

QUARTERLY REPORT

Open Joint-Stock Company of Power Industry and Electrification of Kuban
Issuer's code 00063-A

Quarter 4, 2013

Issuer's address: 2 Stavropolskaya str., Krasnodar, Russia 350033

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

Director general

Date: February 12, 2014

_____ Gavrilov A.I.
signature

Chief accountant – head of Department of accounting
and tax reporting

Date: February 12, 2014

_____ Skiba I.V.
signature

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Internet page(s) used for disclosure of information contained in this quarterly report:

www.kubanenergo.ru/stockholders/disclosure_of_information/amp_reports/, <http://www.e-disclosure.ru/portal/company.aspx?id=2827>

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Introduction

Basis for the Issuer's obligation to disclose the information in the form of quarterly report: The Issuer had the securities Prospectus registered;

State registration of issue (additional issue) was followed by registration of prospectus on the issue of securities, along with it such securities were offered by public subscription or by private offering to persons which amount did not exceed 500.

The Issuer is a joint-stock company founded during privatization of state and/or municipally owned enterprises (subdivisions) under the privatization plan approved in accordance with the established procedure, representing Issuer's shares issuance prospectus as of its approval date and envisaging the possibility of the Issuer's shares alienation by more than 500 purchasers or by general public.

In the report Kuban Open Joint-Stock Company of Power Industry and Electrification is also referred to "Kubanenergo" JSC, the Issuer and the Company. Open Joint Stock Company "Holding of Interregional Distribution Companies" (JSC "IDGC Holding") referred to in this report, April 4, 2013 renamed Open Joint Stock Company "Russian Grids" (JSC "Rosseti").

The report contains additional information requirements for which disclosure are set by the restated Regulations on the Information Policy of Kuban Open Joint-Stock Company of Power Industry and Electrification approved by the Board of Directors of "Kubanenergo" JSC on 15.08.2013, Minutes No. 170/20013 dated 16.08.2013. The full text of the Regulations on the Information Policy of Kuban Open Joint-Stock Company of Power Industry and Electrification (further in the text of the report referred to as the "Regulation on the Information Policy") is available at the "Kubanenergo" JSC corporate website in the Internet at:

http://www.kubanenergo.ru/about/internal_documents/,
<http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

The Issuer's activity is referred to the sphere of natural monopoly being controlled by the state, tariffs for services for electric energy transmission across distribution grids as well as the amount of payment for technological connection to electric power grids are established by the state body for tariff regulation – Regional Energy Commission - Price and Tariff Department for the Krasnodar Region.

Abbreviated DZO means affiliated and dependent companies in accordance with article 6 of Federal law "On joint stock companies".

The present quarterly report contains estimates and forecasts by the Issuer's authorized management bodies regarding the future events and/or actions, prospects for development of the economy branch wherein the Issuer carries out one's core activity and results of the Issuer's actions inclusive of the Issuer's plans, probability of occurring particular events and implementation of particular activities. Investors should not completely rely on the estimates and forecasts presented by the Management Bodies of the Issuer since actual results of the Issuer's activity in the future may vary from those forecast due to multiple reasons. Acquisition of the Issuer's securities is associated with risks described in the quarterly report.

I. Brief data on members of the Issuer's management bodies, data on bank accounts, auditor, appraiser and the financial consultant of the Issuer as well as other persons signed the quarterly report

1.1. Members of the Issuer's management bodies

Members of Issuer's Board of Directors

Name	Year of birth
Magadeev Ruslan Raisovich (chairperson)	1977
Vagapov Suleiman Gelanievich	1953
Varvarin Aleksandr Viktorovich	1975
Gaichenya Ivan Alekseevich	1967
Katina Anna Yurievna	1982
Kolyada Andrei Sergeevich	1984
Lavrova Marina Aleksandrovna	1982
Likhov Khasan Mushtafaevich	1983
Neganov Leonid Valerievich	1972
Solod Aleksandr Viktorovich	1976
Cherezov Andrei Vladimirovich	1967

Sole executive body

Name	Year of Birth
Gavrilov Aleksandr Ilich	1973

Composition of the Collegial Executive Body of the Issuer

Name	Year of Birth
Gavrilov Aleksandr Ilich (chairperson)	1973
Belik Vyacheslav Aleksandrovich	1978
Gerasko Andrey Leonidovich	1976
Golov Andrei Valrievich	1980
Golovakha Dmitriy Nikolaevich	1977
Golovakha Lyudmila Alexeyevna	1955
Zinchenko Pavel Vasilyevich	1963
Kostetskiy Vyacheslav Yurievich	1974
Kocherga Vitaly Aleksandrovich	1977
Natkho Inver Yusufovich	1958
Skiba Inna Viktorovna	1975
Statuev Vladislav Andreyevich	1956

1.2. Details on the Issuer's Bank Accounts

Information disclosed in this paragraph was not changed during the reporting quarter

1.3. Information on Issuer's auditor

Auditor(s) carrying out independent audit of accounting records and financial (accounting) statements of the Issuer under a contract concluded with the latter as well as Auditor(s) approved (selected) for audit of the Issuer's annual financial (accounting) statements following the results of the current or the closed financial year.

Full business name: **Closed Joint-Stock Company “KPMG”**
 Abbreviated business name: **“KPMG” CJSC**
 Location: **office 3035, 18/1 Olimpiyskiy prospect, Moscow 129110**
 Postal address: **31 floor, block C, building 10, Presnenskaya naberezhnaya, Moscow 123317**
 TIN: **7702019950**
 PSRN: **1027700125628**
 Telephone: **(495) 937-4477**
 Fax: **(495) 937-4499**
 E-mail: **moscow@kpmg.ru**

Details of Auditor's membership in self-regulating auditor organizations

Name: **Self-regulatory organization of auditors Non-profit Partnership “Auditor Chamber of Russia”**

Location

Building 3, 3rd Syromyarnicheskiy lane, Moscow, Russia 105120

Additional Information:

The primary registration number of “KPMG” CJSC in Self-regulatory organization of auditors Non-profit Partnership “Auditor Chamber of Russia” is 10301000804.

Financial year(s) for which the Auditor carried out an independent audit of accounting records and financial (accounting) statements of the Issuer

financial (accounting) statements, year	Consolidated accounting report, year	Consolidated financial report, year
2012		2012
2013		2013

Periods for which the Auditor carried out an independent audit of accounting records and financial (accounting) statements of the Issuer

financial (accounting) statements, year	Consolidated accounting report, year	Consolidated financial report, year
9 months of 2012		
9 months of 2013		

Factors that can affect the Auditor's independence from the Issuer including information on existence of substantial interests connecting the Auditor (officers of the Auditor) with the Issuer (officers of the Issuer):

There are no factors that can affect the Auditor's independence of the Issuer or substantial interests connecting the Auditor (officers of Auditor) with the Issuer (officers of the Issuer).

Procedure for selection of the Issuer's Auditor:

Existence of a tendering procedure for selection of Auditor and its basic conditions:

On the basis of decisions of:

- Commission for the selection of organizations carrying out audit activities that will be recommended to "Holding IDGC" JSC for approval by the management bodies of subsidiaries and affiliates as auditor of accounting (financial) statements) for 2013, prepared in accordance with RAS, -Purchasing Committee of "Holding IDGC" JSC candidature "KPMG" JSC recommended by the Board of Directors of "Kubanenergo" JSC for approval as an auditor to audit the accounting (financial) statements for 2013 at the Annual General Meeting of Shareholders.

Procedure for nominating auditor candidacies for approval by the Meeting of Shareholders (Participants), including indication of the management body making the decision:

According to the Federal Law "On Joint-Stock Companies", the Auditor of the Company is subject to approval by the General Meeting of Shareholders. However, the legislation fails to set forth the auditor candidacy nomination procedure: unspecified are the terms and the procedure of the auditor candidacy nomination for inclusion in the list for voting on the issue of approval of Auditor of the Company. Due to the above, the auditor candidacy for approval at the General Meeting of Shareholders is specified by the Board of Directors of the Company within the framework of solution of issues related to preparation for and arrangement of the annual General Meeting of Shareholders.

Indication of information on works performed by Auditor within the framework of special audit assignments:

In the reporting quarter, no works were performed within the framework of special audit assignments to auditors.

Procedure for determining the remuneration of the auditor; actual amount of remuneration paid to the auditor by the results of the last completed financial year on which the auditor performed audit of accounting report; information on deferred and overdue payments for the services rendered by the auditor:

The amount of payment for services of the Issuer's Auditor approved by the General Meeting of Shareholders of the Issuer for compulsory annual review and validation of the Issuer's annual financial statements is determined by decision of the Board of Directors.

The amount of payment for services of "KPMG" JSC on audit of financial report of the Company drafted in accordance with "RSA" CJSC for 2013 amounted 654 689 rubles. The amount of payment for services of "KPMG" JSC on review of consolidated intermediate condensed financial reports drafted in accordance with IFRS for six months of 2013 and audit of consolidated financial reports of the Company drafted in accordance with IFRS for 2013 amounts 2 953 894 rubles

including VAT.

“KPMG” CJSC was appointed as Company’s auditor by annual general meeting of shareholders on 21.06.2012.

Indication of information on existence of deferred or overdue payments for services provided by Auditor:

There are no deferred or overdue payments for services provided by Auditor.

Factors that may affect the independence of the auditor from the issuer and the essential interests connecting the auditor (the auditor) to the Issuer (the Issuer): no.

1.4. Details of Appraiser(s) of the Issuer

No changes occurred during the reporting quarter.

1.5. Details of consultants of the Issuer

Consultants were not engaged during 12 months up to the date of end reporting quarter.

1.6. Details of other persons having signed the quarterly report

No other signatures

II. Basic information on business activity of the Issuer

2.1. Indices of the Issuer’s business activity

The information is not specified in the report for the 4th quarter

2.2. Issuer's Market Capitalization

Market capitalization is calculated as the product of the quantity of shares of the corresponding category (type) multiplied by the market price per one share disclosed by the securities market trade organizer and determined in compliance with the Procedure for Calculation of the Market Price of Issue-Grade Securities, accounting price of securities as well as upper limit of fluctuations of market, according to article 23 of the Tax of Core of Russian Federation approved by Federal Service for Financial Markets (FSFM Russia) dated 09.11.2010 No. 10-65/ПЗ-Н.

Unit of measurement: thousand rubles

Indicator	2012	4 th quarter of 2013
Market capitalization	14 908 599	10 879 379

Information on the securities market trade organizer that provided details based whereon calculation of market capitalization is carried out as well as other additional information on securities public circulation at the Issuer's discretion:

Full business name: Closed Joint-Stock Company “MICEX Stock Exchange”

Abbreviated business name: CJSC “MICEX SE”

Location: 13 Bolshoy Kislovsky per., Moscow 125009

TIN: 7703507076

PSRN: 1037789012414

Telephone: (495) 363-32-32

Fax: (495) 705-9622

Licenses:

Stock Exchange License No. 077-10489-000001 dated 23.08.2007 issued by the Federal Service for Financial Markets,

License for organization of stock exchange trade within the territory of the Russian Federation in commodity sections: terminal transactions No. 146 dated 20.12.2005, issued by the Federal Service for Financial Markets

Web-site: www.micex.ru

2.3. Issuer's Liabilities

2.3.1. Accounts payable

The information is not specified in the report for the 4th quarter

2.3.2. Issuer's Credit History

Fulfilment of liabilities by the Issuer under credit and/or loan contracts having been in effect during the last completed financial year, or are in effect as of the reporting quarter expiry date, the sum of principal debt thereunder is equal to or in excess of 5 percent of the Issuer's assets book value of as of the date of last completed reporting quarter preceding conclusion of the corresponding contract as well as under other credit and/or loan contracts that the Issuer, at one's own discretion, deems substantial.

Type and details of obligation	
1. credit line, date of gaining credit 27.12.2010	
Terms of obligations and information on its fulfillment	
Business name, location or name of the creditor (lender)	Branch of "Gazprombank" (Open joint stock company) in Krasnodar. Address: 11 Dmitrievskaya Damba, Krasnodar 350033
Sum of the debt as of the moment of occurring of obligation, RUR	2000000 RUR 1000
Sum of the debt as of the end of reporting quarter, RUR	1500000 RUR 1000
Sum of credit (loan), (years)	3
Average interest on credit (loan), % per annum	11
Number of interest (coupon) periods	-
Presence of overdue in interest payments, in case of presence – the total amount of overdue and their volume in days	no
Planned term (date) of credit (loan) payment	27.12.2013
Actual term (date) of credit (loan) payment	03.12.2013
Other information on obligations, specified by the issuer at its discretion	no

2.3.3. Issuer's liabilities arising from guarantees provided to third persons

The specified liabilities do not exist.

2.3.4. Issuer's other liabilities

There are no other liabilities unrepresented in the balance sheet that may substantially affect the financial status of the Issuer, one's liquidity, sources of funding and conditions of their use, as well as the results of activity and expenses.

2.4. Risks related to acquisition of issuable securities being placed (placed)

Issuer's risk management policy:

Issuer's policy in the sphere of risks management is aimed at timeous detection and prevention of risks in order to reduce the possibility of financial and other losses that influence the strategic goals of the Company.

The Issuer's risk management policy relies on generally accepted core risk management principles:

1. Systematic approach: risk management is carried out for all the key activity fields at all the management levels of the Issuer.
2. Reference to objectives: risk management is carried out proceeding from the objectives set at the Issuer's Strategy level as well as objectives of business-processes and functions.
3. Flow of information on risks for decision-taking purposes proceeds bottom-up. Propagation of risk minimization decisions as well as risk management control proceed top-down.
4. Economic efficiency of risk management. The risk management system provides for economic efficiency of risk management arrangements. Reduction of risks is carried out proceeding from economic feasibility.
5. Control of risk management efficiency. Risk management efficiency is ensured through monitoring of key risk indicators elaborated for each priority risk management field.

For minimization of consequences during realization of the risks listed below the Issuer has elaborated and is taking an array of protective measures related mostly to implementation of the Issuer's production program. However, one ought to note that elaboration of risk management arrangements is complicated by unpredictability of the situation development, actions greatly dependent on peculiarities of the current situation in each specific case. The Issuer cannot guarantee that arrangements aimed at overcoming possible negative situations will be able to result in the situation rectification since most of the risk factors described below are beyond the Issuer's reasonable control.

2.4.1. Industry Risks

Issuer carries out its activity in the power industry sector in Krasnodar region and the Republic of Adygea.

In the region of the Issuer's responsibility a growing demand for electricity is observed due to the intensive development of resort and recreation areas, construction of Olympic and other important social and industrial facilities. In order to ensure sales growth Issuer has made significant investments in reconstruction, modernization and new construction of transmission facilities.

Due to the fact that the Issuer's activity is focused only on the domestic market, a description of the industry risks is made for the domestic market.

Risks associated with government regulation of the services provided by the Company.

The Issuer is a subject of natural monopoly and its activity is governed by the state. Due to the limited growth of tariffs for consumers at the level of the RF Government the probability of establishing tariffs below economically grounded levels is rated as high.

In addition, the issuer is subject to the risks of reduction in revenues due to changes in the actual structure of the transmission of electric energy relatively to the one adopted during setting the tariffs, as well as risks of legislative changes in the sphere of pricing. The Company is subject to these risks in the same way as the rest participants of the monopoly.

In order to reduce these risks the following activities were chosen:

- work with the authorities regulating tariffs on accounting costs that occurred in the results of fixing at the federal level the sums of lost income after the non-regulated prices were applied, in the necessary gross proceeds of the Issuer in the next regulatory period;
- development and submission to regulatory agencies the tariff proposals for technological energy consumption with the actual trend in net supply in order to create a consolidated forecasted balance of production and supply of electricity in the next year;
- development of Energy Efficiency Program and its approval by regional administrations;
- development and implementation of cost management program;

The issuer's sphere of influence in decision-making the bodies of tariff regulation is limited, and the issuer cannot guarantee that the measures aimed at minimizing the consequences will be as effective as possible. In accordance with the order of RF government dated 30.06.2012 No. 663 "Kubanenergo" JSC passed the "reset" of long-term parameters of tariff regulation. The Federal Tariff Service of Russia has agreed to switch to the regulation of tariffs for the transmission of electric energy using the method of return on invested capital. The use of RAB-regulation should help to attract long-term investment in the sector and reduce the influence of subjective factors on the adoption of tariff decisions.

Operational risks

In the production process the Issuer is exposed to risks associated with physical deterioration, abuse and critical changes in the parameters of the equipment.

The main ones are:

- failure to comply with the obligations under the contracts for the provision of electricity transmission services;
- deterioration of performance and economic indicators of electric equipment;

- negative environmental effects;
- threat of failures with partial or full undersupply of electricity with corresponding negative social consequences.

In order to decrease the risk of the group the issuer takes the following steps:

- performs full maintenance programs;
- implements the program of modernization, renovation and reconstruction;
- regularly optimizes the structure and volume of spare parts in stock, etc.
- follows legislation of the Russian Federation in the field of industrial safety and performance based on this system of production control of industrial safety in the Issuer.

Issuer assesses the level of risk above the average and believes that the negative factors will not materially affect its activities and performance of obligations on its securities.

Risk of reducing electricity consumption (risk reduction of demand)

The decline in revenue from transmission is due to increased number of network companies and related reduction in electricity consumption by end users due to the economic crisis. In order to expand electricity transmission the issuer implements target strategy on consolidation of network assets.

Price risks

Provision of electricity transmission services includes as well the purchase of raw materials, services, equipment and other materials used by the Company in its operations. The price increase is mainly explained by inflationary pressures and the impact of macroeconomic factors. During the economic instability the risk of augmentation of cost for goods and services used by the Company increases.

In order to minimize these risks, the issuer uses the position of a large consumer and purchases the material and technical resources and selects the service providers through a competitive and regulated procurement of raw materials, production and other services.

2.4.2. Country and regional risks

Risks associated with the political and economic situation in the country and region

The worsening of economic and political situation in the country and the region are main risk factors for the Company.

At this stage some positive trends are observed in the economic development and as one of the development priorities the energy efficiency and energy-saving technologies were chosen.

In the event of significant political instability, which can negatively affect the operations and earnings, the Issuer takes measures of crisis management, reduces as much as possible the expenses, and investment plans.

Additionally, there are risks associated with military conflicts, introduction of a state of emergency, natural disasters that may have consequences as follows:

- Deterioration of the whole national economy and, consequently, of the Issuer's financial status;
- Damage to the Issuer's properties that may negatively affect ability to timely and fully fulfil liabilities to consumers and counterparties.

The regions where the Issuer carries out one's activity are politically stable with the risk of a military conflict or a state of emergency occurrence there due to internal causes being the minimum. At the same time, due to the region of the Issuer's activity bordering on less stable territories as well as in connection with construction of Olympic facilities (within Sochi district) there is a considerable risk of terrorist acts; for its minimization, the Issuer actively cooperates with state bodies in charge and takes coordinated measures to ensure security of production.

The Issuer has elaborated and is carrying out target arrangements for protection of the Issuers' energy facilities against subversive or terrorist acts.

Security of the Olympic facilities construction is provided for in accordance with Resolution No. 458 of the Government of the Russian Federation "On provision for security of the Olympic facilities as stipulated by the Program for construction of Olympic facilities and development of Sochi as a mountain climatic resort during the period of their construction" dated 01.06.2009.

To compensate for damage of the effect of emergency circumstances associated, inter alia, with natural disasters, the Issuer concludes property insurance contracts. Sharp regional scale changes (environmental, political, demographic, and social) are unlikely, but their emergence will doubtlessly affect the Company's activity. Taking into account the region transport infrastructure development level, the risks of interruption of transport communication due to difficulty of access or remoteness of location are minimal.

In the Issuer's opinion, the situation in the region will have a favourable effect on the Issuer's activity; there are no existing reasons to expect that a change of the situation in the region will entail the Issuer's failure to fulfil the liabilities.

2.4.3. Financial risks

Issuer's exposure to risks associated with change of interest rates and foreign currencies exchange rates due to the Issuer's activity or due to hedging carried out by the Issuer for reduction of unfavourable consequences of the risks effect:

- Risk of interest rates change:

The Issuer attracts short- and long-term borrowings from the Russian financial market. A substantial increase of interest rates on credits and loans may entail appreciation of the Issuer's debt servicing. For optimization of the debt portfolio structure and reduction of its servicing costs, the Issuer strains after use of credits and loans with the fixed interest rate which results in significant reduction of the above risk. Issuer's supposed actions in the event of negative effect of interest rates change on one's activity: Attraction of longer-term credits to avoid negative effect of interest rates short-term fluctuations and diversify funding sources.

- Risk of changes of foreign currencies exchange rates:

Carrying out one's core business activity within the territory of the Russian Federation, the Issuer has neither investments into foreign companies value of net assets whereof is exposed to the risk of currency exchange rates fluctuations nor revenues or expenses expressed in terms of foreign currency. Risks associated with currency rates fluctuations are no factors of direct effect on the results of financial and business activity of the Issuer and are estimated by the Issuer as insignificant. The Issuer does not carry out hedging for reduction of unfavourable consequences of interest rates and foreign currencies exchange rates fluctuations. Exposure of the Issuer's financial status, liquidity, sources of funding, results of activity etc., to changes of currency exchange rates is estimated by the Issuer as insignificant.

Thus, the Issuer's currency risks may be defined as insignificant. In case of negative effect of currency exchange rate changes, the Issuer plans to carry out risks analysis and to make a corresponding decision in each specific situation.

The Issuer is carrying out its activity within the territory of the Russian Federation and growth of inflation in the Russian Federation will lead to general growth of interest rates.

Risk of reducing the customer's prices

Changes in the consumer price index to some extent affect the Issuer's rate of return and one's financial and business activity results, but their effect is not a direct dependence factor. Indirect dependence of the Issuer's rate of return on changes of the consumer price index is mainly conditioned by the fact that tariffs for services for transmission of electric energy cross electric power grids are established by state tariff bodies on the basis of justified expenses on their provision and fully or partially compensate for growth of the Issuer's expenses associated with inflation. However, during high inflation periods, risks of reduction of the tariff compensatory component amount and of solvency of the Issuer's major consumers grow up.

Taking into account the abovementioned information, there are no guarantees that possible increase of consumer prices will not lead to a drop of the Issuer's rate of return in future.

Inflation risks

It is not possible to estimate the critical rate of inflation for the Issuer, since in addition to the consumer price level is necessary to consider changes in the real purchasing power of the ruble, the situation on the Russian and international energy markets and future government policy on tariffs for electric and thermal energy.

The current inflation rate has no significant effect on the financial position of the Issuer. In accordance with predicted inflation, it should not have a material impact on the solvency of the issuer, in particular, payments on the securities. In order to minimize the financial risks, risks associated with inflationary developments, and

influencing the financial results of the Issuer has conducted a comprehensive program of measures for the analysis of financial risks, planning and evaluation of the current profitability of the fact, determined by the profitability ratios, indicating a level of profitability of the Issuer, the regulatory values of the financial ratios that characterize the solvency and liquidity of the Issuer, which makes it possible to quickly reveal violations in work of the Issuer and take measures to eliminate them.

The indicators of financial statements of the Issuer are most subject to change in result of the influence of indicated financial risks, including the risks, the possibility of appearing and nature of changes in accounting:

Greatest extent in the statements of the Issuer in result of occurrence of such risks is subject index of accounts receivable arising from the inability of counterparties to pay for services of the Issuer. The likelihood of this risk is low and is associated with the overall situation in the country, inflation, changes in exchange rates and their impact on the Russian economy as a whole. The deterioration of the economic situation in Russia may affect the growth of the cost of electric power transmission through electric grids of the Issuer that, while maintaining the established tariffs would reduce profits.

To reduce this risk, the issuer carries out work on receivables management aimed to optimizing its size and debt recovery, intensive claims work on debt collection.

2.4.4. Legal risks

The Issuer carries out its activity solely in the domestic market; consequently, its legal risks are considered only from the corresponding point of view.

Risks associated with tax and environmental legislation and customs and currency regulation.

Since no special taxation mode is applicable to the Issuer's activity and the Issuer has no overdue tax and levy indebtedness to budgets of all levels, the Issuer's tax risks are considered as the minimum within the framework of a conscientious taxpayer's activity.

In the shorter term, the Issuer does foresee emergence of any significant risks in one's financial and business activity associated with changes in tax and civil legislation.

Changes of currency and customs legislation of the Russian Federation are of no relevance for the Issuer's activity and, consequently, do not entail emergence of legal risks.

In case of changes and/or launch of requirements for licensing the Issue's core activity the Issuer will take all necessary measures for obtaining the licenses and permissions required.

The Issuer has licenses for carrying out other activity data whereon is given in Clause 3.2.5 of this report.

The Issuer carries out regular work for prolongation of the licenses necessary for conduction of one's business activity.

The Issuer complies with the licenses requirements, takes all necessary measures for obtainment and actualization of licenses and minimization of the probability of licenses suspension, change or revocation. The Issuer's exposure to the above risk may be considered insignificant.

Judicial practice of cases similar to those the Issuer participates in is relatively stable and has not undergone any substantial changes during the recent few years.

The Issuer carries out constant monitoring of judicial practice which allows using this information to secure positive judicial decisions in favour of the Issuer.

At present, no changes have been revealed in judicial practice that may negatively affect the results of the current judicial trials the Issuer participates in and, therefore, on the results of the Company's business activity.

2.4.5. Risks associated with the Issuer's activity

The Issuer's core activity is the electric energy transmission.

Risks of the Issuer's production activity:

- Systematic interruptions of consumer power supply as a result of accidents and abnormal conditions of grid sections and substation equipment;
- Violation of GOST 13109-97 requirements to provision for electric energy quality;
- Violation of electric energy transmission modes and reduction of provided services quality
- Failure to timely carry out maintenance (including diagnostics) and repairs
- Low quality of repair works performance
- Methodological errors during repairs work planning
- Incorrect rating of facilities to be repaired
- Emergence of accidental situations in interfacing grids resulting in the Issuer's equipment breakdown

For the risks reduction the Issuer pays great attention to development of the electric power grid sector applying scientifically justified technical solutions and technologies approved in operation, as well as state-of-the-art power engineering equipment.

The abovementioned risks are additionally influenced by tariffs growth, in its turn, conditioned by growth of costs "external" for the Issuer, such as: purchase of electric energy to compensate for losses, changes in payment for "FGC UES" JSC electric energy transmission services and other factors.

Risks associated with current judicial trials the Issuer participates in:

The Issuer participates in judicial trials consideration results whereof may seriously affect the Issuer's financial and business activity. Enforcement trials mainly deal with the Issuer's accounts payable and receivable.

Risks associated with impossibility of prolongation of the Issuer's licenses for conduction a certain type activity or use of restricted circulation items (including natural resources): prolongation of licenses is carried out strictly within the terms established. The Issuer fulfils all the requirements necessary for obtainment /prolongation of licenses. Risks associated with impossibility of prolongation of

the Issuer's licenses are the minimum and cannot substantially affect the Issuer's fulfilment of liabilities under securities placed.

Risks associated with the Issuer's eventually possible responsibility for debts of third parties including the Issuer's

The Issuer has subsidiary companies with 100% participation in their authorized capitals.

Being a parent company for the subsidiary companies wherein the Issuer holds more than 50% of the authorized capital, the Issuer may incur responsibility for their debts. Such liabilities may have a certain negative effect on the results of financial and business activity of the Issuer. The above risks probability is estimated as moderate. The Issuer takes measures for reduction of these risks, inter alia providing for reorganization of subsidiary companies' activity.

Risks associated with the possibility of loss of consumer turnover wherewith accounts for not less than 10 percent of total proceeds from sales of Issuer's products (works, services):

The Issuer has cooperated with one's major consumers for a long time. The possibility of major consumer loss is the minimum.

III. Detailed information on the Issuer

3.1. History of foundation and development of the Issuer

3.1.1. Information on the Issuer's business name (registered name)

Issuer's full business name: Kuban Open Joint-Stock Company of Power Industry and Electrification

Date of introducing the current company name: **29.05.1996**

Short company name: **"Kubanenergo" JSC**

Date of introducing the current company short name: **30.06.1998**

Previous company names

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

Short company name: **"Kubanenergo" JSC**

Date of introducing the name: **10.02.1993**

Ground of introducing the name: **State registration of the issuer's Charter**

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

Short company name: **"Kubanenergo" JSC**

Date of introducing the name: **29.05.1996**

Ground of introducing the name: **State registration of the issuer's restated Charter**

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

Short company name: **“Kubanenergo” JSC**

Date of introducing the name: **30.06.1998**

Ground of introducing the name: **State registration of adjustment to the issuer’s Charter**

3.1.2. Data on the Issuer’s State Registration

Data on primary state registration

State registration number: **127**

State registration date: **10.02.1993**

Name of the body having carried out primary state registration:

Administration of the Oktyabrsky District of Krasnodar

Data on legal entity registration;

Primary legal entity state registration number: **1022301427268**

Registration date: **17.09.2002**

Name of registering body: **Inspectorate No. 3 for Krasnodar of the Ministry of Taxation of the Russian Federation**

3.1.3 Information on establishment and development of the Issuer

The Issuer has been founded for an indefinite period.

Brief description of the Issuer's foundation and development history: Issuer's establishment objective, mission (if any) and other information on the Issuer's activity required for taking decisions on acquisition of the Issuer’s securities:

The history of foundation of the Kuban energy system started in the 19th century with construction of small-scale electric power plants.

Starting from 1930, the Kuban energy facilities management was carried out by North-Caucasian Energy Administration – “Sevkavenergo”, with headquarters in Rostov-on-Don, which in 1934 was subdivided in two independent administrations: “Azcherenergo” (Rostov-on-Don) and “Sevkavenergo” (Pyatigorsk).

For recovery of destroyed power industry of Kuban and its further development, Krasnodar District Energy Administration (DEA) “Krasnodarenergo” was founded by way of further subdivision of “Azchernenergo” administration by Order No. 66 of USSR People’s Commissar for Electric Power Plants dated March 14, 1944. The core kinds of DEA activity were production, distribution and marketing of electric and thermal energy, recovery and development of the energy system, control of energy consumption and supervision over operation of power installations at Kuban enterprises. DEA had under one’s supervision (as independent self-financing enterprises) electric power plants, substations, district electric power grids, energy selling entities, a mechanical repair plant, a central warehouse, a design and survey bureau and a production and research laboratory.

In late 1950s – early 1960s, 100 and 220 kV trunk transmission lines were constructed in Kuban necessary for connection of energy systems of Southern Russia and Transcaucasia; the territorial railway network was electrified, electric power grid separation facilities were constructed, electrification rate of rural settlements reaching 86%.

In 1963, in accordance with Resolution of the RSFSR Council of Ministers dated 14.05.1963, enterprises of Kuban rural and urban electric power grids were withdrawn from the responsibility scope of the Territorial Committee for Economy and became a part of DEA.

In 1972, a 100 MW a gas turbine plant (GTP) was installed at Krasnodar CHP (for the first time in the USSR history); after that, in 1975, a second 100 MW GTP (GTU-100) was installed. Total capacity of CHP, the power unit part and the 2 GTPs made 959 MW.

Boosting growth of energy consumption by Kuban national economy in 1970-1980s necessitated construction of a large number of electric energy transmission lines and substations and switchover to higher voltage classes (330 and 500 kV). Total length of electric energy transmission lines of all voltage classes made about 90 thousand km while the number of 35 – 500 kV substations exceeded 700.

On November 1, 1988, in accordance with Resolution No. 812 of the USSR Counsel of Ministers of dated 02.07.1987, Krasnodar District Energy Administration “Krasnodarenergo” was wound up with Krasnodar Production Association for Power Industry and Electrification “Krasnodarenergo” founded based of one’s formerly subject enterprises and organizations.

In 1993, in accordance with the Russian legislation on privatization of state and municipal enterprises, PAPI&E “Krasnodarenergo” was transformed into OJSC “Kubanenergo” incorporating, apart from electric power grid enterprises, Krasnodar CHP, “Energonadzor”, repair and construction enterprises, an integrated training centre, a rest home and a summer children’s recreation centre as branches. “Kubanenergo” JSC was founded to receive profits from provision of services for supply of electric energy (both independently produced and purchased from other producers) to consumers within the Krasnodar Territory and Republic of Adygea and supply of thermal energy of own produce to consumers within Krasnodar City. In accordance with Order No. 923 of President of the Russian Federation “On organization of management of the electric power industry sector of the Russian Federation under privatization conditions” dated 15.08.1992, 49% of the Company’s shares were in 1993 transferred by way of payment for the authorized capital of “RAO UES of Russia” JSC with the remaining 51% of OJSC “Kubanenergo” shares acquired through private subscription by members of the Company staff and other persons having the right to benefits in accordance with the State Privatization Program.

During the 5 last years “Kubanenergo” JSC, as well as power industry as a whole, has undergone through large-scale reforms.

The main objective of the Russian electric power industry reformation is the increase of efficiency of the enterprises of the branch, creation of conditions for the latter development on the basis of investment process motivation and provision for reliable and uninterrupted supply of energy to consumers.

During the reformation “Kubanenergo” JSC was released from service and non-core types of activity as well as dispatching functions by way of entrusting them to

dedicated special entities:

- Operative dispatching management functions were transferred to Open Joint-Stock Company “System Operator of the Unified Energy System”;
- Open Joint-Stock Company “Krasnodarenergoremont”, “Krasnodarenergosetremont”, “Recreation Centre “Energetik” and Recreation Centre “Plamya” were founded;
- Non-State Non-profit Educational Institution “Kubanenergo” Training Centre” was founded where workers of the Company and other power industry enterprises advance their qualifications and master new trades.

In 2006, as the result of reorganization of “Kubanenergo” JSC, the following open-end joint-stock companies appeared:

“Kuban Generating Company”, with the generating capacities of the Company (Krasnodar CHP and minor-scale hydroelectric power plants) included in one’s authorized capital;

“Kuban Trunk Grids”, authorized capital whereof was composed of electric power grid facilities related to the Unified National Electric Power Grid (with voltage = 220 kV and higher);

“Kuban Energy Selling Company” discharging the functions of a guaranteeing electric energy supplier, additionally in charge of electric energy purchase in the wholesale market and supply to end consumers.

At present “Kubanenergo” JSC is the biggest electric power grid company in the Krasnodar region and Republic of Adygea that transmits and distributes electric energy to consumers via 110 kV electric power grids with voltage or less between populated regions, rural settlements and cities and district centres of the Krasnodar region and Republic of Adygea including Sochi.

“Kubanenergo” JSC carries out its main activity under conditions of natural monopoly regulated by the state in the part of setting tariffs for electric energy transmission and provision for consumers a non-discriminatory access to electric power grids.

Since July 1, 2008 “Kubanenergo” has been a dependent company of “IDGC Holding” JSC (now “Russian Grids” JSC) having received a pack of the Company’s voting shares through legal succession under a dividing balance sheet as a result of reorganization of “RAO UES of Russia” in the form of separation.

The Company mission is reliable, efficient and safe transmission of electric energy to consumers and provision of shareholder with stable income.

Strategic objectives of the Company:

1. provision of quality, reliable and uninterrupted energy supply to consumers;
2. reduction of energy facilities wear;
3. keeping the tariff sources of financing for renovation and development of grid;
4. increase in efficiency of operational expenditures
5. creation of a reserve of electric power grids carrying capacity to a volume outstripping the development of economy by 3 years;

6. adoption of innovative technologies corresponding to the world's best standards in the field of electric energy distribution at all stages of the technological process;
7. provision of high rate of return on investments in the distribution grid sector at the level of cost-efficiency of companies operating under comparable market activity conditions in the Russian Federation.

To achieve the stated objectives the Company:

- implements large-scale investment programs coordinated by the Ministry of Energy of the Russian Federation and considering prospects of development of the economies of the Krasnodar Territory and the Republic of Adygea;
- implements the Company's Financial Recovery Programme;
- strives to repair energy facilities by using own resource in order to cheapen the repair and to properly control the quality of work;
- searches for funds to carry out large-scale renovation of fixed assets;
- maintains a high level of professional competence of the Company's workers through continuous personnel training (including in the sphere of quality, ecology, occupational safety and health).

3.1.4. Contact information

Location: 2 Stavropolskaya str., Krasnodar, Russia 350033

Location of the issuer

2 Stavropolskaya str., Krasnodar, Russia 350033

Telephone: (861) 268-5913

Fax: (861) 268-2493

E-mail: telet@kuben.elektra.ru

Internet page(s) with information on the Issuer and on securities issued and/or being issued: www.kubanenergo.ru, <http://www.e-disclosure.ru/portal/company.aspx?id=2827>

Name of the Issuer's special subdivision for work with the Issuer's shareholders and investors: Department for Corporate Governance and Interaction with Shareholders

Subdivision location: 2 Stavropolskaya str., Krasnodar, Russia 350033

Telephone: (861) 212-22-76

Fax: (861) 212-27-08

E-mail: chernajaeb@kuben.elektra.ru

Internet page: www.kubanenergo.ru/stockholders/

3.1.5. Taxpayer Identification Number

2309001660

3.1.6. Branches and representative offices of the Issuer

The changes that have taken place in the reporting period in branches and representative offices of the issuer and, in case of changes in the reporting quarter,

the name, the location of the branch or representative office, surname, name, patronymic of its head, the term of the power of attorney issued to him by Issuer – also information about such changes.

During reporting quarter directors of Company’s branches received new attorneys with validity period till 31.12.2014.

3.2. Issuer's core business activity

3.2.1. Issuer's branch identity

Principal activity of the company by OKVED: **40.10.2**

OKVED codes [the Russian National Classifier of Economic Activity Types]
40.10.3
40.10.5
74.20.11
63.40
45.21
63.12.21
74.30.9

3.2.2. Issuer's core business activity

The information is not specified in the report for the 4th quarter

3.2.3. Materials, goods (raw materials) and suppliers of issuer

The information is not specified in the report for the 4th quarter

3.2.4. Target markets of the Issuer's products (works, services)

Core markets wherein the Issuer carried out one’s activity:

The Company is the largest electric power grid company in the Krasnodar Territory and Republic of Adygea carrying out transmission and distribution of electric energy across electric power grids with voltage equal or below 110 kV among the populated localities, in rural settlements and individual cities and regional centres of the Krasnodar Territory and Republic of Adygea including Sochi.

The market share on services of energy transmission is 59.76% in the 4th quarter of 2013 and 60.88% in 2013.

“Kubanenergo” JSC carries out its main activity under conditions of natural monopoly regulated by the state to the extent of establishment of tariffs for electric energy transmission and provision for non-discriminatory consumers’ access to electric power grids. Taking into account the growing demand for electric energy in the region, the Company pays great attention to development, reconstruction and increase of carrying capacity of electric power grid facilities, reckoning on increase of one’s services sales volume in future.

Since 01.07.2007 a “boiler” method of settlements for transmission of electric energy is in force in the region, with the “boiler holder” status reserved to “Kubanenergo” JSC. This means that all energy selling companies marketing electric energy in the regional market pays to “Kubanenergo” JSC for services for

electric energy transmission across electric power grids of the whole regional energy system within the framework of contracts for electric energy transmission while “Kubanenergo” JSC pays for electric energy transmission services to territorial grid companies.

Since September 22, 2011 an individual calculation scheme based on the “boiler below” principle has been used in the Krasnodar region with regard to LLC “Maykop CHP” Grid Company. Within the framework of this scheme, “Kubanenergo” JSC provides electric energy transmission services to LLC “Maykop CHP” Grid Company and receives payment as per the individual tariff established by REC-PTD KT for 2012 by Order No. 89/2012-e dd. 26.12.2012 “On establishment of tariffs for organizations providing electric energy transmission services” (with changes introduced with order REC-PTD KT No. 24-2013-e dd. 17.04.2013):

“Maykop TPS” LLC – “Kubanenergo” JSC	Double-rate tariff		Single-rate tariff
	Rate for maintenance of electric power grids	Rate for technological consumption (losses)	
	RUR/MWA*month	RUR/MW*h	RUR/MW*h
	from 01.01.2013		
	55 016.33	456.86	898.62
	from 01.07.2013		
	55 016.33	456.86	898.62

In the reporting quarter, the core consumers of “Kubanenergo” JSC energy transmission services were:

- energy selling companies - participants of wholesale and retail markets, selling electric energy to the final customers, connected to electric grids of the Company and grids of other grid companies (“NESK” JSC, “Kubanenergosbyt” JSC, “Oboronenergosbyt” LLC, “Dizage-M” LLC, “MAREM+” CJSC, “RUSENERGOSBYT” LLC, “REK” LLC, “RUSENERGO RESURS” LLC, “Transserviceenergo” CJSC, “RN-Energo” LLC, “Expertstroy” LLC, “MK-SBYT” LLC, “KNAUF ENERGY” LLC, “Southern energy selling company” LLC, “MagnitEnergo” LLC, “Mosenergosbyt” JSC, “KubanEnergoService” LLC, “EnergoEffektivnost” LLC, “Yugstroy-Energosbyt” LLC);

- number of consumers who have signed the "direct" contract to provide services for the transmission of electric energy with “Kubanenergo” JSC (“Novorostsement” JSC, “Tamaneftegaz” CJSC, “Kubanzheldormash” CJSC, “EvroKhim-Belorechensk Mineral fertilizers” LLC, Poultry farm “Primorskaya” LLC, “Recreation Centre “Energetik” JSC);

- profitable communicating-networking organization (“Maikop TPP” LLC).

Factors that may affect the products (works, services) marketing by the Issuer and possible actions of the Issuer to reduce such effect:

Negative factors that may have a negative effect on OJSC “Kubanenergo” products marketing represent political risks associated with decisions of the

Government of the Russian Federation on issues related to relations with local bodies; economic risks associated with state regulation of prices for the Issuer's products; financial risks associated with the conditions and value of borrowed resources attraction; risks associated with operation of core equipment (electric energy transmission) as well as other risks. Currently, the Issuer does not forecast substantial deterioration of the branch situation. In case of substantial deterioration of the branch situation, the Issuer plans to make risks analysis and to take corresponding decision in each specific case.

Factors that may affect the products (works, services) marketing by the Issuer and possible actions of the Issuer to reduce such effect:

Negative factors that may affect the Company's sales of "Kubanenergo", represent the political risks associated with the decisions of the Government of the Russian Federation on the development of the electricity industry in the post-transition power sector reform (since July 1, 2008), and the risks associated with the relations with local authorities, economic risks associated with the state regulation of prices for the products of the Issuer; financial risks associated with the conditions and the cost of borrowed resources, risks associated with the operation of the main equipment (power transmission), as well as other risks. At the moment Issuer does not expect a significant deterioration of the situation in the industry. In case of significant deterioration of situation in industry the Issuer plans to analyse the risks and take appropriate action in each case.

3.2.5. Information on the Issuer's licenses

Name of the body issued the license: **Ministry of Natural Resources of the Russian Federation**

No.: **KRD No. 03378 VE**

Name of activity type(s): **License for the subsurface use right (recovery of fresh subsurface waters for household, potable and technical water supply in Krasnodar).**

Date of issue **17.07.2007**

Expiry date: **20.07.2014**

Name of the body issued the license: **Ministry of Natural Resources of the Russian Federation**

No.: **KRD No. 03813 VE**

Name of activity type(s): **License for the subsurface use right (recovery of fresh subsurface waters for household, potable and process water supply in Tverskaya Stanitsa, Apsheronsk district, Krasnodar region).**

Date of issue **17.12.2009**

Expiry date: **01.01.2015**

Name of the body issued the license: **North-Caucasus Federal service on environmental, technological and nuclear supervision**

No.: **БП-30-003995 series AB 087343**

Name of activity type(s): **operation at explosive/flammable facilities**

Date of issue: **11.11.2011**

Expiry date:

Perpetual

Name of the body issued the license: **Self-Regulating Organization NP “Energostroy”**

No.: **0212.02-2010-2309001660-S-060**

Name of activity type(s): **On permission for construction, modernization and capital repair works**

Date of issue **18.12.2012**

Expiry date:

Perpetual

Name of the body issued the license: **Self-Regulating Organization NP “Energoproject”**

No.: **P-0263-01-2010-0274**

Name of activity type(s): **On permission for works on preparation of design documentation for capital construction facilities**

Date of issue **26.12.2012**

Expiry date:

Perpetual

Name of the body issued the license: **FSB Russia in Krasnodar region**

No.: **ГТ 0062143, registration No. 1223**

Name of activity type(s): **Carrying out activity involving the use of information classified as a state secret**

Date of issue **06.08.2013**

Expiry date: **06.08.2018**

The Issuer’s management takes all the actions required for timely obtainment, actualization and prolongation of licenses and minimization of the probability of the suspension, change or withdrawal. In this connection, the forecast of licenses prolongation probability is favourable.

At the same time, there is a risk related to changes in the legislation or with decisions of federal or regional bodies on licensing issues that is beyond the Issuer's control. Thus, the Issuer cannot guarantee that no future changes will take place that may have negative effect on one’s activity. However, presently the Issuer’s activity reveals no prerequisites of legal, economic or political character related to complication of the procedure or reduction of the licenses prolongation possibility.

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

Issuer is not joint stock investment fund, insurance or credit company, mortgage agency.

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

Mining is not the core activities of the issuer

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

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

3.3. Issuer's future activity plans

Issuer's plans related to arrangement of new production capacity.

Arrangement of new production capacity is not planned.

Issuer's plans related to extension and reduction of production capacity.

Development of the electric power grid sector of the Company is carried out in accordance with the approved scheme of prospective development of electric power grids and requirements of the technical specification for organization of technological connection of consumers to the Company's electric power grids.

It is planned to conclude 13 000 contracts for technological connection to the electric power grids with total capacity = 313 MW in 2014, the amount of cash fees (payment for technological connection) is projected to be 714.4 mln rubles (including VAT), planned revenue from services on technological connection – 770.2 million rubles.

It is expected that in 2018, due to the growth of power consumption in the region and the connecting of new customers, the amount of electricity transmission services rendered by the Company amount to 18 751 331 thousand kWh. (113.8% compared to 2013).

Issuer's plans related to development of new types of products:

Development of new types of products is not planned.

Issuer's plans related to modernization and reconstruction of fixed assets:

During the few coming years, “Kubanenergo” JSC has scheduled construction and reconstruction of overhead lines, substations and other energy facilities, primarily – those oriented at provision for uninterrupted electric power supply of the Krasnodar Territory seaside areas (along the Black Sea and Azov Sea coasts), Krasnodar as a social and cultural centre and especially – the Sochi power district as a mountain climatic resort with a prospect for arrangement of 2014 Winter Olympic Games.

Plans of issuer's investment activity:

“Kubanenergo” JSC carries out its investment activity in accordance with the investment program for the period of 2012-2017 taken as the basis by the BoD (excerpt from 31.05.2013 No. 164/2013), as well the program is approved by order of the RF Ministry of Energy dated 19.12.2012 No.630.

The amendments to investment programme of “Kubanenergo” were approved by

federal bodies of executive power on 08.10.2013 No.701, as well as by Kubanenergo BoD (minutes of meeting No.178/2013 dd 26.12.2013)

The sources of financing of the investment program adjustments of 2013 are: amortization – 632.95 million rubles, additional issue of shares – 15 374.39 million rubles, payment for technological connection – 2 284.78 million rubles, R&D – 15.28 million rubles.

Implementation of the investment program includes the input of electrical networks with total length of 1 085.90 km and substations with a total capacity of 354.05 MW.

Plans of the issuer relating to possible changes in operating activities: the changing of operating activity is not planned.

Future prospects in terms of sources of future income:

Company's strategy provides for:

Main goals of Company's business strategy:

- planning, accounting, analysis and control of financial and economic condition;
- optimization of fixed and working assets;
- efficient use of financial sources;
- searching for the most efficient ways of investments and concentration of finances on these directions;
- financial steps in accordance with economic state and possibilities of the company.

Main elements of Company's financial strategy:

- attraction of borrowed funds by concluding credit contracts on the basis of which banks provide credits to Kubanenergo or open revolving or non-revolving lines of credit. Funds are borrowed for long-terms in order to build financial structure;
- activities aimed at reduction of cost of borrowing options. The Company is monitoring the financial market, as well as requests regularly the creditor banks to revise the cost of borrowing
- yield management - efficient management of free cash. Allocation of funds in settlement accounts as minimum required balance. The method of allocation of funds for the Company is the most convenient and the best in terms of risk and return ratio.

3.4. Issuer's participation in industrial, banking and financial groups, holdings, groups of companies and associations

No changes occurred during the reporting quarter

3.5. Subsidiary and dependent companies of the Issuer

Full business name: **Open Joint-Stock Company "Recreation Centre "Plamya"**

Abbreviated business name: **"Recreation Centre "Plamya" JSC**

Location

**Novomikhailovskiy-2 village, Tuapse district, Krasnodar region, Russia
352856,**

TIN: 2365000589

PSRN: 1042330761274

Ground (grounds) giving the issuer right to control the affiliated company (participation in affiliated company, conclusion of trust management contract, engagement agreement, conclusion of shareholders' agreement, or other agreement which subject is fulfillment of rights provide by shares:

Participation in affiliated company

Grounds for the company to be qualified as subsidiary of or dependent on the Issuer: **Dominant participation of the Issuer in the Company's authorized capital**

Type of control: direct

Interest of the Issuer in the authorized capital of the person, %: **100**

Portion of the person's ordinary shares held by the Issuer, %: **100**

Participatory interest of the person in the authorized capital of the Issuer, %: **0**

Portion of the Issuer's ordinary shares held by the person, %: **0**

Description of the company core activity: Description of the company significance for the Issuer's activity:

Organization of vacation and recreation for children and adults involving services for providing accommodation, meals and recreation; arrangement of training and exercise camp sessions and competitions of senior and medium sportsmanship teams; organization and arrangement of seminars and conferences.

Composition of the Board of Directors (Supervisory Board) of the Company

Name	Participation stake of the person in the authorized capital of the Issuer, %:	Portion of ordinary shares of the Issuer held by the person, %:
Belik Vyacheslav Aleksandrovich (chairperson)	0	0
Borschyov Andrei Vladimirovich	0	0
Konavets Kirill Sergeevich	0	0
Didenko Ekaterina Evgenievna	0	0
Storchay Margarita Aleksandrovna	0	0

Sole Executive Body of the company

Name	Participatory stake of the person in the authorized capital of the Issuer, %:	Portion of ordinary shares of the Issuer held by the person, %:
Konevets Kirill Sergeevich	0	0

Composition of the Collegial Executive Body of the company

Collegial Executive Body is not stipulated

Additional information:

On 23.01.2013, Commercial court of Krasnodar region initiated a bankruptcy case in respect of “Recreation Centre Plamya” JSC.

By decision of Commercial court of Krasnodar region dated 16.12.2013 the bankruptcy case in respect of “Recreation Centre Plamya” JSC was terminated as the demands of creditors were fulfilled by the company.

Quarterly review of transactions concluded by “Recreation Centre Plamya” JSC in the 4th quarter of 2013

	Subject of transactions	Transaction counterparty	Transaction price, VAT included rub
1. Concluded transactions (groups of interrelated transactions) which amount of liabilities is equal to or exceeds 10 per cent of the net value of “Recreation Centre Plamya” JSC assets according to the company’s accounting statements data for the previous completed reporting period:			
1	No		
2. Transactions concluded by “Recreation Centre Plamya” JSC with “Kubanenergo” JSC or with the holders of more than 5% of shares of “Kubanenergo” JSC (Russian Federation, “Russian grids” JSC, “Tyumenenergo” JSC):			
1	No	No	No
3. Transactions concluded by “Recreation Centre Plamya” with “Kubanenergo” JSC subsidiary companies (“Energoservice of Kuban” JSC, “PO Energetik” JSC):			
1	No	No	No

Business results of “Recreation Centre Plamya” JSC:

Is not specified in the report for the 4th quarter.

Full business name: **Open Joint-Stock Company “Recreation centre “Energetik”,**

Abbreviated business name: **“Recreation centre Energetik” JSC**

Location

4 Pionerskaya str, Divnomorskoye village, Gelendzhik, Krasnodar region, Russia 353490

TIN: 2304041820

PSRN: 1042301876495

Ground (grounds) giving the issuer right to control the affiliated company (participation in affiliated company, conclusion of trust management contract, engagement agreement, conclusion of shareholders' agreement, or other agreement which subject is fulfillment of rights provide by shares:

Participation in affiliated company

Grounds for the company to be qualified as subsidiary of or dependent on the Issuer: **Dominant participation of the Issuer in the Company’s authorized capital**

Type of control: direct

Interest of the Issuer in the authorized capital of the person, %: **100**

Portion of the person’s ordinary shares held by the Issuer, %: **100**

Participatory interest of the person in the authorized capital of the Issuer, %: **0**

Portion of the Issuer's ordinary shares held by the person, %: **0**

Description of the company core activity: Description of the company significance for the Issuer's activity:

Organization of vacation and recreation for children and adults involving services for providing accommodation, meals and recreation; arrangement of training and exercise camp sessions and competitions of senior and medium sportsmanship teams; organization and arrangement of seminars and conferences.

Composition of the Board of Directors (Supervisory Board) of the Company

Name	Participatory stake of the person in the authorized capital of the Issuer, %:	Portion of ordinary shares of the Issuer held by the person, %:
Belik Vyacheslav Aleksandrovich (chairperson)	0	0
Golubeva Olga Vladimirovna	0	0
Didenko Ekaterina Evgenievna	0	0
Konevets Kirill Sergeevich	0	0
Shashkov Aleksandr Vladimirovich	0	0

Sole Executive Body of the company

Name	Participatory stake of the person in the authorized capital of the Issuer, %:	Portion of ordinary shares of the Issuer held by the person, %:
Lebedev Aleksandr Borisovich	0	0

Composition of the Collegial Executive Body of the company

Collegial Executive Body is not stipulated

Quarterly review of transactions concluded by "Recreation centre Energetik" JSC in the 4th quarter of 2013.

	Subject of transactions	Transaction counterparty	Transaction price, VAT included rub
	1. Concluded transactions (groups of interrelated transactions) which amount of liabilities is equal to or exceeds 10 per cent of the net value of "Recreation centre Energetik" JSC assets according to the company's accounting statements data for the previous completed reporting period:		
1	no	no	no
	2. Transactions concluded by "Recreation centre Energetik" JSC with "Kubanenergo" JSC or with the holders of more than 5% of shares of "Kubanenergo" JSC (Russian Federation, "Russian grids" JSC, "Tyumenenergo" JSC):		
1	no	no	no
	3. Transactions concluded by "Recreation centre Energetik" JSC with "Kubanenergo" JSC subsidiary companies ("Energoservice of Kuban" JSC, "Recreation centre Plamya" JSC):		

1	no	no	no
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Business results of “Recreation Centre “Energetik” JSC:

Is not specified in the report for the 4th quarter.

Full business name: **Open Joint-Stock Company “Energoservice of Kuban”**

Abbreviated business name: **“Energoservice of Kuban” JSC**

Location

47 Novorossiyskaya str, Krasnodar, Russia 350080

TIN: 2312178191

PSRN: 1112312000536

Ground (grounds) giving the issuer right to control the affiliated company (participation in affiliated company, conclusion of trust management contract, engagement agreement, conclusion of shareholders' agreement, or other agreement which subject is fulfillment of rights provide by shares:

Participation in affiliated company

Grounds for the company to be qualified as subsidiary of or dependent on the Issuer: **Dominant participation of the Issuer in the Company’s authorized capital**

Type of control: **direct**

Interest of the Issuer in the authorized capital of the person, %: **100**

Portion of the person’s ordinary shares held by the Issuer, %: **100**

Participatory interest of the person in the authorized capital of the Issuer, %: **0**

Portion of the Issuer’s ordinary shares held by the person, %: **0**

Description of the company core activity: Description of the company significance for the Issuer's activity:

Estimate and reduction of losses of energy resources in power supply systems of residential houses, industrial enterprises and public sector organizations. Financial engineering of energy saving projects and programs. Implementation of turnkey energy saving projects. It is planned that the Issuer will be one of the main customers of “Energoservice of Kuban” JSC.

Composition of the Board of Directors (Supervisory Board) of the Company

Name	Participation stake of the person in the authorized capital of the Issuer, %:	Portion of ordinary shares of the Issuer held by the person, %:
Bikmurzin Adel Fyaritovich	0	0
Bulavintsev Alexey Sergeyeovich	0	0
Zinchenko Pavel Vasilyevich	0	0
Konevets Kirill Sergeyeovich	0	0
Kostetskiy Vyacheslav Yurievich (chairperson)	0	0

Ovchenkov Sergey Leonidovich	0	0
Shashkov Aleksandr Vladimirovich		

Sole Executive Body of the company

Name	Participatory stake of the person in the authorized capital of the Issuer, %:	Portion of ordinary shares of the Issuer held by the person, %:
Ovchenkov Sergey Leonidovich	0	0

Composition of the Collegial Executive Body of the company

Collegiate Executive Body is not stipulated

Additional information disclosed in accordance with the Regulations on the Information Policy of the Company

Quarterly review of transactions concluded by “Energoservice of Kuban” in the 4th quarter of 2013

	Subject of transactions	Transaction counterparty	Transaction price, VAT included RUR
	1. Concluded transactions (groups of interrelated transactions) which amount of liabilities is equal to or exceeds 10 per cent of the net value of “Energoservice of Kuban” JSC assets according to the company’s accounting statements data for the previous completed reporting period:		
1	no	no	no
	2. Transactions concluded by “Energoservice of Kuban” JSC with “Kubanenergo” JSC or with the holders of more than 5% of shares of “Kubanenergo” JSC (Russian Federation, “Russian grids” JSC, “Tyumenenergo” JSC):		
1	no	no	no
	3. Transactions concluded by “Energoservice of Kuban” JSC with “Kubanenergo” JSC subsidiary companies (“Recreation centre Plamya” JSC, “Recreation centre Energetik” JSC):		
1	no	no	no

Business results of “Energoservice of Kuban” JSC:

Is not specified in the report for the 4th quarter.

3.6. Composition, structure and value of the Issuer's fixed assets, information on plans for acquisition, replacement and retirement of fixed assets as well as all facts of encumbrance on the Issuer’s fixed assets

3.6.1. Fixed assets

Is not specified in the report for the 4th quarter.

IV. Information on issuer’s business activity

4.1. Results of business activity

Is not specified in the report for the 4th quarter.

4.2. Liquidity of the Issuer, sufficiency of equity and current assets

Is not specified in the report for the 4th quarter.

4.3. Financial investments of the Issuer

Is not specified in the report for the 4th quarter.

4.4. Intangible assets of the Issuer

Is not specified in the report for the 4th quarter.

4.5. Details of the Issuer's policy and expenses in the field of scientific and technical development, with regard to licenses and patents, new researches and developments

Is not specified in the report for the 4th quarter.

4.6. Analysis of development trends in the sphere of Issuer's core activity

Implementation of investment programs elaborated by "Kubanenergo" JSC and providing for development, technical re-equipment and reconstruction of the electric power grid sector of the Company should provide reliable electric power supply to existing and future electric energy consumers in the next few years.

To a large extent the issue of increase of the Kuban energy system stability will be solved in course of implementation of the federal target program for development of Sochi as a mountain climatic resort and programs related to arrangement of 2014 Winter Olympic Games in Sochi.

Positive factors and conditions affecting the Issuer's activity include, in particular:

- Growth of energy consumption in the region;
- Increase of payment discipline of energy selling companies;
- Growth of capacities commissioned.

Negative factors and conditions affecting the Issuer's activity include, in particular:

- Ageing of the Issuer's core equipment;
- Inconsistency decisions taken in the sphere of establishment of electric energy transmission tariffs to the extent of the investment component inclusion.

The power industry reform may also be considered as an uncertainty factor for forecasting variants of the Issuer's development.

To the extent of electric energy transmission services marketing, the following circumstances additionally affect the Issuer's activity:

- Due to the fact that electric energy technological losses calculation is carried out for normal scheme of the grid (i.e., in the steady working mode), all changes of its parameters and configuration affect the amount of actual losses of electric energy (necessity of redistribution of loads connected with prevention of occurrence of emergency grid working modes both in Kubanenergo JSC grids and those of interfacing power industry actors; technological necessity upon assignment of the regional dispatching administration).

Forced changes in the normal grid scheme lead to a significant growth of actual

technological losses of electric energy, both due to losses in power transformers proper and to electric energy losses occurring because of transmission of additional reactive power of line transformers taken out of reserve, as well as increase of receipt into the grid due to the above causes;

- Increased (in excess of values accounted for in calculations) consumption of reactive energy by users;
- Unavailability of a sufficient number of technical accounting devices prevents prompt performance of grid modes analysis for minimization of electric energy technological losses;
- Increase of losses of active energy spent on wire heating due to unavailability of compensation for reactive power by consumers.

General appraisal of the results of Issuer's activity in this particular sector; correspondence of the results of the Issuer's activity to the trends in the sector development; reasons justifying the obtained results of the activity (satisfactory and unsatisfactory results, in the Issuer's opinion):

The main result of the Issuer's activity in power industry consists in provision of reliable and uninterrupted power supply of consumers, consistent implementation of investment projects on construction and reconstruction of overhead lines, substations and power industry facilities, primarily oriented at provision for uninterrupted power supply of the of the Krasnodar Territory seaside areas (along the Black and Azov Seas coasts), Krasnodar as a social and cultural centre and especially – the Sochi power district.

Successful resolution of tasks set to the Company within the framework of the industry reform by efforts of “Kubanenergo” JSC management contributes to it.

Opinions of the Management Bodies of the Issuer of the information provided are in accord.

4.6.1. Analysis of factors and conditions affecting the Issuer's activity

The impact of inflation, changes in exchange rates, government decisions, economic, financial, political and other factors affecting the business activity of the issuer and which influenced the amount of revenue from sale of goods, products, services and income (loss) from core business.

Factors and conditions immediately affecting the Issuer's activity include economic stability in the region.

There are risks on ensuring the reliability of power supply and a threat to stable operation of the power system due to an overload of transmission lines and transformers (auto-transformers) in normal and post-accident steady-state conditions.

The situation is complicated by the continued aging of the power equipment. Amount of equipment, buildings and structures that are worn out and are to be replaced, renovated or modernized is increasing.

The implementation of developed in “Kubanenergo” JSC investment programmes that provide development, modernization and reconstruction of power grid facilities of the Company will improve the supply of electricity consumers in the nearest years.

In order to meet the needs of consumers in additional capacity, reliable and uninterrupted electricity consumption, the Company spends significant funds for the reconstruction of electric networks and the creation of new points of connection to the created facilities.

The Company pays great attention to the development of power grid facilities using science-based technical solutions and technologies tested in the operation of modern electrical equipment.

Due to the fact that price for the Company's services is subject to tariff regulation, there is the risk of REC-DTP KR¹ approving of tariffs failing to fully take into account the necessary expenses of "Kubanenergo" JSC. The Company is constantly working with REC-DTP KR on approval of a justified level of tariffs.

Insufficient development of electric grids in certain areas of Krasnodar region and the Republic of Adygea in the rapid growth of electricity consumption, leads to overload of transmission lines and transformer substations.

Reliability of power supply is reduced due to the high level of equipment deterioration, leading to additional financial costs to maintain its efficiency.

To the extent of electric energy transmission services marketing, the following circumstances additionally affect the Issuer's activity:

- Due to the fact that electric energy technological losses calculation is carried out for normal scheme of the grid (i.e., in the steady working mode), all changes of its parameters and configuration affect the amount of actual losses of electric energy (necessity of redistribution of loads connected with prevention of occurrence of emergency grid working modes both in OJSC "Kubanenergo" grids and those of interfacing power industry actors; technological necessity upon assignment of the regional dispatching administration).

Forced changes in the normal grid scheme lead to a significant growth of actual technological losses of electric energy, both due to losses in power transformers proper and to electric energy losses occurring because of transmission of additional reactive power of line transformers taken out of reserve as well as increase of receipt into the grid due to the above causes;

- Increased (in excess of values accounted for in calculations) consumption of reactive energy by users;
- Unavailability of a sufficient number of technical accounting devices prevents prompt performance of grid modes analysis for minimization of electric energy technological losses;
- Increase of losses of active energy spent on wire heating due to unavailability of compensation for reactive power by consumers.

Actions the Issuer plans to undertake in future for efficient use of these factors and conditions:

To satisfy consumers' demand for additional power, to provide for reliable and uninterrupted electric energy consumption the Company invests much in reconstruction of electric power grids and establishment of new points of connection to newly launched capacities.

¹ REC DTP KT - Regional Energy Commission of Department of Tariff and Prices at Krasnodar region

The Company pays much attention to development of the electric power grid sector, applying scientifically justified technical solutions and technologies approved in operation, as well as state-of-the-art power engineering equipment.

The Company attracts short-and long-term borrowings from the Russian financial market. Significant increase of interest rates on credits and loans may entail appreciation of the Issuer's debt servicing. For optimization of the debt portfolio structure and reduction of its servicing costs, the Issuer strains after use of credits and loans with the fixed interest rate which results in significant reduction of the above risk.

Changes in the consumer price index to some extent affect “Kubanenergo” JSC rate of return and the Company’s financial and business activity results, but their effect is not a direct dependence factor. Dependence of the Company’s rate of return on changes of the consumer price index is mainly conditioned by the fact that tariffs for services for transmission of electric energy are established by state tariff bodies on the basis of economically justified expenses on their provision and fully or partially compensate for growth of the Company’s expenses associated with inflation. However, during high inflation periods, risks of reduction of the tariff compensatory component amount and of solvency of the Company’s major consumers grow up.

Methods applied by the Issuer and the methods the Issuer is planning to use in future to reduce negative effect of factors and conditions affecting the Issuer's activity:

Implementation of investment programs elaborated by “Kubanenergo” JSC and providing for development, technical re-equipment and reconstruction of the electric power grid sector of the Company will allow provision for reliable electric power supply to existing and prospective electric energy consumers in the next few years.

Development of grid complex is performed in accordance with approved schedule of future development of electric grids and technical requirements for technological connection to of consumers to Company’s grids.

Also by the end of 2014, it is planned to implement the projects on increasing the reliability of facilities of electric grid complex of Black sea area, Krasnodar region.

For reduction of costs, an Expenditure Management Program has been elaborated and is being implemented by the Company.

The Company has adopted a target strategy for abandoned grids buyout to increase one’s assets and elimination risks associated with establishment of interfacing minor grid organizations the number whereof steadily increases every year.

Substantial events/factors that may most negatively affect the possibility of the Issuer achieving in future the same or higher results as compared to those achieved in the last reporting period, as well as probability of occurrence of such events (emergence of such factors):

In the future periods, reduction of the Issuer's incomes is possible in the following cases:

- Ageing of the Issuer's core equipment;
- Changes in tariffs on electricity transmitting;
- Growth of inflation (actual growth exceeding the forecast);
- The Issuer incurring uncompensated costs in connection with translation of electric energy losses purchase price;
- Appreciation of credit resources.

Substantial events/factors that may improve the results of Issuer's activity and the probability of their occurrence as well as their duration:

- Growth of power consumptions in the regions within the Company's responsibility zone.
- Implementation of the investment program allowing increase of operational efficiency of the activity.

The likelihood of such factors is estimated by the Company as considerable. To anticipate the duration of these events is not possible due to the uncertainty of the economic situation development in Russia and in the whole world.

4.6.2. Issuer's Competitors

There were no changes in reporting quarter.

V. Details on persons that are members of the Issuer's management bodies, the Issuer's bodies in charge of control of financial and business activity and brief details on the Issuer's employees (workers)

5.1. Details of the structure and competence of the Management Bodies of the Issuer

There were no changes in reporting quarter.

5.2. Information on persons-members of the Issuer's Management Bodies

5.2.1. Composition of the Board of Directors of the Issuer (Supervisory Board)

Name: **Magadeyev Ruslan Raisovich**
(chairperson)

Year of birth: **1977**

Education:

Higher. State technical university of Magnitogorsk named after Nosov G.I., speciality – electrical engineer, energy supply to production enterprises (1999)

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period	Company	Position
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from	till		
2006	2009	IDGC of Centre JSC (till 2008 – IDGC of Centre and North Caucasus JSC)	Head of operations and process management department
2009	2011	SO UES JSC (System Operator of Unified Energy System JSC)	Head of office for advanced development, head of sector of development and technical modernization
2011	now	IDGC Holding JSC (Russian Grids from 2013)	Head of operations and process management department
2013	now	Kubanenergo JSC, IDGC of the South JSC, IDGC of Urals, Lenenergo JSC	Board of Directors Member

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies: **The person does not hold such stake.**

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Vagapov Suleiman Gelanievich**

Year of birth: **1953**

Education:

Higher, Rostov State University named after Syslov M.A., specialization "legal science"

All offices having been/being held by the person concerned with the Issuer and

other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2000	2012	Administration of the President of the Russian Federation	Deputy authorized representative, then authorized representative of RF President in Southern Federal District, then Deputy authorized representative of RF President in North-Caucasian Federal District
2012	Now	Federal grid company of unified energy system JSC	Authorized representative of Chairperson of Administration of North-Caucasian Federal District
2013	Now	“Resorts of North Caucasus” JSC	Deputy director general
2013	now	Kubanenergo JSC	Board of Directors Member

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Varvarin Alexandr Viktorovich**

Year of birth:

1975

Education:

Higher. Institute of International Law and Economics named after Griboedov A.S.

(1998), “Legal studies”

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2005	now	the Russian Union of Industrialists and Entrepreneurs	Head of Legal department, director of department of corporate relationships, after – managing director on corporate relationships and legal groundwork.
2006	now	“Central checkup committee of distribution zone” Non-profit organization	Director General, member of Board
2006	now	Russian union of self-regulatory organization of arbitration managers	Deputy chairperson of Board
2008	now	“MSOPAU” Non-profit partnership	Chairperson of Board
2009	now	“VTsiOm” JSC	Board of Directors Member
2009	now	“VNIPINeft” JSC	Board of Directors Member
2009	2012	“Rosdorleasing” JSC	Board of Directors Member
2011	now	“TNITI” JSC	Chairperson of Board of Directors s
2011	now	“IDGC of Volga” JSC	Board of Directors Member
2012	2013	“TransTeleCom Company” CJSC	Board of Directors Member
2012	now	“Russian Railway” JSC	Deputy Chairperson of Revision Committee
2013	now	“Production and scientific centre” JSC, “TsNIIMashdetal” JSC, “TsNIIKP” JSC, “TsNIILKA” JSC, “TsNIIPIK” JSC	Chairperson of Board of Directors s
2013	now	“IDGC of North Caucasus” JSC, “Kubanenergo” JSC	Board of Directors Member

The person holds no participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Gaichenya Ivan Alekseevich**

Year of birth: **1967**

Education:

Higher.

In 1990 - Higher boarder military and political college of KGB of USSR,

In 1996 – International independent ecological and political University, specialization

“Law”, In 2000 – General Staff Academy of Russian Federation Forces.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
1985	2011	Service in army of USSR, Russian Federation	
2001	2012	“Holding IDGC” JSC	First deputy head of department in charge of security
2012	2013	Federal Grid Company of Unified Energy System JSC	First deputy director of department in charge of security
2013	now	“Rosseti” JSC	Director of Security Department
2013	now	“Kubanenergo” JSC	Board of Directors Member

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Katina Anna Yurievna**

Year of birth: **1982**

Education:

Higher. Moscow State Humanities University, specialization “Jurisprudence” (2004)

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2008	now	Russian Grids JSC	Head of sector, deputy head of department for corporate governance and interaction with shareholders, after – deputy head of Department of Corporate management and cooperation with shareholders; after – deputy head of department of Corporate management and cooperation with shareholders and investors
2009	Now	Berendeyevskoye JSC, “Yekaterinbourgenergo sbyt” JSC, “RETO plant” JSC	Board of Directors Member
2009	2009	“Immovable Property ITSES” JSC	Board of Directors Member
2009	2010	“Kalmenergosbyt” JSC, “IDGC of Volga” JSC	Board of Directors Member

2009	2011	“VNIPIenergoprom” JSC	Board of Directors Member
2009	2012	“Kubanenergo” JSC	Board of Directors Member
2010	2011	“Research and Development Centre of North-West” JSC	Board of Directors Member
2010	now	“Energy company Tsrskoselskaya” CJSC	Board of Directors Member
2011	now	“Energy company Lenenergo” JSC	Board of Directors Member
2012	2012	“IDGC of North-West” JSC	Board of Directors Member
2012	2013	IDGC of the South“ JSC	Board of Directors Member
2012	now	Ural energy-servise” JSC, “R&D Centre of Ural” JSC	Board of Directors Member
2013	now	“Kubanenergo” JSC, “Tyumenenergo” JSC	Board of Directors Member

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Kolyada Andrei Sergeevich**

Year of birth: **1984**

Education:

**Higher. State university of management (Moscow),
Institute of management in power industry, specialization
“Management of organization”.**

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2007	2013	Federal Agency for the Administration of State Property (before September of 2008 - Federal Agency for the Administration of Federal Property)	Specialist of the 1 st category, lead specialist- expert, head specialist- expert, deputy head, head of department of property of companies of fuel and energy and coal industry of Administration of infrastructure industry sectors and organization of defense industry
2013	Now	Russian Grids JSC	Head of authorized capital management at department on corporate governance and shareholders relations
2009	2010	“Enel OGK-5” JSC, “Sevzapelectrosetstroy” JSC, “Dalenergomontazh” JSC, “Krasniy Yakor” JSC, “Istra pilot plant “Uglemash”, “Moscow plant “Electroschit” JSC, “Boiler cleaning Plant ” JSC, “Trest” JSC, “EIS” JSC	Board of Directors Member
2009	2012	“RusHydro” JSC	Member of Auditing Commission
2009	2013	“SO UES” JSC	Member of Auditing Commission
2009	2011	“Electrocentremontazh” JSC, “OGK-5” JSC	Board of Directors Member
2009	2012	Construction-Industrial Company	Board of Directors
		“Mosenergostroy” JSC	Member
2009	2013	“TGK-5” JSC, “Institute “Energosetproject” JSC	Board of Directors Member
2009	2012	“Company Energozaschita” JSC	Board of Directors

			Member
2010	2011	“Holding IDGC” JSC, “FGC “Energy systems of East” JSC	Member of Auditing Commission
2010	2012	“Kubananergo” JSC	Board of Directors Member
2012	2013	“SPC “Nedra” JSC, “KamNIKIGS” JSC, “Rostoprom” JSC	Board of Directors Member
2013	now	“Kubanenergo” JSC, “ Company Energozaschita” JSC, “Samaraneftegeofizika” JSC, “Volgogradneftegeofizika” JSC, “Stavropolneftegeofizika” JSC, “Sevmorneftegeofizika” JSC	Board of Directors Member

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Lavrova Marina Aleksandrovna**

Year of birth: **1982**

Education:

Higher. State Univesrity of management, specialization – “Management in Power industry” ana “Financial academy affiliated to the government of Russian Federatopm”, specialization- “Finances and credit”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including

those held on part-time basis

Period		Company	Position
from	till		
2008	Now	“Rosseti” JSC	Head of economical board of department of economic planning and allocation of funds
2009	Now	Energy selling company of Dagestan JSC	Board of Directors Member
2013	Now	“Kubanenergo” JSC, “YeESK” JSC	Board of Directors Member

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Likhov Khasan Mushtafaevich**

Year of birth: 1983

Education: Academy of economic security under RF Ministry of internal affairs

Positions held in issuing company and other entities in chronological order within the last 5 years and now

Period		Company	Postion
from	till		
2008	2014	RF Ministry of Energy	Leading consultant, advisor, Deputy director of Department for fulfilment of federal targeted investment programme. Then Deputy director of

			Department for economic regulation and property relations in Fuel and energy complex of RF Ministry of energy
2012	now	“Kubanenergo “JSC, “DVUEK” JSC “IDGC Of the South” JSC	Board of Directors member
2013	now	“IDGC of North Caucasus” JSC	Board of Directors member

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation

Name: **Neganov Leonid Valerievich**

Year of birth: **1972**

Education:

Higher.

1995 – Moscow State Engineering and Physics Institute, specialization – “Solid state physics”,

2001 - Higher School of Economics, specialization- “Management”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2007	2008	“DVEUK” JSC	First deputy director
2008	2009	“Optima Energostroy” CJSC	First deputy Director General, after – Director General

2009	2011	“Bashkirenergo” JSC	Deputy Director General
2012	2012	“Tedis-group” JSC	Director General
2012	2013	RF Ministry of Energy	Deputy Director General of department of power industry development
2013	Now	Ministry of Energy of Moscow region	Minister of Energy industry
2013	Now	“Kubanenergo” JSC	Board of Directors Member

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations:

Name: **Solod Aleksandr Viktorovich**

Year of birth: **1976**

Education:

Higher. South-Russian State Technical University of Novocherkassk; speciality “Electric systems and networks”, qualification “Electrical engineer” (1999)

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2008	2009	“Glavsetservice ENES” JSC	Deputy chief engineer
2008	2009	Federal grid company of unified energy system JSC	Director in charge of investment and assets maintenance
2009	2009	“Glavsetservice ENES” JSC	Deputy director general – executive director of Southern branch

2010	Now	Federal grid company of unified energy system JSC	Deputy director general in charge of technical maintenance and repair, after – deputy head engineer of Federal grid company of unified energy system JSC, after – director of branch Sochi enterprises of the main power networks, after – Director general of branch of main power networks of the South
2013	Now	“Kubanenergo” JSC, “IDGC of the South” JSC, Nurenergo JSC	Board of Directors Member

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Cherezov Andrei Vladimirovich**

Year of birth: **1967**

Education:

Higher technical. Graduate in 1993 from Altai technical University named after Polzunov I.I., specialization – “Energy saving”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		

2007	2010	Branch of Federal grid company of unified energy system JSC - Main power transmission lines of Siberia	First deputy Director General – head engineer
2010	2013	Federal grid company of unified energy system JSC	Deputy head engineer in charge of organization of operation, after - deputy head engineer, deputy chairperson of the Board, after – deputy chairperson of the Board – head engineer.
2013	Now	RF Ministry of Energy	Deputy Minister
2012	Now	IDGC of North Caucasus JSC	Board of Directors s Member
2013	Now	Kubanenergo JSC	Board of Directors s Member

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity: **such information was not provided**

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State: **such information was not provided**

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **such information was not provided**

Additional details disclosed in accordance with the Regulations on the Information Policy of “Kubanenergo” JSC:

All members of the Board of Directors of “Kubanenergo” JSC are citizens of the Russian Federation.

Details of transactions effected in the reporting quarter between the Issuer and persons that are members of the Board of Directors of the Issuer: such transactions were not effected in the reporting quarter.

Details of training of members of the Board of Directors of the Issuer: Members of the Board of Directors did not receive any training at the expense of the Company in the reporting quarter.

Details on committees attached to the Board of Directors of the Issuer¹:
In order to provide for by the Board of Directors of OJSC “Kubanenergo” the efficiently fulfilment of its functions as a general management of Company’s activity the Board of Directors has established the following Committees representing advisory and consultative bodies:

Reliability Committee established by decision of the Board of Directors dated 18.09.2006, Minutes No. 21/2006.

According to the Regulations on the Reliability Committee under the Board of Directors of “Kubanenergo” JSC approved by the Board of Directors on 05.08.2010 (Minutes No. 94.2010 dated 06.08.2010), as restated, the Committee tasks consist in elaboration of recommendations on the following issues and their submittal to the Board of Directors:

- Expertise of investment programs and plans for repair of energy facilities, analysis of their execution regarding provision for compliance with integrated reliability requirements;
- Estimation of completeness and sufficiency of arrangements following the results of incidents and major technological violations as well as control of their performance;
- Control and evaluation of activity of the Company’s technical services to the extent of:
 - Provision for integrated reliability of grid equipment and structures work;
 - Provision for normal condition of fixed assets and communication of information on forecast risks for their functioning reliability;
 - Analysis of arrangements for execution of contracted and economic mechanisms of reliability management;
 - Informing the Board of Directors of the Company of the condition of fixed assets of the Company’s energy facilities on a quarterly basis.

Composition of the Reliability Committee of the Board of Directors of “Kubanenergo” JSC functioning till 17.06.2013 – date of reelection of Board of Directors (positions specified at the date of election):

#	Name	Position
1	Ivanov Vitaliy Valerievich (Chairperson)	Director of situation center at Russian Grids JSC
2	Magadeyev Ruslan Raisovich	Director of operations and process management department at Russian Grids JSC
3	Zinchenko Pavel Vasilyevich	Deputy General Director for Technical Issues – Chief

		Engineer of Kubanenergo JSC
4	Chebakov Andrey Vasilievich	Deputy chief engineer in charge of operation – head of Department of operation and technical servicing and repair, Kubanenergo JSC
5	Zuikova Olga Valentinovna	Head of Production safety sector at Department of production assets management, Russian Grids JSC
6	Koltsov Andrey Valerievich	Director general of "Federal Grid Company of Unified Energy System " JSC branch-Centre of technical supervision

Audit Committee established on October 16, 2009 by decision of the Board of Directors (Minutes No. 80/2009 from 16.10.2009).

The main objective of establishment of the Audit Committee consists in provision for efficient work of the Board of Directors of the Company in resolution of issues referred to its competence.

The task of the Committee consists in elaboration of recommendations (conclusions) on the Company when controlling:

- Process and procedures of preparedness of financial (accounting) report including consideration the financial (accounting) report;
- Effectiveness of internal control systems and risks management;
- Election of independent external auditor and his job evaluation;
- Activity of subdivision implementing functions of internal control/audit of the Company;
- Company's compliance with requirements of Russian Federation Legislation, industrial standards, internal normative documents of the Company.

The committee can carry out other tasks that do not contradict Articles of the Company and legislation of Russian Federation.

Composition of the Audit Committee under the Board of Directors of "Kubanenergo" JSC valid as of the end of the reporting quarter:

	Name	Office ²
1	Lavrova Marina Alexandrovna (Chairperson)	Head of Directorate of Economy of Affiliates at Department for economic planning and budgeting of Russian Grids JSC
2	Solod Aleksandr Viktorovich	Director general of "Federal Grid Company of Unified Energy System " JSC branch-Backbone electric grids (MES) of the South
3	Katina Anna Yurievna	Deputy head of directorate - head of division at Department for corporate governance and interaction with shareholders and investors, Russian Grids JSC

Committee for Strategy, Development, Investment and Reforms under the Board of Directors established by decision of the Board of Directors of OJSC "Kubanenergo", Minutes No. 84/2010 dated 05.02.2010, for elaboration of recommendations (conclusions) on the following aspects of activity of the Board of

Directors and their submittal to the Board of Directors:

- Determination of priority aspects, strategic objectives and the core principles of the Company strategic development;
- Evaluation of the Company activity efficiency;
- Increase of investment attractiveness of the Company, improvement of investment activity and taking justified investment decisions;
- Correction of the existing Company development strategy;
- Control of the process of implementation of adopted programs, projects and the Company reform process;
- Elaboration of recommendations on the dividend policy.

Composition of the Committee for Strategy, Development, Investment and Reforms under the Board of Directors of “Kubanenergo” JSC valid as of the end of the reporting quarter:

#	Name	Position
1.	Lisavin Andrey Vladimirovich	Head of directorate for implementation of strategies at Department of strategic development of Russian Grids JSC
2.	Podlutskiy Sergey Vasilievich	Head of sector of consolidated planning and reporting at Investment activity department , Russian Grids JSC
3.	Isaeyev Valeriy Ivanovich	Chief of finances at Department of corporate finances , Russian Grids JSC
4.	Lavrova Marina Alexandrovina	Head of directorate for economics at Russian Grids JSC
5.	Iordanidi Kirill Alexandrovich	Leading expert of sector for strategic planning at Department of economic planning and budgeting at Russian Grids JSC
6.	Katina Anna Yurievna	Deputy head of directorate - head of division at Department for corporate governance and interaction with shareholders and investors , Russian Grids JSC
7.	Kocherga Vitaliy Aleksandrovich	Deputy Director General on corporate management of “Kubanenergo” JSC
8.	Kosteskiy Vyacheslav Yurievich	Deputy director general in charge of development and selling of services of Kubanenergo JSC
9.	Bogashov Alexandr Evgenievich	Acting advisor of sector at Rosimuschestvo , member of Auditing Commission of Kubanenergo JSC
10.	Buklova Zalina Kazbekovna	Head of sector for implementation of Federal target investment programme, Department of corporate governance and price environment and inspections in spheres of Fuel and Energy Complex, RF Energy Ministry

Personnel and Remuneration Committee under the Board of Directors established by decision of the Board of Directors of OJSC “Kubanenergo”,

Minutes No. 94/2010 dated 06.08.2010 for elaboration of recommendations (conclusions) on the following aspects of activity of the Board of Directors and their submittal to the Board of Directors:

- Amount of reward payable to members of Board of Directors of the Company;

- Elaboration of principles and criteria for determination of the amount of reward payable to members of the Board of Directors, members of the Collegial Executive Body and the person discharging the functions of Sole Executive Body of the Company including a management organization or general manager;

- Working out of proposals on determination of substantial conditions of contracts with the members of the Board of Directors, members of the Collegial Executive Body and the person discharging the functions of Sole Executive Body of the Company;

- Determination of criteria for selection of candidates for membership in the Board of Directors, in the Collegial Executive Body and for the office of Sole Executive Body of the Company as well as preliminary evaluation of such candidates;

- Regular evaluation of activity of the person discharging the functions of Sole Executive Body of the Company (management organization, general manager) and members of the Company's the Collegial Executive Body and preparation of proposals on the possibility of their reappointment for the Board of Directors.

Composition of the Personnel and Rewards Committee under the Board of Directors of Kubanenergo JSC valid as of the end of the reporting quarter:

	Name	Office ⁴
1	Mangarov Yuriy Nikolaevich (Chairperson)	Deputy acting director-chief of staff of IDGC Holding JSC, deputy of chairperson of Board – chief of staff of “FGC UES” JSC
2	Chevkin Dmitriy Aleksandrovich	HP Director of “FGC UES” JSC
3	Kolyada Andrey Sergeevich	Head of management division at Rosimuschestvo

Committee for technological connection attached to Board of Directors was organized by the decision of “Kubanenergo” BoD, minutes of meeting No.119/2011 dated 11.10.2011, for the purpose of elaboration and provision of recommendation to Board of Directors on the following activities of the BoD:

- sophistication of legal base of antimonopoly control and provision of non-discriminatory access to services on technological connection of consumers to electric grids;
- sophistication of internal regulations and proprietary standards on provision of non-discriminatory access to services on technological connection of consumers to electric grids
- elaboration of principles and criteria of evaluation of Company's activity in technological connection of consumers to electric grids

- evaluation of efficiency of Company's activity in technological connection of consumers to electric grids
- analysis of current situation in the Company and preparation of propositions to the BoD on technological connection of consumers to electric grids

Current as of the end of the reporting quarter composition of the Committee technological connection attached to "Kubanenergo" Board of Directors:

#	Name	Position
1	Varvarin Aleksandr Viktorovich (Chairperson)	Managing director in charge of corporate relations and legal support, RSPP
2	Kosteskiy Vyacheslav Yurievich	Deputy director general in charge of development and selling of services of Kubanenergo JSC
3	Kocherga Vitaliy Aleksandrovich	Deputy Director General on corporate management of "Kubanenergo" JSC
4	Korneyev Alexandr Yurievich	Head of sector for scheduling the technological connection at Department of perspective development of grids and technological connection, Kubanenergo JSC
5	Bashmakov Daniel Maratovich	Chairperson of Krasnodar regional department of Russian public organization of small and medium business "OPORA Russia"

5.2.2. Information on the Sole Executive Body of the Issuer

Full name: **Gavrilov Aleksandr Ilich**

Year of birth: **1973**

Education:

Higher:

State Kuban University, specialty – "Accounting and audit" State Kuban

Polytechnic University, specialty – "Exploitation and operation of oil-and-gas-field"

Conferred a degree on Doctor of Economics

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Name of organization	Office
from	to		
2006	2009	Kubanenergo JSC	Member of Board of Directors
2006	2010	Kubanenergo JSC	Chairperson of BoD
2007	2010	IDGC of the South, JSC	Member of Board of Directors, Director General, Chairperson of BoD
2010	2012	Institute of Economics, Law and Humanities	Professor of Economic theory chair, Economics and Management of Faculty of Economics
2013	2013	FGC UES, JSC	Chief Advisor to the Chairman of Board
2013	noe	Kubanenergo JSC	Acting Director General, then Director

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies: **The person does not hold such stake.**

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity: **There are no such family relations.**

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State: **The person has not been brought to responsibility as specified.**

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

5.2.3. Composition of the Collegial Executive Body of the Issuer

Full name: **Gavrilov Aleksandr Ilich**
(chairperson)

Year of birth: **1973**

Education:

Higher:

State Kuban University, specialty – “Accounting and audit” (1995)

State Kuban Polytechnic University, specialty – “Exploitation and operation of oil-and-gas-field” (2006)

Conferred a degree on Doctor of Economics (2010)

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Name of organization	Office
from	to		
2006	2009	Kubanenergo JSC	Member of Board of Directors
2006	2010	Kubanenergo JSC	Chairperson of BoD
2007	2010	IDGC of the South, JSC	Member of Board of Directors, Director General, Chairperson of BoD
2010	2012	Institute of Economics, Law and	Professor of Economic theory

		Humanities	chair, Economics and Management of Faculty of Economics
2013	2013	FGC UES, JSC	Chief Advisor to the Chairman of Board
2013	Present day	Kubanenergo JSC	Acting Director General, chairperson of Management Board, then Director General, Chairperson of Board

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations:

The person did not hold such offices

Name: **Belik Vyacheslav Aleksandrovich**

Year of birth: **1978**

Education:

Higher, graduated from Kuban State University, speciality – “Finance and credit”, conferred qualification “economist”.

Course of professional retraining at BMSTU on the basis of “Training centre “Kubanenergo” in 2005, speciality “Management of organization”

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Name of organization	Office
from	to		

2007	Present day	“Kubanenergo” JSC	Head of development of employee benefit plan department, then head of office of social policy of Personnel Management and organization design department, then head of Personnel Management and organization design department
2011	Present day	“Recreation centre “Energetik” JSC, “Recreation centre “Plamya” JSC	Member of BoD, then chairman of BoD
2012	Present day	“Kubanenergo” JSC	Member of Managing board

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

Such family relations are absent.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations:

The person did not hold such offices

Name: **Gerasko Andrey Leonidovich**

Year of birth: **1976**

Education:

Higher, graduated from Krasnodar military academy named after

Shtemenko E.M. in 1999, speciality – “Electric power supply of space rocket facilities”, conferred qualification “engineer”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Name of organization	Office
from	to		
1994	2007	Russian military service	
2007	Present-Day	Kubanenergo JSC	Leading engineer at service for reliability and industrial control; then head of sector for occupation safety at service for reliability and industrial control; then deputy chief engineer at service for reliability and industrial control; then head of branch Labinskiy electric grids; then head of branch South-western Grids; then deputy leading engineer of branch Sochi power grids; then director of branch Sochi power grids
2012	Present-day	Kubanenergo JSC	Member of the Board of Directors

The person holds no participatory stake in the Issuer’s authorized capital or the Issuer’s ordinary shares.

The person’s participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer’s subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer’s financial and business activity:

Such family relations are absent.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations:

The person did not hold such offices

Name: **Golov Andrei Valerievich**

Year of birth: **1980**

Education:

Higher. Graduated in 2002 from Orenburg state university, specialization – “Finance and credit”. In 2008 was conferred a degree of Candidate of Sciences (Economics).

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Name of organization	Office
From	To		
2007	2010	“Moscow United Electric Grid Company” JSC (Moscow region)	Director of Department in charge of logistics and purchasing; after – deputy Director of Department in charge of logistics and purchasing; after – Director of Department in charge of logistics and purchasing; after - deputy Director of Department in charge of logistics and purchasing; deputy Director in charge of economics and finances of branch “Northern power grids”
2010	2011	“InterPress” LLC	Financial Director
2011	2012	“AGRIUS XXI” LLC	Financial Director
2012	2012	“Prompostavka” CJSC	Business Director
2012	Present day	“Kubanenergo” JSC	Adviser of Director General; after – acting deputy Director General in charge of logistics and inventory without discharge from the main job; after – deputy Director General in charge of logistics and inventory
2013	Present day	“Kubanenergo” JSC	Member of Board

The person holds no participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

Such family relations are absent.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a

bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations:

The person did not hold such offices

Name: **Golovakha Dmitriy Nikolaevich**

Year of birth: **1977**

Education:

Higher. Graduated in 1997 from Krasnodar technical college, specialization – “Installation and maintenance of electrical equipment of agricultural companies”. Graduated in 2002 Kuban State Agrarian University, specialization – “Electrification and automation of agricultural industry”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Name of organization	Office
From	To		
2007	2008	“Kubanenergo” JSC	Head of division of perspective development
2008	2012	“IDGC of the South” JSC	Head of department of perspective development
2012	2013	Department on issues of fuel and energy complex of Krasnodar region (from 01.07.2012 – Industry and Energy Ministry of Krasnodar region)	First deputy head of department, after – deputy Minister
2013	Present day	“Kubanenergo” JSC	Director of branch South-Western power grids, member of Board

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

Son Member of Management Board - Golovakha Lyudmila Alekseevna.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy

(insolvency) legislation initiated against such organizations:

The person did not hold such offices

Name: **Golovakha Lyudmila Alekseevna**

Year of birth: **1955**

Education:

Higher. Graduated in 1974 from Krasnodar College of the sugar industry, specialization

– **“Electrical equipment of industrial enterprises and facilities”.**

Graduated in 2007 from Kuban State University, specialization “Law” and “State and municipal management”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Name of organization	Office
From	To		
2006	2010	“Kubanenergo” JSC	Head of service of administrative support; after – Director in charge of general issues, after - office manager
2006	2010	“Kubanenergo” JSC	Member of Board
2007	2010	“Recreation Centre “Energetik” JSC, “Recreation Centre “Plamya”	Board of Directors member, chairperson of BoD
2007	2010	“IDGC of the South” JSC	Office manager , after – deputy Director General in charge of administrative issues
2008	2010	“IDGC of the South” JSC	Member of BoD on common issues
2011	2012	“NESK-electric grids” JSC	Director in charge of general issues
2013	Present day	“Kubanenergo” JSC	Director General Adviser, after – deputy Director General –chief of staff; member of Board

The person holds no participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members

of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

Mother of Member of Management Board – Golovakha Dmitriy Nikolaevich.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations:

The person did not hold such offices

Name: **Zinchenko, Pavel Vasilyevich**

Year of birth:

1963

Education:

Higher, graduated from Krasnodar Higher Command and Engineering Military College for Missile Force, 1989, PhD. (Engineering), 2000.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Name of organization	Office
from	to		
2006	2010	“Cable Grid” branch of OJSC “Lenenergo”	First Deputy Director – Technical Director, Technical Director – Chief Engineer
2010	Present-day	Kubanenergo JSC	Deputy General Director for Technical Issues- Chief Engineer
2011	2012	Kubanenergo JSC	Member of the Management Board, member of the Reliability Committee under the Board of Directors
2011	Present-day	OJSC “Energoservice of Kuban”	Member of the Board of Directors
2011	Present-day	Kubanenergo JSC	Member of the Management Board
2013	Present day	Kubanenergo JSC	Member of Reliability Committee under the BoD

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

Such family relations are absent.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations:

The person did not hold such offices

Name: **Kostetskiy Vyacheslav Yurievich**

Year of birth: **1974**

Education:

Higher. Graduated in 1999 from The Institute of Economics, Law and natural specialties, specialization – “Law”. Graduated in 2009 from Kuban State Technological University, specialization “Electric power supply”.

The course of retraining “Management” in Moscow State Technical University named after Bauman on the basis of Non-state non-profit educational institution “Educational centre “Kubanenergo”, 2008.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Name of organization	Office
From	To		
2007	2010	“IDGC of the South” JSC	Deputy Director General in charge of services development and realization
2010	2011	“Krasniy Proletariy” JSC	Executive director
2011	2012	Territorial board of Federal Agency for the Administration of State Property in Krasnodar region	Head of division of commercial organization and privatization, after – deputy head
2013	Present day	“Kubanenergo” JSC	Adviser of Director General, after – deputy Director General in charge of development and realization of services; member of Board
2013	Present day	Energoservice of Kuban JSC	Member of Board of Directors
2013	Present day	Kubanenergo JSC	Member of Committee for Strategy,

			Development, Investments and Reforming under the BoD, Member of Committee for Technological Connection under the BoD
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The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

Such family relations are absent.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations:

The person did not hold such offices

Name: **Kocherga, Vitaly Aleksandrovich**

Year of birth: **1977**

Education:

Higher legal, graduated from Kuban State University

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Name of organization	Office
from	to		
2006	Present-day	Kubanenergo JSC	Lead Legal Advisor, Head of the Legal Division, Deputy General Director for Corporate Management
2008	Present-day	Kubanenergo JSC	Member of the Management Board
2008	2009	OJSC "Krasnodarenergosetremont"	Member of the Board of Directors
2008	2010	OJSC "OK Plamya", OJSC "PO Energetik"	Member of the Board of Directors
2011	2012	Energoservice of Kuban JSC	Member of the Board of Directors

2011	Present-day	Kubanenergo JSC	Member of the Committee for Strategy, Investment, Development and Reforms under the Board of Directors, member of Committee on technological connection attached to BoD
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The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

Such family relations are absent.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations:

The person was a member of the Board of Directors of OJSC

“Krasnodarenergosetremont” as of the moment when the above Company was declared bankrupt and bankruptcy proceedings were initiated against it by decision of the Krasnodar Territory Arbitration Court dated 22.01.2009.

Name: **Natkho, Inver Yusufovich**

Year of birth: **1958**

Education:

Higher, graduated from Kuban Agricultural Institute decorated with Order of Red Banner of Labour

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Company	Position
2007	Now	Kubanenergo JSC	Director of branch “Adygeiskiye Electric Power Grids”, then Director of branch “Krasnodar Electric Power Grids”

2006	Now	Kubanenergo JSC	Member of the Management Board
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Participatory interest of the person in the authorized capital of the Issuer, %:

0.000001

Portion of the Issuer's ordinary shares held by the person, %: **0.000001**

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity: **Such family relations are absent.**

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations:

The person did not hold such offices

Name: **Skiba Inna Viktorovna**

Year of birth: **1975**

Education:

Higher. Graduated in 2002 from Kuban State University, specialization – “Accounting and audit”. Graduated in 2007 from Federal State Educational Institution of Higher Professional Education Krasnodar State University of Culture and Art, specialization “Library services”.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Name of organization	Office
From	To		
2004	2008	“Kubanenergo” JSC	Accountant of the 1 st category, after – head of sector of consolidated accounts of division of consolidated accounts and financial results
2008	2013	“IDGC of the South” JSC	Head specialist, after – head of division of stock accounting and consolidated accounts of department of accounting and tax audit
2013	Present day	“Kubanenergo” JSC	Chief accountant – head of department of

			accounting and tax audit, member of Board
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The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

Such family relations are absent.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations:

The person did not hold such offices

Name: **Statuev Vladislav Andreevich**

Year of birth: **1956**

Education:

Higher. Graduated in 1978 from Navy engineering academy named after Drezhinskiy F.E. (Saint-Petersburg), specialization "physics and power engineering". In 2012 graduated from the Financial University under the Government of the Russian Federation, specialization "enterprise management"

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis:

Period		Name of organization	Office
From	To		
2006	2009	"YuTK" JSC	Deputy Director general – director on property management and common issues
2009	2013	Federal state unitary enterprise "FTCentre"	Director of Krasnodar Branch

2013	Present day	“Kubanenergo” JSC	Advisor of director general with duties of deputy director general in charge of security, without discharge from primary employment, then deputy director general in charge of security
2013	Present day	“Kubanenergo” JSC	Member of Board

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

Such family relations are absent.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations:

The person did not hold such offices

Additional information disclosed in accordance with Regulation on information policy of Kubanenergo:

All members of Management Board are citizens of Russian Federation. Information on transactions concluded during reporting quarter between the Company and members of Management Board: such transactions were not concluded

5.3. Details of the amounts of reward, benefits and/or compensation for expenses due to each of the Issuer's management bodies

Details of the amount of reward payable to each management body (except for the natural person discharging the functions of Sole Executive Body of the Issuer). Indication of all types of rewards including wages, bonuses, commission fees, benefits and/or compensations for expenses as well as other pecuniary rewards paid by the Issuer for the last completed financial year:

Board of Directors

Unit of measurement: thousand rubles

Indicator	2013
Reward	4 273.6
Wages	
Bonuses	
Commission fees	
Benefits	
Compensation for expenses	
Other pecuniary awards	
Other	4 273.6

Details on current agreements on such payments in the current financial year:

In accordance with the Regulation on Payments of Rewards and Compensations to Members of the Board of Directors approved by the annual General Meeting of Shareholders (Minutes dated 06.06.2008, No. 23), reward payable to members of the Board of Directors is currently calculated as follows:

- For participation in a session of the Board of Directors arranged in the form of absentee voting, a reward is payable to a member of the Board of Directors of the Company in an amount of the sum equivalent to three minimum monthly tariff rates of Grade 1 worker established by the branch tariff agreement in the electric power sector of the Russian Federation as of the arrangement date of the session of the Board of Directors of the Company with account for indexation established by the Agreement, within one month upon arrangement of the session of the Board of Directors of the Company;
- For participation in a session of the Board of Directors arranged in the form of joint attendance, a reward is payable to a member of the Board of Directors of the Company in an amount of the sum equivalent to five minimum monthly tariff rates of Grade 1 worker established by the branch tariff agreement in the electric power sector of the Russian Federation as of the arrangement date of the session of the Board of Directors of the Company with account for indexation established by the Agreement, within one month upon arrangement of the session of the Board of Directors of the Company;
- An additional reward is payable to members of the Board of Directors per the Company net profit index based on data of annual accounting statement approved by General Meeting of Shareholders of the Company;- An additional reward is payable to members of the Board of Directors in case of increase of the amount of the Company market capitalization during the period of the Board of Directors work.

Additionally, a member of the Board of Directors is compensated for expenses actually incurred by one in connection with participation in a session of the Board of Directors of the Company (travel expenses, accommodation per diem, meals, etc.).

Collegiate executive body

Unit of measurement: thousand rubles

Indicator	2013
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Reward	1 404.8
Wages	
Bonuses	
Commission fees	
Benefits	
Compensation for expenses	
Other pecuniary awards	
Other	1 404.8

Details of current agreements on such payments in the financial year:

In accordance with decision adopted by the Company's BoD on 29.07.2011 (minutes of meeting No. 115/2011 dd01.08.2011) with changes dd. 27.12.2012 (No. 150/2012 dd. 29.12.2012) on approval of list of positions regarded as top-managers of Kubanenergo, Members of the Management Board of considered as top-managers of first rate.

According to the Regulation on motivation and social benefits set for Top managers of Kubanenergo, approved by the Company's BoD (minutes of meeting No.158/2013 dated 12.04.2013) the labour contracts with members of Management Board stipulates that the payment is performed monthly for fulfillment of obligations of member of collegiate executive body of the Company – Management Board of Kubanenergo

5.4. Details on structure and competence of bodies for control of the Issuer's financial and business activity

Full description of the structure of bodies for control of the Issuer's financial and business activity and their competences in accordance with the Issuer's Charter (constituent documents):

For control of the financial and business activity of the Issuer, the General Meeting of Shareholders elects the Auditing Commission of the Issuer for the period until arrangement of the next General Meeting of Shareholders.

The number of members of the Auditing Commission of the Issuer is 5 (Five) persons.

Refereed to the competence of the Auditing Commission of the Issuer are the following issues:

- validation of consistency of data contained in the annual report, accounting balance sheet, profit and loss account of the Issuer;

- analysis of the Issuer's financial status, discovery of reserves for improvement of the Issuer's financial status and elaboration of recommendations for the Issuer's Management Bodies;

- organization and performance of review (revision) of the Issuer's financial and business activity, in particular:

- review (revision) of the Issuer's financial, accounting, payment-and-settlement and other documentation related to the Issuer carrying out financial and business activity for such documentation compliance with the Russian Federation

- legislation, the Charter, in-house and other documents of the Issuer;
- control of integrity and use of fixed assets;
 - control of compliance of the established procedure for charging insolvent borrowers' indebtedness to the Issuer's loss;
 - control of spending the Issuer's cash in accordance with the approved Business Plan and budget of the Issuer;
 - control of accumulation and use of the reserve and other special funds of the Issuer;
 - review of correctness and timeliness accrual and payment of dividend on the Issuer's shares, interest on bonds, income from other securities;
 - review of fulfilment of previously issued prescriptions for elimination of violations and inconsistencies detected in the course of previous reviews (revisions);
 - other actions (arrangements) related to review of the Issuer's financial and business activity.

For review and validation of the Company's annual financial statements, the General Meeting of Shareholders annually approves of Auditor of the Company. The Issuer's Auditor carries out an audit of the Issuer's financial and business activities in accordance with the requirements of the Russian Federation legislation and under the contract concluded with one.

Following the results of review of the Issuer's financial and business activity, the Company's Auditing Commission or Auditor draws up a conclusion that shall contain:

- statement of validation of consistency of data contained in reports/statements and other financial documents of the Issuer;
- information on facts of the Issuer having violated the procedures of accounting records keeping and financial reporting, as established by legal instruments of the Russian Federation, as well as on other violations of legal instruments of the Russian Federation, or legal instruments of the Russian Federation in the course of the Issuer's financial and business activity.

The procedure and terms for drawing a conclusion following the results of review of the Issuer's financial and business activity are determined by legal instruments of the Russian Federation and the Issuer's internal documents.

The Issuer has established an internal control service

Term of work of the internal audit / internal control service and its key employees:

Before April, 2008, functions of the Issuer's internal control service were discharged by the Controlling and Internal Audit Service established in August, 2004. From April, 2008 till November, 30, 2010, under Contract No. 407/30-1143/26 "On transfer of powers of Sole Executive Body" between the Issuer and OJSC "IDGC of South" dated 14.09.2007, discharge of functions aimed at provision for efficient functioning of the internal control system in the Issuer was

carried out by the Department for Internal Control and Audit of OJSC “IDGC of South”.

In accordance with Decision of the Board of Directors of the Issuer dated 05.08.2010 (Minutes No. 94.2010 dated 06.08.2010), an Administration for Internal Audit and Risk Management was established within the Issuer's organizational structure. In the first quarter of 2011 core employees of the Administration were recruited with Regulations on the Administration. Golubova Irma Aleksandrovna was appointed for the position of head of department of internal audit and risks management.

The quantitative composition of management board: 6 people.

Golubova Irma Aleksandrovna appointed to the position of Head of Internal Audit and Risk Management, working experience – 15 years.

Core functions of the internal audit service, accountability of the internal audit service, interaction with the Issuer’s executive management bodies and the Board of Directors of the Issuer (Supervisory Board):

In accordance with tasks and aims the Board of internal audit and risks management implements the following functions:

- inspection and assessment of the effectiveness of internal control system;
- inspection of presence and implementation of procedures of internal control;
- monitoring of systems of internal control;
- control of compliance of internal procedures to local normative documents, nature of activity and significance of taken risks;
- verification of authenticity and objectivity of management report of the Company and information on financial and economic activity of the Company;
- evaluation of the economic viability and efficiency of business transactions made by the Company;
- verification the accuracy, completeness, objectivity and reliability of the accounting and reporting, their testing and verification of timeliness of collecting and reporting information on Company’s activity and reports;
- control of timely and complete elimination of violations and disadvantages;
- control of usage effectiveness and safeguarding of assets (property) of the Company;
- organization of system of risks management functioning, coordination of activity of risks management system participants;
- control of process of risks management system operating including action of management on risks management;

- improvement of risks management system, providing the participants of system with information on risks, found in result of inspection of Company's activity;
- verification the completeness of the application and effectiveness of risk assessment methodology and procedures;
- evaluation of the effectiveness of risks management system, the provision of a report on the evaluation to Audit Committee of the Company's Board of Directors;
- analysis and evaluation of management proposals to eliminate violations and minimize the risks discovered by the Board, development of recommendations on these proposals;
- control of usage of insider information.

For solution of specialists management tasks one carries out review of financial and business activity of both individual structural subdivisions and business processes as a whole per the Issuer's activity aspects. Review materials with proposals and recommendations are submitted to the Auditing Committee and the Audit Committee (upon request).

Directorate of internal control and risks management is administratively accountable to Director general and functionally accountable to Audit Committee attached to the BoD.

The interaction is performed in accordance with current Regulation on management, and also approved at Company's BoD meeting by Policy of internal control of "Kubanenergo" JSC approved by Company's BoD (Minutes No. 142/2012 dd. 24.08.2012) and policy of internal control and risks management approved by the BoD (minutes of meeting No. 90/2010 dated 31.05.2010).

Audit Committee attached to Board of Directors of "Kubanenergo", JSC has been established on October 16, 2009 by the decision of Board of Directors (Minutes No.80/2009 dated 16.10.2009). The main purpose of the Committee establishment shall be ensuring of efficient activity of the Company's Board of Directors when deciding the issues within its competence

Interaction of internal audit committee (other auditor) and external auditor of the issuer:

Interaction of internal audit committee (other auditor) and external auditor of the issuer is regulated by current legislation on audit activity.

The Issuer has approved (endorsed) an in-house document establishing the rules for prevention of use of proprietary (insider) information.

Details of availability of a document for prevention of use of proprietary (insider) information:

In accordance with requirements of Federal law No. 224-Ф3 dated 27.07.2010 "On

prevention of illegal usage of insider information and market manipulation and on introduction of changes to particular legislative acts of Russian Federation” the Issuer has accomplished the following activities:

- by the decision of the BoD (minutes of meeting No.168/2013 dd 02.08.2013) a restated version of Regulations on insider information of “Kubanenergo” JSC was approved;
- the list of insider information was formed;
- the list of persons regarded as insiders was made;
- the notifications on inclusion of particular persons to the list of insiders were sent;
- the list of insiders was sent to RTS-MICEX.

The issuer plans to continue on the events aimed at organization and development of mechanisms of control over observance of insider information legislation.

5.5. Information on persons that are members of bodies for control of the Issuer's financial and business activity

The body controlling business activity of the issuer – Auditing Commission

Name: **Shmakov Igor Vladimirovich (chairperson)**

Year of birth: **1974**

Education:

Higher, economic. Graduated Kuban State University in 1996

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2008	2012	“IDGC of the South” JSC	Head of Department of internal control and risks management
2012	2013	“FGC UES” JSC	Director of board of internal control
2013	now	“Rosseti” JSC	Head of control and risks management office of Department of internal control and audit
2013	Now	“Kubanenergo” JSC, “IDGC of the South” JSC, “Yantarenergo” JSC	Chairperson of revision commission

The person holds no participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Adler Yuriy Veniaminovich**

Year of birth: **1975**

Education:

Higher. State Law Academy of Ural, specialization “jurisprudence”

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2008	now	Holding IDGC JSC (c 04.04.2013 - Russian Grids JSC)	Chief expert of division for analysis and control of corporate governance, later head of division for standardization and methodology at department of corporate governance and shareholders relations
2013	now	Nurenergo JSC, Karachaevo-Cherkessenergo JSC, Dagennergoset JSC, Energotsentr JSC, EESK JSC, IDGC of Volga JSC, Energyservice company JSC, NITs Yuga JSC	Board of Directors member
2013	now	TRK JSC, Lenenergo JSC, Kubanenergo JSC	Member of the Auditing Commission

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against

the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Bogashov Alexandr Evgenievich**

Year of birth: **1989**

Education:

Higher. The State University of Management (2011), specialization “enterprise management”, specialization – economy and management in power industry

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2011	now	Federal Agency for State Property Management	1 st category specialist, later acting advisor at management department
2012	2013	VNIKTIneftekhimoborudovaniye JSC, Stavropolneftegeofizika JSC, VNIPIneft JSC, VNIMI JSC, TsIEIugol JSC, NTs VostNII JSC, Nefteproduktkomplekt JSC, Russian Oil-Refining Institute JSC, NIITeplopribor JSC, Soyuzmorgeo JSC, NPK Supermetall JSC	Member of the Auditing Commission
2012	now	Kubanenergo JSC, Nfetemaslozavod Moscow JSC, Volgogradneftegeofizika JSC, Permneftegeofizika JSC, TsGE JSC	Member of the Auditing Commission
2013	now	Nozhnevartoskneftegeofizika JSC, Krasnodrneftegeofizika JSC, SPK Mosenergostroy JSC	Board of Directors member
2013	now	Samaraneftegeofizika JSC	Member of the Auditing Commission

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal

responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Kirillov Artyom Nikolaevich**

Year of birth: **1984**

Education:

Higher. Moscow Power Engineering Institute, electrical engineer

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2008	2009	MOESK JSC	Chief specialist of division of price formation on facilities of connection
2009	2013	Federal Grid Company of Unified Energy System JSC	Chief specialist, then chief expert of department for audit and inspections
2013	now	Russian Grids JSC	Head of division for investments audit
2013	now	Kubanenergo JSC	Member of the Auditing Commission

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Pronin Nikolay Nikolaevich**

Year of birth: **1952**

Education:

Higher. Bauman University

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2008	now	Federal Grid Company of Unified Energy System JSC	First deputy head , then deputy head of department of economic safety

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

The body controlling business activity of the issuer – division for internal control and risks management

Name: **Golubova Irma Alexandrovna**

(chiarperson)

Year of birth: **1960**

Education:

Technical higher education. Novosibirsk Electronic Technical Institute, specialization – applied mathematics, qualification- applied mathematician.

Higher economic. Russian Distance Institute of Finance and Economics,

specialization – accounting and audit, qualification –economist.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2006	2010	NESK JSC, NEST-elektroseti JSC	Chief accountant of branch Krasnodarelektroset
2010	2011	Audit company Bona Dea LLC	Executive director
2011	now	Kubanenergo JSC	Head of sector for internal control and risks management

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Sher Irina Alexandrovna**

Year of birth: **1973**

Education:

Higher. Kuban State University, specialization “Accounting, audit and analysis of business activity”, qualification – economist

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2008	2009	Savanna LLC	Chief accountant

2010	2011	IDGC of the South JSC	Head of sector for internal control and risks management at Department of internal control and risks management
2012	now	Kubanenergo JSC	Chief specialist of directorate for internal control and risks management

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Shamanina Svetlana Vladimirovna**

Year of birth: **1969**

Education:

Higher. Moscow Power Engineering Institute, specialization "turbine construction", qualification – mechanic engineer. Institute of economics, law and humanities, specialization "jurisprudence", qualification –lawyer.

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2008	2011	Krasnodarelektrostroy JSC	Estimator-engineer
2011	now	Kubanenergo JSC	Leading and then chief specialist of directorate for internal control and risks management

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Chernyshenko Nikolay Gennadievich**

Year of birth: **1986**

Education:

Higher. Kuban State Agrarian University, “Accounting, audit and analysis of business activity”, qualification – economist

Kuban State Agrarian University, post-graduate education “Accounting and statistics”

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2008	2011	Tander CJSC	Chief specialist of sector for audit and reporting on international standards
2008	2011	Magnit JSC	Chief specialist of sector for internal audit
2011	now	Kubanenergo JSC	Chief specialist of directorate for internal control and risks management

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal

responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Udalova Tatiana Alexandrovna**

Year of birth: **1982**

Education:

Higher. Moscow State Social University, specialization “Finances and credit”, qualification- economist

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2008	now	Kubanenergo JSC	Engineer of division for capital construction of Krasnodar electric grids branch; then leading economist of division for tenders on construction of Olympic venues; then leading specialist of directorate for internal control and risks management

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Varchenko Nataliya Viktorovna**

Year of birth: **1968**

Education:

Higher. 1. Russian Distance Institute of Finance and Economics (Moscow), specialization “Accounting, audit and analysis of business activity”, qualification – economist, 2005. Auditor's qualification certificate, RF Ministry of Finances, general audit license, 2007
2. The Kuban State Technological University (Krasnodar), specialization “Technology and catering arrangement”, qualification – “process engineer”, 1991

All offices having been/being held by the person concerned with the Issuer and other organizations during the last 5 years and at present, including those held on part-time basis

Period		Company	Position
from	till		
2007	2008	BDO Yunikon Audit Aliyans	Auditor
2009	2011	Vladelets LLC	Chief accountant
2011	now	Kubanenergo JSC	Leading specialist, then head of directorate for internal control and risks management

The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

The person's participatory stake in authorized (pooled) capitals (co-op share funds) of the Issuer's subsidiary and dependent companies:

The person does not hold such stake.

Details of the nature of any family relations with other persons that are members of the Management Bodies of the Issuer and/or bodies for control of the Issuer's financial and business activity:

There are no such family relations.

Details of the person having been brought to administrative responsibility for offences in the field of finance, taxes and levies, securities market or to criminal responsibility (existence of criminal record) for economic crimes or crimes against the State:

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

5.6. Information on the amount of rewards, benefits and/or compensation for expenses due to members of bodies for control of the Issuer's financial and business activity

Details of the amount of reward per each body for control of the Issuer's financial and business activity. Indication of all types of rewards including wages, bonuses,

commission fees, benefits and/or compensations for expenses as well as other pecuniary rewards paid by the Issuer for the last completed financial year:

Unit: **thousand rubles**

Name of the body for control of the Issuer's financial and business activity:

Auditing Commission

Remuneration for participation in the work of the inspection body

unit of measure: **thousand rubles**

Indicator	2013
Remuneration for participation in activity of the managing body	499.8
Salary	
Bonuses	
Commission	
Benefits	
Reimbursement of expenses	
Other remunerations	
Total	499.8

Details of current agreements on such payments in the financial year:

In accordance with the Regulation on Payments of remuneration and compensations to Members of the Audit committee attached to the Board of Directors of JSC “Kubanenergo”, as the Company approved by the annual General Meeting of Shareholders (Minutes dated 06.06.2008, No. 23), the reward payable to members of the Auditing Commission is currently determined as a twentyfold sum of minimum monthly tariff rate of Grade 1 worker with account for indexation established by the branch tariff agreement in the electric power sector of the Russian Federation. Remuneration paid to the Chairperson increase by 50%.

Apart from it the member of Auditing Committee is compensated all the expenses related to participation in the meeting of Audit Committee and performing audit.

Body controlling Issuer’s business activity: Board of internal audit and risks management

Remuneration for participation in the work of the inspection body

unit of measure: **thousand rubles**

indicator	2013
Reward	499.8
Salary	
Bonuses	
Commission fees	
Benefits	
Compensation for expenses	
Other pecuniary awards	
Total	499.8

Details on the effective agreements on such payments in the current financial year: Employees of Board of internal audit and risks management receive all types of payments that are included in salary determined by labour relations and by Regulations on labour payment in “Kubanenergo” JSC.

In accordance with Regulations on payments of remunerations and compensations to members of Auditing Commission, approved by annual General meeting of shareholders (minutes of meeting No.23

dd 06.06.2008), for participation in audit (check) of financial and business activity a member of Auditing Commission is paid remuneration equal to twenty minimal monthly wages of employer of the first grade, set by industry tariff agreement in electric energy complex of Russian Federation (hereafter – the Agreement), for the period of performing the audit, with regard of indexation. The remuneration is paid within a week after submitting the results of the performed audit (check). The amount of remuneration paid to chairperson of the Auditing Commission is increased by 50%.

Apart from it, member of the Auditing Commission is reimbursed expenses related to participation in the meeting of the Auditing Commission and performing audit, in accordance with valid as of the moment of the audit or meeting tariffs of reimbursement of business trip expenses.

Name of the body for control of the Issuer's financial and business activity: **Board of internal control and risks management**

Remuneration for participation in the work of the inspection body
unit of measure: **thousand rubles**

Indicator	2013
Remuneration for participation in activity of the managing body	0
Salary	3 616.1
Bonuses	783.4
Commission	0
Benefits	0
Reimbursement of expenses	0
Other remunearitions	0
Total	4 399.5

Details of current agreements on such payments in the financial year: Employees of department of internal control and risks management receive all types of remunerations stipulated by Regulations on wages.

5.7. Details of the number of employees (workers) and summary data on their education and staff composition as well as changes in the number of employees (workers) of the Issuer

Unit of measurement: thousand rubles

Indicator	2013
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Average number of employees	8 167
Volume of cash allocated for payment of wages	3 785 967.8
Volume of cash allocated for social welfare	38 687.4

Employees that have a significant impact on the financial and economic activity of the Issuer in “Kubanenergo” JSC: no.

Personnel (employees) of the Issuer established the trade union body.

5.8. Details of any other liabilities of the Issuer to one’s employees (workers) related to possibility of their participation in authorized (pooled) capital (co-op share fund) of the Issuer

The Issuer has no liabilities to one’s employees (workers) related to possibility of their participation in authorized (pooled) capital (co-op share fund) of the Issuer

VI. Details on the Issuer’s participants (shareholders) and of interested-party transactions effected by the Issuer

6.1. Details of the total number of the Issuer’s shareholders (participants)

Total number of persons registered in the Issuer's Register of Shareholders as of the expiry date of the last reporting quarter: **1 813**

Total number of the Issuer’s nominal shareholders: **4**

Total amount of persons included in the list of shareholders with right to participate in general meeting of shareholders (or other lists compiled for the purpose of observing the rights of shareholders): **2900**

Date of making the list of persons include the last in the list of those entitled to participate in general meeting of shareholders: **29.04.2013**

Holders of ordinary shares of the issuer subject to inclusion in the list: **2 893**

6.2. Details on participants (shareholders) of the Issuer holding no less than 5% of the Issuer's authorized (pooled) capital (co-op share fund) or no less than 5% of one’s ordinary shares as well as details of participants (shareholders) of such persons holding no less than 20% of their authorized (pooled) capitals (co-op share funds) or no less than 20% of their ordinary shares

Participants (shareholders) of the Issuer holding no less than 5% of the Issuer's authorized (pooled) capital (co-op share fund) or no less than 5% of one’s ordinary shares.

Nominal Shareholder

Information on nominal shareholder:

Full business name: **Limited Liability Company “Depository and Corporate Technologies”**

Abbreviated business name: **LLC “DCT”**

Location

Russia, 107014, Moscow, Stromynka str., 4 Block 1

TIN: **7729520219**
PSRN: **1057746181272**
Telephone: **(495) 641-3032; (495) 641-3033**
Fax: **(495) 641-3031**
E-mail: **@depotech.ru**

Details of securities market professional participant license
No.: **177-11151-000100**
Date of issue **03.04.2008**
Expiry date:
Perpetual

Name of the body having issued the license: **Federal Commission for the Securities Market (Federal Financial Markets Service) of Russia**
Quantity of the Issuer's ordinary shares registered in the Issuer's Shareholder Register in the name of the nominal shareholder: **93 739 852**
Quantity of the Issuer's privileged shares registered in the Issuer's Shareholder Register in the name of the nominal shareholder: **0**

Full business name: **Russian Federation represented by the Federal Agency for Management of State Property**
Abbreviated business name: RF in the person of the Federal Agency for Management of State Property

Location
Russia, 109012, Moscow, Nikolsky per., 9
TIN: **7710723134**
PSRN: **1087746829994**

Participatory interest of the person in the authorized capital of the Issuer, %: **14.57**
Portion of the Issuer's ordinary shares held by the person, %: **7.36**

Persons who control member (shareholder) of the Issuer
Such persons are absent

Participants (shareholders) of the person holding no less than 20% of their authorized (pooled) capitals (co-op share funds) or no less than 20% of their ordinary shares.
Such persons are absent

Nominal Shareholder

Information on nominal shareholder:
Full business name: **Open Joint-Stock Company "Russian Bank for Development of Regions",**
Abbreviated business name: **OJSC "RBDR"**
Location

Russia, 129594, Moscow, Sushevskiy Val str., 65, Block 1
TIN: **7736153344**
PSRN: **1027739186914**
Telephone: **(495) 933-0343**
Fax: **(499) 933-0344**
E-mail: **bank@vbrr.ru**

Details of securities market professional participant license

No.: **177-04665-000100**

Date of issue **25.01.2001**

Expiry date:

Perpetual

Name of the body having issued the license: **Federal Commission for the Securities Market (Federal Financial Markets Service) of Russia**

Quantity of the Issuer's ordinary shares registered in the Issuer's Shareholder Register in the name of the nominal shareholder: **27 260 040**

Quantity of the Issuer's privileged shares registered in the Issuer's Shareholder Register in the name of the nominal shareholder: **0**

Nominal Shareholder

Information on nominal shareholder:

Full business name: **Non-bank credit company National Settlement Depository Closed Joint-Stock Company**

Abbreviated business name: **NSD CJSC**

Location

1/13, bldg. 8, Sredny Kislovsky Pereulok, Moscow 125009, Russia

TIN: **7702165310**

PSRN: **1027739132563**

Telephone: **(495) 234-4827**

Fax: **(495) 232-0275**

Fax: **info@nsd.ru**

Details on license of securities market professional participant

No.: **177-12042-000100**

Date of issue: **19.02.2009**

Expiry date:

Perpetual

Name of the body having issued the license: **Federal Commission for the Securities Market (Federal Financial Markets Service) of Russia**

Quantity of the Issuer's ordinary shares registered in the Issuer's Shareholder Register in the name of the nominal shareholder: **140 686 427**

Quantity of the Issuer's privileged shares registered in the Issuer's Shareholder Register in the name of the nominal shareholder: **0**

6.3. Details of participatory stake of the State or a municipal unit in the

authorized (pooled) capital (co-op share fund) of the Issuer and of availability of a special right (“Golden Share”)

Information about the controllers of state, municipal shares

There are no such persons

Persons who, on behalf of the Russian Federation, subject of Russian Federation or municipal entity shall perform the functions participant (shareholder) of the Issuer.

Federal property

Name: **Federal Agency of State Property Management**

Address: **9, Nikolskiy lane, Moscow, 109012**

The size of the authorized (share) capital (share fund) of the Issuer of municipal property, located in the state (federal, subjects of Russian Federation): **14.5706**

Property of subjects of Russian Federation

Full business name: **Regional state specialized agency “State Property Fund of Krasnodar region”**

Address: **176, Krasnaya street, Krasnodar, 350063**

The size of the authorized (share) capital (share fund) of the Issuer of municipal property, located in the state (federal, subjects of Russian Federation): **0.0003**

The presence of a special right of the Russian Federation, subjects of Russian Federation, municipalities in the management of the issuer - a joint stock company ("golden share"), the validity of a special right ("golden share")

This right is not provided.

6.4. Details of restrictions on participation in the Issuer’s authorized (pooled) capital (co-op share fund)

There are no restrictions on participation in the Issuer's authorized

6.5. Details of changes in the composition and the amount of participation of shareholders (participants) of the Issuer holding no less than 5% of the Issuer's authorized (pooled) capital (co-op share fund) or no less than 5% of one’s ordinary shares

Compositions of shareholders (participants) of the Issuer holding no less than 5% of the Issuer's authorized (pooled) capital (co-op share fund), for joint-stock company issuers – also those holding no less than 5% of one’s ordinary shares as determined as of the generation date of the list of persons having the right to participate in each General Meeting of Shareholders (Participants) of the Issuer having been arranged during the 5 last completed financial years preceding the reporting quarter expiry date or, if the Issuer has carried out one’s activity for less than 5 years, for each completed financial year preceding the reporting quarter expiry date as well for the last quarter according to data contained in the list of persons having the right to participate in each such meeting.

Date of making the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **04.05.2012**

List of Shareholders (Participants):

Full business name: **Russian Federation represented by Federal Agency for the Administration of State Property**

Abbreviated business name: **Federal Property Management Agency**

Address: 9, Nikolskiy lane, Moscow 109012

TIN: 7710723134

PSRN: 1087746829994

Participatory interest of the person in the authorized capital of the Issuer, %: **21.37**

Portion of the Issuer's ordinary shares held by the person, %: **14.66**

Full business name: **Open Joint-Stock Company "Holding of Interregional Distribution Grid Company"**

Abbreviated business name: **"Holding IDGC" JSC**

Address: 26, Ulanskiy lane, Moscow

TIN: **7728662669**

PSRN: **1087760000019**

Participatory interest of the person in the authorized capital of the Issuer, %: **45.77**

Portion of the Issuer's ordinary shares held by the person, %: **62.8**

Full business name: **Limited Liability Company "Neft-Aktiv"**

Abbreviated business name: **LLC "Neft-Aktiv"**

Address: **Building 28, 15, Malaya Kaluzhskaya str., Moscow, Russian Federation**

TIN: **7725594298**

PSRN: **1077746098495**

Participatory interest of the person in the authorized capital of the Issuer, %: **29.97**

Portion of the Issuer's ordinary shares held by the person, %: **19.19**

Date of making the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **04.06.2012**

List of Shareholders (Participants)

Full business name: **Russian Federation represented by Federal Agency for the Administration of State Property**

Abbreviated business name: **Federal Property Management Agency**

Address: 9, Nikolskiy lane, Moscow 109012

TIN: 7710723134

PSRN: 1087746829994

Participatory interest of the person in the authorized capital of the Issuer, %: **21.37**

Portion of the Issuer's ordinary shares held by the person, %: **14.66**

Full business name: **Open Joint-Stock Company "Holding of Interregional Distribution Grid Company"**

Abbreviated business name: **"Holding IDGC" JSC**

Address: 26, Ulanskiy lane, Moscow

TIN: **7728662669**

PSRN: **108776000019**

Participatory interest of the person in the authorized capital of the Issuer, %: **45.77**

Portion of the Issuer's ordinary shares held by the person, %: **62.79**

Full business name: **Limited Liability Company "Neft-Aktiv"**

Abbreviated business name: **LLC "Neft-Aktiv"**

Address: **Building 28, 15, Malaya Kaluzhskaya str., Moscow, Russian Federation**

TIN: **7725594298**

PSRN: **1077746098495**

Participatory interest of the person in the authorized capital of the Issuer, %: **27.97**

Portion of the Issuer's ordinary shares held by the person, %: **19.18**

Date of generation of the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **08.02.2013**

List of Shareholders (Participants)

Full business name: **Russian Federation in the person of the Federal Agency for Management of State Property**

Abbreviated business name: **Rosimushchestvo**

Address: **9, Nikolskiy lane, Moscow 109012**

TIN: **7710723134**

PSRN: **1087746829994**

Participatory interest of the person in the authorized capital of the Issuer, %: **14.57**

Portion of the Issuer's ordinary shares held by the person, %: **14.57**

Full business name: **Open Joint-Stock Company "Interregional Distribution Grid Companies Holding"**

Abbreviated business name: **OJSC "IDGC Holding"**

Address: **26, Ulanskiy lane, Moscow**

TIN: **7728662669**

PSRN: **108776000019**

Participatory interest of the person in the authorized capital of the Issuer, %: **63.01**

Portion of the Issuer's ordinary shares held by the person, %: **63.01**

Full business name: **Open Joint-Stock Company of energy and electrification "Tyumenenergo"**

Abbreviated business name: **"Tyumenenergo" JSC**

Address: **4, Universitetskaya str., Surgut, Tyumen district, Khanty-Mansi Autonomous Okrug 628412**

TIN: **8602060185**

PSRN: **1028600587399**

Participatory interest of the person in the authorized capital of the Issuer, %: **19.07**

Portion of the Issuer's ordinary shares held by the person, %: **19.07**

Date of generation of the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **29.04.2013**
List of Shareholders (Participants)

Full business name: **Russian Federation in the person of the Federal Agency for Management of State Property**

Abbreviated business name: **Rosimushchestvo**

Address: **9, Nikolskiy lane, Moscow 109012**

TIN: **7710723134**

PSRN: **1087746829994**

Participatory interest of the person in the authorized capital of the Issuer, %: **14.57**

Portion of the Issuer's ordinary shares held by the person, %: **14.57**

Full business name: **Open Joint-Stock Company Russian Grids**

Abbreviated business name: **Russian Grids JSC**

Address: **26, Ulanskiy lane, Moscow**

TIN: **7728662669**

PSRN: **1087760000019**

Participatory interest of the person in the authorized capital of the Issuer, %: **63.01**

Portion of the Issuer's ordinary shares held by the person, %: **63.01**

Full business name: **Open Joint-Stock Company of energy and electrification "Tyumenenergo"**

Abbreviated business name: **"Tyumenenergo" JSC**

Address: **4, Universitetskaya str., Surgut, Tyumen district, Khanty-Mansi Autonomous Okrug 628412**

TIN: **8602060185**

PSRN: **1028600587399**

Participatory interest of the person in the authorized capital of the Issuer, %: **21.64**

Portion of the Issuer's ordinary shares held by the person, %: **21.64**

Additional information: no

6.6. Details of interested-party transactions effected by the Issuer

The number and volume in terms of money made by the issuer transactions recognized in accordance with the laws of the Russian Federation party transactions which had an interest requiring approval by the governing body of the issuer, for the most recent reporting quarter

Unit: **rubles.**

Indicator	Total amount, pieces	Total amount in monetary assets
Transactions of interest concluded by the issuer during the reporting period which require the approval by the governing body of the Issuer	5	53 000 846
Transactions of interest concluded by the issuer during the reporting period which have been approved by the	0	0

general meeting of members (shareholders) of the Issuer		
Transactions of interest concluded by the issuer during the reporting period which have been approved by the board of directors (supervisory board of the issuer)	5	53 000 846
Transactions of interest concluded by the issuer during the reporting period which require approval, but have not been approved by the authorized body of the issuer	0	0

Transactions (groups of related transactions), the price of which is 5 percent or more of the book value of assets of the issuer as defined according to its financial statements for the last reporting date before the transaction, the issuer of the last reporting quarter

Specified transactions were not concluded

Subject of the transaction and other essential terms of the transaction:

The Issuer transfers into the ownership to the Purchaser, and the Purchaser accepts and pays for the additional shares placed by public subscription, during the process of using by the Purchaser the preemptive right to purchase the shares.

Parties: Issuer: "Kubanenergo" JSC, Purchaser: "Rosseti" JSC.

Information about person (persons) recognized in accordance with the legislation of the Russian Federation as interesting in transaction.

Specified transactions were not concluded

Additional Information:

Review of transactions of interest concluded by "Kubanenergo" in the 4th quarter of 2013

Quarterly review of interested party transactions concluded by Kubanenergo JSC (the 4th quarter of 2013)

	Contractor	Subject of contract	Sum
1	IT Energy Service , LLC	Keeping of manuals/reference books in the sphere of equipment maintenance and repair	10 197 748.80
2	Mobile GTES JSC	Rent of equipment	2 639 095.55
3	IDGC of Volga JSC	Technical and emergency maintenance and repair of Kubanenergo facilities	Contract price cannot exceed 2% of net value of Kubanenergo assets
4	Scientific and Research centre of IDGC JSC	Preparation of technical documentation	9 170 000.00
5	Russian Grids JSC	Technological supervision	14 952 201.84
6	Russian Grids JSC	Agency agreement on organization of meeting of Russian Grids BoD	600 000.00
7	Federal Grid Company JSC	Rent of immovable property	4 505 000.00

8	Recreation centre "Energetik" JSC	Purchase of tours	10 936 800.00
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Total: **53 000 846.19**

Plus price of transaction between Kubanenergo JSC and IDGC of Volga JSC (technical and emergency maintenance and repair of Kubanenergo facilities), cannot exceed 2% of net value of Kubanenergo assets as of the reporting date

6.7. Information on the amount of accounts receivable

Is not included in the report for this quarter

VII. Issuer's accounting statements and other financial information

7.1. Issuer's annual accounting statements

Is not included in the report for this quarter

7.2. Quarterly accounting statements of the Issuer for the last completed accounting quarter

Is not included in the report for this quarter

7.3. Consolidated accounting statements of the Issuer for the last closed financial year

Is not included in the report for this quarter

7.4. Information on the accounting policy of the Issuer

No changes occurred during the reporting period

7.5. Details of the total sum of export and of the portion of export in the total volume of sales

Is not included in the report for this quarter

7.6. Details of value of the Issuer's real property and material changes having occurred in the composition of the Issuer's real property after the last completed financial year expiry date

Details of substantial changes in the Issuer's real property composition having occurred within 12 months before the reporting quarter expiry date

Changes: Alienation of Issuer's property

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV "Yuzhnaya-Adler"**

Ground for changing: **write-off**

Date of occurrence of changes: **20.11.2013**

Balance cost of alienated property: **33 052.45**

Unit of measurement: **thousand rubles**

Price of alienated property:

Unit of measurement: **thousand rubles**

Changes: **Alienation of Issuer's property**

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV "Golovinka-Volkonka"**

Ground for changing: **write-off**

Date of occurrence of changes: **20.11.2013**

Balance cost of alienated property: **17 521.584**

Unit of measurement: **thousand rubles**

Price of alienated property:

Unit of measurement: **thousand rubles**

Changes: **Alienation of Issuer's property**

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV "Lermontovo-Dzhubga"**

Ground for changing: **write-off**

Date of occurrence of changes: **20.11.2013**

Balance cost of alienated property: **12 405.123**

Unit of measurement: **thousand rubles**

Price of alienated property:

Unit of measurement: **thousand rubles**

Changes: **Alienation of Issuer's property**

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV "substation Dzhubga-substation Arkhipo-Osipovka"**

Ground for changing: **purchase**

Date of occurrence of changes: **31.12.2013**

Balance cost of alienated property: **267 383.728**

Unit of measurement: **thousand rubles**

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from

Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV
"thermal electric power station "Dzhubginskaya"-substation Arkhipo-
Osipovka"**

Ground for changing: **purchase**

Date of occurrence of changes: **31.12.2013**

Balance cost of alienated property: **363 680.978**

Unit of measurement: **thousand rubles**

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from
Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV
"thermal electric power station "Dzhubginskaya"-substation Dzhubga"**

Ground for changing: **purchase**

Date of occurrence of changes: **31.12.2013**

Balance cost of alienated property: **223 701.043**

Unit of measurement: **thousand rubles**

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from
Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV
"Dagomys traction substation-Pasechnaya" (substation "Dagomys
traction")**

Ground for changing: **purchase**

Date of occurrence of changes: **31.12.2013**

Balance cost of alienated property: **151 711.448**

Unit of measurement: **thousand rubles**

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from
Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV
"Dagomys-Rodnikovaya" (op.46a-substation "Rodnikovaya")**

Ground for changing: **purchase**

Date of occurrence of changes: **31.12.2013**

Balance cost of alienated property: **96 157.568**

Unit of measurement: **thousand rubles**

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV "Dzubginskaya thermal electric power station-Lermontovo"**

Ground for changing: **purchase**

Date of occurrence of changes: **31.12.2013**

Balance cost of alienated property: **659 238.429**

Unit of measurement: **thousand rubles**

Additional information: No

7.7. Details on the Issuer's participation in judicial trials that may substantially affect the Issuer's financial and business activity

In 2013 "Kubanenergo" participated in nine trials, the results of the consideration of which may significantly affect business activity of the Company:

- The claim of "Kubanenergo" JSC to "Kubanenergoby" JSC to recover the debt in the amount of 167 195 180 rubles under a service contract for the transfer of electrical energy. Decision of the Arbitration Court of Krasnodar region denied the claims of "Kubanenergo" JSC.

- The claim of "Kubanenergo" JSC to "Nizhnovatomenergoby" JSC to recover the debt in the amount of 107 540 490 rubles under a service contract for the transfer of electrical energy. By the resolution of the Fifteenth Appellate Court on 26.06.2012 claim was satisfied in the amount of 41 386 550 rubles.

- The claim of "Kubanenergo" JSC to "Nizhnovatomenergoby" to recover the debt in the amount of 266 967 430 rubles under a service contract for the transfer of electrical energy.

- The claim of "Kubanenergo" JSC to "Nizhnovatomenergoby" JSC to recover the debt in the amount of 135 292 970 rubles under a service contract for the transfer of electrical energy.

- The claim of "Kubanenergo" JSC to "Armavirenergoinvest" JSC to recover the debt in the amount of 22 044 360 rubles under a service contract for the transfer of electrical energy. The Arbitration Court of Krasnodar Region on 26.10.2012 in denied the claim. Resolution of the Fifteenth Appellate Court on 12.02.2013 denied the claim of "Kubanenergo" JSC.

- The claim of "Kubanenergo" JSC to JSC "Rusenergoresurs" to recover the amount of debt in the amount of 17,543,840 rubles under a service contract for the transfer of electrical energy. The Arbitration Court of Krasnodar Region on 13.02.2013 in meeting the demands denied.

VIII. Additional information on the Issuer and on securities issued

8.1. Additional information on the Issuer

8.1.1. Information on the amount and structure of authorized (reserve) capital

(share fund) of the Issuer

The amount of authorized (reserve) capital (share fund) of the Issuer as of the date of termination of the last accounting period, rubles: **14 294 283 000**

Ordinary shares

Total nominal cost: **14 294 283 000**

Share in the AC, %: **100**

Privileged:

Total nominal cost: **0**

Amount of share in the AC, %: **0**

The information is specified on correspondence of the sum authorized capital mentioned in this document to constituent documents of the issuer:

The sum authorized capital mentioned in this paragraph corresponds to issuer's Charter.

8.1.2. Information on changes in the authorized (reserve) capital (share fund) of the Issuer

Changes in authorized capital did not occur during the specified period.

8.1.3. Information on convocation and holding meetings (sessions) of the supreme management body of the Issuer

No changes occurred during the reporting quarter

8.1.4. Information on commercial organizations in which the Issuer owns not less than 5% of the authorized (reserve) capital (share fund), or not less than 5% of ordinary shares

List of commercial organizations in which the Issuer, as of the date of the last accounting quarter, owns not less than five percent of the authorized (reserve) capital (share fund), or not less than five percent of ordinary shares

Full business name: **Recreation Centre Plamya Open Joint-Stock Company**

Abbreviated business name: **OK Plamya, JSC**

Location

2, Novomikhailovsky vill., Tuapse district, Krasnodar Territory, 352856, Russia

INN (Tax Payer ID): **2365000589**

OGRN (Primary State Registration Number): **1042330761274**

Share of the Issuer in the authorized capital of the person, %: **100**

Person's portion of ordinary shares of the Issuer, %: **100**

Share of person's participation in the authorized capital of the Issuer, %: **0**

Person's portion of ordinary shares of the Issuer, %: **0**

Full business name: **Kuban Energoservice Open Joint-Stock Company**

Abbreviated business name: **Kuban Energoservice, OJSC**

Location

47, Novorossiyskaya ul., Krasnodar, 350080, Russia

INN (Tax Payer ID): **2312178191**

OGRN (Primary State Registration Number): **1112312000536**

Share of the Issuer in the authorized capital of the person, %: **100**

Person's portion of ordinary shares of the Issuer, %: **100**

Share of person's participation in the authorized capital of the Issuer, %: **0**

Person's portion of ordinary shares of the Issuer, %: **0**

Full business name: **Energetic Recreation centre, Open Joint-Stock Company**

Abbreviated business name: **P/o Energetic JSC**

Location

**4, Pionerskaya ul., Divnomorskoye vill, Ghelendjik, Krasnodar Territory,
353490**

INN (Tax Payer ID): **2304041820**

OGRN (Primary State Registration Number): **1042301876495**

Share of the Issuer in the authorized capital of the person, %: **100**

Person's portion of ordinary shares of the Issuer, %: **100**

Share of person's participation in the authorized capital of the Issuer, %: **0**

Person's portion of ordinary shares of the Issuer, %: **0**

8.1.5. Information on material transactions concluded by the Issuer

For the reporting quarter

Specified transactions were not concluded during the specified period

8.1.6. Information on credit ratings of the Issuer

During the last completed financial year as well as from the beginning of the current year till the end of the reporting period the issuer did not obtain any credit ratings.

8.2. Details on each category (type) of the Issuer's shares

Shares category: **Ordinary**

Nominal value of each share (RUR): **100**

Amount of shares in circulation (shares that were not cancelled or discharged):
282 868 130

Quantity of additional shares placement whereof is in progress (quantity of additional issue shares in respect of which the state registration of the report on their issue has not been carried out or the notification on the results of additional issue was not provided, if in accordance with federal law "On securities market" the state registration of report is not necessary): **0**

Quantity of declared shares: **194 439 107**

Quantity of shares on the Issuer's balance sheet: **0**

Quantity of additional shares that may be placed as a result of conversion of placed securities convertible into shares or as a result of fulfilment of liabilities under the Issuer's options: **0**

Issues of shares of the said category (type):

State registration date:	Registration number
08.07.2003	1-02-00063-A
06.05.2013	1-02-00063-A-004D

Rights granted to holders of the shares:

In accordance with Clause 6.2 of the Issuer's Charter, an equal scope of rights shall be granted to the holder of each ordinary share of the Company.

Shareholders holding registered ordinary shares of the Company have the right to:

- 1) participate in the General Meeting of Shareholders (personally or by proxy) with right of vote on all issue referred to the Meeting competence;
- 2) propose the agenda of the General Meeting of Shareholders in accordance with the procedure stipulated by the Russian Federation legislation and the Charter;
- 3) obtain information on the Company's activity and access the Company's documents in accordance with Article 91 of Federal Law "On Joint-Stock Companies", other regulatory legal instruments and the Charter;
- 4) receive dividend announced by the Company;
- 5) on a preferential basis acquire shares and issue-grade securities convertible into shares that are being placed by way of subscription in amounts proportional to the quantity of ordinary shares one holds in cases stipulated by the Russian Federation legislation;
- 6) receive a part of the Company's properties in case of the Company liquidation;
- 7) exercise other rights stipulated by the Russian Federation legislation and the Charter.

Other details of the shares indicated by the Issuer at one's sole discretion:

Date of state registration of report on additional issue of securities with the state registration number 1-02-00063-A-004D – November 28, 2013. **State registration number of additional issue of securities: 1-02-00063-A-004D, date of state registration of additional issue of securities: 06.05.2013**, registered by Russian Federal Financial Markets Service.

By the results of additional issue Kubanenergo distributed 139 925 300 ordinary registered shares, which 65.12% from the volume of issue.

On 17.01.2014 Federal tax agency's inspectorate #3 registered changes to the Charter of the Company due to increase in authorized capital, which constitutes now 28 286 813 000 (twenty eight billion two hundred and eighty six million eight hundred thirteen thousand) rubles, that are divided into 282 868 130 (two hundred eighty two million eight hundred and sixty eight thousand and one thirty) shares.

8.3. Data on previous issues of the Issuer's issuable securities, except Issuer's shares

8.3.1. Details of issues all securities that have been redeemed

No changes occurred in the information disclosed this chapter during the reporting quarter

8.3.2 Information on issues of securities that were not redeemed

Such issues do not exist

8.4. Information of persons that provided security on bonds of the issue

The issuer did not register the prospectus of bonds with security, admission to trading at stock exchange was not stipulated

8.4.1. Conditions of implementation obligations on mortgage-backed securities

The issuer did not distributed mortgage-backed securities, obligations for which were not implemented

8.5. Information on organizations controlling the implementation of rights on issuer's securities

Entity in charge of keeping the register of issuer's securities holders: **registrar**

Information on the Registrar

Full business name: **Open Joint-Stock Company "Registrar R.O.S.T."**

Abbreviated business name: **"Registrar R.O.S.T." JSC**

Location: Block 13, 18, Stromynka str., Moscow

TIN: 7726030449

PSRN: 1027739216757

Details of license for engagement in activity for maintenance of a register of securities holders

No.: **10-000-1-00264**

Date of issue **03.12.2002**

Expiry date:

Unlimited

Body issuing the license: **Russian Federal Securities and Exchange Commission**

Date of starting the registry keeping: **16.12.2010**

8.6. Information on legislative instruments regulating the issues of capital import and export that may affect payment of dividend, interests and other charges due to non-residents

1. Tax Code of the Russian Federation, Part 1, No. 146-FZ dated July 31, 1998.
2. Tax Code of the Russian Federation, Part 2, No. 117-FZ dated August 05, 2000.
3. Law of the Russian Soviet Federal Socialist Republic (RSFSR) "On investment activity in the RSFSR" dated June 26, 1991.
4. Federal Law No. 160-FZ "On foreign investments in the Russian Federation" dated July 9, 1999.
5. Federal Law No. 39-FZ "On securities market" dated April 22, 1996.
6. Federal Law No. 173-FZ "On exchange regulation and exchange control" dated December 10, 2003 .
7. Federal Law No. 86-FZ "On the Central Bank of the Russian Federation (Bank of Russia)" dated July 10, 2002.
8. Federal Law No. 115-FZ "On countermeasures against legalization (laundering) of incomes received in a criminal way and against terrorism

funding” dated August 07, 2001.

9. Federal Law No. 39-FZ “On investment activity in the Russian Federation carried out in the form of foreign capital investments” dated February 25, 1999.

10. International treaties of the Russian Federation on avoidance of double taxation.

8.7. Description of the procedure for the taxation of income from placed and placing issue securities of the Issuer

No changes occurred in the information disclosed this chapter during the reporting quarter

8.8. Information on announced (accrued) and paid dividend on the Issuer’s shares as well as of incomes from the Issuer’s bonds

8.8.1. Information on announced (accrued) and paid dividend on the Issuer’s shares

Dividend period

Year: **2005**

Period: **Full year**

Name of the Issuer's management body having taken decision on (announced) payment of dividend on the Issuer's shares: **General Meeting of Shareholders (Participants)**

Arrangement date of the meeting (session) of the Issuer’s management body whereat decision was taken on payment (announcement) of dividend: **29.05.2006**

Date as whereof the list of persons having the right to receive dividend for the specific dividend period was generated: **12.04.2006**

Minutes generation date: **11.06.2009**

Minutes No.: **18**

Shares category (type): **Ordinary**

Amount of announced (accrued) dividend on shares of the specific category (type) per one share, RUR: **4.476917**

Aggregate amount of announced (accrued) dividend on all the shares of the specific category (type), RUR: **80,000,000**

Total amount of dividend paid on all the shares of the specific category (type), rubles: **79 662 676.97**

Source of payment of declared dividends: **net profit**

Share of declared dividends in net revenue of reporting year, %: **17.51**

Share of paid out dividends from total volume of declared dividends on shares of the type (category), %: **99.58**

Term assigned for payment of announced dividend on the Issuer's shares: **60 days**

Form and other conditions of payment of announced dividend on the Issuer's

shares:

Cash

Announced dividend on the Issuer's shares was not paid in full

Causes of non-payment of announced dividend:

Persons registered in the Register of Shareholders of the Company having failed to submit information on their personal data changes

Dividend period

Year: **2006**

Period: **Full year**

Name of the Issuer's management body having taken decision on (announced) payment of dividend on the Issuer's shares: **General Meeting of Shareholders (Participants)**

Arrangement date of the meeting (session) of the Issuer's management body whereat decision was taken on payment (announcement) of dividend: **01.06.2007**

Date as whereof the list of persons having the right to receive dividend for the specific dividend period was generated: **26.04.2006**

Minutes generation date: **05.06.2007**

Minutes No.: **20**

Shares category (type): **Ordinary**

Amount of announced (accrued) dividend on shares of the specific category (type) per one share, RUR: **1.253593**

Aggregate amount of announced (accrued) dividend on all the shares of the specific category (type), RUR: **22,401,000**

Total amount of dividend paid on all the shares of the specific category (type), rubles: **22 303 192.2**

Source of payment of declared dividends: **net profit**

Share of declared dividends in net revenue of reporting year, %: **37.77**

Share of paid out dividends from total volume of declared dividends on shares of the type (category), %: **99.56**

Term assigned for payment of announced dividend on the Issuer's shares: **60 days**

Form and other conditions of payment of announced dividend on the Issuer's shares: **Cash**

Announced dividend on the Issuer's shares was not paid in full

Causes of non-payment of announced dividend: if persons registered as Company's shareholders did not provide information on changes in their personal data

In accordance with legislation of Russian Federation, as well as with paragraph 8.6 of dividend policy of Kubanenergo, declared and unclaimed within three years upon the end of payout dividends will be included in accounting line 84 "Undistributed profit (uncovered loss)".

Dividend period

Year: **2007**

Period: **Full year**

Name of the Issuer's management body having taken decision on (announced) payment of dividend on the Issuer's shares: **General Meeting of Shareholders (Participants)**

Arrangement date of the meeting (session) of the Issuer's management body whereat decision was taken on payment (announcement) of dividend: **29.05.2008**

Date as whereof the list of persons having the right to receive dividend for the specific dividend period was generated: **17.04.2008**

Minutes generation date: **06.06.2008**

Minutes No.: **23**

Shares category (type): **Ordinary**

Amount of announced (accrued) dividend on shares of the specific category (type) per one share, RUR: **1.678844**

Aggregate amount of announced (accrued) dividend on all the shares of the specific category (type), RUR: **30,000,000**

Total amount of dividend paid on all the shares of the specific category (type), rubles: **29 873 068.07**

Source of payment of declared dividends: **net profit**

Share of declared dividends in net revenue of reporting year, %: **8.2**

Share of paid out dividends from total volume of declared dividends on shares of the type (category), %: **99.58**

Term assigned for payment of announced dividend on the Issuer's shares:

15 days

Form and other conditions of payment of announced dividend on the Issuer's shares:

Cash

Announced dividend on the Issuer's shares was not paid in full

Causes of non-payment of announced dividend: if persons registered as Company's shareholders did not provide information on changes in their personal data

In accordance with legislation of Russian Federation, as well as with paragraph 8.6 of dividend policy of Kubanenergo, declared and unclaimed within three years upon the end of payout dividends will be included in accounting line 84 "Undistributed profit (uncovered loss)".

According to the Regulations on the Information Policy of the Company, information on announced and paid dividend is indicated for the last 10 completed financial years.

For 2003, 2004, 2008-2011, 2012 financial years, the General Meeting of Shareholders of the Issuer took the decision not to pay dividend.

Additional information disclosed in accordance with the Regulations on the
Information Policy:

The dividend policy is a system of relations and principles for determination of the amount of dividend, procedure and terms of its payment as well as establishment of the Company's responsibility for failure to fulfil one's dividend payment liabilities.

The dividend policy of OJSC "Kubanenergo" is based on a balance of interest of the Issuer and shareholders in the course of dividend payment amounts determination, on respect and strict observation of shareholders' rights stipulated by the acting legislation of the Russian Federation, the Charter and in-house documents of the Issuer, and is aimed at enhancement of the Issuer investment attractiveness, capitalization and shareholder value.

Apart from capitalization growth, the Company strives to increase the amount of dividend paid to shareholders proceeding from the amount of profit derived in the reporting financial period and the needs for the Company production and investment activity development.

On December 3, 2006, for the purposes of ensuring transparency of the dividend amount determination and payment mechanism and informing shareholders and other stakeholders of the Company dividend policy, the Board of Directors of OJSC "Kubanenergo" approved restated Regulations on the Dividend Policy (Minutes No. 25/2006).

On August, 31, 2010, the Board of Directors of OJSC "Kubanenergo" approved the Regulation as restated (Minutes No. 95/2010), additionally containing provisions improving the procedure of disclosure of information on issues related to calculation and payment of dividend and the dividend amount determination procedure for shareholders and other stakeholders.

8.8.2. Information on accrued and paid income on Bonds

Kind of securities: **bonds**

Form of securities: **Documentary pay-to bearer**

Series: **01**

Inconvertible interest-bearing securities with mandatory centralized storage

State registration number of the issue: **4-01-00063-A**

Date of state registration of the issue: **05.06.2007**

Body having carried out issue state registration: **Federal Financial Markets Service of Russia**

Date of state registration of the report on the results of issue: **28.08.2007**

Body having carried out issue state registration of the report on the results of issue: **Federal Financial Markets Service of Russia**

Quantity of bonds in the issue: **3 000 000**

Nominal value of each bond in the issue, RUR: **1 000**

Volume of issue at nominal value: **3 000 000 000**

Basic details on incomes from the issue bonds:

Type of income paid on the bonds: coupon

Amount of interest (coupon) income from the bonds, its payment procedure and conditions:

Coupon period: 1

Coupon period commencement date: 25.07.2007

Coupon period expiry date: 23.01.2008

Coupon period duration (days): 182

Amount of income per a single bond coupon (in % and in rubles): 7.85% annual, 39 rubles 14 kopecks.

Amount of income per a coupon payable on all the bonds in the issue/paid on all the bonds in the issue (rubles): 117,420,000/117,420,000

Date of payment on the coupon: 23.01.2008

Holders list record date: 14.01.2008

Coupon period: 2

Coupon period commencement date: 23.01.2008

Coupon period expiry date: 23.07.2008

Coupon period duration (days): 182

Amount of income per a single bond coupon (in % and in rubles): 7.85% annual, 39 rubles 14 kopecks.

Amount of income per a coupon payable on all the bonds in the issue/paid on all the bonds in the issue (rubles): 2,355,366.92/2,355,366,92

Date of payment on the coupon: 23.07.2008

Holders list record date: 14.07.2008

Coupon period: 3

Coupon period commencement date: 23.07.2008

Coupon period expiry date: 21.01.2009

Coupon period duration (days): 182

Amount of income per a single bond coupon (in % and in rubles): 7.85% annual, 39 rubles 14 kopecks.

Amount of income per a coupon payable on all the bonds in the issue/paid on all the bonds in the issue (rubles): 2,355,366.92/2,355,366,92

Date of payment on the coupon: 21.01.2009

Holders list record date: 21.01.2009

Coupon period: 4

Coupon period commencement date: 21.01.2009

Coupon period expiry date: 22.07.2009

Coupon period duration (days): 182

Amount of income per a single bond coupon (in % and in rubles): 7.85% annual,

19 rubles 57 kopecks.

Amount of income per a coupon payable on all the bonds in the issue/paid on all the bonds in the issue (rubles): 35,476,887.40/35,476,887.40

Date of payment on the coupon: 22.07.2009

Holders list record date: 17.07.2009

Coupon period: 5

Coupon period commencement date: 22.07.2009

Coupon period expiry date: 20.01.2010

Coupon period duration (days): 182

Amount of income per a single bond coupon (in % and in rubles): 7.85% annual, 19 rubles 57 kopecks.

Amount of income per a coupon payable on all the bonds in the issue/paid on all the bonds in the issue (rubles): 58,687,416.41/58,687,416,41

Date of payment on the coupon: 20.01.2010

Holders list record date: 14.01.2010

Coupon period: 6

Coupon period commencement date: 20.01.2010

Coupon period expiry date: 21.07.2010

Coupon period duration (days): 182

Amount of income per a single bond coupon (in % and in rubles): 7.85% annual, 19 rubles 57 kopecks.

Amount of income per a coupon payable on all the bonds in the issue/paid on all the bonds in the issue (rubles): 275,027,621.24/275,027,621.24

Date of payment on the coupon: 21.07.2010

Holders list record date: 15.07.2010

Payment of coupon income from the Bonds was effected in terms of Russian Federation rubles in non-cash form for the benefit of the Bonds holders. Payment of coupon income from the Bonds was effected for the benefit of the Bonds holders thus qualified as of expiry of the operational day of CJSC "NDC"(carrying out centralized storage of the issue securities) preceding the 6th (sixth) working day from the date of payment of coupon income from the Bonds.

In the first quarter of 2008, due to the extraordinary General Meeting of Shareholders of OJSC "Kubanenergo" having taken decision on the Company reorganization in the form of takeover by OJSC "IDGC of South"(Minutes No. 22 dated 22.01.2008.), in accordance with Article 60 of the Civil Code of the Russian Federation and Article 15 of Federal Law "On Joint-Stock Companies", the Company carried out buyout of 2 939.822 bonds in the amount of 2 939.8 mln rubles (upon such bonds holders' request).

8.9. Other details

8.9.1. Statistical information on the Issuer's shareholders

In accordance with the Accountancy Decree "Accounting Policy of Organization"

PBU 1/2008, adopted by Order of the Ministry of Finances of the Russian Federation dated 06.10.2008 No. 106n, Kubanenergo JSC drawn up its accounting policy confirming methods of valuation of assets (fixed assets, financial investments, material stocks, etc.). In course of working out of methods of assets valuation, Accountancy Decree of the Russian Federation (PBU) regulating issues of accountancy and reporting were used. Assets and liabilities of the Company are evaluated in the accountancy by actual expenditures for their acquisition.

8.9.2. Description of Company's organization structure and functional relations between subdivisions

The main purpose of "Kubanenergo" in 2013 is a accident-free winter and summer season of peak loads, timely implementation of measures by the control bodies for obtaining in time certificates of preparedness, performance of investment and maintenance programs that will create an opportunity for further connection of customers to the network of "Kubanenergo", minimization of excessive losses.

To achieve the target indicators of financial and economic activity on electricity transmission is necessary: implementation of the planned structure of the productive supply, absence of growth in the cost of the system and non- controlled cost items of the Issuer.

Significant risk in 2013 for the transfer of power is:

- inaccurate planning of balances of power and capacity by the regional market participants and Regional Energy Commission of Krasnodar Region;
- approval of the mid-year of electricity transmission tariffs for the newly formed network of related organizations, the emergence of uncompensated costs on them;
- during the transfer to the calculations for the content of network capacity increases the economic responsibility of sales companies for non-compliance of the actual structure of the useful output of the target consumers, for stress (as during the settlements with the network company the actual capacity will not be measured, the planned / contractual values will be used) ;
- low payment discipline of energy-selling companies, non-compliance with contractual obligations.

8.9.3. Information on transactions concluded by the Issuer with state companies and quarterly review of such transactions; quarterly review of transactions between the Issuer and the Issuer's shareholders holding no less than 5% of the Issuer's voting shares; quarterly review of intra-group transactions.

Transactions with state companies:

In the reporting quarter, the Company has concluded 268 transactions with state and municipal companies for a total sum of 22.7 million rubles.

The state and municipal companies provided the following services to the Company:

- lease of land plots;
- technical inventory of real property;
- employees' training

- medical examination of the Company employees;
- formalization of legal land and town planning documents;
- information and advertisement servicing;
- subscription for printed periodicals and post services;
- state expert valuation of design and cost estimate documentation for construction and reconstruction of energy facilities;
- security;
- public and other services.

The Company provided to the state and municipal companies services for transmission and distribution of electric energy, repair and maintenance of energy facilities, technological connection of electrical units to electric power grids of “Kubanenergo” JSC.

Contractor	Subject of the Contract	Sum of the Contract, rubles
“Rosseti” JSC	Services for the implementation of technical supervision	14 952 201,84
“Rosseti” JSC	agency agreement for the organization of the meeting of “Rosseti” JSC BoD	600 000,00

- Company’s transaction with its subsidiaries:

Contractor	Subject of the Contract	Sum of the Contract, rubles
“Recreation Centre Energetic” JSC	Purchase of tours	10 936 800,00

8.10. Data on the securities distributed and on the Issuer of the distributed securities, the property right certified by Russian depositary receipts

The Issuer is not the Issuer of the securities, the property right of which is to be certified by Russian depositary receipts.