009	424,637	158,033	1,075,544	1,658,214
Accumulated amortization				
At 1 January 2008	(64,907)	(9,050)	(23,493)	(97,450)
Reclassification	11,789	(14,358)	2,569	—
Amortization for the year	(6,858)	(69,448)	(62,225)	(138,531)
Disposals	22,343	6,333	17,855	46,531
At 31 December 2008	(37,633)	(86,523)	(65,294)	(189,450)
At 1 January 2009	(37,633)	(86,523)	(65,294)	(189,450)
Reclassification	5,379	392	(5,771)	—
Amortization for the year	(100,498)	(54,014)	(114,088)	(268,600)
Disposals	35,097	19,117	8,307	62,521
At 31 December 2009	(97,655)	(121,028)	(176,846)	(395,529)
Net book value				
At 1 January 2008	327,963	38,886	66,243	433,092
At 31 December 2008	296,009	111,565	493,175	900,749
At 31 December 2009	326,982	37,005	898,698	1 262,685

14 DEFERRED TAX ASSETS AND LIABILITIES

(a) Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items:

	Assets		Liabilities		Net	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Property, plant and equipment	23,186	28,321	(2,751,091)	(2,695,924)	(2,727,905)	(2,667,603)
Other non-current assets	1,158	1,236	—	—	1,158	1,236
Inventories	55,171	31,770	—	—	55,171	31,770
Trade and other receivables	270,852	79,393	—	—	270,852	79,393
Other current assets	66	79	—	—	66	79
Finance lease liabilities	441,879	625,257	—	—	441,879	625,257
Post employment benefit liability	155,172	19,057	—	—	155,172	19,057
Employee payables	39,541	36,888	—	—	39,541	36,888
Other	776	—	(125 013)	(362)	(124,237)	(362)
Deferred tax assets/(liabilities)	987,801	822,001	(2,876,104)	(2,696,286)	(1,888,303)	(1,874,285)

(b) Movements in temporary differences during the year

	1 January 2009	Recognised in profit or loss	Recognised directly in equity	31 December 2009
Property, plant and equipment	(2,667,603)	(60,302)	—	(2,727,905)
Other non-current assets	1,236	(78)	—	1,158
Inventories	31,770	23,401	—	55,171
Trade and other receivables	79,393	191,459	—	270,852

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	1 January 2009	Recognised in profit or loss	Recognised directly in equity	31 December 2009
Other current assets	79	(13)	—	66
Finance lease liabilities	625,257	(183,378)	—	441,879
Post employment benefit liability	19,057	136,115	—	155,172
Employee payables	36,888	2,653	—	39,541
Other	(362)	(34,856)	(89,019)	(124,237)
	(1,874,285)	75,001	(89,019)	(1,888,303)

	1 January 2008	Recognised in profit or loss	31 December 2008
Property, plant and equipment	(2,349,920)	(317,683)	(2,667,603)
Other non-current assets	7,328	(6,092)	1,236
Inventories	29,220	2,550	31,770
Trade and other receivables	259,750	(180,357)	79,393
Other current assets	12,109	(12,030)	79
Finance lease liabilities	409,694	215,563	625,257
Post employment benefit liability	63,516	(44,459)	19,057
Employee payables	135,879	(98,991)	36,888
Other	(27,771)	27,409	(362)
	(1,460,195)	(414,090)	(1,874,285)

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15 INVESTMENTS AND FINANCIAL ASSETS

	31 December 2009	31 December 2008
Financial assets related to employee benefit fund	625,065	—
Investments designates at fair value through profit and loss	128,191	32,266
Available-for-sale financial assets	2,005	2,005
	755,261	34,271

All investments and financial assets are stated at fair value and belong to Level 1 and Level 2 in the fair value hierarchy.

Financial assets related to employee benefit fund

Financial assets related to the employee benefit fund relate to the Group contributions accumulated in the solidary and employees' individual pension accounts with the Non-State Pension Fund of Electric Power Industry (employee benefit fund). Subject to certain restrictions contributions to the employee benefit fund can be withdrawn at the discretion of the Group.

The Group's exposure related to credit risks and impairment losses related to other investments and financial assets is disclosed in Note 28.

16 OTHER NON-CURRENT ASSETS

	31 December 2009	31 December 2008
Other accounts receivable	61,858	66,641
Less: Other accounts receivable impairment allowance	(3,854)	(1,947)
Other assets	47,036	59,811
Trade accounts receivable	1,055	2,977
Less: Trade accounts receivable impairment allowance	—	(2,977)
	106,095	124,505

17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents mainly represent cash in bank accounts amounted to RUR 368,171 thousand denominated in rubles (31 December 2008: RUR 74,672 thousand).

18 TRADE AND OTHER RECEIVABLES

	31 December 2009	31 December 2008
Trade receivables	5,339,951	4,558,151
Trade receivables impairment allowance	(1,387,140)	(745,928)
Advances issued	378,600	677,797
Advances issued impairment allowance	(62,295)	(61,498)
VAT recoverable	327,055	464,870
Taxes receivable	14,812	45,401
Other receivables	470,721	278,657
Other receivables impairment allowance	(46,237)	(23,724)
	5,035,467	5,193,726

For more detailed information concerning the Group’s exposure to credit risks and impairment losses related to trade and other receivables refer to Note 28.

19 INVENTORIES

	31 December 2009	31 December 2008
Materials and supplies	1,505,427	1,504,963
Inventory for resale	2,310	2,851
Total inventories	1,507,737	1,507,814
Less: provision for inventory obsolescence	(275,607)	(144,747)
Total	1,232,130	1,363,067

At 31 December 2009 inventories with a carrying amount of RUR 964,108 thousand were pledged as collateral for bank loans (31 December 2008: RUR 611,123 thousand) (refer to Note 22).

20 EQUITY
(a) Share capital

	Ordinary shares	
	31 December 2009	31 December 2008
Issued shares, fully paid	42,217,941,468	42,217,941,468
Par value (in RUR)	0.10	0.10

Prior to the reorganization that occurred on 31 March 2008, the Company’s share capital consisted of 100,000,000 ordinary shares of 0.10 RUR par value. The share capital of 42,217,941,468 shares of the Company was formed through the issuance of shares of the Company and conversion of these newly issued shares into the shares of the merged entities (refer to Note 1).

(b) Dividends

In accordance with Russian legislation the Company’s distributable reserves are limited to the balance of accumulated retained earnings as recorded in the Company’s statutory financial statements prepared in accordance with Russian Accounting Principles. The Company had retained earnings, including profit for the current year, of RUR 3,634,541 thousand for the year ended 31 December 2009 (31 December 2008: RUR 2,164,904 thousand).

At the annual shareholders meeting held on 11 June 2009 the decision was made not to declare dividends for the year 2008.

21 EARNINGS PER SHARE

The calculation of earnings per share was based on the net profit for the year attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year. The Company has no dilutive potential ordinary shares. The number of shares is taken as the number of shares issued as part of the reorganization.

Number of shares unless otherwise stated	Ordinary shares 31 December 2009	Ordinary shares 31 December 2008
Authorized shares	42,217,941,468	42,217,941,468
Par value (in RUR)	0.10	0.10
On issue at beginning of year	42,217,941,468	42,217,941,468
On issue at end of year	42,217,941,468	42,217,941,468
Weighted average number of shares	42,217,941,468	42,217,941,468
Profit for the year	2,105,390	2,785,720
Earning per share (in RUR)	0.050	0.066

22 LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group’s loans and borrowings. For more information about the Group’s exposure to interest rate risk, refer to Note 28.

Long-term loans and borrowings

Name of lender		Effective inter- est rate	Maturity	31 December 2009	31 December 2008
Finance department of Belgorodskaya oblast	Secured	9,45%	2011	345,738	345,722
OJSC “Bank of Moscow”	Unsecured	12–12,50%	2010	109,816	218,061
OJSC “Bank VTB”	Unsecured	9,70%	2010	380,606	380,604
OJSC “Gazprombank”	Unsecured	11–17%	2012	1,227,098	1,729,456
OJSC “Ogresbank” (OJSC “Nordeabank”)	Unsecured	11,10–19,50%	2011	410,000	400,000
OJSC “Rosbank”	Unsecured	10,90–18%	2012	1,508,637	1,105,377
OJSC “Sberbank”	Secured	13,50–18%	2014	1,428,295	587,514
OJSC “Sberbank”	Unsecured	13,50–18%	2014	4,254,684	—
OJSC “Svyazbank”	Unsecured	11,45%	2011	228,082	452,643
OJSC “Transcreditbank”	Unsecured	11–17,95%	2011	833,294	251,305
				10,726,250	5,470,682
Less: current portion					
Finance department of Belgorodskaya oblast	Secured	9,45%	2009–2010	5,738	5,722
OJSC “Bank of Moscow”	Unsecured	12–12,50%	2009–2010	109,816	108,245
OJSC “Bank VTB”	Unsecured	9,70%	2009–2010	380,606	604
OJSC “Gazprombank”	Unsecured	11–17%	2009–2010	402,099	515,656
OJSC “Ogresbank”(OJSC “Nordeabank”)	Unsecured	11,10–19,50%	2010	—	200,000

Name of lender		Effective inter- est rate	Maturity	31 December 2009	31 December 2008
OJSC “Rosbank”	Unsecured	10,90–18%	2009–2010	1,395,895	417,645
OJSC “Sberbank”	Secured	13,50–18%	2009–2010	1,428,295	685
OJSC “Sberbank”	Unsecured	13,50–18%	2009–2010	899,420	—
OJSC “Svyazbank”	Unsecured	11,45%	2009–2010	224,561	224,556
OJSC “Transcreditbank”	Unsecured	11–17,95%	2009–2010	716,676	18,012
				5,563,106	1,491,125
Total long-term borrow- ings				5,163,144	3,979,557

All the Group’s borrowings are denominated in RUR and bear a fixed interest rate. The effective interest rate is the market interest rate applicable to the loan on the date of its receipt.

The carrying value of borrowings approximates their fair value.

Current borrowings and current portion of long-term borrowings

Name of lender		Effective interest rate	31 December 2009	31 December 2008
Finance department of Bel- gorodskaya oblast	Secured	9,45%	5,738	5,722
OJSC “Bank of Moscow”	Unsecured	12–12,50%	109,816	108,245
OJSC “Bank VTB”	Unsecured	9,70%	380,606	604
OJSC “Gazprombank”	Unsecured	11–17%	802,099	2,114,101
OJSC “Ogresbank” (OJSC “Nor- deabank”)	Unsecured	11,10–19,50%	—	1,800,000
CJSC “Raiffeisenbank”	Unsecured	23,38%	—	712,181
OJSC “Rosbank”	Unsecured	10,90–18%	1,395,895	417,645
OJSC “Sberbank”	Secured	13,5–18%	1,428,295	685
OJSC “Sberbank”	Unsecured	13,5–18%	899,420	—

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Name of lender		Effective interest rate	31 December 2009	31 December 2008
OJSC "Svyazbank"	Unsecured	11,45%	224,561	224,556
OJSC "Transcreditbank"	Unsecured	11–17,95%	716,676	18,012
			5,963,106	5,401,751

As at 31 December 2009 the bank loans are secured over inventories in the amount of RUR 964,108 thousand (31 December 2007: RUR 611,123 thousand) (refer to Note 19).

23 FINANCE LEASE

The finance lease liabilities are secured by the leased assets.

The Group leases production equipment and transportation vehicles under a number of finance lease agreements. Finance lease liabilities are payable as follows:

	At 31 December 2008		
	Future minimum lease payments	Present value of minimum lease payments	Interest
Less than one year	1,692,110	1,047,926	644,184
Between one and five years	2,589,350	1 724 642	864,708
After five years	408,729	353,719	55,010
	4,690,189	3,126,287	1,563,902

	At 31 December 2009		
	Future minimum lease payments	Present value of minimum lease payments	Interest
Less than one year	1,261,347	762,393	498,954
Between one and five years	1,994,176	1,421,554	572,622
After five years	26,099	25,448	651
	3,281,622	2,209,395	1,072,227

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24 EMPLOYEE BENEFITS

The tables below provide information about the employee benefit obligations and actuarial assumptions used for the years ended 31 December 2008 and 31 December 2009.

The defined benefits obligations arise from unfunded plans. Other benefits include jubilee benefits and funeral compensations in the case of death in the employee's immediate family.

(a) Movements in net liability of the defined benefit obligations

	31 December 2009	31 December 2008
Present value of defined benefit obligation	1,815,215	1,756,253
Unrecognized past service cost	(367,398)	(610,177)
	1,447,817	1,146,076

(b) Amounts recognized in profit or loss

	Year ended 31 December 2009	Year ended 31 December 2008
Current service cost	61,902	66,659
Interest expense	151,055	150,807
Past service cost	(188,703)	191,616
Recognized actuarial loss/(gain)	495,127	(765,030)
Net expense/(benefit)	519,381	(355,948)

(c) Movements in the present value of the defined benefit obligations

	31 December 2009	31 December 2008
Present value of defined benefit obligation at 1 January	1,756,253	2,234,181
Current service cost	61,902	66,659
Interest expense	151,055	150,807

	31 December 2009	31 December 2008
Actuarial losses/(gains)	495,127	(765,030)
Benefits paid	(217,638)	(119,949)
Past service cost	(431,484)	189,585
Present value of defined benefit obligation at 31 December	1,815,215	1,756,253

Actuarial losses arising during the year ended 31 December 2009 resulted from changes in actuarial assumptions and experience adjustments: decrease of staff turnover level (RUR 267,668 thousand), higher than expected increase in membership since previous year (RUR 282,973 thousand), that was offset by actuarial gains resulting from an increase in average annual salary (RUR 55,514 thousand).

Actuarial gains arising during the year ended 31 December 2008 resulted from changes in actuarial assumptions and experience adjustments: increase of discount rate (RUR 308,009 thousand), increase in expected retirement ages (RUR 300,081 thousand) and a higher than expected decrease in membership since the previous year (RUR 156,940 thousand).

(d) Actuarial assumptions

Principal actuarial assumptions are as follows:

	Year ended 31 December 2009	Year ended 31 December 2008
Discount rate, annual	8.70%	9.00%
Future salary increase, per year	5.50%	7.00%
Inflation rate, per year	5.50%	6.60%

(e) Expense recognised in profit or loss

	Year ended 31 December 2009	Year ended 31 December 2008
Operating expenses	368,326	(506,755)
Finance costs	151,055	150,807
	519,381	(355,948)

25 EMPLOYEE PAYABLES

	31 December 2009	31 December 2008
Salaries and wages payable	289,955	296,184
Unused vacation provision	190,919	134,376
Annual bonus provision	—	43,243
	480,874	473,803

Provision for annual bonuses includes bonuses and other similar payments accrued (including unified social tax) based on employees' performance.

26 TRADE AND OTHER PAYABLES

	31 December 2009	31 December 2008
Trade accounts payable	3,887,181	3,851,035
Advances received	1,634,660	2,182,86
Other payables and accrued expenses	356,108	466,488
	5,877,949	6,500,383

27 OTHER TAXES PAYABLE

	31 December 2009	31 December 2008
Value added tax	440,903	255,735
Employee taxes	66,242	93,765
Property tax	42,876	56,102
Other taxes	94,402	107,866
	644,423	513,468

28 FINANCIAL RISK MANAGEMENT

(a) Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk.

The Group does not have any significant exposure to currency risk on sales, purchases and borrowings, because no significant sales, purchases, or borrowings are denominated in a currency other than the functional currency of the Company, which is the Russian Rouble.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Group's principal objective when managing capital risk is to sustain its creditworthiness and a normal level of capital adequacy for doing business as a going concern, in order to ensure returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of borrowed capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

(i) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

To manage the credit risk the Group attempts, to the extent possible, to demand prepayments from customers. As a rule, prepayment for connection services is set in a contract and depends on the amount of capacity to be connected.

The customer base for electricity transmission services is limited to several distribution companies and a small number of large manufacturing/extraction enterprises. Payments are tracked weekly and electricity transmission customers are advised of any failures to submit timely payments. For quick collection and complete control of accounts receivable collection a working team was formed to reduce the Company's finance losses, caused by non-fulfilment or insufficient fulfilment by some contractors of

their contractual obligations.

The Group does not require collateral in respect of trade and other receivables.

The Group establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables that relate to individually significant exposures.

(ii) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 December 2009	31 December 2008
Trade and other receivables	4,436,354	4,131,850
Investments and financial assets	755,261	34,271
Cash and cash equivalents	368,171	74,672
	5,559,786	4,240,793

Financial guarantees are disclosed in Note 31.

The Group's two most significant customers, regional distribution entities, account for RUR 1,482,111 thousand of the trade receivables carrying amount at 31 December 2009 (31 December 2008: RUR 1,545,362 thousand).

The maximum exposure to credit risk for trade receivables (excluding other receivables) at the reporting date by type of customer was:

	Carrying amount t 31 December 2009	Carrying amount at 31 December 2008
Electricity transmission customers	3,735,659	2,563,694
Connection services customers	150,701	378,847
Other customers	67,506	869,682
	3,953,866	3,812,223

Impairment losses

The tables below analyze the Group’s trade and other receivables into relevant groups based on the past due periods:

	At 31 December 2009		At 31 December 2008	
	Gross	Allowance	Gross	Allowance
Not past due	2,526,250	(49,674)	3,053,255	(350,758)
Past due 0-3 months	35,790	(11,511)	159,255	—
Past due 3-12 months	2,397,468	(528,310)	1,287,695	(22,820)
Past due more than 12 months	914,077	(847,736)	406,221	(400,998)
	5,873,585	(1,437,231)	4,906,426	(774,576)

The movements in the allowance for impairment in respect of trade and other receivables during the year were as follows:

	Year ended 31 December 2009	Year ended 31 December 2008
Balance at 1 January	774,576	1,204,634
Increase during the period	1,069,338	417,357
Amounts written-off against receivables	(94,146)	(729,653)
Decrease due to reversal	(312,537)	(117,762)
Balance at 31 December	1,437,231	774,576

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group monitors the risk of cash shortfalls by means of current liquidity planning. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation. This approach is used to analyze payment dates associated with financial assets, and also to forecast cash flows from operating activities.

To manage the liquidity risk, the Group has negotiated long-term and short-term credit lines with a pool of commercial banks, designated as highly rated banks. Long-term and short-term credit facilities were obtained from each of the highly rated banks.

As at 31 December 2009 the Group’s unused portion of long-term and short-term credit line facilities amounted to RUR 5,495,768 thousand (31 December 2008: RUR 4,615,343 thousand).

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	12 months or less	Between 1 and 5 years	More than 5 years
Liabilities as at 31 December 2009					
Long-term municipal loans	345,738	388,587	27,200	361,387	—
Long-term bank loans including current portion	10,380,512	13,078,384	5,825,617	7,252,767	—
Short-term bank loans	400,000	404,734	404,734	—	—
Finance lease liabilities	2,209,395	3,281,622	1,261,347	1,994,176	26,099
Trade and other payables	4,039,055	4,039,055	4,029,470	—	9,585
	17,374,700	21,192,382	11,548,368	9,608,330	35,684

Financial guarantees are disclosed in Note 31.

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group’s income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Interest rate risk

The Group’s income and operating cash flows are largely independent of changes in market interest rates. The Group is exposed to interest rate risk only through market value fluctuations of loans and borrowings. The interest rates on most long- and short-term

loans and borrowings are fixed. Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt).

Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates. However, at the time of raising new loans or borrowings management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount 31 December 2009	Carrying amount 31 December 2008
Fixed rate instruments		
Financial liabilities	13,335,645	12,507,595

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

(e) Fair values

Management believes that at the reporting date the fair value of the Group's financial assets and liabilities approximates their carrying amounts.

(f) Capital management

Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, which the Group defines as net profit after tax divided by total shareholders' equity.

Management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are subject to external capital requirements that require that their net assets as determined in accordance with Russian Accounting Principles must exceed their charter capital at all times.

29 OPERATING LEASES

The Group leases a number of land plots owned by local governments under operating leases. In addition, the Group leases non-residential premises and vehicles.

The land plots leased by the Group are the territories on which power lines, equipment for electricity transformation and other assets are located. Lease payments are reviewed regularly to reflect market rentals.

Operating lease rentals under non-cancellable leases are payable as follows:

	31 December 2009	31 December 2008
Less than one year	286,303	280,944
Between one year and five years	601,235	246,023
After five years	2,758,529	662,893
	3,646,067	1,189,860

The amount of lease expense under operating leases recognized in profit or loss in 2009 was RUR 413,622 thousand (in 2008: RUR 260,521 thousand).

30 COMMITMENTS

The Group has outstanding commitments under the contracts for the purchase and construction of property, plant and equipment for RUR 2,337,551 thousand as at 31 December 2009 (net of VAT) (as at 31 December 2008: RUR 5,143,008 thousand).

31 CONTINGENCIES

(a) Insurance

The insurance industry in the Russian Federation is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group has full insurance coverage for its production facilities and third party liability in respect of property, health and environmental damage arising from operation of dangerous production units. The Group has no insurance coverage against losses caused by business interruption.

(b) Litigation

The Group is a party to certain legal proceedings arising in the ordinary course of business. Management does not believe than these matters will have a material adverse effect on the Group’s financial position and operating results.

(c) Taxation contingencies

The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

These circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these Financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

(d) Environmental matters

The Company and its predecessors have operated in the electric transmission industry in the Russian Federation for many years. The enforcement of environmental regulations in the Russian Federation is evolving and the enforcement posture of Government authorities is continually being reconsidered. Management periodically evaluates its obligations under environmental regulations.

Potential liabilities might arise as a result of changes in legislation and regulation or civil litigation. The impact of these potential changes cannot be estimated, but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

(e) Guarantees

The Group issued financial guarantees for loans received by a lessor of the Group.

	Amount on contract 31 December 2009	Amount on contract 31 December 2008
OJSC “Rosbank”	1,267,130	1,050,000
Belgorodskoe OSB №8582	463,051	767,127
CJSC “Gazenergoprombank”	51,371	90,519
Voronezhskiy branch of OJSC “Alpha Bank”		68,840
	1,781,552	1,976,486

32 RELATED PARTY TRANSACTIONS

(a) Control relationships

The Company’s parent as at 31 December 2009 and 2008 was JSC IDGC Holding. The party with the ultimate control over the Company is the Government of the Russian Federation, which held the majority of the voting rights of JSC IDGC Holding.

(b) Transactions with management and close family members

There are no transactions or balances with key management and their close family members except for remuneration in the form of salary and bonuses.

(i) Management compensation

Total remuneration paid to the members of the Board of Directors and the Management Board for the year ended 31 December 2009 was RUR 157,929 thousand (2008: RUR 239,860 thousand).

(c) Transactions with other related parties

Entities under common control of the parent for the year 2008 are represented by former RAO UES group companies.

(i) Revenue

	Transaction value 2009	Outstanding bal- ance 31 December 2009	Transaction value 2008	Outstanding balance 31 December 2008
Electricity transmission:				
Entities under common con- trol of the parent	—	—	2,034,666	—
Other state controlled entities	2,165,151	4,257	783,789	61,057
Other revenue:				
Entities under common con- trol of the parent	—	—	10,986	3,304
Other state controlled entities	190,397	17,722	2,156,696	271,472
	2,355,548	21,979	4,986,137	335,833

Related party revenue for electricity transmission is based on the tariffs determined by the government; other related party transactions are based on normal market prices.

(ii) Expenses

	Transaction value 2009	Outstanding bal- ance 31 December 2009	Transaction value 2008	Outstanding bal- ance 31 December 2008
Electricity transmission:				
Entities under common con- trol of the parent	—	—	384,746	—
Other state controlled entities	8,795,964	576,206	7,223,757	211,568
Other expenses:				
Entities under common con- trol of the parent	1,269	9,585	4,108	—
Parent company	441,000	26,019	—	—
Other state controlled entities	532,683	145,905	2,885,950	264,748

	Transaction value 2009	Outstanding bal- ance 31 December 2009	Transaction value 2008	Outstanding bal- ance 31 December 2008
Related party lessors	541	13	7,139	—
	9,771,457	757,728	10,505,700	476,316

(iii) Advances received

	Outstanding balance 31 December 2009	Outstanding balance 31 December 2008
Other state controlled entities	283,831	73,053
	283,831	73,053

(iv) Advances issued

	Outstanding balance 31 December 2009	Outstanding balance 31 December 2008
Other state controlled entities	48,826	67,020
	48,826	67,020

All outstanding balances with related parties are to be settled in cash within a year from the reporting date. None of the balances are secured.

(v) Loans and borrowings

	Amount loaned 2009	Outstanding balance 31 De- cember 2009	Amount loaned 2008	Outstanding balance 31 De- cember 2008
Loans received:				
State controlled entities	5,690,000	7,580,514	1,385,009	2,235,849
	5,690,000	7,580,514	1,385,009	2,235,849

Loans are received at market interest rates (refer to Note 28).

Appendix 5

Interpretation of certain performance and financial indicators

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Volume of rendered services on transmission and loss of electric power in 2006—2009 in breakdown of branches

Branch	Grid output thousand kWh	2006 Volume of rendered services		Losses %	Grid output thousand kWh	2007 Volume of rendered services		Losses %
		thousand kWh	thousand kWh			thousand kWh	thousand kWh	
1	2	3	4	5	6	7	8	9
Kostromaenergo	3,006,967	2 484,975	508,573	16.91	3,017,725	2,554,986	462,739	15.33
Yarenergo	6,214,254	5,743,417	470,837	7.58	7,589,869	7,162,430	427,439	5.63
Bryanskenergo	3,974,336	3,767,524	206,812	5.20	4,066,576	3,857,512	209,064	5.14
Smolenskenergo	3,985,150	3,265,477	719,674	18.06	3,971,794	3,270,715	701,079	17.65
Tverenergo	5,313,410	4,500,660	812,750	15.30	5,402,093	4,589,091	813,002	15.05
Belgorodenergo	10,375,818	9 580,438	795,380	7.67	11,001,255	10,233,596	767,659	6.98
Voronezhenergo	8,160,456	7,289,100	871,356	10.68	8,195,387	7,368,684	826,703	10.09
Kurskenergo	5,732,031	5,151,981	580,050	10.12	5,744,304	5,218,914	525,390	9.15
Lipetskenergo	7,635,132	6,973,626	661,506	8.66	7,600,129	6,965,419	634,711	8.35
Orelenergo	2,606,246	2,248,807	357,439	13.71	2,478,279	2,158,598	319,681	12.90
Tambovenergo	3,291,928	3,038,085	253,843	7.71	3,260,083	3,014,868	245,215	7.52
TOTAL over IDGC	60,295,727	54,044,089	6238218	10.35	62,327,495	56,394,813	5,932,681	9.52

Branch	Grid output thousand kWh	2008 Volume of rendered services		Losses %	Grid out- put thousand kWh	2009 Volume of rendered services		Losses %
		thousand kWh	thousand kWh			thousand kWh	thousand kWh	
1	2	3	4	5	6	7	8	9
Kostromaenergo	3,030,032	2,567,791	462,241	15.26	2,852,410	2,400,819	451,591	15.83
Yarenergo	7,498,894	7,065,855	433,040	5.77	7,037,486	6,563,934	473,552	6.73
Bryanskenergo	3,937,821	3,734,839	202,982	5.15	3,799,504	3,570,667	228,837	6.02
Smolenskenergo	4,063,342	3,392,705	670,638	16.50	4,055,433	3,339,182	716,251	17.66
Tverenergo	5,557,094	4,739,115	817,979	14.72	5,329,681	4,505,555	824,126	15.46
Belgorodenergo	11,086,744	10,312,208	774,536	6.99	10,810,129	10,044,571	765,557	7.08
Voronezhenergo	8,306,170	7,496,552	809,618	9.75	7,958,215	7,188,269	769,946	9.67
Kurskenergo	5,669,769	5,167,509	502,260	8.86	5,328,524	4,804,215	524,309	9.84

Branch	2008				2009			
	Grid output	Volume of rendered services		Losses	Grid out-put	Volume of rendered services		Losses
	thousand kWh	thousand kWh	thousand kWh	%	thousand kWh	thousand kWh	thousand kWh	%
1	2	3	4	5	6	7	8	9
Lipetskenergo	7,699,885	7,053,752	646,132	8.39	6,709,880	6,035,897	673,983	10.04
Orelenergo	2,456,442	2,145,757	310,685	12.65	2,403,445	2,087,340	316,105	13.15
Tambovenergo	3,187,313	2,942,328	244,985	7.69	2,821,695	2,588,713	232,982	8.26
TOTAL over IDGC	62,493,506	56,618,410	5,875,096	9.40	59,106,402	53,129,162	5,977,239	10.11

Tariffs of 2006— 2010 in breakdown of branches

Average tariffs for electric power transmission services and rates of payment for technological connection over regions

Branch	Average tariffs for electric power transmission services less regard to expenses of allied TGO				
	2006	2007	2008*	2009	2010
Belgorodenergo	48.5	52.4	64.5	79.8	90.5
Bryanskenergo	40.5	47.6**	55.4	70.4	83.8
Voronezhenergo	38.2	45.5	52.8	62.6	71.5
Kostromaenergo	64.3	76.2	90.2	104.5	127.0
Kurskenergo	46.4	47.6	52.0	60.4	65.8
Lipetskenergo	33.5	42.3	52.9	68.9	91.8
Orelenergo	48.3	66.5	79.6	91.1	108.2
Smolenskenergo	65.4	73.0	85.7	105.3	118.0
Tambovenergo	47.0	49.3	51.8	62.6	65.3
Tverenergo	52.7	59.0	72.4	102.2	120.5
Yarenergo	48.4	43.3	42.1	51.2	60.6
IDGC of Centre	46.4	51.7	60.0	74.2	86.93

* in 2008 the average tariff is showed with regard to tariffs of other TGO.

** in 2007 within the territory of Bryansk region tariff calculation method with regard to other TGO of the region was implemented but for correctness of calculation of the average tariff data over “Bryanskenergo” is modified to comparatives, i.e. less regard to tariffs of other TGO.

Branch	Technological connection*, Rubles/kW			
	2006	2007	2008	2009
Belgorodenergo	9,257	19,823	24,537	637
Bryanskenergo	3,838	9,450	9,657	8,931
Voronezhenergo	3,260	3,831	18,045	18,045
Kostromaenergo	4,940	11,938	15,334	9,991
Kurskenergo	5,627	13,430	13,430	11,453
Lipetskenergo	4,671	7,395	7,395	7,395
Orelenergo	—	6,944	9,003	9,003
Smolenskenergo	5,956	104	4,077	4,077
Tambovenergo	4,707	77	2,347	2,347
Tverenergo	4,727	9,916	10,271	10,271
Yarenergo	5,867	8,601	10,323	10,323
IDGC of Centre	6,503	10,639	14,822	7,831
Growth rate, %		63.6%	39.3%	-47.2%

* data regarding technological connections is given on the basis of tariffs applicable at the end of the year.

Proceeds in 2006—2009 in breakdown of branches, mln Rubles

Mln. Rubles	2006	2007	2008	2009
Belgorodenergo	4,963	6,953	7,986	7,989
Bryanskenergo	1,528	2,750	3,164	3,602
Voronezhenergo	2,757	3,297	5,555	6,329
Kostromaenergo	1,664	2,168	2,369	2,768
Kurskenergo	2,399	2,502	3,110	3,792
Lipetskenergo	2,525	3,142	4,627	5,189
Orelenergo	1,085	1,481	2,179	2,312
Smolenskenergo	2,316	2,415	3,245	3,674
Tambovenergo	1,424	1,441	2,547	2,775
Tverenergo	2,379	2,752	4,549	5,624
Yarenergo	2,873	3,496	4,049	4,999
Total proceeds	25,912	32,397	43,379	49,053

Profit before taxation for 2006—2009 in breakdown of branches, mln Rubles

Mln. Rubles	2006	2007	2008	2009
Belgorodenergo	790	1,997	1,587	1,013
Bryanskenergo	45	151	3	74
Voronezhenergo	52	126	154	499
Kostromaenergo	221	321	107	-32
Kurskenergo	313	214	205	94
Lipetskenergo	251	281	339	146
Orelenergo	33	71	-202	-122
Smolenskenergo	254	77	182	-68
Tambovenergo	74	9	-242	-218
Tverenergo	123	62	-86	425
Yarenergo	22	90	205	471
Total profit before taxation	2,180	3,398	2,252	2,283

Structure of accounts receivable and accounts payable as of the end of 2006—2009

	2006	2007	2008	2009
Accounts receivable, including	3.946,1	4.866,1	6.013,6	5.474,3
Buyers and customers	2.251,3	2.731,7	4.111,7	4.149,3
Bills receivable	0,0	0,0	1,0	0,0
Debt of subsidiaries and affiliates	0,9	0,0	0,0	0,0
Advances made	604,1	982,4	909,0	384,3
Other debtors	1.089,8	1.152,0	991,9	940,6
Accounts payable, including	2.750,1	4.121,8	7.116,5	6.685,1
Suppliers and contractors	779,5	1.913,6	3.859,5	3.904,7

	2006	2007	2008	2009
Bills payable	0,0	0,0	0,0	0,0
Debt to subsidiaries and affiliates	38,0	0,0	0,0	0,0
Salaries payable	258,4	316,8	295,7	288,2
Debt to state non-budgetary funds	98,9	114,6	93,6	45,3
Taxes and dues payable	315,4	285,1	436,3	593,6
Advances received	495,7	1.024,7	2.182,9	1.640,7
Other creditors	764,2	466,9	248,5	212,5

Specification of assets as of 31.12.2009.

Length of power transmission lines

IDGC/branch	Length of 0.4 —110 kV Overhead transmission lines along the route as of 31.12.09, km				Cable lines of 0.4 — 110 kV
	Overhead transmission lines of 110 kV and over	Overhead transmission lines of 35 kV	Overhead transmission lines of 6—10 kV	Overhead transmission lines 0.4 kV	
Belgorodenergo	1.712,7	2.493,8	17.769,0	16.702,5	4.063,4
Bryanskenergo	1.750,9	1.763,3	11.409,9	10.546,9	91,4
Voronezhenergo	3.102,2	3.686,4	20.405,5	23.003,4	138,0
Kostromaenergo	1.773,3	2.531,2	10.741,2	8.482,7	1.424,1
Kurskenergo	1.911,6	2.804,3	15.195,5	14.150,9	191,5
Lipetskenergo	1.524,1	2.310,4	11.932,6	10.800,8	117,0
Orelenergo	1.360,8	1.720,6	12.857,7	11.734,9	96,8
Smolenskenergo	2.560,7	3.770,2	18.497,4	13.211,5	1.853,0
Tambovenergo	1.869,3	3.101,5	11.657,3	11.404,4	132,6
Tverenergo	2.707,8	4.010,2	24.517,4	14.608,8	346,0
Yarenergo	1.047,1	2.090,1	12.193,4	10.228,4	246,8
IDGC of Centre	21.320,5	30.282,0	167.176,9	144.875,2	8.700,6

Capacity of substations

IDGC/branch	SS of 35-110 kV, MVA	TS of 6-35/0.4 kV, MVA
Belgorodenergo	2.634,5	2.754,95
Bryanskenergo	2.281,8	758,83
Voronezhenergo	4.465,5	1.532,04
Kostromaenergo	1.707,0	1.420,12
Kurskenergo	3.286,5	1.420,1
Lipetskenergo	2.587,2	1.020,6
Orelenergo	1.682,0	793,9
Smolenskenergo	3.071,6	1.774,9
Tambovenergo	2.452,3	928,73
Tverenergo	3.962,2	1.521,62
Yarenergo	2882,8	937,87
IDGC of Centre	31.013,4	14.863,66

Data on actual investment volume for 2006-2009 in breakdown of branches

	2006						
	Assimilation (disbursement), net of VAT	Introduction of fixed assets, net of VAT	Financing, net of VAT	Capacity input		Capacity gain	
	mln Rubles	mln Rubles	mln Rubles	km	MVA	km	MVA
IDGC of Centre	4,508	4,368	4,496	1,676	398	673	136
Belgorodenergo	1,289	1,298	1,289	369	100	212	0
Bryanskenergo	121	123	121	20	16	0	0
Voronezhenergo	254	252	255	145	76	0	63
Kostromaenergo	749	760	749	160	7	160	7
Kurskenergo	328	348	328	157	7	63	4
Lipetskenergo	387	321	374	258	24	178	24

	2006						
	Assimilation (disbursement), net of VAT	Introduction of fixed assets, net of VAT	Financing, net of VAT	Capacity input		Capacity gain	
	mln Rubles	mln Rubles	mln Rubles	km	MVA	km	MVA
Orelenergo	68	62	68	75	0	0	0
Smolenskenergo	376	302	376	123	0	0	0
Tambovenergo	186	251	186	111	0	0	0
Tverenergo	380	300	380	124	87	17	8
Yarenergo	370	352	370	134	81	43	30
Management							

	2007						
	Assimilation (disbursement), net of VAT	Introduction of fixed assets, net of VAT	Financing, net of VAT	Capacity input		Capacity gain	
	mln Rubles	mln Rubles	mln Rubles	km	MVA	km	MVA
IDGC of Centre	7,839	6,371	7,839	3,428	698	1,945	418
Belgorodenergo	2,260	2,246	2,260	1,289	0	1,000	0
Bryanskenergo	482	302	482	454	36	391	18
Voronezhenergo	448	429	448	51	152	6	84
Kostromaenergo	439	380	439	543	55	0	1
Kurskenergo	735	675	735	267	94	210	94
Lipetskenergo	894	348	894	247	80	128	80
Orelenergo	271	187	271	104	8	62	8
Smolenskenergo	489	307	489	182	73	45	48
Tambovenergo	359	335	359	141	39	0	15
Tverenergo	522	396	522	27	40	0	15
Yarenergo	940	766	940	125	122	103	57
Management							

	2008						
	Assimilation (disbursement), net of VAT	Introduction of fixed assets, net of VAT	Financing, net of VAT	Capacity input		Capacity gain	
	mln Rubles	mln Rubles	mln Rubles	km	MVA	km	MVA
IDGC of Centre	9,071	7,730	7,687	3,263	660	1,886	489
Belgorodenergo	2,625	2,587	2,225	1,268	189	889	164
Bryanskenergo	452	152	383	56	26	6	6
Voronezhenergo	960	763	814	207	125	90	125
Kostromaenergo	453	271	384	240	25	183	24
Kurskenergo	651	599	552	423	51	239	38
Lipetskenergo	1,183	888	1,003	307	25	106	25
Orelenergo	406	244	344	84	6	60	6
Smolenskenergo	721	630	611	133	11	23	7
Tambovenergo	301	279	255	110	49	36	33
Tverenergo	728	747	617	134	114	12	40
Yarenergo	581	570	492	303	40	244	22
Management	9		8				

	2009						
	Assimilation (disbursement), net of VAT	Introduction of fixed assets, net of VAT	Financing, net of VAT	Capacity input		Capacity gain	
	mln Rubles	mln Rubles	mln Rubles	km	MVA	km	MVA
IDGC of Centre	6,529	7,687	5,458	2,414	877	1,449	685
Belgorodenergo	2,467	2,464	2,037	945	146	690	139
Bryanskenergo	324	238	249	23	31	0,9	30
Voronezhenergo	603	788	424	100	158	41	147
Kostromaenergo	230	471	192	104	65	104	65
Kurskenergo	491	350	372	311	50	230	42
Lipetskenergo	655	1,053	700	218	152	126	144
Orelenergo	266	445	187	70	69	45	6

	2009						
	Assimilation (disbursement), net of VAT	Introduction of fixed assets, net of VAT	Financing, net of VAT	Capacity input		Capacity gain	
	mln Rubles	mln Rubles	mln Rubles	km	MVA	km	MVA
Smolenskenergo	304	597	176	122	23	37	10
Tambovenergo	170	228	199	26	55	10	30
Tverenergo	536	555	490	264	35	69	22
Yarenergo	473	488	424	230	94	98	50
Management	11	11	8				

Areas of the Investment program for 2009 — 2012 in the breakdown of branches

Branch	2009	2010	2011	2012
Belgorodenergo	2,467	3,211	2,242	2,803
<i>Technical re-equipping and Reconstruction</i>	1,006	1,132	1,414	1,566
<i>New construction</i>	1,301	2,051	828	1,237
<i>Other</i>	160	28	0	0
Bryanskenergo	324	268	947	1,519
<i>Technical re-equipping and Reconstruction</i>	279	239	670	1,146
<i>New construction</i>	45	29	239	363
<i>Other</i>	0	0,6	38	10
Voronezhenergo	603	903	2,180	1,728
<i>Technical re-equipping and Reconstruction</i>	405	735	1,639	1,545
<i>New construction</i>	198	163	541	183
<i>Other</i>	0	6	0	0
Kostromaenergo	230	389	901	1,407
<i>Technical re-equipping and Reconstruction</i>	38	212	641	1,107
<i>New construction</i>	182	135	240	290
<i>Other</i>	9	42	20	10
Kurskenergo	491	897	2,446	2,440
<i>Technical re-equipping and Reconstruction</i>	245	470	2,185	2,157
<i>New construction</i>	181	426	261	282
<i>Other</i>	65	0	0	0

Branch	2009	2010	2011	2012
Lipetskenergo	655	2,054	2,820	2,612
<i>Technical re-equipping and Reconstruction</i>	117	387	1,172	1,413
<i>New construction</i>	502	1,666	1,648	1,199
<i>Other</i>	36	0	0	0
Orelenergo	266	203	988	1,511
<i>Technical re-equipping and Reconstruction</i>	202	184	345	1,167
<i>New construction</i>	64	19	643	344
<i>Other</i>	0	0	0	0
Smolenskenergo	304	441	2,122	3,154
<i>Technical re-equipping and Reconstruction</i>	222	406	1,903	2,375
<i>New construction</i>	27	18	219	779
<i>Other</i>	56	16	0	0
Tambovenergo	170	204	702	1,249
<i>Technical re-equipping and Reconstruction</i>	162	191	564	1,073
<i>New construction</i>	7	13	138	176
<i>Other</i>	1	0,2	0	0
Tverenergo	536	1,156	5,787	4,687
<i>Technical re-equipping and Reconstruction</i>	437	1,135	5,290	3,832
<i>New construction</i>	66	19	497	855
<i>Other</i>	33	1	0	0
Yarenergo	473	962	1,816	2,161
<i>Technical re-equipping and Reconstruction</i>	269	522	1,251	1,920
<i>New construction</i>	185	423	555	221
<i>Other</i>	20	18	10	19
IA of IDGCs	11	12	15	16
<i>Technical re-equipping and Reconstruction</i>	11	12	15	16
<i>New construction</i>				
<i>Other</i>				
Total over IDGC of Centre	6,529	10,700	22,965	25,286
<i>Technical re-equipping and Reconstruction</i>	3,392	5,626	17,090	19,318
<i>New construction</i>	2,759	4,962	5,807	5,929
<i>Other</i>	379	112	68	39

Grid reliability specifications for 2006—2009

	2006	2007	2008	2009
Number of emergencies (technological violations)	4,995	6,222	17,171	25,299
Main reasons of emergencies, %				
Influence of natural disasters	26	29	3	15
Influence of outside persons	13	13	11	7
Insulation damage	18	4	12	7
Influence of animals, birds	2	3	4	3
Unsatisfactory quality of instructions and maintenance	20	27	45	39
Fall of trees, branches	15	17	2	23
Unrevealed	6	7	23	5

Change dynamics of average number of personnel for 2006 — 2009 in the breakdown of branches

Company / Branches	2006	2007	2008	2009
Total over the Company, including	25.933,7	25.477	24.217	25.235
Executive apparatus of IDGC of Centre, JSC	186,7	193	1.87,4	220
The branch of IDGC of Centre, JSC — “Belgorodenergo”	2.773,0	2.788	2.548	2.527
The branch of IDGC of Centre, JSC — “Bryanskenergo”	1.843,0	1.855	1.814	1.792
The branch of IDGC of Centre, JSC — “Voronezhenergo”	3.388,0	3.166	3.061	3.122
The branch of IDGC of Centre, JSC — “Kostromaenergo”	1.682,7	1.585	1.497	1.636
The branch of IDGC of Centre, JSC — “Kurskenergo”	2.590,0	2.639	2.412	2.527
The branch of IDGC of Centre, JSC — “Lipetskenergo”	1.820,0	1.896	1.918	2.027
The branch of IDGC of Centre, JSC — “Orelenergo”	1.520,0	1.569	1.611	1.759
The branch of IDGC of Centre, JSC — “Smolenskenergo”	3.606,9	3.448	2.974	2.919
The branch of IDGC of Centre, JSC — “Tambovenergo”	1.879,6	1.744	1.794	1.897
The branch of IDGC of Centre, JSC — “Tverenergo”	2.666,0	2.661	2.532	2.788
The branch of IDGC of Centre, JSC — “Yarenergo”	1.977,8	1.933	1.869	2.021

Appendix 6

Long-term RAB parameters for the regions transferred
to new tariff making system.

Parameters	Belgorod			Lipetsk				Tver			Kursk			Yaroslavl		
	2009 approved	2010 adjusted	2011 approved	2009 approved	2010 adjusted	2011 approved		2009 approved	2010 adjusted	2011 approved	2010 approved	2011 approved	2012 approved	2010 approved	2011 approved	2012 approved
Initial capital base on residual value (iRAB), mln Rubles	19,930			10,030				14,366			10,802			8,968		
Rate of return on capital invested before January 01, 2009	6,00%	4,50%	12,00%	9,0%	9,00%	12,00%		6,00%	9,00%	12,00%	6%	9%	12%	6%	9%	12%
Rate of return on capital invested after January 01, 2009	12%	12%	12%	12%	12%	12%		12%	12%	12%	12%	12%	12%	12%	12%	12%
Investments	6,445	3,787	5,282	2,194	1,911	2,486		3,045	1,156	7,402	897	942	1,308	800	967	1,308
Operational expenditures, mln Rubles, including*	3,658	3,198	4,847	1,723	1,882	2,063		2,069	833	2,914	1,301	1,552	2,064	1,674	2,035	2,445
controlled	2,368	2,100	2,807	954	1,016	1,082		1,515	1,647	1,913	852	917	979	1,071	1,195	1,318
uncontrolled (exclusive of losses and TGO, FGC)	1,290	1,098	2,040	768	867	981		554	814	1,001	449	635	1,085	603	840	1,127
Return of capital	1,446	1,520	1,817	735	798	856		1,579	1,579	1,815	879	905	932	617	640	667
Return to capital	1,235	1,178	3,620	916	1,113	1,540		874	1,163	2,336	673	1,026	1,342	556	867	1,165
Smoothing	0	0	0	0	0	0		-1,201		1,506	-988	0	1,240	-502	-24	657
Depreciation period of initial RAB, year	14	13	12	14	13	12		9	8	7	12	11	10	15	14	13
Depreciation period of new RAB, year	35	35	35	35	35	35		35	35	35	35	35	35	35	35	35
Necessary gross revenue, mln Rubles	6,339	5,895	10,285	3,373	3,793	4,459		3,322	3,575	8,571	1,866	3,483	5,577	2,345	3,517	4,935
Gain of necessary gross revenue, %	42%	-7%	74%	49%	12%	18%		61%	8%	140%	-11%	87%	60%	0%	50%	40%
Productive supply (branch), mln kWh	10,976	9,761	11,420	7,405	6,475	7,405		4,802	4,593	4,802	5,102	5,154	5,256	6,363	6,435	6,603
Tariff, kopecks/kW*h	57,75	60,40	90,06	45,55	58,58	60,22		69,18	77,84	178,51	36,57	67,59	106,10	36,85	54,65	74,74
Gain of own tariff of branch, %	28,3%	4,6%	49,1%	40,6%	28,6%	2,8%		56,2%	12,5%	129,3%	-5,6%	84,8%	57,0%	14,3%	48,3%	36,7%

* made adjustment of OPEX: expense on calculations of Uniform Social Tax are transferred to uncontrolled expenses in accordance with the Methodic instructions on regulation of tariffs applying the return on invested capital method approved by the order of FTS No.231-e dated June 26, 2008.

Appendix 7

Rights of shareholders

In accordance with the item 1 of the section IV of the Corporate Governance Code of the Company (approved by the decision of the Board of Directors of the Company, Minutes No. 009/06 dated October 18, 2006) the Board of Directors of the Company, the Sole executive body of the Company ensure observance of the following rights and legal interests of shareholders of the Company:

1) The Company recognizes the integral shareholder's right to participation in the management of the Company.

Shareholders are entitled to participate in the management of the Company, first of all, by means of taking decisions on the issues of the Company activities at the General meeting of shareholders. In order to exercise this right the Company accepts internal documents that secure in accordance with the Law of the Russian Federation rights of shareholders to demand convening of the General meeting and proposals in agenda of the meeting, opportunity to prepare for participation in the General meeting of shareholders properly as well as opportunity to implement voting right by each shareholder. Shareholders of the Company are entitled to nominate candidates in the management and control bodies of the Company in accordance with the standards determined by the Federal Law "On joint-stock companies", the Articles of Association and internal documents of the Company.

2) Shareholders, holders of voting shares, have the right to participation in the General meeting of shareholders with voting right on all issues of his/her competence.

For the purposes of proper observance and protection of the mentioned right the Company undertakes to organize the General meeting of shareholders in such a way for participation of shareholders not to be connected with their great material and time expenses ensuring equal attitude to all shareholders.

3) The Company undertakes to provide shareholders with information on issues of agenda of the General meeting of shareholders within the volume and terms that allow shareholders to take grounded decisions.

In cases provided by the current Law and the Articles of Association of the Company, the General meeting of shareholders considers issues only upon proposal of the Board of Directors of the Company. The whole information relating to the General meeting of shareholders is mandatory disclosed on the Company Website in the Internet.

4) Shareholders are entitled to dispose freely their shares in accordance with the regulations of the current Law of the Russian Federation.

The Company secures proper protection of shareholders' rights to shares that belong to them. Accounting system of rights to shares assures reliability of accounting of ownership rights to shares as well as opportunity of free and quick alienation of shares that belong to shareholders. Register of the Company shareholders is maintained by an independent registrar approved by the Board of Directors of the Company. Selection and appointment of an independent registrar that possesses all necessary technical means and unassailable reputation provides the Company the opportunity to ensure reliable and efficient registration of ownership rights to shares and other securities of the Company.

5) Right to dividends is the integral right of a shareholder.

Dividend policy is determined by the Company internal document approved by the Board of Directors and it is based on balance between shareholders' interests (in terms of receipt of a part of the Company profit) and the Company interests (in terms of appropriation of funds for its further development). When preparing to the annual meeting shareholders are provided with the information on conditions for dividend payment in the Company that allows to estimate real financial achievements for the reporting period, they are provided as well with all forms of accounting statements, annual report, opinions of an independent auditor and auditing committee on the results of economic activity, information on procedure of dividend calculation and payment. The Company is liable to pay out declared dividends within the terms fixed by the General meeting of shareholders.

6) Shareholders have the right to regular and due receipt of information on the Company activities within the volume enough for them to take informed and grounded decisions on share disposal.

For the purposes of proper observance and protection of the mentioned right the Company guarantees meeting the requirements of information disclosure determined by the Law.

All information mandatory disclosed by this or that way is placed on the Company Website in the information network Internet.

The Company discloses financial reporting in accordance with the requirements of the Law of the Russian Federation as well as in compliance with the International Financial Reporting Standards (IFRS).

7) A shareholder has the right to demand audit of financial and economic activities of the Company in accordance the regulations provided by the Federal Law “On joint-stock companies”, the Articles of Association and internal documents of the Company.

The Company expects that shareholders will not abuse the rights provided to them as well as take any actions aimed exclusively to harm other shareholders or the Company.

The detailed information on observance of the mentioned rights of shareholders is contained in Appendix 9 to this Annual report (Report on observance of the Corporate Governance Code by IDGC of Centre, JSC).

The rights of shareholders are entrenched in the Articles of Association of the Company as well:

In accordance with the par. 4 of the item 2.5. of the Articles of Association of IDGC of Centre, JSC shareholders are entitled to alienate shares that belong to them without consent of other shareholders and the Company.

In accordance with the items 5.5., 5.6. of the Articles of Association in cases provided by the Law of the Russian Federation shareholders of the Company have preemptive right to acquire additional shares and equity securities placed by means of subscription that are converted into shares in number proportional to the number of shares of this class (type) that belong to them. If when exercising preemptive right to acquisition of additional as well as when consolidating shares acquisition of the whole number of shares by a shareholder is impossible, share parts (fractional shares) are formed. A fractional share gives a shareholder — its owner — the rights provided by a share of the relevant class (type), in volume corresponding to a part of the whole share which it composes.

In accordance with the item 6.2. of the Articles of Association of the Company each registered ordinary share of the Company provides a shareholder — its owner — with equal volume of rights. Shareholders-owners of registered ordinary shares of the Company have the right:

1) to participate personally or by proxy in the General meeting of shareholders of the Company with voting right on all issues of his/her competence;

2) to make proposals in agenda of the general meeting according to the procedure provided by the Law of the Russian Federation and this Articles of Association;

3) to receive information on the Company activities and study documents of the Company in accordance with the articles 91 of the Federal Law “On joint-stock companies”, other regulatory legal acts and this Articles of Association;

4) to receive dividends declared by the Company;

5) to preemptive acquisition of additional shares and equity securities placed by means of subscription that are converted into shares in number proportional to the number of ordinary shares that belong to them, in cases provided by the Law of the Russian Federation;

6) to receive a part of the Company property in case of its winding-up;

7) to exercise other rights provided by the Law of the Russian Federation and this Articles of Association.

Appendix 8

Detailed information on members of the Board of Directors, Committees of the Board of Directors, Management Board, Auditing Committee

Detailed information on members of the Board of Directors of the Company



Sergey Borisovich Kosarev —
Chairperson of the Board of Directors

Year of birth: 1960
Citizenship: the Russian Federation
Education: Higher
1982, Kostroma State Pedagogical Institute named after N.A. Nekrasov
Specialty: Teacher of history
2000, Higher International University (Master of management)
Academic degree, title: Candidate of Science (History), associate professor
Primary employment: Director of the Law Department of the State Corporation “Rosnano”
Other positions: Adviser of the General Director of IDGC Holding, JSC, member of the Board of Directors of: “Real Estate of All-Russian Research, Development and Design Institute of power industry” (Real Estate of VNIPlenergoprom), JSC, “Real estate of IC of Volga region power industry”, JSC, “Kubanenergo”, JSC, “Interregional Distribution Grid Company of Siberia”, JSC
Date of first election to the Board of Directors: June 11, 2009.
Elected as the Chairman of the Board of Directors on July 08, 2009 (Minutes of the Board of Directors No. 11/09 dated July 10, 2009)
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Board of Directors (number): 0,0024% (1 000 000 registered ordinary shares of the Company)
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.



Tatiana Alexandrovna Seliverstova —
Deputy Chairperson of the Board of Directors

Year of birth: 1972
Citizenship: the Russian Federation
Education: Higher
1995, State Management Academy named after S. Ordzhonikidze
Specialty: Manager
1997, The Russian Academy of National Economy under the Government of Russia (professional retraining)
Specialty: Finance management
Primary employment: Head of the Securities Division of the Department for the Corporate Governance and Interaction with Shareholders of IDGC Holding, JSC
Other positions: member of the Board of Directors of: “Research and Development Institute of Power Economy”, JSC “Sibenergosetproekt, JSC, “R&D Centre of Volga region”, JSC, “Middle Volga Interregional Management Power Company”, JSC
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Board of Directors (number): does not hold
Date of first election to the Board of Directors: June 11, 2009.
Elected as the Deputy Chairperson of the Board of Directors on July 08, 2009 (Minutes of the Board of Directors No. 11/09 dated July 10, 2009)
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.



Alexandr Markovich Branis

Year of birth: 1977
Citizenship: the Russian Federation
Education: Higher
2001, Academy of National Economy under the Government of the Russian Federation (Bachelor of Management)
Primary employment: General Director of “Prosperity Capital Management”, Ltd., Director of the analytical division of the Representative Office of Prosperity Capital Management (RF) Ltd.
Other positions: member of the Board of Directors of: “TGC-6”, JSC, “Bashkirenergo”, JSC

¹ Hereinafter, information is given as of December 31, 2009. When indicating that a member of the management and control body occupies the position currently, December 31, 2009 is meant.

Date of first election to the Board of Directors: December 09, 2004.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Board of Directors (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.



Sergey Nikolaevich Ivanov

Year of birth: 1961

Citizenship: the Russian Federation

Education: Higher

1984, Moscow Engineering and Physics Institute

Specialty: Theoretical nuclear physics

Primary employment: First Deputy Chairperson of the Management Board of “FGC of UES”, JSC

Other positions: member of the Board of Directors of: “Lenenergo”, JSC, “IDGC of Volga”, JSC, “IDGC of North-West”, JSC, “IDGC of Ural”, JSC, “IDGC of Siberia”, JSC, “IDGC of Centre and Volga region”, JSC, “Moscow Unified Power Grid Company”, JSC, “Power Russian Company (ERKO)”, JSC, “Small power industry”, JSC, “Energostroysnabkomplekt”, JSC, “Index of power industry of FGC of UES”, Ltd., “Engineering and Construction Management Centre of UES”, JSC, “Balance Forecasting Agency in Power Industry”, CJSC, Chairperson of the Presidium — President of the Institute of Autonomous Non-Commercial Organisation “National Institute of Power Security”.

Date of first election to the Board of Directors: June 11, 2009.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Board of Directors (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.



Evgeny Fedorovich Makarov

Year of birth: 1955

Citizenship: the Russian Federation

Education: Higher

2003, Finance Academy under the Government of the Russian Federation

Specialty: Finances and Credit

1978, Ivanovo Power Engineering Institute

Specialty: Electric power systems

Primary employment: General Director of IDGC of Centre, JSC

Other positions (for the date of nomination): Chairman of the Supervisory Board of All-Russian industrial association of power industry employers (RAEL)

Date of first election to the Board of Directors: December 09, 2004.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Board of Directors (number): 0,4894% (206 622 069 registered ordinary shares of the Company)

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.



Sergey Nikolaevich Popovsky

Year of birth: 1971

Citizenship: the Russian Federation

Education: Higher

1993, Krasnoyarsk Institute of Non-Ferrous Metals

Specialty: Research and Design Works of CAD system

Primary employment: Non-Commercial Partnership “Council of market on organization of efficient system of electric power and capacity wholesale and retail” (NP “Council of market”) — Member of the Management Board — Deputy Chairman of the Management Board

Other positions: does not occupy

Date of first election to the Board of Directors: June 11, 2009.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Board of Directors (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009:



Denis Alexandrovich Spirin

Year of birth: 1980

Citizenship: the Russian Federation

Education: Higher

2006, Moscow State Law Academy

Specialty: Jurisprudence

2002, Moscow State University of Means of Communication

Specialty: Railcars (Management of railcar repair production)

Primary employment: Director for the Corporate Governance of the Representative Office of Prosperity Capital Management (RF) Ltd.

Other positions: member of the Board of Directors of: ODGC of Centre and Volga region, JSC, "Arkhangelsk power sales company", JSC, "Voronezh power sales company", JSC, "Kursk power sales company", JSC, "Postpromstroybank", JSC, "Novgorodsetstroy", JSC, "Severtruboprovodstroy", JSC, "Urengoytruboprovodstroy", JSC, "Yuzhtruboprovodstroy", JSC, "Tver power repair company", JSC, "Smolensk power repair company", JSC, "Penza power repair company", JSC, "Energospetsmontazh", JSC, "Dalkhimfarm", JSC.

Date of first election to the Board of Directors: June 11, 2009.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Board of Directors (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.



Alexandr Grigoryevich Starchenko

Year of birth: 1968

Citizenship: the Russian Federation

Education: Higher

1991, Moscow State Technical University named after N.E. Bauman

Specialty: Informatics and control systems

Primary employment: Director for Power Engineering of "NLMK", JSC

Other positions: member of the Board of Directors of: "Lipetsk city power company", Ltd., "Lipetsk power sales company", JSC, "Lipetskoblغاز", JSC, "Altay-Koks", JSC

Date of first election to the Board of Directors: May 30, 2008.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Board of Directors (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.



Sergey Borisovich Syutkin

Year of birth: 1959

Citizenship: the Russian Federation

Education: Higher

1983, Moscow Power Engineering Institute

Specialty: Thermal electric stations

Primary employment: General Director of the Branch of "System Operator of UES", JSC — Operational Dispatching Office of Centre

Other positions: member of the Board of Directors of IDGC of Centre and Volga region, JSC

Date of first election to the Board of Directors: May 30, 2008.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Board of Directors (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Maria Gennadyevna Tikhonova

Year of birth: 1980

Citizenship: the Russian Federation

Education: Higher

2008, Higher school of Economy. Program “Master of business administration (MBA)”

Specialty: Finances

2005, Academy of National Economy under the Government of the Russian Federation. Professional retraining on the program “State management of economic development”

2002, Volgo-Vyatka Academy of State Service

Specialty: Manager

Primary employment: Deputy Director of the Department for Economic Regulation and Property Relations of Fuel and Energy Complex of Ministry of Energy of the Russian Federation, Moscow

Other positions: member of the Board of Directors of: IDGC of Volga, JSC, “Moscow Unified Power Grid Company”, JSC, “Lenenergo”, JSC, “Enel OGC-5”, JSC

Date of first election to the Board of Directors: June 11, 2009.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Board of Directors (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.



Roman Alexeevich Filkin

Year of birth: 1983

Citizenship: the Russian Federation

Education: Higher

2005, Finance Academy under the Government of the Russian Federation

Specialty: Finances and Credit

Primary employment: Deputy Director of the Representative Office of Prosperity Capital Management (RF) Ltd.

Other positions: member of the Board of Directors of: Bank “Yuzhny region”, JSC, “Bashkienergo”, JSC, “Dagestan power sales company”, JSC, “Dalenergomontazh”, JSC, “Energospetsmontazh”, JSC, Taganrog Boiler Construction

Plant “Krasny kotelshchik”, JSC, “Kyrskenergosbyt”, JSC, IDGC of Centre and Volga region, JSC, “Novgorodsetstroy”, JSC, “Novaya ERA”, JSC, “Novgorodoblkommunelektro”, JSC, “Penza power repair company”, JSC, “Severtruboprovodstroy”, JSC, “Sevzapelektrosetstroy”, JSC, “molensk power repair company”, JSC, high-voltage power transmission lines and substations “Spetssetstroy”, “TGC-6”, JSC, “Urengoytruboprovodstroy”, JSC, “Yuzhtruboprovodstroy”, JSC, “Magadanenergo”, JSC, “Voronezh joint-stock aircraft construction society”, JSC, “Voronezh power sales company”, JSC, “Yaroslavl power company”, JSC, “Tver power repair company”, JSC, “Arkhangelsk sales company”, JSC.

Date of first election to the Board of Directors: June 11, 2009.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Board of Directors (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Detailed information on members of Committees of the Board of Directors of the Company

The Committee for Audit

Members of the Committee For Audit elected by the Board of Directors on June 30, 2008 (Minutes No. 11/08 dated June 30, 2008) and acting till July 08, 2009:

Full name	Position
Denis Stanislavovich Kolyago	Chief of the Department for Finances, Assets and Capitalization of the Centre of IDGC of FGC of UES, JSC
Rustem Faritovich Gabidullin	Manager of the Department for Finances, Assets and Capitalization of the Management Centre of IDGC of FGC of UES, JSC
Evgeny Alexeevich Bronnikov	Member of the Management Board of IDGC of Centre, JSC, Deputy General Director for Economy and Finances of IDGC of Centre, JSC
Vadim Evgenyevich Bunin	Head of the Department for Internal Control and Analysis of IDGC of Centre, JSC

Full name	Position
Inna Olegovna Bartenyeva	Head of Planning and Economic Department of “Investment Holding “Power union”, CJSC
Alevtina Alexandrovna Repina	Adviser Director for Power of “NLMK”, JSC
Alexey Vitalyevich Klaptsov	Vice-president of Halcyon International

Detailed information on the acting members of the Committee for Audit under the Board of Directors of the Company (elected by the Board of Directors on July 08, 2009 (Minutes No. 11/09 dated July 10, 2009):

Sergey Borisovich Kosarev —
Chairperson of the Committee for Audit

Year of birth: 1960
Citizenship: the Russian Federation
Education: Higher
1982, Kostroma State Pedagogical Institute named after N.A. Nekrasov
Specialty: Teacher of history
2000, Higher International University (Master of management)
Academic degree, title: Candidate of Science (History), associate professor
Primary employment: Director of the Law Department of the State Corporation “Rosnano”
Date of first election to the Committee for Audit: July 08, 2009.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): 0,0024% (1 000 000 registered ordinary shares of the Company)
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Tatiana Alexandrovna Seliverstova —
Deputy Chairperson of the Board
of Directors

Year of birth: 1972
Citizenship: the Russian Federation
Education: Higher
1995, State Management Academy named after S. Ordzhonikidze
Specialty: Manager
1997, The Russian Academy of National Economy under the Government of Russia (professional retraining)
Specialty: Finance management
Primary employment: Head of the Securities Division of the Department for the Corporate Governance and Interaction with Shareholders of IDGC Holding, JSC
Date of first election to the Committee for Audit: July 08, 2009.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Alexandr Grigoryevich Starchenko

Year of birth: 1968
Citizenship: the Russian Federation
Education: Higher
1991, Moscow State Technical University named after N.E. Bauman
Specialty: Informatics and control systems
Primary employment: Director for Power Engineering of “NLMK”, JSC”
Date of first election to the Committee for Audit: July 08, 2009.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Roman Alexeevich Filkin

Year of birth: 1983
Citizenship: the Russian Federation
Education: Higher
2005, Finance Academy under the Government of the Russian Federation
Specialty: Finances and Credit
Primary employment: Deputy Director of the Representative Office of Prosperity Capital Management (RF) Ltd.
Date of first election to the Committee for Audit: July 08, 2009.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

The Committee for Personnel and Remuneration

Members of the Committee for Personnel and Remuneration acting since April 30, 2008 till July 08, 2009:

Full name	Position
Natalia Ilyinichna Erps her	Head of the Department for Organizational Design and Work with personnel of the Management Centre of IDGC of FGC of UES, JSC
Alexey Valeryevich Kurochkin	Deputy Chief of the Management Centre of IDGC of FGC of UES, JSC
Sergey Alexandrovich Arkhipov	First Deputy of the General Director of IDGC of Centre, JSC
Dmitry Nikolaevich Aleshin	Member of the Management Board of IDGC of Centre, JSC, Director for Organizational Development of IDGC of Centre, JSC
Konstantin Viktorovich Kotikov	Member of the Management Board of IDGC of Centre, Deputy General Director for the Corporate Governance of IDGC of Centre, JSC
Alexandr Vladimirovich Zemskov	Head of the Department for the Corporate Governance and Economic Development of “Investment Holding “Power union”, CJSC
Alexandr Grigoryevich Starchenko	Director for Power Engineering of “Novolipetsk metallurgical com-bine”, JSC

Detailed information on the acting members of the Committee for Personnel and Remuneration under the Board of Director of the Company, (elected on July 08, 2009 (Minutes of the Board of Directors No. 11/09 dated July 10, 2009) as amended dated December 17, 2009 (Minutes of the Board of Directors No. 23/09 dated December 18, 2009)):

Andrey Valeryevich Chigrin —
Chairperson of the Committee for Person-nel and Remuneration

Year of birth: 1968
Citizenship: the Russian Federation
Education: Higher
1998, International Institute of Economy and Law
Specialty: Jurisprudence
1990, Military Engineering Institute named after A.F. Mozhaysky
Specialty: Radioelectronic means
Primary employment: Head of the Department for Personnel Management of IDGC Holding, JSC”
Date of first election to the Committee for Personnel and Remuneration: July 08, 2009.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Natalia Ilyinichna Erps her —
Deputy Chairperson of the Committee for Personnel and Remuneration

Year of birth: 1969
Citizenship: the Russian Federation
Education: Higher
1991, Moscow State Means of Communication (MIIT)
Specialty: Engineer-system designer
2002, Moscow State University (MSU)
Specialty: Personnel management psychology
Primary employment: Chief of the Directorate of Organizational Development of IDGC Holding, JSC
Date of first election to the Committee for Personnel and Remuneration: April 30, 2008.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Sergey Alexandrovich Arkhipov

Year of birth: 1967
Citizenship: the Russian Federation
Education: Higher
1990, Alma-Ata Power Engineering Institute
Specialty: Electric power systems and grids
Primary employment: First Deputy of the General Director of IDGC of Centre, JSC”
Date of first election to the Committee for Personnel and Remuneration: November 28, 2008.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Alexey Alexandrovich Zelensky

Year of birth: 1981
Citizenship: the Russian Federation
Education: Higher
2003, Belgorod State Technological University named after Shukhov
Specialty: Economy and management at enterprise (on industries)
Qualification: Economist-manager
2005, Peoples’ Friendship University of Russia
Specialty: Jurisprudence
Qualification: Lawyer
2006, Belgorod State Technological University named after Shukhov

Academic degree: Candidate of Science (Economics)
Primary employment: Director for Personnel of IDGC of Centre, JSC
Date of first election to the Committee for Personnel and Remuneration: December 17, 2009.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Konstantin Viktorovich Kotikov

Year of birth: 1974
Citizenship: the Russian Federation
Education: Higher
1997, Moscow Power Engineering Institute
Specialty: Electric stations
2002, Moscow State Law Academy
Specialty: Jurisprudence
Primary employment: Deputy General Director for the Corporate Governance of IDGC of Centre, JSC
Date of first election to the Committee for Personnel and Remuneration: April 30, 2008.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Denis Alexandrovich Spirin

Year of birth: 1980
Citizenship: the Russian Federation
Education: Higher
2002, Moscow State University of Means of Communication
Specialty: “Railcars”, qualification “Engineer of means of communication, mechanic”, specialization “Management of railcar repair production”
2006, Moscow State Law Academy
Specialty: Jurisprudence
Primary employment: Director for the Corporate Governance of the Representative Office of Prosperity Capital Management (RF) Ltd.
Date of first election to the Committee for Personnel and Remuneration: July 08, 2009.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Stanislav Eduardovich Tsyrlin

Year of birth: 1968
Citizenship: the Russian Federation
Education: Higher
1991, Moscow Physics and Technical Institute
Specialty: Engineer-physicist
Primary employment: Vice-president for Personnel and Management System of “NLMK”, JSC
Date of first election to the Committee for Personnel and Remuneration: July 08, 2009.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

By the decision of the Board of Directors dated December 17, 2009 (Minutes No. 23/09 dated December 18, 2009) Dmitry Nikolaevich Aleshins’, member of the Committee for Personnel and Remuneration, powers were terminated, a new member of the Committee for Personnel and Remuneration — Alexey Alexandrovich Zelensky — was elected.

The Reliability Committee

Members of the Reliability Committee acting since November 28, 2008 (Minutes No. 19/08 dated December 02, 2008) till July 08, 2009:

Full name	Position
Pavel Ivanovich Okley	Deputy General Director — Technical Director of IDGC Holding, JSC
Dmitry Leonidovich Pankov	Director for Operation and Repairs of IDGC of Centre, JSC
Evgeny Alexeevich Bronnikov	Deputy General Director for Economy and Finances of IDGC of Centre, JSC
Mikhail Sergeevich Kalinin	Principal specialist for power supply of the Directorate for Power Engineering of “Novolipetsk metallurgical combine”, JSC
Oleg Vladimirovich Rochagov	Head of the Department for Technical Inspection of IDGC of Centre, JSC
Roman Alexeevich Filkin	Deputy Director of the Representative Office of Prosperity Capital Management (RF) Ltd.
Sergey Anatolyevich Shumakher	Deputy General Director for Technical Policy of IDGC of Centre, JSC

Detailed information on the acting members of the Reliability Committee under the Board of Directors of the Company (elected on July 08, 2009 (Minutes of the Board of Directors No. 11/09 dated July 10, 2009) as amended dated November 30, 2009 (Minutes of the Board of Directors No. 21/09 dated December 02, 2009)):

Olga Valentinovna Zuikova — Chairperson of the Reliability Committee	Year of birth: 1964 Citizenship: the Russian Federation Education: Higher 1986, Ivanovo Power Engineering Institute named after V.I. Lenin Specialty: Electric systems Primary employment: Chief of the Directorate for Production Control and Labor Protection of IDGC Holding, JSC Date of first election to the Reliability Committee: January 17, 2006. Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
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Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Sergey Anatolyevich Shumakher —
Deputy Chairperson of the Reliability Committee

Year of birth: 1955
Citizenship: the Russian Federation
Education: Higher
1977, Moscow Institute of Engineers of Agricultural Production
Primary employment: Deputy General Director for Technical Policy of IDGC of Centre, JSC
Date of first election to the Reliability Committee: January 17, 2006.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Evgeny Alexeevich Bronnikov

Year of birth: 1974
Citizenship: the Russian Federation **Education:** Higher
1997, Belgorod Branch of All-Russian Correspondence Financial and Economic Institute
2003, postgraduate course at Belgorod State Technological University named after V.G. Shukhov. Chair of Strategic Management
Specialty: Economy and management of the national economy
Academic degree, title: Candidate of Science (Economics)
Primary employment: Deputy General Director for Economy and Finances of IDGC of Centre, JSC
Date of first election to the Reliability Committee: August 01, 2008.
Stake of shares of the Company and its subsidiaries and

Mikhail Sergeevich Kalinin

affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Year of birth: 1979

Citizenship: the Russian Federation

Education: Higher

2001, Lipetsk State Technical University

Specialty: Electric drive and automation of industrial installations and technological complexes

Academic degree, title: Candidate of Science (Technology) in specialty “Electromechanics and electric apparatus”

Primary employment: Principal specialist on power supply of the Directorate for Power Engineering of “Novolipetsk metallurgical combine”, JSC

Date of first election to the Reliability Committee: April 30, 2008.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Vladimir Valeryevich Litvinov

Year of birth: 1970

Citizenship: the Russian Federation

Education: Higher

1994, Saint-Petersburg State Electric and Technical University named after V.I. Ulyanov (Lenin),

control systems of rocket and space objects and complexes of flying apparatus

Specialty: Electrical engineer

Primary employment: Deputy General Director of the Branch of “System Operator of UES”, JSC — Operational Dispatching Office of Centre

Date of first election to the Reliability Committee: November 30, 2009.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Dmitry Leonidovich Pankov

Year of birth: 1971

Citizenship: the Russian Federation

Education: Higher

1993, Ivanovo State Power Engineering University

Specialty: Electric power systems and grids

Primary employment: Director for Operation and Repairs of IDGC of Centre, JSC

Date of first election to the Reliability Committee: April 30, 2008.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Denis Alexandrovich Spirin

Year of birth: 1980

Citizenship: the Russian Federation

Education: Higher

2002, Moscow State University of Means of Communication

Specialty: “Railcars”, qualification “Engineer of means of communication, mechanic”, specialization “Management of railcar repair production”

2006, Moscow State Law Academy

Specialty: Jurisprudence

Primary employment: Director for the Corporate Governance of the Representative Office of Prosperity Capital Management (RF) Ltd.

Date of first election to the Reliability Committee: July 08, 2009.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Valeria Nikolaevna Chernykh

Year of birth: 1953

Citizenship: the Russian Federation

Education: Higher

1975, Moscow Engineering and Construction Institute named after V.V. Kuybyshev (MISI)

Specialty: “Industrial and Civil Construction”

Primary employment: Head of the Estimate and Analytical Division of the Department for Capital Construction of IDGC Holding, JSC

Date of first election to the Reliability Committee: November 30, 2009.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

By the decision of the Board of Directors dated November 30, 2009 (Minutes of the Board of Directors No. 21/09 dated December 02, 2009) new members of the Reliability Committee — Vladimir Valeryevich Litvinov, Valeria Nikolaevna Chernykh — were elected.

The Committee for Strategy and Development

Members of the Committee for Strategy and Development acting since April 30, 2009 (Minutes of the Board of Directors No. 07/09 dated May 04, 2009):

Full name	Position
Alexey Vladimirovich Demidov	Deputy General Director for Economy and Finances of IDGC Holding, JSC
Arman Mushegovich Airapetyan	Chief of the Department for Reforming and Regulatory-Legal Support of the Management Centre of IDGC of FGC of UES, JSC
Evgeny Alexeevich Bronnikov	Member of the Management Board of IDGC of Centre, JSC,- Deputy General Director for Economy and Finances of IDGC of Centre, JSC
Svetlana Alexandrovna Balaeva	Head of the Investment Department of IDGC Holding, JSC
Konstantin Viktorovich Kotikov	Deputy General Director for the Corporate Governance of IDGC of Centre, JSC
Roman Alexeevich Filkin	Deputy Director of the Representative Office of Prosperity Capital Management (RF)
Sergey Vladimirovich Chebotarev	Head of the Department for Power Policy of “NLMK”, JSC
Alexandr Vladimirovich Zemskov	Head of the Department for the Corporate Governance and Economic Development of “Investment Holding “Power union”, CJSC
Alexey Vitalyevich Klaptsov	Vice-president Halcyon International

Members of the Committee for Strategy and Development acting since June 30, 2008 (Minutes of the Board of Directors No. 11/08 dated June 30, 2008):

Full name	Position
Alexey Viktorovich Lisitsyn	First Deputy Chief of the Management Centre of IDGC of FGC of UES, JSC for Economy and Finances
Arman Mushegovich Airapetyan	Chief of the Department for Reforming and Regulatory-Legal Support of the Management Centre of IDGC of FGC of UES, JSC
Evgeny Alexeevich Bronnikov	Deputy General Director for Economy and Finances of IDGC of Centre, JSC
Vladislav Lvovich Nazin	Deputy General Director for Capital Construction of IDGC of Centre, JSC
Pavel Andreevich Obukhov	Deputy General Director for IT and Business-Modeling of IDGC of Centre, JSC
Roman Alexeevich Filkin	Deputy Director of the Representative Office of Prosperity Capital Management (RF)
Sergey Vladimirovich Chebotarev	Head of the Department for Power Policy of “NLMK”, JSC
Alexandr Vladimirovich Zemskov	Head of the Department for the Corporate Governance and Economic Development of “Investment Holding “Power union”, CJSC
Alexey Vitalyevich Klaptsov	Vice-president Halcyon International

Detailed information of the acting members of the Committee for Strategy and Development under the Board of Directors of the Company (elected on July 08, 2009 (Minutes of the Board of Directors No. 11/09 dated July 10, 2009)):

Arman Mushegovich Airapetyan — Chairperson of the Committee for Strategy and Development	Year of birth: 1978 Citizenship: the Russian Federation Education: Higher 1999, Rostov State Economic Academy Specialty: Economist 2001, Rostov State University Specialty: Jurisprudence Academic degree, title: Candidate of Science (Economics) Primary employment: Director of the Department for Interaction with responsible performers of the State Corporation “Olimpstroy” Date of first election to the Committee for Strategy and Development: June 30, 2008.
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Alexey Yuryvich Perepelkin —
Deputy Chairperson of the Committee
for Strategy and Development

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Year of birth: 1970
Citizenship: the Russian Federation
Education: Higher
1998, Moscow State Law Academy
Specialty: Jurisprudence
1993, Moscow State Technical University named after N.E. Bauman
Specialty: Optical devices and systems
Primary employment: Deputy General Director for the Corporate Governance and Property of IDGC Holding, JSC
Date of first election to the Committee for Strategy and Development: July 08, 2009.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Svetlana Alexandrovna Balaeva

Year of birth: 1973
Citizenship: the Russian Federation
Education: Higher
1995, State Management Academy
Specialty: Economist-manager
Primary employment: Head of the Investment Department of IDGC Holding, JSC
Date of first election to the Committee for Strategy and Development: April 30, 2009.

Evgeny Alexeevich Bronnikov

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Year of birth: 1974

Citizenship: the Russian Federation

Education: Higher

1997, Belgorod Branch of All-Russian Correspondence Financial and Economic Institute

2003, postgraduate course at Belgorod State Technological University named after V.G. Shukhov. Chair of Strategic Management

Specialty: Economy and management of the national economy

Academic degree, title: Candidate of Science (Economics)

Primary employment: Deputy General Director for Economy and Finances of IDGC of Centre, JSC

Date of first election to the Committee for Strategy and Development: April 30, 2008.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Alexey Yuryevich Voronin

Year of birth: 1980

Citizenship: the Russian Federation

Education: Higher

2002, State University of Management

Specialty: Manager

Primary employment: Deputy Chief of the Department for Tariffs Formation of IDGC Holding, JSC

Date of first election to the Committee for Strategy and Development: July 08, 2009.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Alexey Vitalyevich Klaptsov

Year of birth: 1978

Citizenship: the Russian Federation

Education: Higher

2001, Moscow Engineering and Physics Institute

Specialty: Nuclear Physics

2005, The Russian Research Centre “Kurchatov Institute”

Specialty: Condensed matter physics.

Scientific degree, rank: Candidate of Science (Physics and Mathematics)

Principal occupation: Vice-President of Halcyon International

Date of first election to the Committee for Strategy and Development: April 04, 2008.

Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Konstantin Viktorovich Kotikov

Year of birth: 1974
Citizenship: the Russian Federation
Education: Higher
1997, Moscow Power Engineering Institute
Specialty: Electric stations
2002, Moscow State Law Academy
Specialty: Jurisprudence
Primary employment: Deputy General Director for the Corporate Governance of IDGC of Centre, JSC
Date of first election to the Committee for Strategy and Development: April 30, 2008.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Roman Alexeevich Filkin

Year of birth: 1983
Citizenship: the Russian Federation
Education: Higher
2005, Finance Academy under the Government of the Russian Federation
Specialty: Finances and Credit
Primary employment: Deputy Director of the Representative Office of Prosperity Capital Management (RF) Ltd.
Date of first election to the Committee for Strategy and Development: April 30, 2008.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Sergey Vladimirovich Chebotarev

Year of birth: 1980
Citizenship: the Russian Federation
Education: Higher
2002, Lipetsk State Technical University
Specialty: Applied Mathematics
Primary employment: Head of the Power Policy Department of Novolipetsk Metallurgical Combine, JSC
Date of first election to the Committee for Strategy and Development: April 30, 2008.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

The Committee for Technological Connection to Power Grids

Members of the Committee for Technological Connection to Power Grids acting since February 27, 2009 (Minutes of the Board of Directors No. 02/09 dated March 04, 2009):

Full name	Position
Alexey Vitalyevich Klaptsov	Vice-President of Halcyon International
Sergey Vladimirovich Chebotarev	Head of the Power Policy Department of Novolipetsk Metallurgical Combine, JSC
Konstantin Viktorovich Kotikov	Deputy General Director for the Corporate Governance of IDGC of Centre, JSC
Vadim Nikolaevich Federov	Deputy General Director for Grid Services Development and Realization of IDGC of Centre, JSC
Eduard Kazemirovich Rakovsky	Head of Technological Connection Department of IDGC of Centre, JSC
Konstantin Yurievich Petukhov	Director for services development and realization of IDGC Holding, JSC
Roman Alexeevich Filkin	Deputy Director of the Representative Office of Prosperity Capital Management (RF)

Detailed information of the acting members of the Committee for Technological Connection to Power Grids under the Board of Directors of the Company (elected on July 08, 2009 (Minutes of the Board of Directors No. 11/09 dated July 10, 2009)):

Sergey Vladimirovich Chebotarev —
Chairman of the Committee for Techno-
logical Connection to Power Grids

Year of birth: 1980

Citizenship: the Russian Federation

Education: Higher
2002, Lipetsk State Technical University
Specialty: Applied Mathematics

Primary employment: Head of the Power Policy Department
of Novolipetsk Metallurgical Combine, JSC

**Date of first election to the Committee for Technological
Connection to Power Grids:** February 27, 2009.

**Stake of shares of the Company and its subsidiaries and
affiliates belonging to the member of the Committee
(number):** does not hold

**Transactions related to acquisition and alienation of
shares of the Company, including date, subject thereof,
class (type) and number of shares being the subject of
such transaction in 2009:** Transactions were not settled
within 2009.

Vadim Nikolaevich Federov —
Deputy Chairman of the Committee for
Technological Connection to Power Grids

Year of birth: 1972

Citizenship: the Russian Federation

Education: Higher
1994, Novocherkassk State Technical University
Specialty: Automated control of electric and power systems
2004, Saratov State University named after N.G.
Chernyshevsky
Specialty: Management of organization

Primary employment: Deputy General Director for Grid
Services Development and Realization of IDGC of Centre, JSC

**Date of first election to the Committee for Technological
Connection to Power Grids:** February 27, 2009.

**Stake of shares of the Company and its subsidiaries and
affiliates belonging to the member of the Committee
(number):** does not hold

Gennady Feliksovich Binko

**Transactions related to acquisition and alienation of shares
of the Company, including date, subject thereof, class
(type) and number of shares being the subject of such
transaction in 2009:** Transactions were not settled within
2009.

Year of birth: 1958

Citizenship: the Russian Federation

Education: Higher
1982, Moscow Engineering Physics University (MEPU)
Specialty: Experimental Nuclear Physics
2004, All-Russian Correspondence Financial and Economic
University (ARCFEU)
Specialty: Management of organization

Primary employment: Deputy General Director of DIGC
Holding, JSC

**Date of first election to the Committee for Technological
Connection to Power Grids:** July 08, 2009.

**Stake of shares of the Company and its subsidiaries and
affiliates belonging to the member of the Committee
(number):** does not hold

**Transactions related to acquisition and alienation of shares
of the Company, including date, subject thereof, class
(type) and number of shares being the subject of such
transaction in 2009:** Transactions were not settled within
2009.

Konstantin Viktorovich Kotikov

Year of birth: 1974
Citizenship: the Russian Federation
Education: Higher
1997, Moscow Power Engineering Institute
Specialty: Electric stations
2002, Moscow State Law Academy
Specialty: Jurisprudence
Primary employment: Deputy General Director for the Corporate Governance of IDGC of Centre, JSC
Date of first election to the Committee for Technological Connection to Power Grids: February 27, 2009.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold
Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares being the subject of such transaction in 2009: Transactions were not settled within 2009.

Detailed information on the members of the Management Board of the Company

Data on the members of the Management Board (as of 31.12.2009), elected on April 30, 2008 by the decision of the Board of Directors of the Company (Minutes No.09/08 dated 04.05.2008), with changes dated 31.07.2009 (Minutes No. 12/09 dated 04.08.2009), 17.12.2009 (Minutes No. 23/09 dated 18.12.2009):

Evgeny Fedorovich Makarov
(Chairman of the Management Board)

Information on E.F. Makarov is given in the section “General Director” of the Annual Repor

Denis Alexandrovich Spirin

Year of birth: 1980
Citizenship: the Russian Federation
Education: Higher
2002, Moscow State University of Means of Communication
Specialty: “Railcars”, qualification “Engineer of means of communication, mechanic”, specialization “Management of railcar repair production”
2006, Moscow State Law Academy
Specialty: Jurisprudence
Primary employment: Director for the Corporate Governance of the Representative Office of Prosperity Capital Management (RF) Ltd.
Date of first election to the Committee for Technological Connection to Power Grids: July 08, 2009.
Stake of shares of the Company and its subsidiaries and affiliates belonging to the member of the Committee (number): does not hold

Sergey Alexandrovich Arkhipov
Deputy Chairman of the Management Board)

Year of birth: 1967
Citizenship: the Russian Federation
Education: Higher
1990, Alma-Ata Power Engineering Institute
Specialty: Electric and power systems and networks
Primary employment: First Deputy General Director of IDGC of Centre, JSC
Positions occupied in the Company and other organisations for the last 5 years:
since 14.11.2008 till currently
IDGC of Centre, JSC

Deputy Chairman of the Management Board
since 01.10.2008 till currently
IDGC of Centre, JSC
First Deputy General Director
since 01.04.2008 till 01.10.2008
IDGC of Centre, JSC
Deputy General Director — Director of the branch of IDGC
of Centre, JSC — “Smolenskenergo”
since 13.03.2008 till 01.04.2008
IDGC of Centre, JSC
Executive Director of “Smolenskenergo”, JSC
since 01.08.2007 till 26.11.2007
“SGC TGC-8”, JSC
First Deputy General Director
since 23.07.2007 till 01.08.2007
“SGC TGC-8”, JSC
Acting First Deputy General Director for Economy and
Finance
since 01.04.2007 till 01.07.2007
“IDGC of Centre and North Caucasus”, JSC
Deputy General Director — Managing Director of JSC
“Rostovenergo” in the Southern Management
since 30.09.2006 till 01.04.2007
“IDGC of Centre and North Caucasus”, JSC
Managing Director of JSC “Rostovenergo” in the Southern
Management
since 19.05.2006 till 05.03.2007
“Energosbyt Rostovenergo”, JSC, General Director
since 23.01.2006 till 19.05.2006
“Energosbyt Rostovenergo”, JSC, Executive Director
since 02.06.2003 till 23.01.2006
“Khabarovskenergo” JSC of power industry and
electrification
Deputy General Director for thermal and electric power sale
Date of first election to the Management Board:
November 14, 2008
**Positions occupied at present in management bodies of
other legal entities:** Does not occupy such positions

Sabir Rafikovich Agamaliev

**Quantity and class (type) of shares in the Company
authorized capital:** Does not hold
**Stake of participation in the Company authorized
capital:** Does not have
**Quantity and class (type) of shares in authorized capital
of the Company subsidiaries and affiliates:** Does not hold
**Ordinary share fraction of subsidiaries and affiliates of
the Company held by a member of the Management
Board:** Does not hold
**Data on transactions related to acquisition and
alienation of shares of the Company, including date,
subject thereof, class (type) and number of shares of
Joint-Stock Company being the subject of such
transaction:** Transactions were not settled.
In 2004 the certificate of honour of RAO UES of Russia, JSC
was awarded, in 2009 commendation of RF Ministry of
Energy was awarded.

Year of birth: 1977
Citizenship: the Russian Federation
Education: Higher
2006, St. Petersburg Academy of Management and
Economics
Specialty: Public and municipal management
1999, Moscow Military Institute of Federal Border Guard
Service of the Russian Federation, Specialty:
Jurisprudence
Primary employment: Deputy General Director for
Logistics and Material and Technical Supply of IDGC of
Centre, JSC
**Positions occupied in the Company and other
organisations for the last 5 years:**
since 31.07.2009 till currently
IDGC of Centre, JSC
Member of the Management Board
since 01.07.2009 till currently

IDGC of Centre, JSC
Deputy General Director for Logistics and Material and Technical Supply
since 05.03.2009 till 30.06.2009
IDGC of Centre, JSC
Deputy General Director for the Capital Construction
since 21.04.2008 till 04.03.2009
Branch of IDGC of Centre, JSC — “Smolenskenergo”
Deputy General Director for the Capital Construction
since 12.03.2007 till 20.04.2008
Branch of IDGC of Centre, JSC — “Smolenskenergo”
Director for Logistics and economic support
since 06.02.2006 till 02.03.2007
IDGC of Centre and North Caucasus, JSC
Principal specialist of the Department for Investments and Material and Technical Support
since 01.02.2005 till 01.02.2006
“Smolenskenergo”, JSC
Head of the sector for tenders of the Division for Material and Technical Support
since 16.02.2000 till 31.01.2005
“Smolenskenergo”, JSC
Legal adviser of the Division for record-keeping of contracts of business transactions
Date of first election to the Management Board: July 31, 2009
Positions occupied at present in management bodies of other legal entities: Does not occupy such positions
Quantity and class (type) of shares in the Company authorized capital: Does not hold
Stake of participation in the Company authorized capital: Does not have
Quantity and class (type) of shares in authorized capital of the Company subsidiaries and affiliates: Does not hold
Ordinary share fraction of subsidiaries and affiliates of the Company held by a member of the Management Board: Does not hold

Evgeny Alexeevich Bronnikov

Data on transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares of Joint-Stock Company being the subject of such transaction: Transactions were not settled.
In 2009 commendation of RF Ministry of Energy was awarded
Year of birth: 1974
Citizenship: the Russian Federation
Education: Higher
2003, Postgraduate course at the Belgorod State Technological University named after V.G. Shukhov.
Chair of Strategic Management, Specialty: Economy and management of the national economy.
Candidate of Science (Economics)
1997, Belgorod Branch of All-Russian Distance Institute of Finance and Economics
Specialty: Economy and management of the national economy
Scientific degree, rank: Candidate of Science (Economics)
Primary employment: Deputy General Director for Economy and Finance of IDGC of Centre, JSC
Positions occupied in the Company and other organisations for the last 5 years:
since 30.04.2008 till currently
IDGC of Centre, JSC
Member of the Management Board
since 04.2005 till currently
IDGC of Centre, JSC
Deputy General Director for Economy and Finance
Date of first election to the Management Board: April 30, 2008
Positions occupied at present in management bodies of other legal entities: Does not occupy such positions
Quantity and class (type) of shares in the Company authorized capital: Does not hold

Stake of participation in the Company authorized capital: Does not have

Quantity and class (type) of shares in authorized capital of the Company subsidiaries and affiliates: Does not hold

Ordinary share fraction of subsidiaries and affiliates of the Company held by a member of the Management Board: Does not hold

Data on transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares of Joint-Stock Company being the subject of such transaction: Transactions were not settled.

In 2005 and 2006 the certificate of honour of RAO UES of Russia, JSC was awarded; in 2009 commendation of RF Ministry of Energy was awarded.

Konstantin Viktorovich Kotikov

Year of birth: 1974

Citizenship: the Russian Federation

Education: Higher

2002, Moscow State Law Academy

Specialty: Jurisprudence, lawyer

1997, Moscow Power Institute

Specialty: Electric stations, Electrical engineer

Primary employment: Deputy General Director for the Corporate Governance of IDGC of Centre, JSC

Positions occupied in the Company and other organisations for the last 5 years:

since 30.04.2008 till currently

IDGC of Centre, JSC

Member of the Management Board

since 05.04.2005 till currently

IDGC of Centre, JSC

Deputy General Director for the Corporate Governance

since 04.10.2004 till 04.04.2005

“Taymyrenergo”, JSC

First Deputy General Director

Deputy General Director for the Corporate Governance

c 06.04.2004 no 03.10.2004

“Taymyrenergo”, JSC

Deputy General Director for the Corporate Governance

Date of first election to the Management Board: April 30, 2008

Positions occupied at present in management bodies of other legal entities: Does not occupy such positions

Quantity and class (type) of shares in the Company authorized capital: Does not hold

Stake of participation in the Company authorized capital: Does not have

Quantity and class (type) of shares in authorized capital of the Company subsidiaries and affiliates: Does not hold

Ordinary share fraction of subsidiaries and affiliates of the Company held by a member of the Management Board: Does not hold

Data on transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares of Joint-Stock Company being the subject of such transaction: Transactions were not settled.

In 2005 the certificate of honour of RAO UES of Russia, JSC was awarded; in 2009 the certificate of honour of IDGC Holding, JSC was awarded; in 2009 commendation of RF Ministry of Energy was awarded.

Rustem Leronovich Nabiullin

Year of birth: 1961

Citizenship: the Russian Federation

Education: Higher

1983, Leningrad higher military engineering building technical school of the Red Banner named after A.N. Komarovsky, General of the Army, military civil engineer

Specialty: Construction of projects

Primary employment: Deputy General Director for the Capital Construction of IDGC of Centre, JSC

Positions occupied in the Company and other organisations for the last 5 years:
since 31.07.2009 till currently
IDGC of Centre, JSC
Member of the Management Board
since 01.07.2009 till currently
IDGC of Centre, JSC
Deputy General Director for the Capital Construction
since 06.08.2007 till 16.10.2008
Ministry of construction, architecture and housing and utilities of Amur region
First Deputy Minister of construction, architecture and housing and utilities of the region
since 01.11.1999 till 19.07.2007
Communal institution Sport complex “Spektr”
Director
Date of first election to the Management Board: July 31, 2009
Positions occupied at present in management bodies of other legal entities: Does not occupy such positions
Quantity and class (type) of shares in the Company authorized capital: Does not hold
Stake of participation in the Company authorized capital: Does not have
Quantity and class (type) of shares in authorized capital of the Company subsidiaries and affiliates: Does not hold
Ordinary share fraction of subsidiaries and affiliates of the Company held by a member of the Management Board: Does not hold
Data on transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares of Joint-Stock Company being the subject of such transaction: Transactions were not settled.

Vadim Nikolaevich Fedorov

Year of birth: 1972
Citizenship: the Russian Federation
Education: Higher
1994, Novocherkassk State Technical University
Specialty: Automated control of electric and power systems
2004, State educational institution of higher professional education “Saratov State University named after N.G. Chernyshevsky”
Specialty: Management of organization
Primary employment: Deputy General Director for Grid Services Development and Realization of IDGC of Centre, JSC
Positions occupied in the Company and other organisations for the last 5 years:
Since 01.09.2008 till currently
IDGC of Centre, JSC
Deputy General Director for Grid Services Development and Realization
since 30.04.2008 till currently
IDGC of Centre, JSC
Member of the Management Board
since 01.08.2007 till 01.09.2008
IDGC of Centre, JSC
Deputy General Director for power services realization
since 01.11.2006 till 01.08.2007
IDGC of Centre and North Caucasus, JSC
Deputy Technical Director — Head of the Department for interactions with electric power market entities
since 01.08.2005 till 01.11.2006
IDGC of Centre and North Caucasus, JSC
Head of the Department for Interaction with entities of electric power market
since 20.06.2005 till 01.08.2005
IDGC of Centre and North Caucasus, JSC
Head of the Department for scientific and technical policy and development of grids
since 01.06.2005 till 17.06.2005
“Astrakhanenergo” JSC of power industry and electrification

Deputy General Director for electric power transport
since 14.02.2005 till 01.06.2005
“Astrakhanenergo” JSC of power industry and
electrification
Deputy Chief Engineer
Date of first election to the Management Board: April 30,
2008
**Positions occupied at present in management bodies of
other legal entities:** Does not occupy such positions
**Quantity and class (type) of shares in the Company
authorized capital:** Does not hold
**Stake of participation in the Company authorized
capital:** Does not have
**Quantity and class (type) of shares in authorized capital
of the Company subsidiaries and affiliates:** Does not hold
**Ordinary share fraction of subsidiaries and affiliates of
the Company held by a member of the Management
Board:** Does not hold
**Data on transactions related to acquisition and
alienation of shares of the Company, including date,
subject thereof, class (type) and number of shares of
Joint-Stock Company being the subject of such
transaction:** Transactions were not settled.
In 2005 the certificate of honour of RAO UES of Russia, JSC
was awarded

Sergey Anatolyevich Shumakher

Year of birth: 1955
Citizenship: the Russian Federation
Education: Higher
1977, Moscow Institute of Engineers of Agricultural
Production
Specialty: Electrical engineer
Primary employment: Deputy General Director for
Technical Policy of IDGC of Centre, JSC

Positions occupied in the Company and other organisations
for the last 5 years:
since 30.04.2008 till currently
IDGC of Centre, JSC
Member of the Management Board
since 03.05.2005 till currently
IDGC of Centre, JSC
Deputy General Director for Technical Policy
since 01.07.1989 till 03.05.2005
“Tulenergo, JSC
Deputy General Director
Date of first election to the Management Board: April
30, 2008
**Positions occupied at present in management bodies of
other legal entities:** Does not occupy such positions
**Quantity and class (type) of shares in the Company
authorized capital:** Does not hold
**Stake of participation in the Company authorized
capital:** Does not have
**Quantity and class (type) of shares in authorized capital
of the Company subsidiaries and affiliates:** Does not
hold
**Ordinary share fraction of subsidiaries and affiliates of
the Company held by a member of the Management
Board:** Does not hold
**Data on transactions related to acquisition and
alienation of shares of the Company, including date,
subject thereof, class (type) and number of shares of
Joint-Stock Company being the subject of such
transaction:** Transactions were not settled.
In 1994 the certificate of honour of RAO UES of Russia, JSC
was awarded, in 1995 the certificate of honour of RF
Ministry of Energy, in 2001 Honorary title “Deserved
Employee of UES of Russia was awarded, in 2005 Honorary
title “Veteran of Power Sector” and in 2006 Honorary title
“Honorary Power Engineer” were conferred, in 2007
commendation of RAO UES of Russia, JSC was awarded.

No claims were made against the members of the
Management Board during the year 2009.

Detailed information on the members of the Auditing Committee of the Company

Olga Vladimirovna Rokhlina
(Chairperson)

Year of birth: 1974

Education: Higher (Samara State Aerospace University named after Korolev)

Positions occupied in the Company and other organisations for the last 5 years:

29.07.2008 — currently

IDGC Holding, JSC

Principal expert of the Department for Internal Control

01.06.2004 — 30.06.2008

RAO UES of Russia, JSC

Chief expert of the Division of methodical supply of audits of the Department for Internal Control of the Corporate Centre

Data on shares of the Company and its subsidiaries and affiliates belonging to mentioned persons and their affiliated persons including number and class (type) of shares and stake in the authorized capital of the Company and its subsidiaries and affiliates: The person has no shares.

Data on transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares of Joint-Stock Company being the subject of such transaction: The person did not settle such transactions.

Any sibs with other persons who form a part of the Company management bodies and/or bodies for control over financial and economic activity of the Company:

There are no stated sibs.

Data on bringing to the management responsibility for breach of law in finance, taxes and dues, stock market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government: The person was not brought to stated types of responsibility.

Data on positions in management bodies of the commercial organisations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the Law of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organisations: The person did not occupy such positions.

Vadim Evgenyevich Bunin

Year of birth: 1976

Education: Higher (Kostroma State Technological University)

Positions occupied in the Company and other organisations for the last 5 years:

10.06. 2008 — currently

IDGC of Centre, JSC

Head of the Department for Internal Control and Audit

01.11.2007 — 09.06.2008

IDGC of Centre, JSC

Regional manager

21.08.2006 — 31.10.2007

IDGC of Centre and North Caucasus, JSC

Deputy General Director for Economy and Finance of the Southern Directorate

13.06.2006 — 18.08.2006

Investment construction company “VEDIS”, Closed JSC

Deputy Financial Director

11.05.2004 — 13.06.2006

Investment construction company “VEDIS”, Closed JSC

Chief Accountant

Data on shares of the Company and its subsidiaries and affiliates belonging to mentioned persons and their affiliated persons including number and class (type) of shares and stake in the authorized capital of the Company and its subsidiaries and affiliates: The person has no shares.

Data on transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares of Joint-Stock Company being the subject of such transaction: The person did not settle such transactions.

Any sibs with other persons who form a part of the Company management bodies and/or bodies for control over financial and economic activity of the Company:

There are no stated sibs.

Data on bringing to the management responsibility for breach of law in finance, taxes and dues, stock market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against

Anna Yurievna Katina

the government: The person was not brought to stated types of responsibility.

Data on positions in management bodies of the commercial organisations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the Law of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organisations: The person did not occupy such positions.

Year of birth: 1982

Education: Higher (Moscow University for the Humanities)

Positions occupied in the Company and other organisations for the last 5 years:

01.07.2008 — currently

IDGC Holding, JSC

Head of the Division for the Corporate Governance Analysis and Control of the Department for the Corporate Governance and Interaction with Shareholders

21.06.2004 — 30.06.2008

RAO UES of Russia, JSC

Principal specialist, Chief expert, Principal expert of the Department for the Corporate Governance and Interaction with Shareholders of the Corporate Centre

Data on shares of the Company and its subsidiaries and affiliates belonging to mentioned persons and their affiliated persons including number and class (type) of shares and stake in the authorized capital of the Company and its subsidiaries and affiliates: The person has no shares.

Data on transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares of Joint-Stock Company being the subject of such transaction: The person did not settle such transactions.

Any sibs with other persons who form a part of the Company management bodies and/or bodies for control over financial and economic activity of the Company:

Lyudmila Romanovna Matyunina

There are no stated sibs.

Data on bringing to the management responsibility for breach of law in finance, taxes and dues, stock market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government: The person was not brought to stated types of responsibility.

Data on positions in management bodies of the commercial organisations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the Law of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organisations: The person did not occupy such positions.

Year of birth: 1950

Education: Higher (All-Russian Distance Institute of Finance and Economics)

Positions occupied in the Company and other organisations for the last 5 years:

29.07.2008 — 16.10.2009

IDGC Holding, JSC

First Deputy Chief of the Internal Audit Department

01.06.2004 — 30.06.2008

RAO UES of Russia, JSC

First Deputy Chief of the Internal Audit Department of the Corporate Centre

Data on shares of the Company and its subsidiaries and affiliates belonging to mentioned persons and their affiliated persons including number and class (type) of shares and stake in the authorized capital of the Company and its subsidiaries and affiliates: The person has no shares.

Data on transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares of Joint-Stock Company being the subject of such transaction: The person did not settle such transactions.

Any sibs with other persons who form a part of the Company management bodies and/or bodies for control over financial and economic activity of the Company:
There are no stated sibs.

Data on bringing to the management responsibility for breach of law in finance, taxes and dues, stock market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government: The person was not brought to stated types of responsibility.

Data on positions in management bodies of the commercial organisations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the Law of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organisations: The person did not occupy such positions.

Data on transactions related to acquisition and alienation of shares of the Company, including date, subject thereof, class (type) and number of shares of Joint-Stock Company being the subject of such transaction: The person did not settle such transactions.

Any sibs with other persons who form a part of the Company management bodies and/or bodies for control over financial and economic activity of the Company:
There are no stated sibs.

Data on bringing to the management responsibility for breach of law in finance, taxes and dues, stock market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government: The person was not brought to stated types of responsibility.

Data on positions in management bodies of the commercial organisations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the Law of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organisations: The person did not occupy such positions.

Irina Vasilievna Mikhno

Year of birth: 1957

Education: Higher (Krasnoyarsk Polytechnic Institute)

Positions occupied in the Company and other organisations for the last 5 years:

29.07.2008 — 18.12.2009

IDGC Holding, JSC

Deputy Chief of the Department — Chief of the Division of the Internal Audit Department

01.06.2004 — 30.06.2008

RAO UES of Russia, JSC

Deputy Chief of the Department — Chief of the Division of the Internal Audit Department

Data on shares of the Company and its subsidiaries and affiliates belonging to mentioned persons and their affiliated persons including number and class (type) of shares and stake in the authorized capital of the Company and its subsidiaries and affiliates: The person has no shares.

Appendix 9

Data on compliance of IDGC of Centre, JSC with the Code of Corporate Governance

(Prepared in accordance with the Instruction of the Federal Commission for the Securities Market No.03-849/r dated 30.04.2003 “On Methodological Recommendations on composition and form of submission of data on compliance with the Code of Corporate Conduct in the annual reports of Joint-Stock Companies”)

Nº	Provision of the Code of Corporate Conduct	Compliance/ Non-compliance	Note
1	2	3	4
General meeting of shareholders			
1.	Informing of shareholders on holding the General meeting of shareholders shall be not less than 30 days before the date of its holding irrespective of items included in its agenda unless longer period provided by the Law.	Complied	Procedure of informing of shareholders on holding the General meeting of shareholders of the Company is formalized in the item 11.5, the Article 11 of the Article of Associations. According to the item 11.5 of the Article of Associations: “The notice on holding the General meeting of shareholders shall be published by the Company in the newspaper “Vedomosti” and shall be placed on the Company web-site in Internet not later than 30 (Thirty) days prior to the date of its holding”.
2.	Availability of opportunity for shareholders to study a list of persons entitled to participate in the General meeting of shareholders beginning from the date of informing on holding the General meeting of shareholders and up to closing the General meeting of shareholders in presentia, and in case the General meeting of shareholders is held in absentee — up to the date of expiration of acceptance of voting ballots.	Complied	The Company complies with the requirements of the Article 51 of the Federal Law “On Joint-Stock Companies” a list of persons entitled to participate in the General meeting of shareholders is submitted by the Company for studying on demand of persons included in this list and possessing not less than 1 percent of votes. In this regard data of documents and postal address of individuals included in this list is given only upon consent of these persons.
3.	Availability of opportunity for shareholders to study information (materials) subject to submission at preparation to holding the General meeting of shareholders by electronic means including Internet.	Complied	<p>In accordance with the Article 52 of the Federal Law “On Joint-Stock Companies” and the item 11.7 of the Article 11 of the Articles of Association shareholders of IDGC of Centre, JSC have opportunity to study the materials to the General meeting of shareholders within 20 days, in case of holding the General meeting of shareholders which agenda of contains an item on reorganization of the Company — within 30days before holding the General meeting in the building of the Company executive body and in other places, the addresses of which are specified in the notice on holding the General meeting of shareholders.</p> <p>The procedure of studying the information (materials) on agenda items of the General meeting of shareholders by persons entitled to participate in the General meeting of shareholders and the list of such information (materials) are determined by the decision of the Board of Directors of the Company.</p> <p>Besides, according to the item 4.1 of the Regulation on procedure and holding the General meeting of shareholders information materials on agenda items of the General meeting of shareholders should be available on the Company web-site in Internet prior to the period of notification of shareholders on holding the General meeting of shareholders.</p> <p>Mentioned materials are recommended to be available in English as well.</p>

Nº	Provision of the Code of Corporate Conduct	Compliance/ Non-compliance	Note
1	2	3	4
3.	Availability of opportunity for shareholders to study information (materials) subject to submission at preparation to holding the General meeting of shareholders by electronic means including Internet.	Complied	<p>When determining the list of information the Board of Directors is governed by the necessity of maximum informing shareholders on all agenda items for the purpose of taking informed and reasoned decisions by shareholders, by the requirements of the Articles of Association and the internal document regulating procedures of holding AGMS (Regulation on procedure and holding the General meeting of shareholders of IDGC of Centre, JSC" (ap-proved by the decision of Extraordinary General meeting of shareholder in the name of Management Board of RAO UES of Russia, JSC, Minutes of the Management Board No.1829/pr1 dated 28.02.2008), as well as requirements of the Federal Law "On Joint-Stock Companies" and Regulation on supplementary requirements to the procedure of preparation, convening and holding the General meeting of shareholders" (Approved by the Decree of Federal Financial Markets Service of RF No. 17/ps dated 31.05.2002)</p> <p>Besides the ways provided by the abovementioned Articles of the Articles of Association mentioned information should be obligatory available on the web-site of the Company in section "Shareholders and Investors" both in Russian and in English (http://www.mrsk-1.ru/stockholder/meeting/). Also in the course of preparation to the AGMS on the results of 2008 corresponding rooms for studying the materials to the AGMS were organized for shareholders at the place of the Company location, "MCD", JSC in the branches of the Company, as well as on the day of holding the meeting at the place of holding the meeting. At the AGMS on 11.06.2009 the requirements of the Company Articles of Association were fulfilled without violations.</p>
4.	Availability of opportunity for shareholder to propose an item to the agenda of the General meeting of shareholders or to demand convening the General meeting of shareholders without submission of extract from the Register of shareholders if the record-keeping of shareholder's share rights is carried out in the system of keeping the Register of shareholders, and in case shareholder's share rights are kept on depository account, — sufficiency of statement of depository account for exercising of abovementioned rights.	Complied	<p>According to the sub-item 2 of the item 6.2 of the Article 6 of the Company Articles of Association shareholders have a right to make proposals for the agenda of the General meeting of shareholders in accordance with the procedure stipulated by the Law of the Russian Federation and the Company Articles of Association.</p> <p>According to the item 13.1 of the Article 13 of the Company Articles of Association shareholders (shareholder) being jointly the holders of not less than 2 percent of voting shares of the Company are entitled to propose items to the agenda of the Annual General meeting of shareholders and to nominate candidates to the Board of Directors and the Auditing Committee of the Company within the period of 60 days after the ending of financial year. The Company gives shareholders holding more than 2 percent of the Company shares the opportunity to exercise rights provided by the Articles of Association and the Law of the Russian Federation in submission of statement of depository account (if shareholder's share rights are kept on depository account) without submission of additional documents.</p>
5.	Availability in the Articles of Association or internal documents of Joint-Stock Company of requirement on compulsory attendance of the General meeting of shareholders by General Director, members of Management Board, members of Board of Directors, members of Auditing Committee and Auditor of Joint-Stock Company.	Partly complied	<p>In the Articles of Association and internal documents of the Company there are no provisions providing compliance of their attendance of the General meeting of shareholders but according to prevailing practices General Director of the Company, Chairperson of the Board of Directors and members of the Board of Directors are pre-sent at being held General meetings of shareholders.</p> <p>In accordance with the item 10.10 of the Article 10 of the Articles of Association of the Company Chairperson of the Board of Directors exercises functions of Chairperson presiding at the General meeting of shareholders.</p> <p>In case of absence of Chairperson of the Board of Directors and his/her Deputy any member of the Board of Directors may exercise functions of Chairperson presiding at the General meeting of shareholders by the decision of the Board of Directors of the Company or by the decision of members of the Board of Directors being present at the General meeting of shareholders.</p>

Nº	Provision of the Code of Corporate Conduct	Compliance/ Non-compliance	Note
1	2	3	4
6.	Compulsory attendance of candidates when considering items on election of members of Board of Directors, General Director, members of Management Board, members of Auditing Committee, as well as item on approval of Auditor of Joint-Stock Company at the General meeting of shareholders.	Not complied	Special norm is not provided by the Articles of Association. As a matter of practice, when considering items on election of members of Board of Directors, General Director, members of Management Board, members of Auditing Committee at the General meeting of shareholders invitations to the General meeting of shareholders are sent to the candidates.
7.	Availability of procedure of registration of participants of the General meeting of shareholders in internal documents of Joint-Stock Company.	Complied	The item 5.1 of the Regulation on procedure of preparation and holding the General meeting of shareholders determines the procedure of registration of persons entitled to participate in the General meeting of shareholders.
Board of Directors			
8.	Availability in the Articles of Association of Joint-Stock Company of power of the Board of Directors on annual approval of financial and economic plan of Joint-Stock Company.	Complied	According to the sub-items 19 and 20, the item 15.1, the Article 15 of the Articles of Association of the Company the following is related to the competence of the Board of Directors: — approval of business-plan (adjusted business-plan) including investment program and quarterly report on results of their implementation; — approval (adjustment) of benchmarks of the Company cash flow;
9.	Availability of approved by the Board of Directors procedure of risk management in Joint-Stock Company.	Complied	The items 3.1, 5.1, 6.2, 6.4 of the Regulation on Procedures of Internal Control (approved by the decision of the Company Board of Directors, Minutes No.01/09 dated 13.02.2009)
10.	Availability in the Articles of Association of Joint-Stock Company of the right of the Board of Directors to take decision on suspension of powers of the General Director appointed by the General meeting of shareholders.	Complied	According to the sub-items 12, the item 15.1, the Article 15. of the Company Articles of Association powers on election of the Company General Director and early termination of his/her powers including taking decision on early termination of labour contract with him/her are related to the competence of the Board of Directors.
11.	Availability in the Articles of Association of Joint-Stock Company of the right of the Board of Directors to determine requirements to qualification and amount of remuneration of the General Director, members of the Management Board, the Heads of principal structural subdivisions of Joint-Stock Company.	Partly complied	In accordance with the sub-item 13. of the item 15.1. of the Article 15 of the Articles of Association determination of number of members of the Company Management Board, election of members of the Company Management Board, determination of remuneration and compensations paid out to them, early termination of their powers including early termination of labour contracts with them are related to the competence of the Board of Directors.
12.	Availability in the Articles of Association of Joint-Stock Company of the right of the Board of Directors to approve conditions of contracts with the General Director and members of the Management Board.	Complied	According to the item 21.6, the Article 21 of the Articles of Association the labour contract on behalf of the Company is signed by the Chairperson of the Board of Directors or by a person authorized by the Board of Directors. Besides, according to the item 21.7, the Article 21 of the Articles of Association the Board of Directors or a person authorized by the Board of Directors of the Company determines conditions of labour contract with the General Director and members of the Management Board, as well as according to the item 21.9, the Article 21 of the Company Articles of Association exercises rights and obligations of employer in respect of the General Director and members of the Management Board of the Company.
13.	Availability in the Articles of Association and internal documents of Joint-Stock Company of the requirement on following: when approving conditions of contracts with General Director (management organisation, Managing Head) and members of Management Board the votes of members of the Board of Directors being the General Director and members of the Management Board are not taken into account at counting of votes.	Not complied	There is no such requirement in the Articles of Association and other internal documents of the Company.

Nº	Provision of the Code of Corporate Conduct	Compliance/ Non-compliance	Note
1	2	3	4
14.	Availability of at least 3 independent directors meeting requirements of the Code of corporate conduct in member structure of the Board of Directors of Joint-Stock Company.	Complied	The Company Board of Directors includes not less than 3 (three) independent directors. All members of the Company Board of Directors except for E.F. Makarov, the General Director, are the independent directors.
15.	Absence in member structure of the Board of Directors of Joint-Stock Company of persons recognized to be guilty of crimes in the field of economic activity or crimes against state authority, interests of state service and service in local government authorities or those who were enforced administrative penalties for offence in the field of entrepreneurial activity or in the field of finance, taxes and dues, stock market.	Complied	There are no such persons in member structure of the Board of Directors of the Company elected by the AGMS on 11.06.2009 and in previous member structures as well.
16.	Absence in member structure of the Board of Directors of Joint-Stock Company of persons being a participant, General Director (Managing Head), member of management body or employee of legal entity competing with Joint-Stock Company.	Complied	There are no such persons in member structure of the Board of Directors of the Company elected by the AGMS on 11.06.2009.
17.	Availability in the Articles of Association of Joint-Stock Company of the requirement on election of the Board of Directors by cumulative voting.	Complied	<p>According to the item of 16.2, the Article 16 of the Articles of Association “Members of the Board of Directors are elected at the General meeting of shareholders of the Company in the procedure provided by the item 10.8. of the Article 10 of the Articles of Association”.</p> <p>The item 10.8, the Article 10 of the Articles of Association of the Company specifies that election of the Board of Directors is performed by means of cumulative voting.</p>
18.	Availability in the internal documents of Joint-Stock Company of obligation of members of the Board of Directors to refrain from actions that will result in or potentially may result in conflict between their interests and interests of Joint-Stock Company in case of such conflict — availability of obligation to disclose information on this conflict to the Board of Directors.	Complied	<p>According to the item 1. of the section V of the Code of Corporate Governance (approved by the decision of the Company Board of Directors, Minutes No. 009/06 dated 18.10.2006) a member of the Board of Directors should refrain from actions that, in member’s opinion, will result in conflict between shareholder’s interests and interests of the Company, and immediately inform the Board of Directors on such arisen conflicts as well.</p> <p>Besides, according to the content of the item 3.5. of the Regulation on the procedure of convening and holding a meeting of the Board of Directors (approved by the decision of the Extraordinary General meeting of shareholders — by the Management Board of RAO UES of Russia, JSC, Minutes of the Management Board No.1829/pr1 dated 28.02.2008) members of the Board of Directors when exercising their rights and fulfilling obligations should act on behalf of the Company, exercise their rights and fulfill obligations in respect of the Company reasonably and in good faith.</p>
19.	Availability in the internal documents of Joint-Stock Company of obligation of members of the Board of Directors to notice in writing the Board of Directors on intention to settle transactions with securities of Joint-Stock Company members of which the Board of Directors they are, or its subsidiaries (affiliates), as well as to disclose information on transactions with such securities settled by them.	Partly complied	<p>Requirements to submission of information on insiders’ transactions are specified in the item 4 of the Regulation on insider information of IDGC of Centre, JSC.</p> <p>Thus, information on all insiders’ transactions with securities of the Company and subsidiaries and affiliates according to the item 4.4 of the Regulation on insider information is identified and controlled by special subdivision of the Company exercising control over insider information. Besides, according to the item 4.2 of the Regulation, insiders are obliged to submit declaration in writing on transactions settled with securities of the Company and subsidiaries and affiliates for the accounting month to the subdivision exercising control over the use of insider information not later than the 3rd day of the month following the accounting one.</p>

Nº	Provision of the Code of Corporate Conduct	Compliance/ Non-compliance	Note
1	2	3	4
20.	Availability in the internal documents of Joint-Stock Company of re-quirement on holding meet-ings of the Board of Directors at least once every six weeks.	Naot complied	According to the item 18.2, the Articles 18 of the Company Articles of Association the meetings of the Board of Directors are held as and when needed but at least once a quarter.
21.	Holding meetings of the Board of Directors of Joint-Stock Company with-in the year which the annual report of Joint-Stock Company is made for at least once every six weeks.	Complied	The Board of Directors holds meetings in accordance with the Plan of work approved by the Board of Directors on 01.08.2008 (Minutes No.13) and adjusted decision of the Board of Directors on 30.11.2009 (Minutes No. 21/09). The Board of Directors holds meetings at least twice a month. In 2009 24 meetings were held 2 of which in pre-sentia. (on 14.09.2009 and 15.12.2009).
22.	Availability in the internal documents of Joint-Stock Company of proce-dure of holding meet-ings of the Board of Directors.	Complied	The item 7 of the Regulation on the procedure of convening and holding meetings of the Board of Directors of IDGC of Centre, JSC regulates the procedure of holding the meetings of the Company Board of Directors.
23.	Availability in the internal documents of Joint-Stock Company of the pro- vision on the necessi-ty of approval by the Board of Directors of transac-tions of Joint-Stock Company to the amount of 10 and more percent of value of assets of the Company except for transactions settled in the proc-ess of ordinary business activity.	Complied	The sub-items 24 and 40, the item 15.1, the Article 15 of the Articles of Association.
24.	Availability in the internal documents of Joint-Stock Company of the right of members of the Board of Directors to get information necessary for ex-ercising of their functions from executive bodies and the Heads of princi-pal structural subdivisions of Joint-Stock Company as well as availability of responsibility for failure to provide such information.	Complied	According to the item 3.1.1 of the Regulation on the procedure of convening and holding the meetings of the Board of Directors of IDGC of Centre, JSC and the item 3.1 of the Regulation on Insider Information of the Company the members of the Board of Directors are entitled to get information on the Company activity includ-ing that one being a commercial secret, to study all constituent, regulatory, accounting, reporting, contractual and other documents of the Company.
25.	Availability of the Committee of the Board of Directors for strategic plan-ning or assignment of functions of mentioned Committee to the other Committee (except for the Committee for Audit and the Committee for Personnel and Remuneration).	Complied	The Committee for Strategy and Development was established under the Board of Directors on 30.04.2008.
26.	Availability of the Committee of the Board of Directors (the Committee for Audit) that recom-mends the Auditor of Joint-Stock Company to the Board of Directors and interacts with it and the Auditing Committee of Joint-Stock Company.	Complied	The Committee for Audit was established under the Board of Directors on 30.04.2008.
27.	Availability in member structure of the Committee for Audit of independ-ent and non-executive directors only.	Complied	Member structure of the Committee for Audit includes 4 (four) independent directors/ non-executive directors.
28.	Exercising of governance of the Committee for Audit by an independent director.	Complied	Governance of the Committee for Audit is exercised by the independent director (S.B. Kosarev since 08.07.2009, D.S. Koly-ago since 20.06.2008 till 08.07.2009).
29.	Availability in the internal documents of Joint-Stock Company of the right of access of all members of the Committee for Audit to any documents and information of Joint-Stock Com-pany under condition of nondisclosure of confidential information by them.	Complied	According to the item 11.3 of the Regulation on the Committee for Audit the General Director and members of the Manage-ment Board of the Company are obliged to provide information and materials necessary for the mem-bers of the Committee to take decisions on items of competence of the Committee. And according to the item 12.1. of the Regulation during the period of fulfillment of obligations of the members of the Committee, as well as during one year after termination of powers in the Committee, persons being (who were) the members of the Committee are obliged to comply with the requirements of confidentiality in respect of information which is not of general availability got by them due to their work in the Committee.

Nº	Provision of the Code of Corporate Conduct	Compliance/ Non-compliance	Note
1	2	3	4
30.	Establishment of Committee of the Board of Directors (the Committee for Personnel and Remuneration) which function is determination of criteria of selection of candidates to the Board of Directors and development of Joint-Stock Company policy in the field of remuneration.	Complied	The Committee for Personnel and Remuneration one of which functions is determination of criteria of selection of candidates to the Board of Directors and development of the Joint-Stock Company policy in the field of remuneration was established under the Board of Directors on 30.04.2008.
31.	Exercising of governance of the Committee for Personnel and Remuneration by an independent director.	Complied	Governance of the Committee for Personnel and Remuneration is exercised by the independent directors (A.V. Chigrin since c 18.12.2009, N.I. Erpsheer since 28.11.2008 till 18.12.2009)
32.	Absence of officials of Joint-Stock Company in member structure of the Committee for Personnel and Remuneration.	Not complied	Officials of the Company are in member structure of the Committee for Personnel and Remuneration.
33.	Establishment of the Committee of the Board of Directors for Risks or assignment of functions of mentioned Committee to the other Committee (except for the Committee for Audit and the Committee for Personnel and Remuneration).	Not complied	Such Committee under the Board of Directors was not established.
34.	Establishment of the Committee of the Board of Directors for Arrangement of Corporate Conflicts or assignment of functions of mentioned Committee to the other Committee (except for the Committee for Audit and the Committee for Personnel and Remuneration).	Not complied	Such Committee under the Board of Directors was not established.
35.	Absence of officials of Joint-Stock Company in member structure of the Committee for Arrangement of Corporate Conflicts.	Not complied	Such Committee under the Board of Directors was not established.
36.	Exercising of governance of the Committee for Arrangement of Corporate Conflicts by an independent director.	Not complied	Such Committee under the Board of Directors was not established.

Nº	Provision of the Code of Corporate Conduct	Compliance/ Non-compliance	Note
1	2	3	4
			<p>The procedure of establishment of the Committees under the Board of Directors is provided by the Article 19 of the Company Articles of Association.</p> <p>Besides, the procedure of establishment and operation of the Committees of the Board of Directors of the Company is regulated by the following Regulations:</p> <ul style="list-style-type: none"> • Regulation on the Committee for Audit of IDGC of Centre, JSC (approved by the decision of the Board of Directors of the Company as amended, Minutes No. 18/09 dated 02.11.2009). • Regulation on the Committee for Personnel and Remuneration of IDGC of Centre (approved by the decision of the Board of Directors of the Company, Minutes No. 09/08 dated 30.04.2008). • Regulation on the Committee for Strategy of IDGC of Centre, JSC (approved by the decision of the Board of Directors of the Company, Minutes No. 09/08 dated 30.04.2008). • Regulation on the Reliability Committee of the Board of Directors of IDGC of Centre, JSC (approved by the decision of the Board of Directors of the Company as amended, Minutes No. 21/09 dated 02.12.2009). • Regulation on the Committee for Technological Connection to Power Grids under the Board of Directors of IDGC of Centre, JSC (approved by the decision of the Board of Directors of the Company, Minutes No. 01/09 dated 13.02.2009).
37.	Availability of approved by the Board of Directors internal documents of Joint-Stock Company providing the procedure of establishment and operation of Committees of the Board of Directors.	Complied	
38.	Availability in the Articles of Association of Joint-Stock Company of the procedure on determination of quorum of the Board of Directors allowing to ensure obligatory participation of independent directors in the meetings of the Board of Directors.	Complied	The item 18.13, the Article 18 of the Company Articles of Association specifies that the quorum for holding a meeting of the Board of Directors includes not less than a half of number of elected members of the Company Board of Directors.
Executive bodies			
39.	Availability of a collegial executive body (the Management Board) of Joint-Stock Company.	Complied	In accordance with the item 21.1, the Article 21 of the Articles of Association of the Company the collegial executive body — the Management Board was established on 30.04.2008.
40.	Availability in the Articles of Association and internal documents of Joint-Stock Company of provision on the necessity of approval by the Management Board of real estate transactions, obtaining of credits by Joint-Stock Company, if mentioned transactions are not related to large transactions and their settlement is not related to ordinary business activity of Joint-Stock Company.	Complied	<p>The sub-item 7, the item 22., the Article 22 of the Articles of Association.</p> <p>Taking the decision on settlement of transactions which subject is property, works and services, which value is from 5 up to 25 percent of balance value of the Company assets being determined as on the date of taking the decision on settlement of transaction (except for cases provided by the sub-item 40 of the item 15.1 of the Articles of Association) is related to the Competence of the Company Management Board.</p>

Nº	Provision of the Code of Corporate Conduct	Compliance/ Non-compliance	Note
1	2	3	4
41.	Availability in the internal documents of Joint-Stock Company of procedure on approval of operations which are beyond the scope of financial and economic plan of Joint-Stock Company.	Complied	The Board of Directors and the Management Board consider issues on conducting operations which are beyond the scope of financial and economic plan, as they are subject to including in adjustments of business-plan and cash flow plan which are considered by the Company Board of Directors and the Management Board respectively. The following documents regulating the process of business-planning and cash flow management are valid in the Company: Standard of Business-Planning of IDGC of Centre and Northern Caucasus, JSC (Approved by the decision of the Board of Directors of IDGC of Centre, JSC dated January 31, 2008. Minutes No. 02/08) and the Regulation on Cash Flow Management of IDGC of Centre, JSC (by the decision of the Board of Directors of IDGC of Centre, JSC dated April 8, 2008. Minutes No. 08/08)
42.	Absence in the executive bodies of persons being a participant, General Director (Managing Director), a member of management body or employee of legal entity competing with Joint-Stock Company.	Complied	Recommendation is complied. There are no mentioned persons in the executive bodies of the Company.
43.	Absence in the executive bodies of Joint-Stock Company of persons recognized to be guilty of crimes in the field of economic activity or crimes against state authority, interests of state service and service in local government authorities or those who were enforced administrative penalties for offence in the field of entrepreneurial activity or in the field of finance, taxes and dues, stock market. If functions of sole executive body are fulfilled by management organisation or Managing Director — compliance of the General Director and members of the Management Board of management organisation or Managing Director with the requirements made to the General Director and members of the Management Board of Joint-Stock Company.	Complied	Recommendation is complied. There are no mentioned persons in the executive bodies of the Company.
44.	Availability in the Articles of Association and internal documents of Joint-Stock Company of prohibition for management organisation (Managing Director) to exercise analogous functions in the competitive Company, as well as to be in any other property relations with Joint-Stock Company beside rendering of services of management organisation (Managing Director).	Complied	The sub-item 2. of the item V of the Code of Corporate Governance of the Company.
45.	Availability in the internal documents of Joint-Stock Company of obligation of executive bodies to refrain from actions that will result in or potentially may result in conflict between their interests and interests of Joint-Stock Company, and in case of such conflict — availability of obligation to inform the Board of Directors about this.	Partly complied	According to the sub-item 2. of the item V of the Code of Corporate Governance of the Company the General Director should refrain from any actions which may result in conflict between his/her interests and the Company interests. The General Director should immediately inform the Board of Directors on conflict between his/her interests and the Company interests. Besides, by the item 21.14, the Article 21 of the Articles of Association it is provided that the General Director, members of the Management Board of the Company when exercising their rights and fulfilling obligations should act on behalf of the Company, exercise their rights and fulfill obligations in respect of the Company reasonably and in good faith.
46.	Availability in the Articles of Association and internal documents of Joint-Stock Company of criteria of selection of management organisation (Managing Director).	Not complied	According to the sub-item 12, the item 10.2, the Article 10 of the Articles of Association taking the decision on delegation of powers of the sole executive body of the Company to management organisation (Managing Director) and on early termination of its powers are related to the competence of the General meeting of shareholders. The rights and obligations of management organisation (Managing Director) regarding performance of management of the Company current activity are specified by the Law of the Russian Federation and contract concluded between management organisation (Managing Director) and the Company.

Nº	Provision of the Code of Corporate Conduct	Compliance/ Non-compliance	Note
1	2	3	4
47.	Submission by the executive bodies of Joint-Stock Company of monthly reports on their work to the Board of Directors.	Partly complied	<p>In accordance with the sub-item 36 of the item 15.1. of the Article 15 of the Articles of Association of the Com-pany consideration of the General Director's reports on the Company activity (including fulfillment of his/her position obli-gations), fulfillment of the decisions of General meeting of shareholders and the Board of Directors of the Company" is related to the competence of the Company Board of Directors.</p> <p>The General Director regularly (monthly, quarterly, once per half-year, annually) submits the following reports to the Board of Directors of the Company for consideration:</p> <ul style="list-style-type: none"> • on insurance coverage securing (quarterly); • on fulfillment of the Company business plan (quarterly/annually); • on fulfillment of decisions of the Annual General Meeting of Shareholders on dividend payment (annu-ally); • on fulfillment of the investment program (quarterly/annually); • on fulfillment of purchase program (quarterly); • on fulfillment of decisions of the Board of Directors (quarterly); • on course of sales of non-core assets (quarterly); • on compliance with the Regulation on Information Policy of the Company (quarterly); • on credit policy of the Company (quarterly); • on fulfillment of key performance indicators (quarterly /annually); • on cash flow control indicators for a certain quarter (quarterly); • compliance with the Corporate Governance Code of the Company (once per half-year); • preparation of the Company to operate in the autumn-winter period (annually); • on measures taken for transfer to regulation of tariffs on electric power transmission services by return on invested capital method (RAB) (monthly); • on fulfillment of Plan of measures providing fulfillment of approved parameters of the Company In-vestment Pro-gram for 2009 (monthly); • on performance of works on registration of property rights for items of immovable property, registra-tion/re-regis-tration rights of use of land plots (annually); • on disposal of housing and utilities units (annually); • on elimination of violations detected at holding of internal control procedures (quarterly /annually); • on reliability status (quarterly); • on organization of labour protection program in the Company (quarterly); • on course of fulfillment of Program of implementation of environmental policy of the Company (quar-terly); • on current situation of the Company activity on technical connection of consumers to electric networks (quarterly). <p>Plan of work of the Board of Directors for 2009-2010 according to which the General Director reports on his/her activity on directions to the Board of Directors was approved by the decision of the Board of Directors dated July 31, 2009 (Min-utes No. 12/09dated August 4, 2009) and was adjusted by the decision of the Board of Directors dated November 30, 2009 (Minutes No. 21/09 dated December 2, 2009).</p>

Nº	Provision of the Code of Corporate Conduct	Compliance/ Non-compliance	Note
1	2	3	4
48.	Imposition of responsibility for violation of provisions on use of confidential and official information in the contracts concluded by Joint-Stock Company with the General Director (management organisation, Managing Director) and members of the Management Board.	Complied	Responsibility for violation of provisions on use of confidential and official information is imposed in the contracts of members of the Management Board and the General Director.
Company Secretary			
49.	Availability in Joint-Stock Company of special official (Secretary of Company) whose task is to ensure compliance of bodies and officials of Joint-Stock Company with the procedural requirements guarantying realization of rights and legal interests of Company shareholders.	Complied	According to the Article 20 of the Articles of Association, the item 4 of the Regulation on the procedure on convening and holding meetings of the Board of Directors S.V. Lapinskaya was elected to the position of the Corporate Secretary of the Company by the decision of the Board of Directors on 25.03.2009 (Minutes No. 05/09), was re-elected by the decision of the Board of Directors on 08.07.2009 (Minutes No. 11/09 dated 10.07.2009)
50.	Availability in the Articles of Association and internal documents of Joint-Stock Company of the procedure of appointment (election) of the Secretary of Company and duties of the Secretary of Company.	Complied	The item 4.2. of the Regulation on the procedure on convening and holding meetings of the Board of Directors, as well as the item 3 of the Regulation on the Corporate Secretary of the Company specify the procedure of election of the Corporate Secretary. The item 4.3. of the Regulation on the procedure on convening and holding meetings of the Board of Directors, well as the item 3 of the Regulation on the Corporate Secretary of the Company specify functional duties of the Corporate Secretary.
51.	Availability in the Articles of Association of Joint-Stock Company of requirements to the candidate of the Secretary of Company.	Partly complied	<p>The item 20.6, the Article 20 of the Articles of Association of the Company specifies that regulations for activity, procedure of appointment and termination of powers, term of powers, rights and duties of the Corporate Secretary are determined by the Regulation on the Corporate Secretary approved by the Company Board of Directors. The Regulation on the Corporate Secretary of IDGC of Centre, JSC was approved on 18.10.2006 (Minutes No. 009/06).</p> <p>The item 2.3 of the Regulation on the Corporate Secretary provides requirements to the candidate of the Corporate Secretary.</p>
Essential corporate actions			
52.	Availability in the Articles of Association and internal documents of Joint-Stock Company of the requirements on approval of large transaction before its settlement.	Partly complied	There is no mentioned requirement in the Articles of Association and internal documents of the Company. However, according to the Company Articles of Association approval of large transaction in cases provided by the Article X of the Federal Law “On Joint-Stock Company” is related to the competence of the General meeting of shareholders (the sub-item 17 of the item 10.2 of the Article 10) and the Board of Directors (the sub-item 26, the item 15.1, the Article 15).
53.	Obligatory involvement of evaluator for the evaluation of market value of property being the subject of large transaction.	Complied	The sub-item 47, the item 15.1, the Article 15 of the Articles of Association determines powers of the Board of Directors on approval of the candidacy of independent evaluator (evaluators) for the determination of value of shares, property and other assets of the Company in cases provided by the Federal Law “On Joint-Stock Company”, the Company Articles of Association, and certain decisions of the Board of Directors as well.
54.	Availability in the Articles of Association of Joint-Stock Company of prohibition for taking at acquisition of major minority shareholdings of Joint-Stock Company (takeover) any actions intended to protection of interests of executive bodies (members of these bodies) and members of the Board of Directors of Joint-Stock Company, as well as actions aggravating position of shareholders in comparison with the existing one (on particular, prohibition for taking by the Board of Directors before ending of suggested term of acquisition of shares the decision on issue of supplement shares, issue of securities being converted into shares, or securities giving the right to acquire shares of Company, even if the right of taking such decision is given to it by the Articles of Association).	Not complied	<p>These requirements are not specified by the Articles of Association.</p> <p>At the same time according to the item 21.14, the Article 21 of the Articles of Association the following is provided: “The General Director, members of the Management Board of the Company when exercising their rights and fulfilling obligations should act on behalf of the Company, exercise their rights and fulfill obligations in respect of the Company reasonably and in good faith ...”.</p>

Nº	Provision of the Code of Corporate Conduct	Compliance/ Non-compliance	Note
1	2	3	4
55.	Availability in the Articles of Association of Joint-Stock Company of re-quirement on obligatory involvement of independent evaluator for the evaluation of current market value of shares and possible changes of their market value as the result of takeover.	Complied	Recommendation is complied, the sub-item 47, the item 15.1, the Article 15 of the Articles of Association deter-mine pow-ers of the Board of Directors regarding approval of the candidacy of independent evaluator (evaluators) for determination of value of shares, property and other assets of the Company in cases provided by the Federal law “On Joint-Stock Com-pany”, the Company Articles of Association, and certain decisions of the Board of Di-rectors as well.
56.	Absence in Articles of Association of Joint-Stock Company of release of acquirer from obli-gation to propose shareholders to sale ordinary shares of Company (issue securities being converted into ordinary shares) held by them at takeover.	Complied	There is no such requirement in the Articles of Association.
57.	Availability in the Articles of Association of Joint-Stock Company of re-quirement on obligatory involvement of independent evaluator for deter-mination of correlation of shares конвертации at reorganization.	Complied	Recommendation is complied, the sub-item 47, the item 15.1, the Article 15 of the Articles of Association deter-mines powers of the Board of Directors regarding approval of the candidacy of independent evaluator (evalua-tors) for the determination of value of shares, property and other assets of the Company in cases provided by the Federal Law “On Joint-Stock Company”, the Company Articles of Association, and certain decisions of the Board of Directors as well.
Information disclosure			
58.	Availability of approved by the Board of Directors internal document spe-cifying rules and approach-es of Joint-Stock Company to information dis-closure (the Regulation on Information Policy).	Complied	The Regulation on Information Policy of IDGC of Centre, JSC is approved by the decision of the Board of Di-rectors of the Company (Minutes No. 009/06 dated 18.10.2006)
59.	Availability in the internal documents of Joint-Stock Company of re-quirement on disclosure of information on purposes of placing of shares, persons who intend to acquire being placed shares including major minor-ity shareholding and if senior officials of Joint-Stock Company will par-ticipate in acquisition of being placed shares of Company as well.	Partly complied	There is no such requirement in the Articles of Association. However, the Company when taking the decision on placing of shares in accordance with the general rule dis-closes such information.
60.	Availability in the internal documents of Joint-Stock Company of the list of information, docu-ments and materials that should be submitted to shareholders for solving problems proposed at the General meeting of shareholders.	Partly complied	In accordance with the sub-item “e”, item 2.2. of the Regulation on the procedure of preparation and holding General meet-ing of shareholders of IDGC of Centre, JSC the list of information, documents and materials that should be submitted to shareholders for solving problems proposed at the General meeting of shareholders is ap-proved by the Company Board of Directors at preparation to holding the General meeting of shareholders.
61.	Availability of web-site of Joint-Stock Company in Internet and regular disclosure of informa-tion on Joint-Stock Company on this web-site.	Complied	The Company has web-site where it discloses information on the Company. Address of web-site: http://www.mrsk-1.ru/ . The Company provides duly adjustment of the corporate web-site including information disclosure in accordance with the re-quirements of the current Law of the Russian Federation and the Regulation on Information Policy of the Company.
62.	Availability in the internal documents of Joint-Stock Company of re-quirement on disclosure of in-formation on transactions of Company with persons being senior officials of Joint-Stock Company according to the Articles of Association, as well as on transactions of Joint-Stock Company with organisations in which senior officials hold directly or indirectly 20 and more percent of authorized capital of Joint-Stock Company or on which such persons may influence considerably otherwise.	Complied	According to the sub-items.5.2.8.2. and 5.2.8.3. of the Regulation on Information Policy the Company discloses infor-mation on possession by members of management bodies and persons affiliated with them of shares of the Company and its subsidiaries and affiliates as well including number, class of shares as well as information on transactions be-tween the mentioned persons and the Company.
63.	Availability in the internal documents of Joint-Stock Company of re-quirement on disclo-sure of information on all transaction that may influ-ence on market value of shares of Joint-Stock Company.	Complied	The item 5.2.10. of the Regulation on Information Policy of IDGC of Centre, JSC provides that the Company discloses information on essential transactions. In this regard the essential transaction is meant to be such one that may consider-ably influence on the Company activity.

Nº	Provision of the Code of Corporate Conduct	Compliance/ Non-compliance	Note
1	2	3	4
64.	Availability of approved by the Board of Directors internal document re-garding use of essential information on activity of Joint-Stock Company, shares and other securities of Company and transactions with them, that is not of public availability and which disclosure may considerably influence on market value of shares and other securities of Joint-Stock Company.	Complied	The Regulation on Insider Information is approved in the Company (approved by the decision of the Board of Directors, Minutes No. 008/05 dated 14.10.2005),
Control over financial and business activity			
65.	Availability of approved by Board of Directors procedures of internal con-trol over financial and business activity of Joint-Stock Company.	Complied	The Regulation on Auditing Committee of IDGC of Centre, JSC was approved by the decision of the General meeting of share-holders of the Company — the Management Board of RAO UES of Russia, JSC dated 03.03.2006. (Minutes No. 1429pr/1). The Regulation on Internal Control Procedures of IDGC of Centre is approved by the Board of Directors of the Company (Min-utes No.01/09 dated 13.02.2009)
66.	Availability of special subdivision of Joint-Stock Company ensuring com-pliance with the procedures of internal control supervision and auditing service.	Complied	Special subdivision — the Internal Control and Audit Department ensuring compliance with the procedures of internal control operates in the Company. The General meeting of shareholders elects the Company Auditing Committee for performance of control over financial and business activity of the Company as well (the item 24.1 of the Article 24 of the Company Articles of Association).
67.	Availability in the internal documents of Joint-Stock Company of re-quirement on the determi-nation of structure and composition of supervi-sion and auditing service of Joint-Stock Com-pany by the Board of Di-rectors.	Complied	The item 24.1, the Article 24 of the Articles of Association determines number of members of the Auditing Committee. The item 4.6. of the Regulation on Auditing Committee of the Company determines requirements to the compo-sition of the Auditing Committee.
68.	Absence in supervision and auditing service of persons recognized to be guilty of crimes in the field of economic activity or crimes against state authority, interests of state service and service in local government au-thorities or those who were enforced administrative penalties for offence in the field of entrepreneurial activity or in the field of finance, taxes and dues, stock market.	Complied	There are no such persons in supervision and auditing service.
69.	Absence in supervision and auditing service of persons being members of executive bodies of Joint-Stock Company as well as persons being par-ticipants, General Director (Managing Director), members of management body or employees of legal entity competing with Joint-Stock Company.	Complied	There are no such persons in supervision and auditing service.
70.	Availability in the internal documents of Joint-Stock Company of term of submission to su-pervision and auditing service of documents and mate-rials for the evaluation of carried out financial and business operation as well as responsibility of officials and employees of Joint-Stock Company for non-submission of them within specified term.	Complied	According to the item 7.5. of the Regulation on Auditing Committee of IDGC of Centre, JSC required docu-ments and ma-terials should be submitted to the members of the Company Auditing Committee within 2 (Two) working days from the date the inquiry is made. According to the item 6.1.2. of the Regulation on Internal Control Procedures of IDGC of Centre submission of necessary docu-ments for performance of inspections is made by the Heads of subdivisions of the Company, branches and representative of-fices within the period of 3 (three) days on request of the Company subdivision authorized to perform internal control/audit.
71.	Availability in the internal documents of Joint-Stock Company of obliga-tion of supervision and auditing service to inform the Committee for Audit and if there is no such — the Board of Directors of Joint-Stock Com-pany on detected violations.	Complied	The item 8.6. of the Regulation on Auditing Committee of IDGC of Centre, JSC. The item 6.1.4. of the Regulation on Internal Control Procedures of IDGC of Centre:

Nº	Provision of the Code of Corporate Conduct	Compliance/ Non-compliance	Note
1	2	3	4
72.	Availability in the Articles of Association of Joint-Stock Company of re-quirement on the prelimi-nary evaluation by supervision and auditing service of expediency of performance of operations not provided by fi-nancial and business plan of Joint-Stock Company (non-standard opera-tions).	Not complied	Such procedure is not provided by the Company Articles of Association.
73.	Availability in the internal documents of Joint-Stock Company of the pro-cedure of approval of non-standard operation by the Board of Directors.	Complied	<p>Non-standard operations (operations that are beyond the scope of financial and business plan) are subject to in-clusion into adjustments of business-plan and cash flow.</p> <p>According to the sub-item 19, the item 15.1, the Article 15 of the Articles of Association approval of adjusted business-plan is related to the competence of the Board of Directors.</p> <p>According to the sub-item 2, the item 22.2, the Article 22 of the Articles of Association approval of adjusted cash flow is related to the competence of the Management Board.</p> <p>In accordance with the sub-item 4.2.5 of the Regulation on management of cash flow of the Company, the ad-justed cash flow is sent to the members of the Company Board of Directors not later than 1 day from the date of approval of the final adjustment of cash flow.</p>
74.	Availability of approved by the Board of Directors internal document de-termining the pro-cedure of performance of inspections of financial and business activity of Joint-Stick Com-pany by the Auditing Committee.	Complied	The item 7 of the Regulation on Auditing Committee of IDGC of Centre, JSC determines the procedure of per-for-mance of auditing inspections.
75.	Estimation by the Committee for Audit of Auditor's opinion before its submission to share-holders at the General meeting of shareholders.	Complied	According to the item 3.1. of the Regulation on the Committee for Audit, the Committee exercises control over carry-ing out of annual independent audit of consolidated financial statements and accounting (financial) state-ments of the Company, estimation of the Auditor's opinion. Estimation of the Auditor's opinion is presented as materials to the annual General meeting of shareholders.
Dividends			
76.	Availability of approved by the Board of Directors of internal document, by which the Board of Directors is governed when adopting recommenda-tions on the amount of dividends (Regula-tion on Dividend Policy).	Complied	The Board of Directors of the Company (Minutes No. 011/06 dated 30.11.2006) approved the Regulation on Dividend Policy, by which the Board of Directors is governed when adopting recommendations on the amount of dividends.
77.	Availability in Regulation on Dividend Policy of the procedure of deter-mination of minimum share of net profit of Joint-Stock Company intended for payout of dividends, and conditions un-der which dividends on pre-ferred shares, the amount of dividends on which is determined by the Arti-cles of Association of Joint-Stock Company, are not paid out or paid out not in full.	Not complied	There are no such procedure and conditions in the Regulation on Dividend Policy
78.	Publishing of data on dividend policy of Joint-Stock Company and its changes in periodical provided by the Articles of Association of Joint-Stock Company for publishing of note on holding the General meetings of shareholders, as well as posting of mentioned data on web-site of Joint-Stock Company in Internet.	Partly complied	The Company ensures posting of the Regulation on Dividend Policy and all its changes being constantly avail-able on the Company web-site in Internet: http://www.mrsk-1.ru (the item7.1.of the Regulation on Dividend Pol-icy).

Appendix 10

Report of the Board of Directors on the results of the development of the Company on priority areas of activity

In 2005 — 2008 the Board of Directors of the Company was taking decisions on determination of priority areas of the Company activity on formation of IFRS financial reporting, determination of logo image of the Company, development of IT-technologies; approval of the program on implementation of the Company environmental policy for 2006, re-estimate of value of fixed assets and valuation of assets of the Company in accordance with the requirements of IFRS reporting; approval of the plan of measures on organization of the Company in the form of affiliation of distribution grid companies to it, approval of new logo image of the Company, approval of principal provisions of the Company technical policy in the field of information technologies, organization and ensuring of development of the area “Relay protection and automatics” in IDGC of Centre, JSC; approval of the Program of measures on injury prevention; re-re-valuation of the fixed assets and estimate of fair value of assets in accordance with IFRS requirements aimed to transfer to RAB tariff making; approval of the Environmental policy of IDGC of Centre, JSC.

In 2009 the Board of Directors took the following decisions within the framework of priority areas of the Company activity:

- works on registration of property rights to real estate items, registration/re-registration of rights to use land plots (Minutes No. 11/09 dated July 10, 2009);
- approval of the adjusted Program on implementation of the Company environmental policy for 2009 — 2010 (Minutes No. 09/09 dated June 08, 2009);
- approval of the Program on injury rate risk reduction of IDGC of Centre, JSC for 2009-2012 as amended (Minutes No. 13/09 dated September 02, 2009);
- transfer to regulation of tariff for transmission services by return on invested capital method (RAB) (Minutes No. 15/09 dated September 16, 2009).

Information on measures implemented by the Company in 2009 is given below:

- on priority areas approved in 2009,
- on priority areas approved in previous years, but measures on which were Implemented in 2009.

Program on injury rate risk reduction of IDGC of Centre, JSC.

The Board of Directors of the Company approved the Program on injury prevention as the priority area of activity (Minutes No. 02/08 dated January 31, 2008).

The Board of Directors of IDGC of Centre, JSC developed and approved the Program on injury rate risk reduction of IDGC of Centre, JSC for 2009-2012 as amended (Minutes No. 13/09 dated September 02, 2009) in order to upgrade the work on production injury prevention, achieve key performance indicators of the Company.

The Program on injury rate risk reduction of IDGC of Centre, JSC for 2009-2012 provides measures on the following sections:

1. Upgrading of labor protection management system.
2. Organization of work on prevention of emergencies and occupational diseases. The first priority measures on risk reduction revealed within the activity of IDGC of Centre, JSC.
3. Organization of check-ups of working places.
4. Organization of safety work performance.
5. Training of personnel and work with personnel.
6. Psycho-physiological support of personnel work.
7. Securing of safety labor conditions on transport.
8. Use of personal protection equipment.
9. Upgrading of system on organization of operational dispatching control, ensuring of security when switching at electric installations.

Totally the Program on injury rate risk reduction of IDGC of Centre, JSC for 2009-2012 provides for 134 measures, including to permanent fulfillment of 56 measures, systematic (monthly, quarterly, annually) — 16, as may be necessary or upon the event— 9, on many-year plans and schedules — 7, with terms of fulfillment within 2010-2012 — 18, with terms of fulfillment in 2009 — 28 measures. IDGC of Centre, JSC fulfills measures according to established terms.

Within implementation of the Program on injury rate risk reduction of IDGC of Centre, JSC in 2009 the following work was performed:

1. System of control of personnel working places was implemented, including 55605 teams at working places were checked. Check efficiency indicator (injury hazardous situations revealed and prevented) was 1,67:

Number if checked teams		Number of revealed remarks	Number of violators		Number of persons suspended from work		Efficiency ratio
plan	fact		workers	engineers	teams	persons	
52,347	55,605	93,103	21,713	12,851	330	1,258	1.67

2. Work on procurement of personnel with up-to-date protection devices was continuing, including:
- Procurement of personnel with thermo-resistant sets is: Summer — 98%, Winter — 99 %;
 - Procurement of teams with sets of rods for installation from the earth of 0.4 kV — 96%; 10 kV — 97%.
3. Work on attestation of working places according to labor conditions was continuing. 88% working places comply completely with regulatory conditions, measures on bringing of labor conditions of employees to compliance with the norms were developed for other working places.

Following the results of the work of 2009 there were no any production accidents in the Company through the fault of the IDGC of Centre, JSC.

Expenses for labor protection measures for 2009 amounted to 293 943,333 thousand Rubles, including:

- measures on prevention of emergencies — 58 868,458 thousand Rubles;
- procurement of employees with PPE (personal protection equipment) — 185 559,825 thousand Rubles;
- sanitary and hygiene measures on prevention of diseases at production — 26 816,139 thousand Rubles;
- measures on general improvement of labor conditions — 22668,881 thousand Rubles

Within TMI “Personnel” the business-plan “Labor protection management” was implemented. By the Order No. 292-CA dated December 31, 2009 one of the strategic goals of TMI “Personnel” determined “To ensure safety labor conditions and labor protection’ as well as KPI of a strategic goal for each branch were fixed.

The Reliability Committee under the Board of Directors considers quarterly the information of IDGC of Centre, JSC on ensuring professional activity security and injury prevention. The Board of Directors, in its turn, considers quarterly the information of the Reliability Committee on this item.

Development of the environmental policy of IDGC of Centre, JSC. Program on implementation of the Company environmental policy.

By the decision of the Board of Directors of IDGC of Centre, JSC (Minutes No. 006/06 dated June 16, 2006) development of environmental policy was determined as one the priority area of the Company activity.

In 2008 within the framework of the item “On priority area of the activity” the Board of Directors of IDGC of Centre, JSC approved the environmental policy of IDGC of Centre, JSC (Minutes No.12/08 dated July 23, 2008) as well as the Program on implementation of the Company environmental policy for 2008 — 2010 and principal areas of implementation of the Company environmental policy for 2008-2015.

In 2009 by the decision of the Board of Directors of IDGC of Centre, JSC (Minutes No. 09/09 dated June 08, 2009) the adjusted Program on implementation of the environmental policy for 2009-2010 was approved.

Measures of the Program on implementation of the environmental policy of IDGC of Centre, JSC for 2009 were formed basing on the task to minimize negative impact of the Company activity on the environment, permanent increase of environment security level in the course of production activities.

Principal measures on environment protection from negative impact of production activities fulfilled by the Company in 2009:

- “Ambient air protection”:
 - inventory of emission sources and development of draft standards of permissible emissions to the atmosphere,
 - control of toxicity level of transport exhaust gases,
 - regulation or replacement of car fuel system,
 - organization and conducting of control of compliance with established standards of permissible emissions,
 - landscaping and site finishing.

Expenses for measures for 2009 amounted to 958,68 thousand Rubles.

- “Protection and rational use of water resources”:
 - making of laboratory analysis of microbiological, radiological and chemical indicators of sub-surface and discharged waste water,
 - integrated cleaning of sewage wells and networks,

- control of compliance with permissible concentration limits of pernicious contraries in sewage discharges,
- periodic water sample collection from artesian well,
- determination of places for organized motor vehicle wash.

Expenses for 2009 amounted to 1023 thousand Rubles.

- “Protection and rational use of lands”:

- organization of complete initial account of waste generation and management,
- permanent control over accumulation and time of storage of extremely hazardous waste — spent mercury lamps,
- utilization of production waste,
- handover (conclusion of contract for handover) of production waste to specialized organisations for subsequent processing, burial,
- limiting for waste disposal,
- implementation of measures on landscaping of industrial sites for temporary storage (accumulation) of waste.

Expenses for 2009 amounted to 4098,22 thousand Rubles.

- “Technical measures”:

- measures on operation and repair of equipment if substations, including replacement of oil switches by vacuum ones, repair of oil receivers of transformers, drainage devices, replacement of oil-filled bushings by bushings with solid insulation,
- write off of old automotive equipment and acquisition of new one.

242 oil switches were replaced in 2009, this allowed to reduce risk of ecologic damage to environment by 1% as compared to the indicators of 2008.

Expenses for these measures were not marked out separately and were included in the budget of the investment program implementation.

278 measures were fulfilled from 281 measures that had been planned by IDGC of Centre, JSC in 2009, what amounts to 99%. Total expenses for fulfillment of the program on the environmental policy implementation for 2009 amounted to 22 463,36 thousand Rubles.

Non-fulfillment of 3 of the planned measures is connected with termination of necessity of training

(professional development) of chiefs and officials of the executive apparatus and branches, persons responsible for fulfillment of environmental aspects in production activity on the program “Training and attestation of chiefs and specialists of organisation in the field of environmental security maintenance and control in the mentioned sphere of activity” in connection with the order of Ministry for the Protection of the Environment and Natural Resources of the Russian Federation No. 197 g dated June 30, 2009. “Concerning the Annulment of the Order No. 793 dated November 20, 2009”, under which the training was planned.

The Reliability Committee under the Board of Directors considers quarterly the information of IDGC of Centre, JSC on the course of fulfillment of the Program on the environmental policy implementation. The Board of Directors, in its turn, considers quarterly the information of the Reliability Committee on the course of fulfillment of this Program.

Works on registration of property rights to real estate items, registration/re-registration of rights to use land plots.

In accordance with the decision of the Board of Directors dated July 08, 2009 (Minutes No. 11/09 dated July 10, 2009) the works on registration of property rights to real estate items, registration/re-registration of rights to use land plots were determined as one of the priority areas of the activity of IDGC of Centre, JSC. The Program of works of IDGC of Centre, JSC on the works on registration of property rights to real estate items, registration/re-registration of rights to use land plots up to 2013 was approved as well within the framework of this decision.

In 2009 for the purposes of implementation of this priority area of the activity the Company fulfilled the following measures:

- the property right to 1674,33 km of power transmission lines, including OTL of 6–10 kV, was registered at the plan indicator of 1409,28 km. In terms of site items the property right to 203 items of real estate was registered at the plan indicator of 117 items, including the property right to 72 items of real estate which had not been registered previously in the name of IDGC of Centre, JSC (according to the data at the beginning of 2009). Thus, the work on registration of the items of real estate in Belgorod, Orel and Smolensk branches that had not been previously registered was completed;
- land plots for 1 502,73 km of power transmission lines (plan indicator — 34 487,7 km) were registered in the State cadastral register, rights to the land for 1 465,48 km of lines (plan indicator — 35 758,2 km) were registered, including:
- re-registration of land plots which had been previously at the right of permanent (unlimited) use of 215,55 km of power transmission lines (plan — 32 716,48 km);
- registration of right to use land plots to which there had not been the right, in relation to 1249,93 km of power transmission lines (plan — 3 041,72 km);

- 766 land plots under site power engineering facilities (plan — 7 921) were registered in the State cadastral register, rights to 721 land plots (plan — 8 502 plots), including:
- 666 land plots at the right of permanent (unlimited) use (plan — 6 924 land plots) were re-registered,
- rights to 55 land plots among those to which the right had not been previously determined (plan — 1 578 participants) were registered.

The amount of actual expenses on registration of property right to items of real estate was 6 460 778 Rubles 10 kopecks, at the planning one of 2 427 170 Rubles. Exceeding of the plan indicators was caused by registration of property right to items of real estate purchased within the framework of integration of power industry facilities as well as registration of items of real estate constructed once more. Besides, property right was registered to items of real estate which were planned to be registered in subsequent years — on account of future years (expenses on registration of property right to items of real estate were effected in the volume of the corresponding funds provided in the business-plan of the Company).

The amount of actual expenses on re-registration of land plots which had been previously at the right of permanent (unlimited) use was 5 518 480 Rubles 63 kopecks, at the planning one of 604 855 220 Rubles. Expenses for registration of rights to land plots to which the right had not been previously determined were 3 478 144 Rubles 63 kopecks, at the planning once of 37 597 883 Rubles 05 kopecks.

As a whole, expenses of the Company for these measures amounted to 21 023 834,22 Rubles in 2009.

Implementation of the Program of works in term of registration/re-registration of rights to use land plots incompletely is grounded by the following circumstances:

- deficit of monetary funds for these purposes in 2009 grounded by the fact that expenses were not fully included in the business-plan of the Company for 2009 (the priority area was determined by the Board of Directors in July 2009, respectively, in July 2009 the expenses were formed and approved by the Board of Directors of the Company);
- actual works on the contracts for selection of the right type and registration of rights to land plots concluded in a number of branches of the Company at the end of 2009 will be performed in 2010.

At the meeting held on January 29, 2010 (Minutes No. 01/10 dated 02.02.2010) the Board of Directors considered and took into account the information of the General Director of the Company on the works on registration of property rights to items of real estate, registration/re-registration of rights to use land plots that had been performed in 2009.

In view of amendments to the Land Law of the Russian Federation, connected with extension of

terms of re-registration of right of permanent (unlimited) use of land plots under site power engineering facilities till January 01, 2012, under linear facilities — till January 01, 2015, the amendments to the Program of works on registration of property rights of IDGC of Centre, JSC to items of real estate, registration/re-registration of rights to use land plots up to 2012/2015 were prepared for approval by the Board of Directors.

Transfer to regulation of tariff for transmission services by return on invested capital method (RAB) since January 01, 2010.

The economically grounded expense method (“expenses plus”) was applied when regulating tariffs for all grid organisations till 2009. Beginning with January 01, 2009 it became possible to perform regulation according to a new method basing on return on invested capital (RAB).

Since 2009 tariffs for services on electric power transmission by return on invested capital method (RAB) have been approved in 3 branches of IDGC of Centre, JSC — “Belgorodenergo”, “Lipentsken-ergo”, “Tverenergo”.

At the meeting of the Board of Directors of IDGC of Centre, JSC held on September 15, 2009 (Minutes No.16/09 dated September 16, 2009) the General Director was authorized to take all necessary measures for transfer to regulation of tariffs for electric power transmission services by return on invested capital method (RAB) since January 01, 2010 as the priority area of the activity.

On the grounds of this decision IDGC of Centre, JSC conducted the work on transfer of the Company branches to RAB-regulation:

1. The amount of the invested capital base over the branches of IDGC of Centre, JSC as of January 01, 2010 was valued.
2. Within the framework of formation of tariff proposals on transfer to RAB-regulation the preliminary tariff and financial projections were formed.
3. Interaction with regional regulating bodies and administrations of regions were organized. Besides, within the framework of the regular session of the Collegiums of IDGC of Centre, JSC with participation of representatives of administrations of regions and regional regulating bodies. The primary issue of the Collegiums was the transfer to RAB-regulation.
4. On October 15—16, 2009 in Kaluga region the meeting with participation of representatives of the Federal Tariff Service, administrations and regulating bodies of 22 constituent units of the Russian Federation, IDGC Holding, JSC, IDGC of Centre and Volga region and Moscow Unified Power Grid Company, JSC was held. Prospects of application of a new tariff making model based on return on invested capital method (RAB) by power grid companies were set out. Also the upgraded model for tariff calculation by RAB method was considered at the meeting in test mode.

5. The program of PR-measures is being implemented for the purposes of informing of target groups on fulfillment of the decision on transfer to RAB, explanations of advantages of transfer to RAB, creation of positive information and news background in relation to this subject.

The fulfilled measures on RAB-regulation introduction primarily resulted in applications put by regional regulating bodies (the Regional Energy Commission) to the Federal Tariff Service (FTS of Russia) concerning approval of transfer to RAB-regulation for 2010-2014 of the following branches:

- “Smolenskenergo” — November 19, 2009
- “Kurskenergo” — November 26, 2009
- “Kostromaenergo” — November 30, 2009
- “Bryanskenergo” — November 30, 2009
- “Yarenergo” — November 30, 2009

However, FTS of Russia, having considered the applications on the approved transfer to RAB-regulation for 2010-2014, informed in the letter No. EP-8583/12 dated December 01, 2009 that in connection with absence of consumer price index for 2013-2014 established by Ministry of Economic Development and Trade of the Russian Federation it was impossible to determine gross proceeds of the Company in relation to which the RAB method was planned to be applied, for the mentioned period. In view of absence of the said indices approval of tariffs for 5-year regulation and, therefore, approval of transfer to RAB cannot be. In order to approve transfer to RAB regional regulating bodies were proposed to adjust calculations for the 3-year regulation.

Following the results of the analysis of valuation of the 3-year tariff regulation by RAB method, the regulating bodies of Yaroslavl and Kursk regions found the opportunity to adjust tariff proposals in terms of the regulation period.

On December 18, 2009 by the order of FTS of Russia No. 454-e/14 the proposals of the Department of Fuel, Energy and Tariff Regulation of Yaroslavl region and Administration of Kursk region of the Committee for Tariffs and Prices of Kursk region concerning transfer of the branches of IDGC of Centre, JSC — “Yarenergo” and “Kurskenergo” — to regulation of tariffs for power transmission services by return on invested capital method since January 1, 2010 were approved.

On December 18, 2009 by the order of FTS of Russia No. 452-y/15 limit minimal levels of tariffs for power transmission services for 2010-2012 in the companies that would be being transferred to RAB-regulation since January 01, 2010 were approved.

Within the framework of the established limit level of tariffs for power transmission services the unified (boiler) tariffs for power transmission services were approved at the regional level:

- On December 30, 2009 by the order No. 231 the Department of Fuel, Energy and Tariff Regulation of Yaroslavl region put into force the regulation of the Management Board of the Department of Fuel, Energy and Tariff Regulation of Yaroslavl region No.PPr-231-P/EE dated December 23, 2009

“On determination of the unified tariffs for power transmission services along the grids of Yaroslavl region” for 2010;

- On December 30, 2009 by the Regulation No. 186 of Administration of Kursk region the Committee for Tariffs and Prices of Kursk region determined and put into force the unified (boiler) tariffs for power transmission services along distribution grids of the grid organisations of Kursk region for 2010.

Beginning from November 2009 the report on measures taken for transfer to regulation of tariffs for power transmission services by return on invested capital method (RAB) is submitted to the Board of Directors monthly.

One of the primary goals of IDGC of Centre, JSC for 2010 is transfer to RAB-regulation of the branches: “Bryanskenergo”, “Voronezhenergo”, “Kostromaenergo”, “Orelenergo”, “Smolenskenergo” and “Tambovenergo”.

According to the Plan of measures on transfer to regulation of prices (tariffs) for power transmission services in 2010 rendered by territorial grid organisations in the form of long-term parameters for regulation of the activity of such organisations, including by return on invested capital method (approved by the Resolution of the Government of the Russian Federation No. 30-r dated January 19, 2010), the term of transfer of the branches of IDGC of Centre, JSC — “Bryanskenergo”, “Voronezhenergo”, “Kostromaenergo”, “Orelenergo”, “Smolenskenergo” and “Tambovenergo” to the return on invested capital method (RAB) is determined up to July 1, 2010.

The fixed term depends on adoption of a number of regulatory legal acts, they are:

- introduction of amendments to the Pricing Fundamentals in relation to electric and thermal power in the Russian Federation, including in the terms of determination of indicators of reliability and quality of services (up to February 15, 2010);
- development of methodic instructions for calculation of level of reliability and quality of services provided by territorial grid organisations (up to March, 2010);
- analysis of consequences of transfer to determination of long-term tariffs, including tariff growth, investment volume, reliability and quality of services (up to March 1, 2010);
- introduction of amendments to acts of FTS of Russia which are necessary for transfer to return on invested capital method within 5 years, including regulating standards of return on invested capital for 5 years (up to March 15, 2010);
- development of methodic instructions for calculation and application of decreasing (increasing) coefficients that allow to provide compliance of tariff level of organisations conducting activity on power transmission services with indicators of reliability and quality of sold goods (services) (up to April 1, 2010);

- introduction of amendments to regulatory legal acts in terms of determination of long-term tariffs basing on long-term regulation parameters for regulation of activity of regulated organisations, excluding application of return on invested capital method (up to April 1, 2010).

Organisation and ensuring development of direction “Relay protection and automatics” in IDGC of Centre, JSC.

By the decision of the Board of Directors of the Company (Minutes No. 10/07 dated December 03, 2007) organization and ensuring development of the direction “Relay protection and automatics” was determined as the priority area of the activity of IDGC of Centre, JSC. Within the framework of its implementation the following measures were fulfilled:

1. In order to increase work of the distribution grid complex of IDGC of Centre, JSC “the Program of technical re-equipping and reconstruction of relay protection and automatics and emergency control automatics” has been developed and being implemented since 2006. The results of implementation of this program for 2006-2008:
 - 104 substations of 110 kV voltage were transferred from alternate to direct operating current. Up-to-date devices for operating current control in the number of 112 pieces for the total amount of 73,4 mln Rubles were installed at these objects;
 - 123 substations suffered integrated reconstruction of relay protection and automatics (RPA) of transformers and power transmission lines (PTL) of 110 kV resulted in installation of 207 integrated cabinets of RPA manufactured on micro processor base for the total amount of 151,3 mln Rubles;
 - element renovation of RPA devices of switchgear-110 kV was fulfilled at 126 objects, switchgear-35 kV — at 137 objects, switchgear — 6,10 kV — at 264 objects. Total number of installed micro processor terminals (MP-terminals) of RPA was 5472 pieces, for the amount of over 212,8 mln Rubles;
 - 15 digital registration devices of emergency processes at centre substations of the Company as well as 192 digital devices for damage localizing on PTL of 110 kV and 73 digital devices for damage localizing on PTL of 35 kV for the total amount of 17,7 mln Rubles were introduced in order to increase grid control, reduce time and expenses for search and elimination of damages.

Implementation of the target program allowed more efficient use of financial means for elimination of weak point in the grid.

2. Supplementary measures of the target program on reliability increase were approved (Order of IDGC of Centre, JSC No. 173 dated August 27, 2009), within which:
 - principles of the target program formation were developed;
 - technical decisions on equipping of substations of 35-110 kV with quick-operating optical arc protection of cubicles of switch and control gear (SCG) of 6-10 kV were analyzed;
 - criteria of priority rating for the items to be included in the target program were developed;

- individual price parameters for purchase, engineering, start-up and commissioning of devices of quick-operating optical arc protection of cubicles of switch and control gear (SCG) of 6-10 kV were determined;
- “The Program of equipping of SS of 35-110 kV with quick-operating optical arc protection of cubicles of switch and control gear (SCG) of 6-10 kV “ was approved;
- Inventory of substation (SS) of 35-110 kV equipped with cubicles of switch and control gear was carried out in order to find out whether it was equipped with quick-operating optical arc protections or not;
- The item-by-item program of equipping of substations of 35-110 kV with quick-operating optical arc protection of cubicles of switch and control gear (SCG) of 6-10 kV for 2010-2013 was formed and approved according to which it was necessary to install 13 530 arc protection devices (including 3936 devices in 2010) for the total amount of 181,131 mln Rubles (including 47,622 mln Rubles in 2010);
- Purchase procedures for the target program implementation in 2010 were conducted.

The expected effect from the target program implementation — decrease of electric equipment damaging volume (economic loss reduction) from electric arc effect. Installation of quick-operating arc protections will considerably increase work reliability of power equipment of IDGC of Centre, JSC and consumer power supply reliability (undersupply reduction) as well as decrease risk of electric arc affection on the personnel of IDGC of Centre, JSC.

3. In January 2009 within the framework of the project “Account and analysis of equipment damaging” the functional for account and analysis of work of relay protection and automatics was introduced to the corporate information system SAP R/3. Mainly, this allowed to conduct analysis of statistic data on the work of relay protection and automatics at technological violations in the real time mode. This system was installed at working places of chiefs and specialists of RPA services of the production divisions, branches and executive apparatus of the Company. In the opinion of specialists of the Department for metering and metrology of IDGC of Centre, JSC, introduction of the automated system for accounting and estimate of work of RPA devices allowed to increase the reporting data fairness by 50-55%. Introduction of the automated system for accounting and estimate of work of RPA devices allowed to reveal the most unreliable RPA devices (with greater number of improper actuations and reset failures) and to ensure due taking of managerial decisions.

Development of IT-technologies. Technical policy of the Company in the field of IT.

By the decision of the Board of Directors of the Company (Minutes No. 009/05 dated December 05, 2005) the development of IT-technologies was determined as the priority area of the activity of IDGC of Centre, JSC. In order to ensure development of this area

- Principal regulations of the technical policy in the field of IT (Minutes of the Board of Directors No. 09/07 dated November 06, 2007)

- Automation system project of the Company for 2009 — 2012 (Minutes of the Board of Directors No. 06/09 dated April 15, 2009)

were approved in the Company by the decision of the Board of Directors:

Within the framework of implementation of abovementioned projects in 2009 the following goals were achieved:

1. In the terms of organization of IT-direction work and management:
 - 1.1 The quality of information technology management was improved for the account of development and approval of the business-process “Information technology and resources management”, determination of goals, development of system of indicators of goal achievement and personnel motivation.
 - 1.2 The process of the Company IT-budget management was put into force: methods were developed and operational IT-direction budget that included all IT-expenses of the Company for 2010 was actually formed.
2. In the terms of development of the corporate information system of the Company:
 - 2.1 Limitation to the number of working places in the corporate information system on the platform of SAP products was withdrawn by means of acquisition of the unlimited license packages, what allowed to reduce expenses for their servicing for the account of refuse from license lease and fixation of technical support amount.
 - 2.2 The degree of the Company business-processes automation was increased for the account of implementation of 49 projects on all business-directions of the Company.
 - 2.3 Number of uses of the corporate information system grew up by 45% and amounted to 7 680 uses as of January 01, 2010.
 - 2.4 Expenses were reduced and processing of the source accounting documentation was speeded up for the account of introduction of the centralized electronic archive.
3. In the terms of securing with reliable and qualitative communication and data transfer channels:
 - 3.1 Increase of reliability and quality of service telephone network for the account of replacement of depreciated equipment by 39 digital ATS.
 - 3.2 Upon the demand of the system operator the control and management reliability of 20 substations was increased by means of installation of data transfer satellite system.
 - 3.3 Reliability and continuity of business-appendix functioning, communication systems and dispatching control were increased in 3 branches of the Company for the account of increase of speed of IP-VPN network access up to 10 mb/sec, in IA of the Company — up to 20 mb/sec.

4. In the terms of development of dispatching control and commercial electric power metering systems:

4.1 Operational functions of management of high voltage lines and substations of 110 kV , 35 kV were completely transferred to 11 grid management centers.

4.2 Over 15 000 intelligent metering devices “Neyron” were assembled in the branch of IDGC of Centre, JSC — “Belgorodenergo” within the framework of the project “Automation of commercial electric power metering of consumers of housing and small motor sectors”.

When forming the Automation system project for 2009-2012, the efficiency of IT-decisions introduction in 2007-2008 was analyzed.

In 2007 the economic effect intended to power loss reduction amounted to 147 mln Rubles, when using account and balance system basing on SAP IS-U, in particular:

- on the revealed facts of unaccountable and non-contractual consumption 92,3 mln kWh for 132,7 mln Rubles were included in productive supply and recovered from consumers;
- on the revealed facts of violations in the consumer account system (breakdown of one of elements of account complex, account scheme construction error): 82 043 revealed, 54 430 violations eliminated, obtained effect: 9,8 mln kWh for 14,3 mln Rubles.

In 2008 when establishing the unified operating company (since April 01, 2008) the total economic effect amounted to 325 mln Rubles, in particular:

- on the direction of power loss reduction when using account and balance system basing on SAP IS-U— 99,9 mln Rubles.
- on the direction of financial and economic activity:
 - reduction of volumes of the current assets frozen in reserves — 28,4 mln Rubles.
 - reduction of bad accounts receivable write-off — 23,6 mln Rubles.
 - reduction of attracted current assets — 45 mln Rubles.
 - increase of income for the account of placing of free monetary funds — 4,5 mln Rubles.
 - reduction of revenue loss from technological connections — 15 mln Rubles.
 - reduction of FAS penalty risk — 63,7 mln Rubles.
 - increase of accounts receivable collection on technological connections — 4 mln Rubles.

Financial reporting formation according to IFRS.

By the decision of the Board of Directors of the Company (Minutes No. 006/05 dated August 12,

2005) the financial reporting formation according to IFRS was recognized to be the priority area of the Company activity. Implementing this direction beginning with 2005 IDGC of Centre, JSC draws up the annual financial reporting in accordance with the International Financial Reporting Standards. This reporting was audited as well: the audit of IFRS reporting for 2005 was conducted by the independent auditor CJSC “PricewaterhouseCupers Audit”, for 2006-2008 by the independent auditor CJSC “KPMG”. Audit of such reporting for 2009 will be conducted by CJSC “KPMG” as well.

The audited reporting of IDGC of Centre, JSC according to IFRS is disclosed of the Company corporate Website in the Internet: <http://www.mrsk-1.ru/inform/msfo/> ; as well as in the issuer’s quarterly reports.

Logo image of the Company

For the purposes of implementation of the priority area of the Company activity “Approval of the logo image of the Company” (Minutes of the Board of Directors No. 006/05 dated August 12, 2005; Minutes of the Board of Directors No. 07/07 dated August 17, 2007 (approval of new logo image)) the business style album of IDGC of Centre was approved (Order No. 15 dated January 18, 2008). In connection with establishment of the Unified operating company as well as the necessity to describe the Company business colors in various classifiers, upgrade format of presentations and information stands, standardizing of overall on the client direction the corresponding changes were made in the brendbook in 2009.

In the Company (including in all branches) logo images and details of the Company on faces of buildings, business documentation forms (orders, instructions, minutes, envelops etc.), information stands are fulfilled in compliance with the requirements of the business style album both in branches and production divisions. Overall (both ordinary and thermo-resistant) corresponds to the requirements of the brendbook as well; overall color design is determined in the technical specification for purchase. Painting of production facilities is carried out, special machinery is brended in accordance with the established business style.

Brending process control is conducted quarterly at operating reporting portal in compliance with the resolution No. CA-5/456-r dated June 19, 2009 “On submission of the information of compliance of range of colors of purchased equipment, transport, mechanisms and devices with the business style of IDGC of Centre, JSC”.

On February 11, 2010 the trade mark of IDGC of Centre, JSC in Russian was registered (registration certificate No. 400905), on February 18, 2010 r. — in English (registration certificate No. 401660).

Re-valuation of the fixed assets and valuation of assets of the Company in compliance with the IFRS reporting

Re-valuation of the fixed assets and valuation of assets of the Company is conducted in compliance with the requirements of IFRS reporting — the priority area of the Company activity determined by the Board of Directors (Minutes No. 009/06 dated October 18, 2006).

According to this direction re-valuation of the fixed assets and valuation of assets of the Company as of January 01, 2007 was conducted, re-valuation was performed by valutors’ consortium in the structure of CJSC “Deloitte & Touche CIS”, “Institute of entrepreneurship problems” Ltd. and “ACF “Top-Audit”, Ltd. applying expenses approach based on determination of expenses for creation/purchase of assets and property complex in whole. Re-valuation data is reflected in the accounting reporting of IDGC of Centre, JSC as of December 31, 2007, the reporting fairness is confirmed by the auditor’s opinion — CJSC “KPMG”.

In 2009 the audit was conducted in order to reveal economic impairment of assets according to IAS 36 (International Financial Reporting Standards. Impairment of assets.) as of December 31, 2008. Having taken into account the current unstable market conjuncture and according to the requirement IAS 36 (Item 9 of the Standard: “For the end of each reporting period an enterprise should valueate whether there are any indicators of impairment of assets. In case of any such indicator the enterprise should valueate the recoverable asset amount”), audit of the fixed assets was conducted in order to reveal their impairment. For the purposes of valuation the professional valuator “FBC” ltd. was involved. The audit to reveal impairment was conducted by means of calculation of fixed assets value in use. Upon the audit results the impairment losses as of December 31, 2008 were not revealed.

In 2010 the work on valuation of assets to reveal their economic impairment as of December 12, 2009 is being performed.

The most important decisions taken by the Board of Directors in 2009:

- preliminary approval of the collective agreement of IDGC of Centre, JSC for 2009 — 2011 (Minutes No. 01/09 dated February 12, 2009);
- approval of the Regulation on internal control procedures of IDGC of Centre, JSC (Minutes No. 01/09 dated February 12, 2009);
- approval of the Regulation on the Committee for technological connection to power grids under the Board of Directors of IDGC of Centre, JSC (Minutes No. 01/09 dated February 12, 2009);
- approval of the Consolidated Program for insurance protection of IDGC of Centre, JSC for 2009 (Minutes No. 02/09 dated March 04, 2009);
- approval of the Program of Non-State Pension Support of employees of IDGC of Centre, JSC for 2009 (Minutes No. 02/09 dated March 04, 2009); approval as amended (Minutes No. 20/09 dated November 20, 2009);
- establishment of the Committee for technological connection to power grids under the Board of Directors of IDGC of Centre, JSC (Minutes No. 02/09 dated March 04, 2009);
- consideration of shareholders’ proposals on introduction of items to the agenda of the annual General meeting of shareholders of the Company and nomination of candidates to management and control bodies of the Company (Minutes No. 03/09 dated March 10, 2009);
- approval of the Interaction Procedure of IDGC of Centre, JSC with business companies, which shares (stakes) belong to IDGC of Centre, JSC (Minutes No. 05/09 dated March 27, 2009);

- approval of automation system project of IDGC of Centre, JSC for 2009 — 2012 (Minutes No. 06/09 dated April 17, 2009);
- convening of the annual General meeting of shareholders of the Company (Minutes No. 07/09 dated May 04, 2009);
- approval of the Annual report of the Company for 2008 (Minutes No. 07/09 dated May 04, 2009);
- recommendation to the General meeting of shareholders on dividend amount on shares of the Company and its payment procedures following the results of 2008 (Minutes No. 07/09 dated May 04, 2009);
- recommendation to the General meeting of shareholders on the Company profit and loss distribution following the results of the financial year 2008 (Minutes No. 07/09 dated May 04, 2009);
- approval of values of key performance indicators of the Company for 2009 (Minutes No. 08/09 dated May 26, 2009);
- approval of the Business-plan of the Company for 2009 (Minutes No. 11/09 dated July 10, 2009);
- approval of the Investment program of the Company for 2009 (Minutes No. 11/09 dated July 10, 2009);
- approval of the Program of works of IDGC of Centre, JSC on the works on registration of property rights to real estate items, registration/re-registration of rights to use land plots up to 2013 (Minutes No. 11/09 dated July 10, 2009);
- approval of the credit plan for the 3rd and 4th quarters of 2009 (Minutes No. 12/09 dated August 04, 2009);
- approval of the list of position of the executive apparatus of the Company, approval of candidacies to which is related to the competence of the Board of Directors (Minutes No. 12/09 dated August 04, 2009);
- approval of the Program on injury rate risk reduction of IDGC of Centre, JSC for 2009-2012 as amended (Minutes No. 13/09 dated September 02, 2009);
- approval of the Annual integrated purchase program of the Company for 2009 (Minutes No. 13/09 dated September 02, 2009);
- consideration of the information of the General Director of IDGC of Centre, JSC on the analysis of disagreement with sales companies and proposals on their solution (Minutes No. 17/09 dated October 16, 2009);
- approval of the Regulation on the Committee for Audit of the Board of Directors of IDGC of Centre, JSC as amended (Minutes No. 18/09 dated November 02, 2009);
- approval of the Regulation on insurance protection support of IDGC of Centre, JSC as amended (Minutes No. 19/09 dated November 17, 2009);
- participation of IDGC of Centre, JSC in NP “ENERGOSTROY” (Minutes No. 19/09 dated November 17, 2009);

- approval of the Client Servicing Standard of IDGC of Centre, JSC as amended (Minutes No. 20/09 dated November 20, 2009);
- approval of the Regulation on the Reliability Committee of the Board of Directors of IDGC of Centre, JSC as amended (Minutes No. 21/09 dated December 02, 2009);
- approval of the Regulation on disposal of housing and utilities items of IDGC of Centre, JSC (Minutes No. 21/09 dated December 02, 2009);
- approval of adjustments of the target values of the annual and quarterly (the 3rd — 4th quarters) key performance indicators of IDGC of Centre, JSC for 2009, the Investment program of the Company for 2009 (Minutes No. 22/09 dated December 18, 2009);
- approval of the credit plan for the 1st quarter of 2010 (Minutes No. 23/09 dated December 18, 2009);
- extension of the term of the employment contract with Evgeny Fedorovich Makarov, the General Director of the Company, (Minutes No. 23/09 dated December 18, 2009);
- approval of the adjusted Annual integrated purchase program of the Company for 2009 (Minutes No. 24/09 dated December 25, 2009);
- change of the Organizational structure of the Executive apparatus of IDGC of Centre, JSC (Minutes No. 24/09 dated December 25, 2009).

Appendix 11

Data on major transactions and interested-party transactions settled in 2009

Data on major transactions of the Company settled in 2009 as well as other transactions which settlement is subject to procedure of approval of major transactions in accordance with the Articles of Association of the Company

No major transactions were settled by IDGC of Centre, JSC in 2009. Other transactions which settlement is subject to procedure of approval of major transactions are not provided by the Articles of Association of the Company.

Data on interested-party transactions settled in 2009.

Transaction, date of its settlement (Contract details)	Subject of transaction	Essential terms of transaction		Other essential terms	Interested person (persons)	Data on approval of an interested-party transaction (management body, Minutes details)
		Parties of transaction, Beneficiary party(ies) (if any)	Price of transaction, Rubles			
Contract No. 40025111 dated 10.03.2009.	Real estate lease	“SO UES”, JSC — the lessee, IDGC of Centre, JSC — the lessor	607 494,68 Rubles per month including VAT	—	— member of the Board of Directors of IDGC of Centre, JSC S.B. Syutkin, member of the Management Board of “SO UES”, JSC, — shareholder of IDGC of Centre, JSC — IDGC Holding, JSC holding over 20% of voting shares of IDGC of Centre, JSC.	Approved by the Board of Directors Minutes No. 02/09 dated 04.03.2009
Contract No. 40025096 dated 10.03.2009.	Real estate lease	“SO UES”, JSC — the lessee, IDGC of Centre, JSC — the lessor	4 318,80 Rubles per month including VAT	—	— member of the Board of Directors of IDGC of Centre, JSC S.B. Syutkin, member of the Management Board of “SO UES”, JSC, — shareholder of IDGC of Centre, JSC — IDGC Holding, JSC holding over 20% of voting shares of IDGC of Centre, JSC.	Approved by the Board of Directors Minutes No. 02/09 dated 04.03.2009

Transaction, date of its settlement (Contract details)	Subject of transaction	Essential terms of transaction		Other essential terms	Interested person (persons)	Data on approval of an interested-party transaction (management body, Minutes details)
		Parties of transaction, Beneficiary party(ies) (if any)	Price of transaction, Rubles			
Contract No. 7700/00026/09 dated 06.05.2009	Rendering of services on including of the Issuer's securities in "B" Quotation list of Stock Exchange MICEX and services on support of Securities in the Quotation list of Stock Exchange MICEX	IDGC of Centre, JSC — the issuer, "SE MICEX", Closed JSC — the exchange	15 000,00 Rubles (without VAT) — for including of securities in Quotation list of Stock Exchange MICEX — non-recurrent payment, 6000,00 Rubles (without VAT) — for support of in Quotation list of Stock Exchange MICEX — per year	—	— shareholder of IDGC of Centre, JSC — IDGC Holding, JSC, holding over 20% of voting shares in IDGC of Centre, JSC whose affiliated person is the member of the Board of Directors of IDGC Holding, JSC V.V. Tatsy holds the position of the member of the Board of Directors of "SE MICEX", Closed JSC.	Approved by the Board of Directors Minutes No. 07/09 dated 04.05.2009
Contract No. 7700/00025/09 dated 06.05.2009	Rendering of services on carrying out of expert examination of securities for the purpose of their including in "B" Quotation list of Stock Exchange MICEX on the basis of Issuer's application	IDGC of Centre, JSC — the issuer, "SE MICEX", Closed JSC — the exchange	106 200,00 Rubles (including VAT) — non-recurrent payment	—	— shareholder of IDGC of Centre, JSC — IDGC Holding, JSC, holding over 20% of voting shares in IDGC of Centre, JSC whose affiliated person is the member of the Board of Directors of IDGC Holding, JSC V.V. Tatsy holds the position of the member of the Board of Directors of "SE MICEX", Closed JSC.	Approved by the Board of Directors Minutes No. 07/09 dated 04.05.2009
Contract No. 7700/00020/09 dated 12.05.2009	Rendering of services on running of All-Russian competition in professional skill of field service teams of distribution grids of IDGC Holding, JSC on the territory of practice training ground of the Branch of "Tyumenenergo", JSC — "Nizhnevartovsk PG"	IDGC of Centre, JSC — the customer, "Tyumenenergo", JSC — the performer	700 000,00 Rubles (including VAT)	—	— member of the Board of Directors of IDGC of Centre, JSC V.M. Kravchenko, the member of the Board of Directors of "Tyumenenergo", JSC; — member of the Board of Directors of IDGC of Centre, JSC P.I. Okley, the member of the Board of Directors of "Tyumenenergo", JSC.	Approved by the Board of Directors Minutes No. 07/09 dated 04.05.2009
Contract w/o No. dated 08.06.2009	Real estate lease	"TGC-2", JSC — the lessor, IDGC of Centre, JSC — the lessee	1 322 155,00 Rubles (including VAT) for 11 months		member of the Board of Directors of IDGC of Centre, JSC and "TGC-2", JSC A.M. Branis	Approved by the Board of Directors Minutes No. 09/09 dated 08.06.09

Transaction, date of its settlement (Contract details)	Subject of transaction	Essential terms of transaction		Other essential terms	Interested person (persons)	Data on approval of an interested-party transaction (management body, Minutes details)
		Parties of transaction, Beneficiary party(ies) (if any)	Price of transaction, Rubles			
Contract No. 6700/00735/09 dated 10.08.2009	Real estate lease	IDGC of Centre, JSC — the lessor — “SO UES”, JSC — the lessee	7 112 716,68 kopecks per year (including VAT) — per year		— member of the Board of Directors of IDGC of Centre, JSC S.B. Syutkin, member of the Management Board of “SO UES”, JSC, — shareholder of IDGC of Centre, JSC — IDGC Holding, JSC holding over 20% of voting shares of IDGC of Centre, JSC.	Approved by the Board of Directors Minutes No. 12/09 dated 04.08.2009
Contract No. ST1109/E-16 dated 20.08.2009	Telephone connection service rendering	“FGC UES”, JSC — the subscriber, IDGC of Centre, JSC — the performer	4938 Rubles 30 kopecks (including VAT) — for 9 months	—	— member of the Board of Directors of IDGC of Centre, JSC S.N. Ivanov being at the same time the First Deputy of the Chairperson of the Management Board of “FGC UES”, JSC; — shareholder of the Company — IDGC Holding, JSC holding over 20% of voting shares of the Company, whose affiliated persons — members of the Board of Directors of IDGC Holding. JSC M.Yu. Kurbatov, S.V. Maslov, V.V. Tatsy, S.I. Shmatko hold positions in the management bodies of “FGC UES”, JSC (Board of Directors).	Approved by the Board of Directors Minutes No. 12/09 dated 04.08.2009
Contract No. 23/2009-AO dated 01.09.2009	Real estate lease	“SO UES”, JSC — the lessee, IDGC of Centre, JS — the lessor	156 816 Rubles (including VAT) — for 11 months	—	shareholder of the Company — IDGC Holding, JSC holding over 20% of voting shares of the Company, whose affiliated persons — members of the Board of Directors of IDGC Holding. JSC M.Yu. Kurbatov, E.V. Dod, S.I. Shmatko being at the same time the members of the Board of Directors of “SO UES”, JSC.	Approved by the Board of Directors Minutes No. 13/09 dated 02.09.2009
Contract No. 7700/0074/09 dated 01.10.2009 (Supplementary agreement No. DS 7700/00043/09 dated 01.12.2009 to the Contract No. 7700/0074/09 dated 01.10.2009)	Rendering of services on organization of operating and development of the Unified Energy System of Russia regarding distribution power grid complex	IDGC Holding, JSC — the performer, IDGC of Centre, JSC — the customer	650 475 000 Rubles (including VAT) — for the whole period of the contract validity	—	shareholder of the Company — IDGC Holding, JSC holding over 20% of voting shares of the Company.	Approved by the Board of Directors Minutes No 15/09 dated 16.09.2009 (Supplementary agreement approved by the Board of Directors Minutes No.19/09 dated 17.11.2009)

In 2009 the Company settled transactions exceeding 2% of value of assets of the Company as of the ending of the accounting period prior to the transaction settlement recognized to be essential ones in accordance with the Regulation on Information Policy of the Company (Minutes No.009/06 dated 18.10.2006).

Transaction, date of its settlement (Contract details)	Essential terms of transaction			Data on approval of transaction (management body, Minutes details)
	Subject of transaction	Parties of transaction, Beneficiary party(ies) (if any)	Price of transaction, Rubles	
Agreement No. 4677-375 dated 14.08.2009	Non-revolving credit facility agreement	IDGC of Centre, JSC — the Company, “Mid-Russian bank of Savings bank of Russia”, JSC — the Bank	2 550 000 000 Rubles	Approved by the Board of Directors Minutes No. 12/09 dated 04.08.2009
Agreement No. 4677-374 dated 14.08.2009	Non-revolving credit facility agreement	IDGC of Centre, JSC — the Company, “Mid-Russian bank of Savings bank of Russia”, JSC — the Bank	1 700 000 000 Rubles	Approved by the Board of Directors Minutes No. 12/09 dated 04.08.2009

Information on intragroup transactions as well as transactions of the Company with state companies and other essential transactions of the Company in 2009 is available on the Company’s corporate web-site:
<http://www.mrsk-1.ru/inform/transaction/>.

Appendix 12

Procedure of convening, procedure of proposing items for the agenda of General Meetings of Shareholders. Procedure of nomination of candidates to the Board of Directors

In accordance with the Federal Law “On Joint-Stock Companies”, Articles of Association and Regulation on the procedure of preparation and holding the General meeting of shareholders of IDGC of Centre, JSC the Board of Directors of the Company takes the decision on convening the General meeting of shareholders. At preparation to holding the General meeting of shareholders the Board of Directors determines the form of holding the General meeting of shareholders, date, place and time of holding the General meeting of shareholders, determines agenda of the General meeting of shareholders, date of drawing up the list of persons entitled to participate in the General meeting of shareholders, list of information (materials) provided to shareholders when preparing to holding the General meeting of shareholders, and procedure of studying of the mentioned information by shareholders, form and text of voting ballots at the General meeting of shareholders, date of sending of voting ballots to persons entitled to participate in the General meeting of shareholders, procedure of informing of shareholders of the Company on holding the General meeting of shareholders.

In accordance with the Articles of Association of the Company the General meeting of shareholders of the Company may be held in Moscow city or in other place according to the decision of the Board of Directors of the Company. Exact address of holding the General meeting of shareholders of the Company is determined by the Board of Directors when deciding issues related to holding the General meeting of shareholders.

General meeting of shareholders of the Company is held not earlier than in two months and not later than in six months after the ending of financial year.

Shareholders (a shareholder) of the Company being jointly the holders of not less than 2 (two) percent of voting shares of the Company are entitled to propose items for the agenda of the Annual General meeting of shareholders and to nominate candidates to the Board of Directors and the Auditing Committee of the Company, whose number cannot exceed the number of members of the correspondent body within 60 (Sixty) days after the ending of financial year.

Extraordinary General meeting of shareholders may be called by the Auditing Committee of the Company, the Auditor of the Company or shareholders (a shareholder) of the Company being the holders of not less than 10 (Ten) percent of voting shares of the Company, in case the Board of Directors of the Company has not yet taken the decision to call extraordinary General meeting of shareholders or has taken the decision on refusal to call it within 5 (Five) days from the date of demanding for convening the extraordinary General meeting of shareholders.

In case the proposed agenda of the extraordinary General meeting of shareholders includes an item on election of members of the Board of Directors of the Company shareholders (a shareholder) of the Company being jointly the holders of not less than 2 percent of voting shares of the Company are entitled to nominate candidates for election to the Board of Directors of the Company whose number cannot exceed the number of members of the Board of Directors of the Company.

Such proposals should be introduced in the Company not less than 30 (Thirty) days prior to the date of holding the extraordinary General meeting of shareholders.

The Board of Directors should consider the introduced proposals and to take decisions on their inclusion into the agenda of the extraordinary General meeting of shareholders or on refusal to include into the mentioned agenda.

In the Articles 13-14 of the Articles of Association of the Company in compliance with all applicable laws of the Russian Federation the following procedure of nomination of candidates to the Board of Directors of the Company is determined:

“Shareholders (a shareholder) of the Company being jointly the holders of not less than 2 (Two) percent of voting shares of the Company are entitled to propose items for the agenda of the Annual General meeting of shareholders and to nominate candidates to the Board of Directors and the Auditing Committee of the Company, whose number cannot exceed the number of members of the correspondent body within 60 (Sixty) days after the ending of financial year.

Proposal on introduction of items for the agenda of the General meeting of shareholders and proposal on nomination of candidates are made in writing with indication of name of shareholders (a shareholder) introduced them, number and class (type) of shares held by them and should be signed by shareholders (a shareholder).

Proposal on introduction of items for the agenda of the General meeting of shareholders should contain formulation of every proposed item and proposal on nomination of candidates should contain the name and data of document indentifying a person (series and (or) number of document, date and place of its issue, authority issued this document) of every nominated candidate, name of the body which he is nominated to be elected to.

Items subject to inclusion into the agenda of the meeting should be formulated in the demand for holding the extraordinary General meeting of shareholders of the Company.

Persons (a person) demanding for convening the extraordinary General meeting of shareholders of the Company are entitled to present draft decision of the extraordinary General meeting of shareholders of the Company, proposal regarding form of holding the General meeting of shareholders. In case the demand for convening the extraordinary General meeting of shareholders contains the proposal on nomination of candidates, such proposal is subject to correspondent provisions of the Article 13 of the Articles of Association.

In case the demand for convening the extraordinary General meeting of shareholders of the Company is made by a shareholder (shareholders) it should contain name of a shareholder (shareholders) demanding for convening the meeting with indication of number, class (type) of shares of the Company held by them.

Demand for convening the extraordinary General meeting of shareholders of the Company is signed by a person (persons) demanding for convening the extraordinary General meeting of shareholders of the Company.

In case the proposed agenda of the extraordinary General meeting of shareholders contains the item on the election of members of the Board of Directors of the Company:

General meeting of shareholders should be held within 90 (Ninety) days from the date of introduction of the demand for holding the extraordinary General meeting of shareholders of the Company.

Shareholders (a shareholder) of the Company being jointly the holders of not less than two percent of voting shares of the Company are entitled to nominate candidates for the election to the Board of Directors of the Company whose number cannot exceed the number of members of the Board of Directors of the Company .

Such proposals should be introduced in the Company not less than 30 (Thirty) days prior to the date of holding the extraordinary General meeting of shareholders”.

Appendix 13

Information on participation of the Company in other organisations

Information on the Company stake in authorized capitals and voting shares of companies as of December 31, 2009.

No.	Organisation and location	Date of registration of company	Type of activity of company	Stake of IDGC of Centre, JSC in authorized capital of organisation in thousand Rubles and %		Stake of votes of IDGC of Centre, JSC in organisation, %
				thousand Rubles	%	
1.	Joint-Stock Company “Energetik” (till July 23, 2009 Joint-Stock Company “Sanatorium-Preventorium “Energetik”) location: Tambov region, Tambov area, workers’ settlement Novaya Lyada, Sanatoriumaya St., 1	June 30, 2003	<ul style="list-style-type: none">• organization and conducting of sanatorium and resort treatment, health-improving rest of people and service connected with it;• organization and implementation of measures on sanitary and hygiene education of population, promotion of healthy life style;• development and implementation of new organizational forms of medical treatment;• study of population needs of sanatorium and resort treatment;• production, purchase and processing of agricultural products;• trade-mediation, commercial and foreign economic activities;• marketing, advertisement-information and consultative-inquiry activities;• transport services, conveyance of people, maintenance;• other types of activities which are not prohibited by the Law of the Russian Federation.	15 354,998	100	100
2.	Joint-Stock Company “Smolensk power repair company” (preferred/ordinary shares) location: Smolensk, Industrialnaya St., 5	February 01, 2005	<ul style="list-style-type: none">• ensuring of operation of power equipment in accordance with the current regulatory requirements, performance of its up-to-date and quality repair, technical re-equipping and reconstruction of power facilities;• performance of works on repair of equipment, buildings, technological structures, transfer devices applied in production and power transmission;• production of spare parts and plant products in order to ensure the abovementioned repairs;• production of metal structures, nonstandard equipment and spare parts;• thermal insulating and wall up works and repair of stop valves;• construction, reconstruction, upgrading and introduction of new technologies at facilities of fuel and energy, oil and gas, machine building, construction complexes, construction material industry;• lease of buildings and constructions;• engineering services (construction and technological preparation of works on repair of equipment of thermal- and electric stations, production of spare parts, attachment and devices; development of design and estimate documents; production and technical procurement of works; technical supervision over production, repair, improvement and upgrading of products, points, assemblies of different industrial construction and of power purpose; implementation of advanced technologies and methods allowing to reduce labor intensity of products or increase quality of performed works);• performance of construction, assembly, start-up and commissioning works, installation supervision and servicing of power facilities, including “key ready” work packages;• exercise of operation conditions, operation and issue of recommendations on operation;	537,69028/ 1 395,92610	 2,34	 2,06

No.	Organisation and location	Date of registration of company	Type of activity of company	Stake of IDGC of Centre, JSC in authorized capital of organisation in thousand Rubles and %		Stake of votes of IDGC of Centre, JSC in organisation, %
2.	Joint-Stock Company “Smolensk power repair company” (preferred/ordinary shares) location: Smolensk, Industrialnaya St., 5	February 01, 2005	<ul style="list-style-type: none"> • development and implementation of new automated process control systems (APCS); • elaborating of tender documentation for tender; • investment of own, borrowed or raised funds in the form of investments; • participation in investment activity as an investor, customer, creditor, buyer, seller as well as any other participant of investment activity; • services on employment of specialists both in Russia and abroad in accordance with the procedure established by the Law; • independent consultations, attestations, expert examinations of different types of activity and international projects; • services on positioning and distribution of advertisement in Russia and abroad; • innovation and consulting activity; • safeguarding activity exclusively in the interests of own security within the framework of Security Service created by the Company which is governed by the Law of the Russian Federation “On private detective and safeguarding activity in the Russian Federation” and the current Law of the Russian Federation; • organization and implementation of defense measures on the issues of mobilization training, civil defense, emergencies and protection of state secret data in accordance with the current Law of the Russian Federation; • other types of activities which are not prohibited by the Law of the Russian Federation. 	537,69028/ 1 395,92610	 2,34	 2,06
3.	Joint-Stock Company “The fourth generating company of power wholesale market “ location: 628406, the Russian Federation, Khanty-Mansiysky Autonomous District — Yugra, Surgut, Surgutskaya State District Power Station-2	March 04, 2005	<ul style="list-style-type: none"> • production and sale of electric and thermal power 	27 461,10332	0,11	0,11
4.	JSC “TGC-4” (preferred shares) location: 300600, the Russian Federation, Tula, Timiryazev St., 99	April 20, 2005	<ul style="list-style-type: none"> • electric and thermal power production; • thermal power transmission; • activity in electric power wholesale market on sale / purchase of electric power; • services on management, consultation, marketing and other services connected with power business. 	1 369,0132	0,0265	0

No.	Organisation and location	Date of registration of company	Type of activity of company	Stake of IDGC of Centre, JSC in authorized capital of organisation in thousand Rubles and %		Stake of votes of IDGC of Centre, JSC in organisation, %
			<ul style="list-style-type: none"> • purchase of electric power in wholesale and retail markets of electric power (capacity); • sale of electric power in wholesale and retail markets of electric power (capacity) to consumers (including people); • services on assembly, repair and maintenance of equipment and tools for metering, control, test, navigation, location and other purposes; • electric power production; • activities on ensuring of operating capacity of power stations; activities on ensuring of operating capacity of power grids; • production, transmission and distribution of steam and hot water (heating power); water distribution; • performance of general construction works on laying of main pipelines, communication lines and power transmission lines; • performance of general construction works on laying of local pipelines, communication lines and power transmission lines, including interconnected supplementary works; • performance of general construction works on construction of thermal and other power stations; • activities on operation of heating grids; • trust property management; • foreign economic activities; • consultation services; • transactions with securities in accordance with the procedure established by the current Law of the Russian Federation; • installation and wiring works; • activity of agents on fuel wholesale; • activity of agents on electric and thermal power wholesale (without their production, transmission and distribution); • solid fuel wholesale; • wholesale of other liquid and gas fuel; • electric and thermal power wholesale (without their transmission and distribution); • investments in securities; • investments in property; • research of market conjuncture; • consultations on issues of commercial activity and management; • activities on management of financial-production groups and holding companies; • services to third persons, including on collection of payments for supplied goods and rendered services; • diagnostics, use, repair, replacement and check of electric and thermal power metering and account devices; • services on commercial accounting organization; • public utility services to population; • development, organization and implementation of energy saving measures; • exercising functions of guaranteed supply company on the grounds of decisions of authorized bodies; • investment activity; • consultation and other services connected with sale of electric power to legal entities and individuals; • safeguarding activity exclusively in the interests of own security within the framework of Security Service created by the Company which is governed by the Law of the Russian Federation “On private detective and safeguarding activity in the Russian Federation” and the current Law of the Russian Federation;; • other types of activities which are not prohibited by the Law of the Russian Federation. 			
5.	Joint-Stock Company “Tula sales company” location: 300026, Tula, Lenin av., 102-b	April 01, 2005		30,556	0,02	0,02

No.	Organisation and location	Date of registration of company	Type of activity of company	Stake of IDGC of Centre, JSC in authorized capital of organisation in thousand Rubles and %		Stake of votes of IDGC of Centre, JSC in organisation, %
				thousand Rubles	%	
6.	JSC “Vladimir power sales company” location: 600018, Komissarov St., 24	January 01, 2005	<ul style="list-style-type: none"> • investigations and ensuring of security; • consultations on the issues of commercial activity and management; • electric and thermal power wholesale (without their transmissions and distribution); • services on assembly, repair and maintenance of other electric equipment which is not included in other groups; • services on assembly, repair and maintenance of electric distribution and regulating facilities. 	70,448	0,01	0,01
7.	JSC “IDGC of Centre and Volga region” location: 603950, the Russian Federation, Nizhny Novgorod, Rozhdestvenskaya St., 33	June 26, 2007	<ul style="list-style-type: none"> • services on electric power transmission along distribution grids and technological connection of consumers; • services on repair, operating and technical maintenance, testing of power grid facilities, connection/disconnection of consumers, communication services, transport services and other types of services. 	407,39332	0,00407	0,00407
8.	JSC “Territorial generating company No.6” location: 603950, the Russian Federation, GSP-62, Nizhny Novgorod, Gorky St., 117	April 27, 2005	<ul style="list-style-type: none"> • exercising powers of executive bodies in joint-stock and other business companies in accordance with the procedure established by the Law and concluded contracts; • trust property management; • consultation services; • transactions with securities in accordance with the procedure established by the current Law of the Russian Federation; • agent activities; • design and estimate, survey, scientific and research and construction works; • foreign economic activities; • forwarding services; • activities on supply (sale) of electric and thermal power; • activities on receipt (purchase) of electric and thermal power from electric power (capacity) wholesale market; • works determining conditions of simultaneous works in accordance with modes of the Unified power system of Russia within the frameworks of contract relations; • use of power facilities which are off-balance of the Company under contracts with owners of these power facilities; • activities connected with works of nature protection purpose; • activities connected with impact on environment, its protection and use of natural resources, utilization, storage, displacement of industrial waste; • supervision over safety servicing of electric and heat applied installations of consumers connected to grids of the company; • education activity, including extended training activity; • training and check of awareness of rules, norms and instructions on maintenance, labor protection, production and fire fighting security; • organization and implementation of defense measures on the issues of mobilization training, civil defense, emergencies and protection of state secret data in accordance with the current Law of the Russian Federation; • safeguarding activity exclusively in the interests of own security within the framework of Security Service created by the Company which is governed by the Law of the Russian Federation “On private detective and safeguarding activity in the Russian Federation” and the current Law of the Russian Federation; • electric and thermal power production; • organization of energy saving work modes of equipment of power stations, observance of power supply modes in accordance with contracts; • ensuring of operation of power equipment in accordance with the current regulatory requirements, duly and qualitative repair, technical re-equipping and reconstruction of power facilities; • ensuring of power supply of consumers connected to heat grids of the Company in accordance with concluded contracts; 	115,54349	0,00224	0,00155

No.	Organisation and location	Date of registration of company	Type of activity of company	Stake of IDGC of Centre, JSC in authorized capital of organisation in thousand Rubles and %		Stake of votes of IDGC of Centre, JSC in organisation, %
8.	JSC “Territorial generating company No.6” location: 603950, the Russian Federation, GSP-62, Nizhny Novgorod, Gorky St., 117	April 27, 2005	<ul style="list-style-type: none"> • mastering of new facilities and technology that ensure efficiency; • safety and environmental compatibility of work of the Company facilities; • activities on operation of thermal grids; • development of communication means and communication services; • storage of oil and oil refinery products; • use of explosive production facilities; • use of fire hazardous production facilities; • use and servicing of facilities of State Committee for Mining and Industrial Supervision; • use of buildings and constructions; • metrological support of production; • activities on handling of hazardous waste; • activities on operation of internal gas grids; • activities on repair of metering devices; • medical activities; • other types of activity. 	115,54349	0,00224	0,00155
9.	JSC “FGC of UES” location: 117630, Moscow, Ak. Chelomey St., 5A	June 25, 2002	<ul style="list-style-type: none"> • management of the unified national (All-Russian) power grid; • services to entities of electric power wholesale market on electric power transmission and connection to power grid; • investment activity in the field of development of the unified national (All-Russian) power grid; • maintenance of power grids on proper condition; • technical supervision over condition of grid facilities of UES of Russia. 	2405,38259	0,00146	0,00146

Information on participation of the Company in non-commercial organizations as of December 31, 2009.

Non-commercial organization and location	Date of entry in non-commercial organisation	Principal type of activity of non-commercial organisation
Private institution “Training-production and medical-prophylactorium Centre “ Russia, Lipetsk, Vinogradny Lane, 16.	September 25, 2008	Medical services and training
Private institution “Tver training-production centre 170021, Russia, Tver, Dachnaya St., 73	September 23, 2008	training services
Private institution “Orel training combine” 302006, Orel, Energetikov St., 6.	October 23, 2008	training services
Private educational institution “Voronezh training centre “Energetik” The Russian Federation, 394033, Voronezh, Lenin av- enue, 156	September 18, 2008	training services

Appendix 14

Local regulatory acts

No.	Local regulatory acts	Principal provisions	Reference to the Company Website page in the Internet on which the document is available
1	Regulation on Procedure for Preparation and Holding of the General Meeting of Shareholders of the Company (Minutes of the Management Board of RAO UES of Russia No. 1829 pr/1 dated February 28, 2008)	The document determines the procedure of preparation and holding of the General meeting of shareholders (hereinafter referred to as GMS). It reflects the provisions on: — the procedure of convention and preparation to the GMS, — the procedure of convention of the extraordinary GMS, — information support of holding of the GMS, — holding of the GMS in the form of meeting, — holding of the GMS in the form of absent voting, — working bodies of the GMS.	http://www.mrsk-1.ru/docs/sa.pdf
2	Regulation on Procedure for Convention and Holding of Meetings of the Board of Directors of the Company (Minutes of the Management Board of RAO UES of Russia No. 1829 pr/1 dated February 28, 2008)	The document determines the procedure of convention and holding of meeting of the Board of Directors of the Company (hereinafter referred to as the BD). It reflects the provisions on: — organization of work of the BD, — organization of convention and holding of meetings of the BD, — the procedure of drawing up of the Minutes of meeting of the BD, — rights and liabilities of members of the BD, — the Corporate Secretary and Secretariat of the BD.	http://www.mrsk-1.ru/file/sd.pdf
3	Regulation on the Committees under the Board of Directors of the Company: Regulation on the Reliability Committee of the Board of Directors of IDGC of Centre, JSC (Minutes of the Board of Directors of the Company No. 21/09 dated December 02, 2009) Regulation on the Committee for Audit of the Board of Directors of IDGC of Centre, JSC (Minutes of the Board of Directors of the Company No. 18/09 dated November 02, 2009)	The Regulations determine goals, tasks and procedure of activities of the Committees under the Board of Directors of the Company, fix rights and liabilities of members of the Committees, regulate the procedure of holding of meetings of the Committees as well as issues of interaction with the management bodies of the Company and structural subdivisions of the executive apparatus of the Company.	http://www.mrsk-1.ru/docs/KN_301109.doc http://www.mrsk-1.ru/docs/301009_polog_audit.doc

No.	Local regulatory acts	Principal provisions	Reference to the Company Website page in the Internet on which the document is available
	Regulation on the Committee for Personnel and Remuneration of the Board of Directors of IDGC of Centre, JSC (Minutes of the Board of Directors of the Company No. 09/08 dated April 30, 2008)		http://www.mrsk-1.ru/docs/kadri.doc
3	Regulation on the Committee for Strategy and Development of the Board of Directors of IDGC of Centre, JSC (Minutes of the Board of Directors of the Company No. 09/08 dated April 30, 2008)	The Regulations determine goals, tasks and procedure of activities of the Committees under the Board of Directors of the Company, fix rights and liabilities of members of the Committees, regulate the procedure of holding of meetings of the Committees as well as issues of interaction with the management bodies of the Company and structural subdivisions of the executive apparatus of the Company.	http://www.mrsk-1.ru/docs/308.doc
	Regulation on the Committee for Technological Connection to Power Grids under the Board of Directors of IDGC of Centre, JSC (Minutes of the Board of Directors of the Company No. 01/09 dated February 13, 2009)		http://www.mrsk-1.ru/docs/XdA2aN.doc
4	Regulation on the Auditing Committee of the Company (Minutes of the Management Board of RAO UES of Russia No. 1429 pr/1 dated March 30, 2006)	The document determines tasks and procedure of the activities of the Auditing Committee, defines its power, regulates issues of interaction with the management bodies of the Company and structural subdivisions of the executive apparatus of the Company.	http://www.mrsk-1.ru/docs/pologenieRK.pdf
5	Regulation on Payment of Remuneration and Indemnity to Members of the Board of Directors of the Company (Minutes of the annual General meeting of shareholders of the Company No. 01 dated June 03, 2008)	The Regulation determines amount and procedure of payment of remuneration and indemnity to members of the Board of Directors of the Company.	http://www.mrsk-1.ru/docs/H2H9nK.pdf
6	Regulation on Payment of Remuneration and Indemnity to Members of the Auditing Committee of the Company (Minutes of the annual General meeting of shareholders of the Company No. 01 dated June 03, 2008)	The Regulation determines amount and procedure of payment of remuneration and indemnity to members of the Auditing Committee of the Company.	http://www.mrsk-1.ru/docs/rk.pdf

No.	Local regulatory acts	Principal provisions	Reference to the Company Website page in the Internet on which the document is available
7	Regulation on Information Policy of the Company (Minutes of the Board of Directors of the Company No.009/06 dated October 18, 2006)	The principal local regulatory document of the Company that determines rules and approaches to information disclosure, list of information and documents subject to disclosure as well as determining procedure and terms of its disclosure and submission.	http://www.mrsk-1.ru/docs/PologinformPolit.pdf
8	Regulation on Insider Information of the Company (Minutes of the Board of Directors of the Company No.008/05 dated October 14, 2005)	The Regulation fixes determination and list of information related to insider one, regulates interaction of insiders and the Company, assigns responsibility of insiders.	http://www.mrsk-1.ru/inform/documents1/insider/
		The document of the Company representing the code of liabilities voluntarily assumed by participants of corporate relations of the Company, including shareholders, members of the Board of Directors of the Company and its executive bodies.	
9	Corporate Governance Code of the Company (Minutes of the Board of Directors of the Company No.009/06 dated October 18, 2006)	The Code reflects: — principles and structure of the corporate governance; — information on shareholders of the Company (rights of shareholders, the General meeting of shareholders, the dividend policy); — the corporate governance practice implemented in the Company; — information on the Corporate Secretary; — information disclosure and transparency; — settlement of corporate conflicts; — interaction with subsidiaries and dependent economic companies.	http://www.mrsk-1.ru/docs/kodu-prav.pdf
10	Regulation on Internal Control Procedures (Minutes of the Board of Directors No. 01/09 dated February 13, 2009)	The Regulation determines goals and tasks of internal control, internal control procedures, entities responsible for internal control procedures as well as control over performance of internal control procedures.	http://www.mrsk-1.ru/docs/yJF-fOC.doc
11.	Regulation on Preferences (Minutes of the Board of Directors of the Company No.009/06 dated October 18, 2006)	The Regulation determines preferences in favor of certain groups of suppliers when conducting competitive purchases of products for the Company needs.	http://www.mrsk-1.ru/docs/kKlahn.pdf

No.	Local regulatory acts	Principal provisions	Reference to the Company Website page in the Internet on which the document is available
12.	Regulation on the Option Program (Minutes of the Board of Directors of the Company No.011/06 dated November 30, 2006)	The Regulation determines procedure of obtaining and exercising of the right to acquisition of the Company shares by participants of the Option Program at the price preliminarily determined with delay of liabilities on transfer of shares and payment.	http://www.mrsk-1.ru/docs/301106_011_06.doc
13.	Regulation on Purchases (Minutes of the Board of Directors of the Company No.06/08 dated March 28, 2008)	The Regulation administers procedures of purchase of any goods, work, services amounted to over 500 000 Rubles net of VAT for the account of the Company funds.	http://www.mrsk-1.ru/about/administration/state/
14.	Regulation on the Corporate Secretary (Minutes of the Board of Directors of the Company No.009/06 dated November 18, 2006)	The Regulation determines status, functions and powers of the Corporate Secretary, procedure of his/her election and termination of powers, procedure of his/her work and interaction with management bodies of the Company.	http://www.mrsk-1.ru/docs/sekretar.pdf
15.	Regulation on Dividend Policy (Minutes of the Board of Directors of the Company No.011/06 dated November 30, 2006)	The Regulation determines principal conditions of dividend payment, procedure of determination of dividend amount, procedure of taking decision on dividend payment as well as procedure and terms of dividend payment on shares of the Company.	http://www.mrsk-1.ru/docs/YaYz03.pdf
16.	Regulation on the Management Board (Minutes of the Management Board of RAO UES of Russia No. 1829 pr/1 dated February 28, 2008)	The Regulation determines procedure of organization of preparation and holding of the Management Board.	http://www.mrsk-1.ru/docs/K4im4A.TIF
17.	Client Servicing Standard (Minutes of the Board of Directors of the Company No.20/09 dated November 20, 2009)	The Standard determines norms and rules of interaction with clients, unified requirements to service quality, optimization and formalization of procedures of interaction of the legal entity that provides services on electric power transmission and technological connection to grids with a client.	http://www.mrsk-1.ru/docs/w4Ojzh.doc
18.	Regulation on Investment Activity (Minutes of the Board of Directors of the Company No.02/07 dated February 28, 2007)	The Regulation determines complex of norms, rules and requirements to classification, consideration, agreement and approval of investment programs of the Company and separate investment projects in the structure of investment programs of the Company.	http://www.mrsk-1.ru/about/administration/activity/

No.	Local regulatory acts	Principal provisions	Reference to the Company Website page in the Internet on which the document is available
19.	Regulation on Payment of Remuneration and Indemnity to Members of the Committees:		
	Regulation on Payment of Remuneration and Indemnity to Members of the Committee for Audit of the Board of Directors of IDGC of Centre, JSC (Minutes of the Board of Directors of the Company No.13/09 dated September 02, 2009)		http://www.mrsk-1.ru/docs/audit16.doc
	Regulation on Payment of Remuneration and Indemnity to Members of the Committee for Personnel and Remuneration of the Board of Directors of IDGC of Centre, JSC (Minutes of the Board of Directors of the Company No.13/09 dated September 02, 2009)		http://www.mrsk-1.ru/docs/kadri18.doc
	Regulation on Payment of Remuneration and Indemnity to Members of the Reliability Committee of the Board of Directors of IDGC of Centre, JSC (Minutes of the Board of Directors of the Company No.13/09 dated September 02, 2009)	The Regulation administers procedure of payment of remuneration and indemnity to members of the Committee.	http://www.mrsk-1.ru/docs/nadegnost19.doc
	Regulation on Payment of Remuneration and Indemnity to Members of the Committee for Strategy and Development of the Board of Directors of IDGC of Centre, JSC (Minutes of the Board of Directors of the Company No.13/09 dated September 02, 2009)		http://www.mrsk-1.ru/docs/development17.doc
	Regulation on Payment of Remuneration and Indemnity to Members of the Committee for Technological Connection to Power Grids of the Board of Directors of IDGC of Centre, JSC (Minutes of the Board of Directors of the Company No.13/09 dated September 02, 2009)		http://www.mrsk-1.ru/docs/pr20.doc

No.	Local regulatory acts	Principal provisions	Reference to the Company Website page in the Internet on which the document is available
		The document:	
		<ul style="list-style-type: none"> regulates issues of exercising by the Company of rights of a shareholder, a participant in relation to its subsidiaries and affiliates certified by shares, stakes in order to ensure efficient activity of representatives of the Company at General meetings of shareholders / participants in the Boards of Directors and Auditing Committees of subsidiaries and affiliates; determines general conditions of the corporate interaction of the Company and subsidiaries and affiliates in directions defined in the Procedure, including the corporate planning, organization and control of corporate actions when considering issues on which it is required to determine the position of the Company (Representatives of the Company) under the Articles of Association of the Company by the management bodies of subsidiaries and affiliates. 	http://www.mrsk-1.ru/docs/dzo.rtf
20.	Procedure of Interaction of IDGC of Centre, JSC with Economic Companies, which shares (stakes) IDGC of Centre, JSC holds (Minutes of the Board of Directors of the Company No.05/09 dated March 27, 2009)		
21.	Regulation on disposal of Housing and Utilities of IDGC of Centre, JSC (Minutes of the Board of Directors of the Company No.21/09 dated December 02, 2009)	The Regulation determines procedure and conditions of disposal of housing and utilities that belong to IDGC of Centre, JSC on the ownership basis and are on the balance sheet of the executive apparatus and branches of IDGC of Centre, JSC, excluding facilities provided on the basis of the agreement of residential lease by third persons for the period of their official duties as well as purchased on the grounds of contracts concluded after July 01, 2009.	http://www.mrsk-1.ru/docs/gkx_301109.doc