

**Closed Joint-Stock Company  
Joint-Stock Auditing Firm AUDITINFORM**

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24 February 2011-03-31 No. 25/6-05**

**Joint-Stock Auditing Firm  
AUDITINFORM**

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**AUDIT REPORT  
ON ACCOUNTING (FINANCIAL) STATEMENTS OF  
KUBANENERGO JSC  
For the period from January 1, 2010 to December 31, 2010**

**TO THE READERSHIP OF ACCOUNTING (FINANCIAL) STATEMENTS PURSUANT  
TO THE LEGISLATION OF THE RUSSIAN FEDERATION**

**Auditee**

**Full name:** Open Joint-Stock Company of Kuban Power Industry and Electrification

**Abbreviated name:** Kubanenergo JSC

**Location:** 2 Stavropolskaya Str., Krasnodar, Krasnodar Territory, the Russian Federation, 350033

**Postal address:** 2 Stavropolskaya Str., Krasnodar, Krasnodar Territory, the Russian Federation, 350033

**State registration:** record in the Unified State Register of Legal Entities is made on September 17, 2002 under Primary State Registration Number 1022301427268.

**Auditor**

**Full name:** Closed Joint-Stock Company Joint-Stock Auditing Firm AUDITINFORM

**Abbreviated name:** CJSC JSAF AUDITINFORM

**State Registration Number:** 1027739185044

**Location:** 4 Yaroslavskaya Str., Moscow 129164

**Postal address:** 107078 Moscow, P/O box 150

**Member of Self-Regulating Non-Commercial Partnership "Moscow Audit Chamber"**

**Principal Number of Registration Entry: 10303000773**

We have audited the attached accounting (financial) statements of Kubanenergo JSC consisting of Balance sheet as of December 31, 2010, Profit and Loss Statement, Statement of Changes in Equity and Statement of Cash Flows for 2010, Notes to accounting statements and other supplements to Balance sheet and Profit and Loss Statement.

**Responsibility of the auditee for  
accounting statements**

Management of Kubanenergo JSC is responsible for preparation, presentation and reliability of the above accounting statements in accordance with accounting standards and regulations of the Russian Federation, as well as for the system of internal control system essential for preparation of accounting statements free from material misstatements due to fraud or errors.

## **Responsibility of the auditor**

Our responsibility is to express an opinion, based on the results of the audit, on the reliability of these accounting statements. We have conducted the audit in accordance with the Federal Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance that the accounting statements are free of material misstatements.

The audit involved audit procedures to obtain evidence supporting the amounts presented in accounting statements and the disclosures therein. The choice of audit procedures was based on our judgments pertaining to an assessment of the risk of material misstatements, whether due to fraud or error. In assessing this risk, we considered a system of internal controls that provides preparation and reliability of accounting statements, in order to select appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of internal control.

The audit also included the assessment of appropriateness of accounting policies implemented and, the reasonableness of key estimates received by the management of Kubanenergo JSC, as well as an assessment of the accounting statements overall presentation.

We believe that the evidence received during the audit, provide a sufficient basis for our opinion on the reliability of the accounting statements.

## **Opinion**

In our opinion, the accounting statements present truthfully, in all material respects, the financial position of Kubanenergo JSC as of December 31, 2010, and the results of its financing and operating activities, as well as its cash flows for 2010 comply with the Russian Federation rules and regulations for preparation of accounting statements.

Appendix: Kubanenergo JSC accounting statements on 53 pages.

**General Director**  
**JSAF AUDITINFORM CJSC**

**Vyacheslav Mikhailovich Borisov**

**February 24, 2011**  
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