

QUARTERLY REPORT

Kuban Open Joint-Stock Company
of Power Industry and Electrification

Issuer's code 00063-A

Quarter 1, 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: May 14, 2013

_____ Gavrilov A.I.
signature

Chief accountant – head of Department of accounting
and tax reporting

Date: May 14, 2013.

_____ Loskutova L.V.
signature

Contact person: Kruglova Svetlana Ivanovna, Chief Specialist of the Department for
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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/

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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 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 registered changes to the charter, containing the new name of the legal entity:

- Full company's name: Joint-Stock Company "Russian grids";
- Abbreviated company name: JSC "Russian grids".

The report contains additional information requirements for which disclosure are set by the 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 03.10.2006, Minutes No. 22/2006 dated 03.10.2006 (as amended). The complete 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 (REC-PTD KR).

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
Budargin Oleg Mikhailovich (chairperson)	1960
Goncharov Valeriy Anatolievich	1963
Demidov Aleksei Vladimirovich	1976
Dyakov Fyodor Aleksandrovich	1958
Yemelin Aleksandr Sergeevich	1965
Likhov Khasan Mushtafaevich	1983
Murov Andrei Evgenievich	1970
Nikonov Vasiliy Vladislavovich	1972
Prokhorov Yegor Vyacheslavovich	1982
Romeiko Dmitriy Igorevich	1967
Sultanov Georgiy Akhmedovich	1954

Единый исполнительный орган эмитента

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
Brizhan Aleksey Vasilyevich	1978
Galyayev Aleksandr Nikolayevich	1972
Gerasko Andrey Leonidovich	1976
Zinchenko Pavel Vasilyevich	1963
Kocherga Vitaly Aleksandrovich	1977

Loskutova Lyudmila Vladimirovna	1973
Lyashko Andrey Vladimirovich	1978
Natkho Inver Yusufovich	1958
Shvetsov Aleksandr Anatolievich	1955

1.2. Details on the Issuer's Bank Accounts

Details of the credit institution

Full business name: **Open Joint Stock Company “Sberbank of Russia”, Krasnodar Outlet No. 8619**

Abbreviated business name: **“Sberbank of Russia” JSC, Krasnodar branch No. 8619**

Location: **34 Krasnoarmeyskaya str., Krasnodar**

TIN: **7707083893**

BIC: **040349602**

Account number: **40702810330020101989**

Correspondent account: **30101810100000000602**

Account type: **Settlement account in rubles**

Details of the credit institution

Full business name: **Open Joint Stock Company “Sberbank of Russia”, Krasnodar Outlet No. 8619**

Abbreviated business name: **“Sberbank of Russia” JSC, Krasnodar branch No. 8619**

Location: **34 Krasnoarmeyskaya str., Krasnodar**

TIN: **7707083893**

BIC: **040349602**

Account number: **40702810230020101076**

Correspondent account: **30101810100000000602**

Account type: **Settlement account in rubles**

Details of the credit institution

Full business name: **Branch “Gazprombank” (open joint stock company) in Krasnodar**

Abbreviated business name: **Branch of GPB (JSC) in Krasnodar**

Location: **11 Dmitrievskaya damba str., Krasnodar**

TIN: **7744001497**

BIC: **040349781**

Account number: **40702810500070010191**

Correspondent account: **30101810500000000781**

Account type: **Settlement account in rubles**

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 NP Consult**

Abbreviated business name: **NP Consult CJSC**

Location: **14 Dukhovskoy per., Moscow, Russia 115191**

TIN: **7737017200**

PSRN: **102770028356**

Telephone: **(495) 954-5575**

Fax: **(495) 954-1661**

E-mail: **npg@npg.ru**

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

Name: **Non-profit Partnership "Institute of Professional Auditors"**

Location

Offices 410 and 419, Block 1, Building 1, 14 Nametkin str., Moscow, Russia 117420

Additional Information:

The primary registration number of "NP Consult" CJSC in Non-profit Partnership "Institute of Professional Auditors" is 10302000041.

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
2011		

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, reporting date	Consolidated accounting report, reporting date	Consolidated financial report, reporting date
30.09.2011		

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:

Prior to the approval of Auditor by the General Meeting of Issuer's Shareholders, an open tender was arranged for the right to conclude a contract for audit of the financial (accounting) statements "Kubanenergo" JSC 2011.

The notification on the tender arrangement was published at the official Russian Federation site for posting order placement information: www.zakupki.gov.ru.

Criteria for the tender participants' bids valuation:

- offer price – up to 100 points,
- for the auditor conclusion sample, participation in professional organizations, total experience in provision of auditor services to OJSC "Kubanenergo", experience in audit of financial statements of major enterprises, experience in service market activity, availability of a service quality control system, quality of auditor services provided – up to 60 points,
- for the audit arrangement methodology - up to 20 points,
- for the experience and qualifications of the auditor organization proposed for participation in the audit and experience of the auditor organization in arrangement of audits with companies whose annual proceeds is at least equal to that of "Kubanenergo" JSC and engaging in the same type activity - up to 20 points.

For valuation of a bid one calculated final rating per bid. The rating is the number of points given following the results of valuation against the criteria.

The participants with a maximum score of points wins.

In accordance with the procedure established by the tender documentation,

Closed Joint-Stock Company “NP Consult” qualified first.

At the annual General Meeting of Shareholders of the Company held on 14.06.2011, CJSC “NP Consult” as approved as Auditor of the Company.

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.

Description of the procedure for determination of the amount of reward payable to Auditor, indication of the reward amount actually paid by the Issuer to Auditor following the results of each of the five last completed financial years wherefore Auditor carried out an independent review of accounting records and financial (accounting) statements of the Issuer:

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. CJSC “NP Consult” was initially approved as Auditor of the Issuer at the annual General Meeting of Shareholders that took place on 14.06.2011. The amount of payment for CJSC “NP Consult” services under the contract for provision of auditor services has been determined by decision of the Board of Directors of OJSC “Kubanenergo” dated 14.09.2011, Minutes No. 117/2011 as equal to 840 thousand rubles

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.

Full business name: **Closed Joint-Stock Company KMPG**

Abbreviated business name: **CJSC KMPG**

Location: **office 3035, 18/1 Olympiyskiy Prospect, Moscow 129110**
TIN: **7702019950**
PSRN: **1027700125628**
Phone: **(495) 937-4477**
Fax: **(495) 937-4400**
e-mail: **Moscow@kpmg.ru**

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

Name: **Self-regulatory organization of auditors Non-profit partnership Audit Chamber of Russia**

Location

Building 3, 3/9 3rd Syromyatnicheskiy lane, Moscow, Russia 105120

Additional Information:

The primary registration number of CJSC KMPG in Self-regulatory organization of auditors Non-profit partnership Audit Chamber of Russia - 1027700125628, membership certificate no.255 dated 28.12.2009.

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

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:

The presence of tender procedure is related to election of auditor, its conditions are:

On the basis of decisions of the Central purchasing committee of "Holding IDGC " nominated JSC "KPMG" recommended by the Board of Directors of "Kubanenergo" JSC for approval as an auditor to audit the accounting (financial) statements for 2012 at the Annual General Meeting of Shareholders.

The procedure of nominating the auditor for its election at meeting of shareholders, the management body that adopts such decision:

The Federal law “On joint stock companies” determines that the auditor for the Company should be chosen by general meeting of shareholders. However the procedure of nominating the auditor is not formalized in legislation: term and order of nominating the candidature are not set. Thus, the candidature of the auditor should be first discussed by the Audit Committee attached to the BoD, and after the Committee provided recommendations the BoD includes the candidature in agenda items for annual General meeting shareholders.

Information on work of the audit performed in accordance with special assignments for auditors:

In the reporting quarter no works were done.

Description of the procedure for determination of the amount of reward payable to Auditor, indication of the reward amount actually paid by the Issuer to Auditor following the results of each of the five last completed financial years wherefore Auditor carried out an independent review of accounting records and financial (accounting) statements of the Issuer:

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 2012 amounts 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 2012 and audit of consolidated financial reports of the Company drafted in accordance with IFRS for 2012 amounts 2 596 000 rubles.

“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

Appraisers were not engaged during 12 months up to the date of end 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

Performance indicators that characterize issuer's activity shown according to the accounting report

Standards (rules) used for making the accounting report – RAS (Russian Accounting Standards)

Unit of measurement for index of performance: **rubles/employee**

Indicator	2012	2013, 3 mec.
Workforce productivity	3 703 214.28	961 911.4
Debt-to-equity ratio	1.59	1.74
Leverage ratio	0.28	0.28
Debt coverage ratio (profit)	-	-
Rate of overdue repayment of debts, %		
- receivables, %:	2.9	4.9
- payable, %:	15.4	24.7

Analysis of the issuer's business activity on the basis of the abovementioned indicators:

Decrease of indicator "Workforce productivity" in 2012 in comparison with the 2011 by 1.65% is explained by reduce in revenue by 2.05% from selling the products (services) in 2012.

The decline of indicator "debt-to-equity ratio" in 2012 by 0.06 points occurred as a result of the issuance of additional shares of "Kubanenergo" that influenced the increase in shareholders' equity by 20%. In the 1st quarter of 2013, the figure rose by 0.15 points and is 1.74 now, due to an increase in accounts payable by 5.8% and a reduction in shareholders' equity by 4.7% due to incurred losses during the reporting period.

The decline in "leverage ratio" in 2012 in comparison to 2011 is explained by

the decrease in long-term debt by 20% due to the transfer of the amount of long-term debt in the short-term.

The “debt coverage ratio” is negative due to a loss in the reporting period.

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.

in thousand rubles

Indicator	2012	1 st quarter of 2013
Market capitalization	14 908 599	17 636 286

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

Additional information on the Issuer's securities public circulation:

Shares of the Company are circulating on trading floors of the following trade organizers:

- CJSC “MICEX SE” (hereinafter referred to as “MICEX”) (125009, Moscow, Bolshoy Kislovsky per., 13) - without undergoing the procedure of listing (KUBE Ticker); ISIN code: RU0009046767.

Shares of the Company do not circulate in foreign markets.

“Kubanenergo” does not have contract relations with market makers.

Details of the Issuer's market capitalization for the 5 last completed financial years and reporting quarter:

Period, years/quarter	RTS (USD) “RTS Classica”		RTS (rubles) “T+0”		MICEX (rubles)	
	Capitalization	Comments	Capitalization	Comments	Capitalization	Comments
2008	44 673 600,00	Calculated by the trade organizer	1 912 030 080,00	Calculated by the trade organizer	1 396 139 347,20	Calculated by the trade organizer
2009	74 158 176,00	Calculated by the trade organizer	1 554 641 280,00	Calculated by the trade organizer	2 335 535 808,00	Calculated by the trade organizer
2010	463 843 425,00	Calculated by the Company	15 461 447 500,00	Calculated by the Company	13 864 279 883,50	Calculated by the trade organizer
2011	456 117 166,00	Calculated by the trade organizer	19 492 186 600,00	Calculated by the trade organizer	6 855 402 027,00	Calculated by the trade organizer
2012	-	-	-	-	14 908 598 921,01	Calculated by the trade organizer
1 st quarter of 2013	-	-	-	-	17 636 286 365,40	Calculated by the trade organizer

Information on the total number and total value of transactions with the Company's securities concluded at stock exchanges in each month and quarter of current financial year (2012):

Period	Total number of transactions concluded, items	Total value of transactions concluded, rub
January	1 350	11 068 571,00
February	1 854	23 598 939,60
March	2 829	43 966 826,30
total in the 1st quarter	6 033	78 634 337,10
April	20 456	717 825 919,90
May	2 619	71 611 660,80
June	1 995	53035582,20
total in the 2nd quarter	25 070	842 473 162,90
July	1634	48 148 266,00
August	491	10 332 064,70
September	1634	37 150 179,00

total for the 3rd quarter	3 049	95 630 510,00
October	1058	24 010 805,90
November	2165	106 825 316,90
December	1140	218 392 706,10
total for the 4th quarter	4363	349 228 828,90
Total	38 515	1 365 966 838,90

Information on the total number and total value of transactions with the Company's securities concluded at stock exchanges for every month of reporting quarter:

Period	Total number of transactions concluded, items	Total value of transactions concluded, RUR
January	313	60 621 165,20
February	669	75 500 976,20
March	424	2 050 718,80
Total in 1st quarter	1 406	138 172 860,20

2.3. Issuer's Liabilities

2.3.1. Accounts payable

Structure of the Issuer's borrowing

for 2012.

unit of measurement: thousand rubles

Indicator	Value
Long-term borrowings	5 917 000
including:	
Credits	5 917 000
Loans, except bonded loans	0
bonded loans	0
Short-term borrowings	10 027 267
including:	
Credits	10 000 000
Loans, except bonded loans	27 267

bonded loans	0
Total amount of overdue loan debt	0
including:	
credits	0
Loans, except bonded loans	0
bonded loans	0

Accounts payable

unit of measurement: thousand rubles

Indicator	Value
Total for accounts payable	8 544 450
overdue	1 271 649
including	
Payable to budget and state off-budget funds	104 557
overdue	17
payable to suppliers and contractors	3 412 252
overdue	1 124 103
payable to staff	116 545
overdue	0
other	4 911 096
overdue	147 529

In case of existence of overdue accounts payable, including those under credit or loan contracts, as well as under debt securities issued by the Issuer (bonds, promissory notes and other) – indication of the causes of non-fulfilment and the consequences affecting the Issuer, which have occurred or potentially may occur in future due to the above liabilities non-fulfilment including sanctions imposed on the Issuer and the term (supposed term) of overdue accounts payable redemption.

According to Kubanenergo business plan the redemption of overdue accounts payable is projected for 2013, including on debt restructuring arrangements. Levies, penalties: no.

The main cause of overdue accounts payable - delayed fulfillment by retail companies their obligations to the Company for services on electric energy transmission.

Debtors accounting for no less than 10 percent of the total sum of accounts receivable for the specified reporting period:

Full company name: **Open Joint-Stock Company “INTER RAO-Electrogeneratsiya”**

Short company name: **“INTER RAO-Electrogeneratsiya” JSC**

Location: **building 1, 27 Bolshaya Pirogovskaya street, Moscow 119435**

TIN: **7704784450**

PSRN: **1117746460358**

Sum of credit: **1 439 888.28 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties): **no.**

The credit is affiliated to the issuer: **no**

Full company name: **Open Joint-Stock Company “Kuban energy selling company”**

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

Location: **55, Gimnazicheskaya str., Krasnodar, Krasnodar region 350000**

TIN: **2308119595**

PSRN: **1062309019794**

Sum of credit: **1 268 270.79 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties): **no.**

The credit is affiliated to the issuer: **no**

Full company name: **branch of open joint stock company Gazprombank in Krasnodar**

Short company name: **branch of Gazprombank JSC in Krasnodar**

Location: **11 Dmitrievskaya Damba, Krasnodar 350033**

TIN: **7744001497**

PSRN: **1027700167110**

Sum of credit: **5 917 000 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties): **no.**

The credit is affiliated to the issuer: **no**

Full company name: **Astrakhan branch No. 8625 of open joint stock company Sberbank of Russia**

Short company name: **Astrakhan branch No. 8625 of Sberbank of Russia JSC**

Location: **41 Kirova Str., Astrakhan 414000**

TIN: **7707083893**

PSRN: **1027700132195**

Sum of credit: **8 600 000 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties): **no.**

The credit is affiliated to the issuer: **no**

3 months of 2012

Structure of the Issuer's loan funds

Unit: thousand rubles

indicator	
Long-term loans	5 917 000
including:	
credits	5 917 000
loans, except bonded loans	0
bonded loan	0
Short-term loans	10 022 893
including:	
credits	10 003 876
loans, except bonded loans	19 017
bonded loan	0
Total sum of overdue loan	0
including:	
credits	0
loans, except bonded loans	0
bonded loan	0

Structure of the Issuer's accounts payable

Unit: **thousand rubles**

Indicator	
Total amount of accounts payable	9 664 493
overdue	2 328 172
including	
to budget and state non-budgetary funds	156 423
overdue	23
to suppliers and contractors	4 746 766
overdue	2 155 283
to staff	147 308
overdue	0
other	4 613 996
overdue	172 866

In case of existence of overdue accounts payable, including those under credit or loan contracts, as well as under debt securities issued by the Issuer (bonds, promissory notes and other) – indication of the causes of non-fulfilment and the consequences affecting the Issuer, which have occurred or potentially may occur in future due to the above liabilities non-fulfilment including sanctions imposed on the Issuer and the term (supposed term) of overdue accounts payable redemption.

According to Kubanenergo business plan the redemption of overdue accounts payable is projected for 2013, including on debt restructuring arrangements. Levies, penalties: no.

The main cause of overdue accounts payable - delayed fulfillment by retail companies their obligations to the Company for services on electric energy transmission.

Creditors with part in total sum of accounts payable of at least 10%:

Full company name: **Open Joint-Stock Company “INTER RAO-Electrogeneratsiya”**

Short company name: **“INTER RAO-Electrogeneratsiya” JSC**

Location: **building 1, 27 Bolshaya Pirogovskaya street, Moscow 119435**

TIN: **7704784450**

PSRN: **1117746460358**

Sum of credit: **2 376 688.53 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties): **no.**

The credit is affiliated to the issuer: **no**

Full company name: **Open Joint-Stock Company “Federal Grid Company of Unified Energy System”**

Short company name: **“FGC UES” JSC**

Location: **5A, street named after Akademik Chelomei, Moscow 117630**

TIN: **4716016979**

PSRN: **1024701893336**

Sum of credit: **1 025 847.14 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties):

Overdue accounts payable amounts 671 054.26 thousand rubles. Interest rate, levies, penalties – no.

The credit is affiliated to the issuer: **yes**

The Issuer's share in the authorized (share) capital (mutual fund) of commercial organization, %: 0

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

Share in the authorized capital of the issuer, %: 0

Share of the Issuer's ordinary shares, %: 0

Full company name: **branch of open joint stock company Gazprombank in Krasnodar**

Short company name: **branch of Gazprombank JSC in Krasnodar**

Location: **11 Dmitrievskaya Damba, Krasnodar 350033**

TIN: **7744001497**

PSRN: **1027700167110**

Sum of credit: **5 917 000 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties): **no.**

The credit is affiliated to the issuer: **no**

Full company name: **Astrakhan branch No. 8625 of Open joint stock company Sberbank of Russia**

Short company name: **Astrakhan branch No. 8625 of Sberbank of Russia JSC**

Location: **41 Kirova street, Astrakhan 414000**

TIN: **7707083893**

PSRN: **1027700132195**

Sum of credit: **8 600 000 thousand rubles**

Rate and terms of overdue accounts payable (interest rate, levies, penalties): **no.**

The credit is affiliated to the issuer: **no**

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 5 last completed financial years (or per each closed financial year, if the Issuer has carried out one's activity for less than 5 years), 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	2000000 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	existing loan
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 issue-grade 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 status and, consequently, of the Issuer's financial status;

- Detriment to the Issuer's properties that may negatively affect one's ability to timely and fully fulfil one's 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 locality) 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, 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 existing no reasons to expect that a change of the situation in the region will entail the Issuer's failure to fulfil one's 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 one's 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
Estimate of the inflation level critical for the Issuer appears impossible since, apart from the consumer prices level, one needs to account for changes in the ruble real purchasing power, Russian and international energy carrier markets environment and further state policy regarding tariffs for electric and thermal energy.

The current inflation level does not have any substantial effect on the Issuer's financial status. According to inflation forecast values, inflation is not to substantially affect the Issuer's solvency, in particular, regarding payments on securities. For minimization of financial risks associated with inflation processes and affecting the financial results of activity, the Issuer is implementing an integrated program for analysis of financial risks, planning and appraisal of actual profitability of activity; one identifies return rate indices that are

indicative of the Issuer's level of cost-efficiency, normative values of financial coefficients characterizing the Issuer's solvency and liquidity, which enable one to promptly detect drawbacks in the Issuer's work and take measures for their elimination.

The Issuer's financial reporting indices most badly subject to changes resulting from the effect of the abovementioned financial risks including risks, the possibility of occurrence and character of changes in the report:

The index of accounts receivable accruing due to counterparties' incapability to pay for the Issuer's services is most badly subject to change in the Issuer's reporting resulting from the abovementioned risks occurrence. This risk occurrence probability is not high and is related to situation in the country in general, inflation and changes of currency exchange rates and their effect on the Russian economy as a whole. Deterioration of the economic situation in Russia may affect growth of costs of electric energy transmission across the Issuer's electric power grids, which will lead to profit reduction if the established tariffs remain in effect.

2.4.4. Legal risks

The Issuer carries out one's activity solely in the domestic market; consequently, one's 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 Issuer'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
- Repair expenses exceeding planned limits
- 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 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 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 OJSC "FGC UES" 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 got rid of 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. bringing operational efficiency indices to the level of efficiency of distribution grid companies in advanced countries by 2020;
4. creation of a reserve of electric power grids carrying capacity to a volume outstripping the development of economy by 3 years;
5. 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;
6. 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 Program scheduled for the period till 2012;
- plans to open customer service centres at all the Company's branches by 2012;
- is determined to increase the portion of energy facilities repairs using own resources;
- seeks 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 a permanently operating executive body

2 Stavropolskaya str., Krasnodar, Russia 350033

Telephone: (861) 268-5913

Fax: (861) 268-2493

E-mail: telet@kuben.elektra.ru

Internet page (s) where information is available on the Issuer and on securities issued and/or being issued by the latter. www.kubanenergo.ru

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) 212-24-09

Fax: (861) 212-27-08

E-mail: gurauu@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

Branches and representative offices of the Issuer in accordance with its Charter

(constituent documents):

Full name: **Adygei power grid**

Office: **358, Shovgenova ul., 385000, Maykop**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Natkho Azamat Inverovich**

Validity period the power of attorney: **31.12.2011**

Full name: **Armavir power grids**

Office: **54, Vorovskogo ul., 352900, Armavir**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Magdeev Rustam Khaidarovich**

Validity period the power of attorney: **31.12.2011**

Full name: **Krasnodar power grid**

Office: **1312, Pashkovskaya ul., 350000, Krasnodar**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Natkho Inver Yusufovich**

Validity period the power of attorney: **31.12.2011**

Full name: **Labinsk power grid**

Office: **334, Mira ul., 352510, Labinsk**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Mandryka Aleksandr Nikolaevich**

Validity period the power of attorney: **31.12.2011**

Full name: **Leningradsky power grid**

Office: **6, 302 Division ul., Leningradskaya vill., 353740**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Shmarovoz Sergey Nikolaevich**

Validity period the power of attorney: **31.12.2011**

Full name: **Slavyansk power grid**

Office: **49, Stroiteley ul., 353840, Slavyansk-on-Kuban**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Rud' Evgeny Viktorovich**

Validity period the power of attorney: **31.12.2011**

Full name: **Sochi power grid**

Office: **42, Konstitutsii ul., 354000, Sochi**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Gerasko Andrei Leonidovich**

Validity period the power of attorney: **31.12.2013**

Full name: **Timashevsk power grid**

Office: **176, ul. Lenina, 353760, Timashevsk**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Sobolev Sergey Viktorovich**

Validity period the power of attorney: **31.12.2011**

Full name: **Tikhoretsk power grid**

Office: **62, Dzerzhinskogo ul., 352100, Tikhoretsk**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Pluzhnik Sergey Nikolaevich**

Validity period the power of attorney: **31.12.2011**

Full name: **Ust-Labinsk power grid**

Office: **4, Krasnodarskaya ul., 352300, Ust-Labinsk**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Astapov Aleksei Viktorovich**

Validity period the power of attorney: **31.12.2013**

Full name: **South-West power grid**

Office: **1, Vostochny Mol, 353902, Novorossiysk**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Sysoev Sergei Anatolievich**

Validity period the power of attorney: **31.12.2013**

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 Issuer's business activities (type of activities, type of goods (works, services) which made up not less than 10 percent of the Issuer's revenue (income).

Unit of measurement: thousand rubles

Type of activity: **Services on transmission of electric energy**

Indicator	2011	2012
Revenue from this business activity, thousand rub	27 535 504	27 194 306
Portion of revenue from this type of business activity in the total amount of revenue of the Issuer, %	95.9	96.7

Indicator	2012, 3 months.	2013, 3 months
Revenue from this business activity, thousand rub	6 833 326	7 479 060

Portion of revenue from this type of business activity in the total amount of revenue of the Issuer, %	98.35	99.4
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Information on changes of revenue (proceeds) from core business activity by 10 percent and more compared with the corresponding previous reporting period and causes of such changes:

No such changes

Additional information disclosed in accordance with the Statement on informational policy of the Company:

Electric energy transmission

The main indexes of electric energy transmission by Kubanenergo, JSC in 2012:

Receipt of electric energy into the Company's grid for its transmission under service contracts made up 20 767 387.0 thousand kWh

Supply of electric energy from OJSC "Kubanenergo" grid made 18 092 609.8 thousand kW*h.

Productive supply of electric energy by the "boiler" method with breakdown per voltage levels made 16 525 726.5 thousand kW*h, including:

- High voltage (110 kV and more) – 4 186 889.9 thousand kW*h,
- Medium voltage 1 (35 kV) – 892 966.6 thousand kW*h,
- Medium voltage 2 (1-20 kV) – 4 921 272.5 thousand kW*h,
- Low voltage (0.4 kV and less) – 6 524 597.6 thousand kW*h.

Actual losses of electric energy scaled to supply into the grid made 12.88% with standard losses allowance 12.76%.

Excess expenditure of electric energy in excess of the standard losses allowance in 2012 is 24 858.6 thousand kW*h.

The main indexes of electric energy transmission by Kubanenergo, JSC in the 1st quarter of 2013:

Receipt of electric energy into the Company's grid for its transmission under service contracts made 5 474 994.6 thousand kWh

Supply of electric energy from OJSC "Kubanenergo" grid made 4 683 311.8 thousand kW*h.

Productive supply of electric energy by the "boiler" method with breakdown per voltage levels made 4 226 895.1 thousand kW*h, including:

- High voltage (110 kV and more) – 967 468.9 thousand kW*h,
- Medium voltage 1 (35 kV) – 250 957.1 thousand kW*h,
- Medium voltage 2 (1-20 kV) – 1 273 045.7 thousand kW*h,
- Low voltage (0.4 kV and less) – 1 735 423.4 thousand kW*h.

Actual losses of electric energy scaled to supply into the grid made 14.46 % with standard losses allowance 14.47%.

Excess expenditure of electric energy in excess of the standard losses allowance in the 1st quarter of 2013 is 396.1 thousand kW*h.

Technological connection of consumers to the Company's electric power grids

21 853 contracts were concluded for technological connection to the electric power grids with total capacity = 891 MW in 12 months of 2012. Cash is collected in the amount of 1 845 million RUR (VAT excluded), proceeds equal to 843 million rubles. The volume of cash was received mostly from consumers having submitted applications for capacity in excess of 200 kW.

In fact, in 12 months of 2012, 16 485 consumers with total capacity = 560 MW were connected (generation considered).

4 874 contracts were concluded for technological connection to the electric power grids with total capacity = 125 MW in 1st quarter of 2013. Cash is collected in the amount of 854 million RUR (VAT excluded), proceeds equal to 31 million rubles. The volume of cash was received mostly from consumers having submitted applications for capacity in excess of 200 kW.

In fact, 3 507 consumers for total capacity = 58 MW were connected (generation considered) in the 1st quarter of 2013.

Core production capacities of the Company (as of 01.01.2013):

Length of 110, 220 kV high voltage lines	110 kV overhead lines – 4758.44 km (route) 110 kV overhead lines – 5994.12 km (circuits) 220 kV overhead lines – 76.1 km 110 kV cable lines – 10.2 km
Length of medium voltage lines (6, 10, 35 kV)	40555.96 km (route) 41386.85 km (circuits), including: 35 kV overhead lines – 6939.56 km (route) 35 kV overhead lines – 7770.45 km (circuits) 10 kV overhead lines – 32372.80 km 35 kV cable lines – 0.5 km 6-10 kV cable lines – 1243.10 km
Length of 0.4 kV low voltage lines	04 kV - 41534.78 km, including: overhead lines – 41069.28 km cable lines – 465.5 km
Number/capacity of substations with high (110 kV) basic voltage	217 substations/6567.6 MVA
Number/capacity of substations with high (35/6-10 kV) basic voltage	496 substations/2364.30 MVA
Number/capacity of transformer substations (6-35/0.4 kV)	21949 substations/4228.96 MVA

Information on tariffs for electric energy transmission and payment for technological connection to distribution grids

By order of Regional Energy Commission – Tariff Department of Krasnodar region dated 28.12.2012 No.92/2012-э tariffs for services of electric energy transmission via grids of Kubanenergo in 2013 are as follows:

- for the 1st half-year

	Indicator	Unit of measurement	from 01.01.2013			
			Voltage			
			High voltage (110 kV and higher)	Medium voltage1 (35 kV)	Medium voltage 2 (20-1 kV)	Low voltage (0,4 kV and lower)
Tariff groups of consumers of electric energy						
Population and consumers regarded as population (VAT included)						
	Flat-rate tariff	rubles/MWh	2 389,878			
Other categories of consumers (VAT excluded)						
1	Flat-rate tariff	rubles/MWh	1 107,72	1 288,98	1 999,15	2 743,22
2	Two-part tariff					
2.1	- rate for maintenance of electric grids	rubles/MWh	326 378,25	261 440,43	389 546,25	563 675,02
2.2	- rate for payment of technological losses in electric grids	rubles/MWh	553,89	554,29	554,48	1 070,60

- for the 2nd half-year with 15.5% growth in comparison to tariffs of the 1st half-year:

	Indicator	Unit of measurement	from 01.07.2013			
			Voltage			
			High voltage (110 kV and higher)	Medium voltage1 (35 kV)	Medium voltage 2 (20-1 kV)	Low voltage (0,4 kV and lower)
Tariff groups of consumers of electric energy						
Population and consumers regarded as population (VAT included)						
	Flat-rate tariff	rubles/MWh	2 580,86			
Other categories of consumers (VAT excluded)						
1	Flat-rate tariff	rubles/MWh	1 279,42	1 488,77	2 309,02	3 168,42
2	Two-part tariff					
2.1	- rate for maintenance of electric grids	rubles/MWh	376 966,88	301 963,70	449 925,92	651 044,65
2.2	- rate for payment of technological losses in electric grids	rubles/MWh	639,74	640,20	640,42	1 236,54

Under the new Requirements for determining the amount of payment for technological connection to electric networks, approved by Order of the Federal Tariff Service of Russia on 11.09.2012 No.209-e, tariff rates and standardized rate were set per unit of maximum capacity for technological connection to electric networks of “Kubanenergo” JSC in 2013 (Order of the REC-DCT KK dated 28.12.2012 No. 93/2012-e).

Order of the Regional Energy Commission-Prices and Tariffs department of Krasnodar region dated 22.01.2013 No.3/2013-e introduced changes to the order of 28.12.2012 No.93/2012-e “On determining the payment for technological connection to electric grids of “Kubanenergo” JSC” to make easier to work with the applicants.

The payment for technological connection of consumers, transmission facilities owned by grid organizations and other entities (except for applicants referred to in paragraph 1 of the Order) to power distribution grids of “Kubanenergo” in 2013, not including the construction of and reconstruction of transmission facilities at the voltage level below 35 kW and a maximum capacity of less than 8,900 kW:

	activity	Rate, RUR/MW (VAT excluded)
1	2	3
1	Standardized tariff rate, including:	517,983
1.1	Preparation and issue of technical specifications (TSs) by the grid organization and such TSs coordination	175,285
1.2	Elaboration of design documentation by the grid organization in accordance with one’s liabilities under TSs	-
1.3	Fulfilment of TSs by the grid organization including the grid organization carrying out arrangements for connection of the Devices as subject to emergency and performance automation hardware in accordance with TSs (capital investments not included)	52,938
1.4	Grid organization reviewing fulfilment of TSs by the applicant	150,370
1.5	Participation in inspection of the Devices being connected by an officer of the Russian Federation Federal Service for Environmental, Technical and Nuclear Supervision	17,456*
1.6	Actual actions for connection of the Devices to the electric power grid and provision for their work	121,933
2	Standardized tariff rate ¹	500,527

Note. ¹This rate applies during establishment of a payment for technological connection of applicants that are legal entities or self-employed entrepreneurs for purposes of technological connection of multiple power receiver devices with maximum capacity up to 150 kW inclusive (with account for capacity previously connected to the same connection point) to a single electric power supply source; for applicants for purposes of temporary (for a term not in excess of 6 months) technological connection of power receiver devices belonging to them to provide for supply of electric energy to mobile facilities with maximum capacity up to 150 kW inclusive (with account for capacity previously connected to the same connection point), less regard to expenses on participation in inspection of the Devices by an officer of the Russian Federation Federal Service for Environmental, Technical and Nuclear Supervision.

Charges for technological connection of energy receiving devices of consumers, facilities owned by grid organizations and other entities (except for applicants referred to in paragraph 1 of the Order) to distribution grids of “Kubanenergo” JSC in 2013 to cover the cost of construction of transmission facilities per 1 kW of maximum power:

Capacity, kW1	Payment, (rubles./kW, VAT excluded)
Overhead power lines	
Voltage level 0,4kV	
0 - 11,7(120,2)	7 157,09
11,7(120,2) - 29,6 (207,5)	41 056,65
Voltage level 6 (10)kV	
0 - 1821,1 (2264)	4 968,44
1821,1 (2264) - 2478,6 (2867,2)	10 623,05
2478,6 (2867,2) - 5549,5	11 225,02
Cable lines 6 (10) kV in settlement	
0 - 3366,7	2 903,54
3366,7 - 7214,3	24 912,47
Cable lines 6 (10) kV in non-residential area	
0 - 3366,7	2 135,90
3366,7 - 7214,3	21 428,54

Standardized tariff rates for technological connection to power grids of “Kubanenergo” JSC for 2013 on coverage of expenses on construction of power grid facilities in terms of 2001 prices:

	List of construction facilities	Price (VAT excluding)
1	2	3
1	Standardized tariff rates for coverage of expenses on construction and reconstruction of electric power grid facilities during technological connection of electric energy consumers' power receiver devices and electric power grid facilities belonging to grid organizations and other persons to the extent of expenses on construction and reconstruction of cable transmission lines at the corresponding voltage level, per 1 km of lines (RUR/km)	
1.1	Voltage level - 10(6) kV	
1.1.1	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПВПы2г-10) with wire cross section up to 3*(1x500) in populated area	896 586
1.1.2	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПВПы2г-10) with cross sectional area of conductor up to 3x(1x500)	720 966
1.1.3	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПВПы2г-10) with cross sectional area of conductor up to 3x(1x300) in populated area	819 783
1.1.4	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПВПы2г-10) with cross sectional area of conductor up to 3x(1x300)	639 202
1.1.5	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПВПы2г-10) with cross sectional area of conductor from 3x(1x300) to 3x(1x500) at cable structures in populated area	1 614 544

1.1.6	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПвПу2г-10) with cross sectional area of conductor from 3x(1x300) to 3x(1x500) at cable structures	1 458 921
1.1.7	Installation of 1 km of 10kV cable line (two conductors in trench) using the conductor of type ASB-10kV (АСБ-10 кВ) with cross sectional area of conductor up to (3x240) in populated area	983 106
1.1.8	Installation of 1 km of 10kV cable line (two conductors in trench) using the conductor of type ASB-10kV (АСБ-10 кВ) with cross sectional area of conductor up to (3x240)	825 735
1.1.9	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПвПу2г-10) 3x(1x630/70) in populated area	1 009 089
1.1.10	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПвПу2г-10) 3x(1x630/70)	833 354
1.1.11	Installation of 1 km of cable line using the conductor of type APvPung - 10 (АПвПуНГ-10) 3x(1x800/50) at cable structures in populated area	1 195 557
1.1.12	Installation of 1 km of cable line using the conductor of type APvPung - 10 (АПвПуНГ-10) 3x(1x800/50) at cable structures	1 030 338
1.1.13	Installation of 1 km of cable line using the conductor of type APvPung - 10 (АПвПуНГ-10) from (3x185) to (3x240) at cable structures in populated area	776 338
1.1.14	Installation of 1 km of cable line using the conductor of type APvPung - 10 (АПвПуНГ-10) from (3x185) to (3x240) at cable structures	627 732
1.1.15	Installation of 1 km of 10kV cable line (two conductors in trench) using the conductor of type ASB-10kV (АСБ-10 кВ) with cross sectional area of conductor up to (3x120) in populated area	534 836
1.1.16	Installation of 1 km of 10kV cable line (two conductors in trench) using the conductor of type ASB-10kV (АСБ-10 кВ) with cross sectional area of conductor up to (3x120)	359 085
1.1.17	Installation of 1 km of 10kV cable line (two conductors in trench) using the conductor of type ASB-10kV (АСБ-10 кВ) with cross sectional area of conductor from (3x150) to (3x240) in populated area	557 962
1.1.18	Installation of 1 km of 10kV cable line (two conductors in trench) using the conductor of type ASB-10kV (АСБ-10 кВ) with cross sectional area of conductor from (3x150) to (3x240)	382 125
1.1.19	Installation of four pipes of d=225 mm by horizontal directional drilling (km)	2 822 100
1.1.20	Installation of three pipes of d=225 mm by horizontal directional drilling (km)	2 338 600
1.2	Voltage level – 0.4 kV	
1.2.1	Installation of 1 km of КЛ-0,4 кабелем марки АПвБбШНГ-1 с площадью поперечного сечения до (4 x 240) в населенном пункте	436 490
1.2.2	Installation of 1 km of cable line -0.4 using the conductor of type АПвБбШНГ-1 with cross sectional area of conductor up to (4x240) in populated area	385 865
1.2.3	Installation of 1 km of cable line -0.4 using the conductor of type АПвБбШНГ-1 with cross sectional area of conductor up to (4x240)	739 272
1.2.4	Installation of 1 km of cable line -0.4 using the conductor of type АПвБбШНГ-1 with cross sectional area of conductor up to (4x240) (two cable sin trench) in populated area	687 603
1.2.5	Installation of 1 km of cable line -0.4 using the conductor of type АПвБбШНГ-1 with cross sectional area of conductor up to (4x240) (two cable sin trench)	60 454
1.2.6	Installation of 1 km of cable line of type КВВГ 4x2,5 at cable structures in populated area	51 202
1.2.7	Installation of 1 km of cable line of type КВВГ 4x2,5 at cable structures	460 949
1.2.8	Installation of 1 km of cable line of type АВвБбШНГ-1 (two cable sin trench) 4x120 in populated area	385 551
1.2.9	Installation of 1 km of cable line of type АВвБбШНГ-1 (two cable sin trench) 4x120	296 427
1.2.10	Installation of 1 km of cable line of type АПвБбШНГ-1 with cross sectional area of conductor up to (4x120) in populated area	216 519
1.2.11	Installation of 1 km of cable line of type АПвБбШНГ-1 with cross sectional area of	239 748

	conductor up to (4x120)	
1.2.12	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x25) in populated area	1 61 011
1.2.13	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x25)	250 788
1.2.14	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x35) in populated area	172 051
1.2.15	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x35)	254 916
1.2.16	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x50) in populated area	175 789
1.2.17	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x50)	265 844
1.2.18	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x70) in populated area	186 717
1.2.19	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x70)	283 518
1.2.20	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x95) in populated area	203 609
1.2.21	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x95)	341 349
1.2.22	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x150) in populated area	259 600
1.2.23	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x150)	360 869
1.2.24	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x185) in populated area	279 120
1.2.25	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x185)	2 822 100
1.2.26	Installation of four pipes of d=225 mm by horizontal directional drilling (km)	2 338 600
2	Standardized tariff rates for coverage of expenses on construction and reconstruction of electric power grid facilities during technological connection of electric energy consumers' power receiver devices and electric power grid facilities belonging to grid organizations and other persons to the extent of expenses on construction and reconstruction of overhead transmission lines at the corresponding voltage level, per 1 km of lines (RUR/km)	
2.1	Voltage level - 10(6) kV	
2.1.1	Voltage - 10(6) kV	367 691
2.1.2	Construction of 10kV overhead lines with wire covering with cross sectional area of conductor 70 mm ²	376 752
2.1.3	Construction of 10kV overhead lines with wire covering with cross sectional area of conductor 95 mm ² to 120 mm ²	649 763
2.1.4	Construction of 10kV overhead lines with insulation of type АПВПгТ(п) with cross sectional area of conductor 150 mm ²	693 951
2.1.5	Construction of 10kV overhead lines with insulation of type АПВПгТ(п) with cross sectional area of conductor from 185 mm ² to 240 mm ²	377 425
2.1.6	Construction of 10kV overhead lines with self-supporting insulated twisted conductor of type АПВПгТ(п) with cross sectional area of 95 mm ²	613 092
2.1.7	Construction of 10kV overhead lines with self-supporting insulated twisted conductor of type АПВПгТ(п) with cross sectional area of 120 mm ²	513 582
2.1.8	Construction of 10kV overhead lines with self-supporting insulated twisted conductor of type АПВПгТ(п) with cross sectional area of 50 mm ²	540 762
2.2	Voltage – 0.4 kV	
2.2.1	Construction of 0.4kV overhead lines with self-supporting insulated conductor of type СИП-2А with cross sectional area of 3x95+70 mm ²	276 637
2.2.2	Construction of 0.4kV overhead lines with self-supporting insulated conductor of type СИП-2А with cross sectional area from 3x120+70 mm ² to 3x150+70 mm ²	309 479

2.2.3	Construction of 0.4kV overhead lines with self-supporting insulated conductor of type СИП-2А with cross sectional area of 3x50+54,6 mm ²	224 785
2.2.4	Construction of 0.4kV overhead lines with self-supporting insulated conductor of type СИП-2А with cross sectional area from 3x70+54,6 mm ² to 3x95+54,6 mm ²	276 637
2.2.5	Construction of 0.4kV overhead lines with self-supporting insulated conductor of type СИП-4 with cross sectional area of conductor up to 4x25 mm ²	72 533
2.2.6	Construction of 1 km of 0.4kV cable line with cross sectional area of conductor of 3x50+54,6 mm ² with joint suspension to 10kV overhead line	69 836
2.2.7	Construction of 1 km of 0.4kV cable line with cross sectional area of conductor from 3x70+54,6 mm ² to 3x150+70 mm ² with joint suspension to 10kV overhead line	154 531

Standard tariffs for technological connection to electric networks of “Kubanenergo” JSC in 2013 to cover the cost of construction of transmission facilities per unit of maximum power at prices of 2001:

Capacity, kW	Standard rate, (rubles./kW, VAT excluded)
Modular package transformer substation	
до 356	1 568,48
356 - 890	936,16
890 - 1112,5	772,5
свыше 1112,5	1 401,47
Package transformer substation	
до 89	1 317,18
89 - 356	446,06
356 - 560,7	276,23
560,7 - 783,2	338,98
783,2 - 916,7	309,11
916,7 - 1121,4	276,23
свыше 1121,4	4 484,81

Economic indicators:

Revenue in 2011 – 2013, thousand rubles

	Indicator	2011	2012	1 st quarter of 2013
1	Revenue from selling products (services), total, including	28 707 841	28 118 506	7 523 109
1.1	Products (services) of core activity, total, including	28 707 785	28 118 461	7 523 109
1.1.1.	Network services	28 621 280	28 037 700	7 509 688
1.1.1.1	From transfer and transmission of electric	27 535 504	27 194 306	7 479 060
1.1.1.2	From services on technological connection	1 085 776	843 394	30 628
1.1.2.	Electric energy to domestic consumers	0	0	0
1.1.3.	Heat energy	0	0	0
1.1.4.	Other products (services) of core activity	86 505	80 761	13 421
1.2	Products (services) of non-core activity	56	45	0

The accounting policy of the Company allows the structuring of revenue and cost of sales (services) by business area with access to the general financial performance of the company.

Expenditure structure, thousand rubles:

	Expenditure heading	2008	2009	2010	2011	2012	1st square of 2013
1.	Material expenditures	4 597 367,1	4 997 002,8	7 544 765,1	8 662 456,3	8 132 384,4	2 411 933, 9
	including						
1.1	Purchased power for loss compensation	4 130 121,0	4 528 936,4	6 997 212,1	8 049 644,7	7 427 498, 8	2 263 166, 2
1.2	Purchased energy for industrial and domestic needs	53 897,4	65 683,9	93 153,0	78 704,1	67 926,8	30 402,2
1.3	Materials and supplies	413 348,7	402 382,5	454 400,1	534 107,4	636 958,8	118 365,5
2.	Work and production services	6 609 731,7	9 223 673,6	12 763 347,0	15 098 918,5	14 563 04 2,9	3 548 600, 9
2.1	Services of network companies for electricity transmission	5 742 469,7	8 409 513,9	12 306 815,3	14 636 297,8	14 158 42 4,8	3 493 155, 8
2.2	Services of commercial electricity metering	442 631,7	335 580,2	0,0	0,0	0,0	0,0
2.3	Other works and production services	424 630,3	478 579,5	456 531,8	462 620,7	404 618,2	645 900,8
3.	Labour payment expenditures	1 254 870,3	1 481 179,2	1 808 880,9	1 914 990,3	2 099 930, 5	645 900,8
4.	Insurance payments	312 122,0	359 347,1	441 390,5	623 864,0	610 493,7	195 946,8
5.	Non-state pension schemes	102 561,9	15 400,0	183,8	4 411,2	0,0	0,0
6.	Amortization	850 138,5	1 042 023,9	1 137 359,4	1 295 094,2	1 424 786, 8	428 588,3
7.	Others	1 386 263,6	1 730 977,1	2 148 721, 9	2 030 428,6	1 288 569, 9	360 247,2
	including						
7.1	Payment of third party services	468 135,6	459 436,4	342 845,7	338 184,3	349 195,3	88 130,
7.2	Management services	150 103,0	393 870,0	357 156,0	0,0	0,0	0,0
7.3	Insurance expenses	143 656,6	143 904,5	125 206,6	112 985,2	99 724,5	24 911,4
7.4	Taxes and levies	138 101,3	135 548,8	142 423,8	199 182,7	97 630,2	40 953,5
7.5	Provision for estimated liabilities			476 729,3	692 942,7	171 290,9	0,0
7.6	Provision for unutilized vacation			34 560,9	75 251,7	1 728,3	35 241,1
8.	Production and sales expenses	15 113 055,2	18 849 603,6	25 844 64 8,7	29 630 163,1	28 119 20 8,1	7 591 217, 9



Expenditures:

	Expenses for production and selling of products	mln rubles	Growth rate, %			
			2012/2008	2012/2009	2012/2010	2012/2011
1	2008	15 113,1	186,1	149,2	108,8	94,9
2	2009	18 849,6				
3	2010	25 844,6				
4	2011	29 630,2				
5	2012	28 119,2				

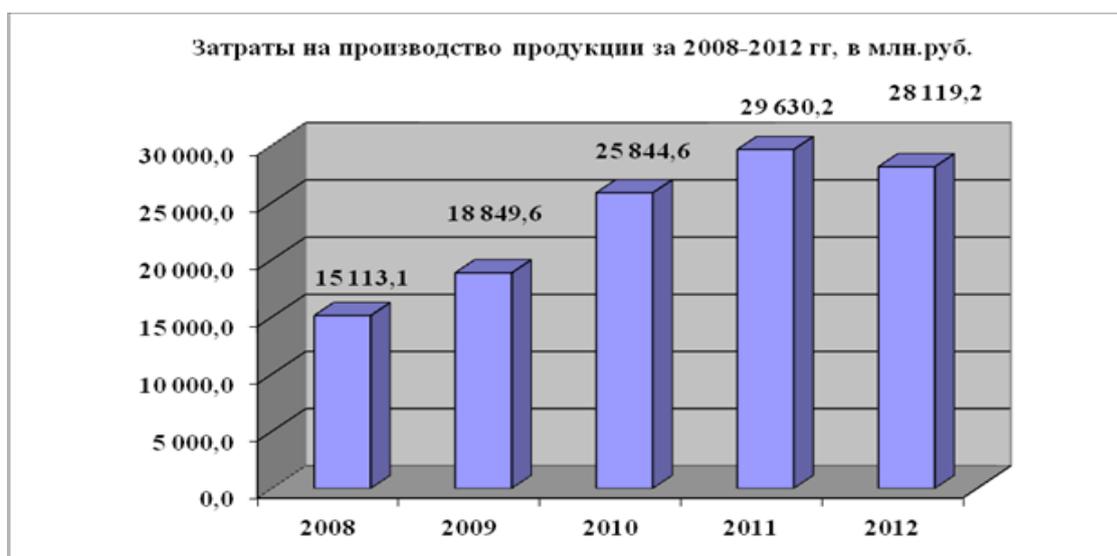
Cost of services to the Company in 2012, compared to 2011 has decreased by 1 511.0 million rubles (5.1%) due to savings in:

- “Purchased energy for compensation for losses” in the amount of 622.1 million rubles, due to implementation of the Programme of energy saving and energy efficiency;

- “Services of network organizations for electricity transmission” in the amount of 477.9 million rubles, due to decline of tariffs for electricity transmission services in 2012;

- “Provision for estimated liabilities” amounting to 595.2 million rubles, due to the provisions in accordance with the requirements of RAS 8/2010, approved by Order of the Ministry of Finance of Russia dated 13.10.2010 No. 167n.

Dynamics of other indicators is insignificant.



Performance indicators

Indicator	2011	2012	1 st square of 2013
ROE, %	-16,14	-14,20	-5,14
ROA, %	-5,09	-4,42	-1,78
ROTA, %	-6,08	-5,04	-2,33

Seasonal nature of the Issuer's business activity

The Issuer's core business activity is not of seasonal nature

General structure of the Issuer's prime cost

	2012	2013, 3 months
Raw materials, %	2.3	1.6
Purchased component parts and semi-finished goods, %	0	0
Works and production-related services, performed by third parties, %	51.8	46.7
Fuel, %	0	0
Power, %	5.7	30.2
Salaries and wages, %	7.5	8.5
Interest on credit, %	0	0
Rent, %	0.2	0.2
Allocations for social needs, %	0.6	2.6
Depreciation of fixed assets, %	5.1	5.6
Taxes included in cost of sales, %	0.3	0.5
Other expenses (clarify)		

Depreciation of intangible assets, %	0	0
Remunerations for rationalization proposals, %	0	0
Mandatory insurance payments, %	0.4	0.3
Expenses for representation, %	0.4	0.8
other, %	3.3	3.4
Total: Costs of production and sales of products (works, services) (prime cost), %	100	100
For reference: Proceeds from sales of products (works, services), %	96.9	99.1

New types of products (works, services) offered by the Issuer in one's core activity market that may be of substantial importance judging by the openly available information on such types of products (works, services). Specify the development condition of such types of products (works, services).

There are no new types of products (works, services) that may be of substantial importance.

Standards (rules) in accordance with which the Issuer prepared the accounting statements and carried out calculations presented in this paragraph of the quarterly report:

The accounting statements of the Company based whereon the calculations were carried out, were generated in accordance with the accounting rules acting in the Russian Federation, in particular:

- Federal Law No. 129-FZ "On accounting" dated 21.11.1996;
- Accounting Regulations "Accounting policy of the organization" approved by Order No. 66n of the Ministry of Finance of the Russian Federation dated July 2, 2010;
- Order of RF Ministry of Finances dated 05.10.2011 No.124H "On changes in form of accounting statements in organizations approved by order of RF Ministry of finances dated 02.07.2010 No. 66H";
- Regulations on Performance of Accounting and Reporting in the Russian Federation approved by Order No. 34n of the Ministry of Finance of the Russian Federation dated July 29, 1998:

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

For 2012

Suppliers of the issuer, whose share of all supplies of materials and goods (raw materials) makes at least 10%

Full business name: **"VIKTAN" CJSC**

Office: **4, Sadovaya str., Chernogolovka, Noginskiy district, Moscow region, 142432**

TIN: 5031016874

PSRN: 1035006104693

Share in the total volume of supplies, %: **24.7**

Full business name: **“TATKABEL” LLC**

Office: 32, Leskhozovskaya str., village Stolbische, Laishevskiy district, Republic Tatarstan 422624

TIN: 1624011485

PSRN: 1091690024469

Share in the total volume of supplies, %: **22.9**

Information on changes in basic material and goods (raw material) prices for more than 10% within the corresponding reporting period compared to the corresponding reporting period of the previous year

Escalation in cost for

- high-voltage bush by 15.3%,
- towers SV by 23.1%,
- towers SK by 26.3%,
- towers SV 164-12 by 22%
- self-supporting insulated wire 3 1x70 by 16.1%,
- bare conductor by 17.25%,
- linear glass insulator by 10%
- transformer oil by 20.37%
- transformer insulator IPT-1/250 by 24%
- transformer insulator IPT -1/400 by 21%,
- transformer insulator IPT -6-10/250A by 29%,
- transformer insulator ИИТБ-1/250 by 38%,
- pin type porcelain insulator ШФ-20Г by 54%,

Reduction of price for:

- current transformers TOL by 41.3%
- pine insulator by 15%
- Porcelain insulator ИО-20-3,75 joint for 28%,
- stands CB 95-3 for 19%.

A portion of import in the material and goods supply, the forecast with respect to accessibility of import in the future and possible alternative sources of import

Import supplies are not used.

For 3 months of 2013

Suppliers of the issuer, whose share of all supplies of materials and goods (raw

materials) makes at least 10%

Full business name: **“KubanTorgSnab” LLC**
Office: **443, Severnaya str., Krasnodar 350000**
TIN: **2310138475**
PSRN: **1092310001695**

Share in the total volume of supplies, %: **27.87**

Information on changes in basic material and goods (raw material) prices for more than 10% within the corresponding reporting period compared to the corresponding reporting period of the previous year:

Increasing prices for:

- Power conductor АСБЛ-10 3x150 for 10%;
- Power conductor АСБЛ-10 3x185 for 11%;
- Non-insulated wire АС-50/8 for 12,9%;
- Non-insulated wire АС-35/6,2 for 17,5%.

A portion of import in the material and goods supply, the forecast with respect to accessibility of import in the future and possible alternative sources of import **Import supplies are not used.**

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 57.35% for 2012 and 63.50% for the 1st quarter of 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”:

“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:

- guarantee suppliers (“Kubanenergobyt” JSC, “NESK” JSC, “Oboronenergobyt” JSC), energy selling companies (“RUSENERGOSBYT” LLC, “RN-ENERGO” LLC, “Southern energy selling company” LLC, “Disage-M” LLC, “RUSENERGO RESURS” LLC and others), direct consumers (“Euro Khim-Belorechenskie Minudobreniya” LLC, “Kubanzheldormash” CJSC, “Tamaneftgaz” CJSC, “Novorostsement” JSC, “Poultry farm “Primorskaya” LLC), concluded Agreement for the transmission of electricity;
- a number of regional independent power producers (power stations);
- Grid Company - provide transmission and distribution of electricity on the grid to consumers and related distribution companies (“Maikop CHP” 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 development of electric power branch in the post-transition period of electric power industry reform (since July 1, 2008) and risks associated with 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.

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).**

Date of issue **17.12.2009**

Expiry date: **01.01.2015**

Name of the body issued the license: **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

The Issuer's actions are aimed at observance of the requirements set in licenses. 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

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 expected that in 2016, 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 18 646 460.00 thousand kWh. (112.8% compared to 2012).

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 17.12.2012 No. 147/2012), as well the program is approved by order of the RF Ministry of Energy dated 19.12.2012 No.630.

The amendments to 2012-2017 investment programme of “Kubanenergo” were approved by federal bodies of executive power, by “SO UES” JSC and local bodies of executive power.

The sources of financing of the investment program adjustments are: amortization – 200.000 million rubles, additional issue of shares – 15 442.48 million rubles, payment for technological connection – 1 848.89 million rubles.

Adjustment of the investment program includes the input of electrical networks with total length of 1 099.18 km and substations with a total capacity 368.43 MW.

“Kubanenergo” prepared the investment programme for 2013-2018, the programme is to be sent RF Ministry of Energy in accordance with order of RF Government No/977 dated 01.12.2009.

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:

- reduction of excessive energy losses;;
- providing the growth of reconstruction capacity, modernization and power facilities technical re-equipping of Kuban at the expense of new customers technical connection services due to imposed tariffs Regional Tariff Service of Krasnodar region;
- management of internal costs;
- bring the ratio of accounts receivable and payable to the optimal values.

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

Name of the group, holding, corporate group or association: **Holding IDGC JSC (from 04.04.2013 - “Russian grids” JSC)**

Term of issuer’s participation: **since July 1, 2008**

Role (place) and functions of the issuer in organization:

Since July 1, 2008 “Kubanenergo” JSC is dependent and then later affiliated company of Holding IDGC JSC (from 04.04.2013 “Russian grids” JSC) that received the portfolio of voting shares of the Company by the law of succession on dividing balance sheet in the results of reorganization of RAO “UES of Russia” JSC. Functions of the issuer in the Holding: formation of power sector of Russia in the sphere of distribution grid complex.

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, %:
Konavets Kirill Sergeevich	0	0

Composition of the Collegial Executive Body of the company

Collegial 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 “Recreation Centre Plamya” JSC in the 1st 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:

	Indicator	2011	2012	1 st square of 2013
1	Revenue, thousand rub	2 727	855	0
2	Gross profit, thousand rub	-1252	-1 651	-540,1
3	Net profit (uncovered profit (loss), thousand rub	-2 887	-1 651	-540,1
4	ROE (return on equity),%	-24,03	-15,93	-5,21
5	Return on Total Assets ROTA, %	-15,29	-9,02	-2,95
6	Profitability ratio, %	-105,8	-	0,0
			193,10	
7	Product profitability, %	-45,91	-193,1	0,0
8	Capital turnover	0,23	0,08	0,0
9	Sum of uncovered loss as of the reporting date на отчетную дату, thousand rub.	7 276	4 105	4 105
10	Uncovered loss and monetary assets balance ratio as of the reporting date ,%	38,54	22,4	22,4

In 2012 and Q1 "Kubanenergo" did not consume services of the subsidiaries.

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
Konovets 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, %:
Konoplyov Yuri Timofeevich	0	0

Composition of the Collegial Executive Body of the company

Collegial Executive Body is not stipulated

Additional information disclosed in accordance with the Regulations on the Information Policy:

Quarterly review of transactions concluded by “Recreation centre Energetik” JSC in the 1st 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

Business results of “Recreation Centre “Energetik” JSC:

	Indicator	2011	2012	1 st square of 2013
1	Revenue, thousand rub	51 774	54 509	69
2	Gross profit, thousand rub	508	1 641	-6 525
3	Net profit (uncovered profit (loss), thousand rub	139	86,0	-8 842
4	ROE (return on equity),%	0,33	0,20	-26,68
5	Return on Total Assets ROTA, %	0,30	0,19	-21,2
6	Profitability ratio, %	0,27	0,16	-
7	Product profitability, %	0,98	3,01	-
8	Capital turnover	1,23	129,4	0,2
9	Sum of uncovered loss as of the reporting date на отчетную дату, thousand rub.	-	-	7 178
10	Uncovered loss and monetary assets balance ratio as of the reporting date \,%	-	-	17,2

“Kubanenergo” JSC is a customer of “Recreation Centre “Energetik”, making 17.3% of company’s income for 2012.

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 OJSC "Energoservice of Kuban".

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, %:
Bulavintsev Alexey Sergeyevich	0	0
Galyayev Aleksandr Nikolayevich	0	0
Zinchenko Pavel Vasilyevich	0	0
Konevets Kirill Sergeyevich	0	0
Kuryshkin Konstantin Mikhailovich	0	0
Lyashko, Andrey Vladimirovich (chairperson)	0	0
Ovchenkov Sergey Leonidovich	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, %:
Ovchenkov Sergey Leonidovich	0	0

Composition of the Collegial Executive Body of the company

Collegial 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 1st 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:

	Indicator	2011	2012	1 st square of 2013
1	Revenue, thousand rub	5 964	15 532,00	571
2	Gross profit, thousand rub	2 216	11 930,00	-717
3	Net profit (uncovered profit (loss), thousand rub	1 675	6 279,00	2 179
4	ROE (return on equity),%	94,37	77,96	37,10

5	Return on Total Assets ROTA, %	0,52	68,53	30,52
6	Profitability ratio, %	0,28	40,43	381,61
7	Product profitability, %	37,16	51,30	-471,80
8	Capital turnover	3,36	1,93	0,10
9	Sum of uncovered loss as of the reporting date, thousand rub.	-	-	-
10	Uncovered loss and monetary assets balance ratio as of the reporting date \, %	-	-	-

“Kubanenergo” JSC is a consumer of 86.7% of services rendered by “Energoservis of Kuban” JSC in 2012.

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

For 2012

Unit: thousand rub

Group of fixed assets	Acquisition cost (replacement cost)	Accumulated Depreciation
buildings	4 954 563	2 437 921
constructions, except power lines	1 715 381	546 403
power lines	17 113 149	10 213 990
machines and equipment	28 551 403	21 729 262
inventory	46 664	37 185
other	4 037 765	1 888 569
facilities with unlimited lifetime	24 794	0
total	56 443 719	36 853 330

Information on depreciation calculation method for groups of fixed assets:
Depreciation on fixed assets objects is charged in linear mode based on the terms of useful service of these objects

Reporting date: **31.12.2012**

As of the end date of reporting quarter

Unit: thousand rub

Group of fixed assets	Acquisition cost (replacement cost)	Accumulated Depreciation
Fixed assets	56 476 320	37 198 366
Total	56 476 320	37 198 366

Information on depreciation calculation method for groups of fixed assets: Depreciation on fixed assets objects is charged in linear mode based on the terms of useful service of these objects

Reporting date: 31.03.2013

Results of last revaluation of fixed assets and leased assets, carried out during the last completed financial year, with the date of the revaluation, gross and net (net of depreciation) of the book value of fixed assets before revaluation and gross and net (net of amortization) of the replacement cost fixed assets to reflect current revaluation. The above information is provided for groups of fixed assets. The data are provided on methods of accrual of depreciation charges on groups of fixed assets.

Revaluation of fixed assets during the period was not performed

Information on the plans for the acquisition, replacement, retirement of fixed assets valued at more than 10 percent of the value of fixed assets of the issuer, and other fixed assets at the discretion of the issuer, as well as information about all the facts of encumbrance of assets of the issuer (including the nature of encumbrance, date, of encumbrances, its validity and other conditions at the discretion of the issuer) is specified:

Company's investment program for 2013 includes reconstruction of facilities which estimated cost of reconstruction is more than 10 percent of the value of fixed assets of the issuer:

- "Overhead lines (110 kV) from the substation "Shepsi" to substation "Dagomys" (design and survey works, reconstruction)" in 2011-2013, Estimated cost – 4 504.19 million rub.;
- "Overhead lines (110 kV) to transmit power from the Sochi thermal power plants to substations "Vereshchagin" and from "Vereshchagin" to substation "Dagomys" (reconstruction) in 2011-2013, estimated cost – 2 930.04 million rubles .

Property Register "Kubanenergo" JSC encumbered by leases as of March 31, 2013:

fixed assets	Type of encumbrance	Start-date	End-date	Other conditions
Room 16 in Kubanenergo, building: 2, Stavropolskaya str.,	Rent	01.02.2004	30.11.2013	Prolongation is possible

Krasnodar. Place on communication mast, area: 5.84 sq. m				
Premises at 2 Stavropolskaya str., Krasnodar. area: 192.8 sq. m	Rent	15.03.2013	14.02.2014	Vaild for 11 months
Premises at 2 Stavropolskaya str., Krasnodar. area: 1.2 sq. m	Rent	28.11.2006	30.09.2013	Prolongation is possible
Premises in Lit. A, 25, Tramvainaya str., Krasnodar, area: 202.8 sq. m	Rent	31.03.2010	27.01.2014	Prolongation is possible
Part of non-residential premises in Lit. A, 2, Stavropolskaya str., Krasnodar, Area: 1.2 sq. m	Rent	28.02.2012	На 3 года	
Part of non-residential premises at 42, Konstitutsii pl., Sochi, area: 1.2 sq. m	Rent	01.10.2007	30.08.2013	Prolongation is possible
Part of non-residential premises office 104 at 42, Konstitutsii str., Sochi, area: 1.2 sq. m	Rent	01.10.2007	31.08.2013	Prolongation is possible
Part of non-residential premises at: 42, Konstitutsiya USSR str., Sochi, 147 Kalarash str., Lazarevskoe village, Sochi, area:	Rent	01.06.2011	30.11.2013	Prolongation is possible
Providing services for the arrangement of reinforcement and fiber-optic cables on poles of power lines, Sochi	Rent	01.04.2011	28.02.2014	Prolongation is possible
Facilities and power transmission towers	Rent	01.09.2011	31.07.2013	Prolongation is possible

0.4-10kW, the length of 67.8 km				
Part of the non-residential premises at office 32, letter A, 42, Constitution of the USSR str., control room, area 0.36 sq. m	Rent	01.06.2011	30.11.2013	Prolongation is possible
Providing services for the provision of fiber in a fiber-optic. cable transmission line and substation Golovinka - substation Volkonka – substation Lazarevskiy RES	Rent	01.06.2011	30.11.2013	Prolongation is possible
Real estate, control room, lit A, office. 32, area 1.32 sq. m and repair production capacities lit A, Room 47, 147/B Kalarash str., Lazarevskiy district, area: 1.32 sq. m	Rent	01.06.2011	31.05.2013	Prolongation is possible
Part of non-residential premises at 42, Konstitutsii pl., Sochi, area: 1.2 sq. m	Rent	01.09.2011	30.06.2013	Prolongation is possible
Non-residential premises number 3, 4,5,6,7,8,9,10 at 1, Elektricheskiy lane, Sochi	Rent	10.09.2011	31.07.2013	Prolongation is possible
Utility room number 15 area 4.3	Rent	01.11.2008	30.09.2013	Prolongation is possible

sq.m. in the building of the letter "Z", 42, Constitution of USSR str., Sochi				
Rooms Nos. 211, 212, 213, 214, 214/1, 214/2 in building: D, Stavropolskaya str., Krasnodar, Block 4, area: 54.2 sq. m	Rent	01.12.2007	30.10.2013	Prolongation is possible
Premises on the territory of substation "Rodnikovaya" and substation "Vereshaginskaya", total square 1.2 sq. m	Rent	23.11.2010	30.09.2013	Prolongation is possible
Premises located at: 358, Shovgenov street, Maikop, total square 0.72 sq. m	Rent	11.10.2010	31.08.2013	Prolongation is possible
Premises at: 358, Shovgenev str., Maikop, RA, area 21.9 sq. m	Rent	01.12.2011	31.10.2013	Prolongation is possible
Premises at: letter A, 49, Stroitel'naya str., Slavyansk-na-Kubani, area 12.2 and at 137a, Street named after K. Marks, Temryuk, area 17.1 sq. m	Rent	02.04.2012	01.03.2014	Prolongation is possible
Part of corridor No. 1, located at: 71/A1, Sovetskaya street, village Pavlovskaya, Pavlovskiy district, Krasnodar region, total square 61.6 sq. m	Rent	18.06.2007	31.07.2013	Prolongation is possible
Site for installation of electric tower with antenna and feeder equipment, 74, Gagarina ul., Yablonovsky vill., area: 14.3 sq. m	Rent	19.07.2005	30.06.2013	Prolongation is possible

Radio mast, 30, Tabachnaya ul., Saratovskaya ul., area; 6 sq. m	Rent	01.04.2003	До расторжения	Prolongation is possible
Part of premises according to contract, area 21.6 sq. m	Rent	31.07.2007	31.08.2013	Prolongation is possible
Premises located at: 1a, Industrialnaya street, Apsheronsk, total square 12.5 sq. m	Rent	10.03.2011	31.12.2014	Prolongation is possible
Antenna and mast construction with platform located at: 1A, Lugovaya street Kurganinsk and 1, 50 years of VLKSM street, village Novoalekseevskaya, total square 19 sq. m	Rent	01.06.2008	31.08.2013	Prolongation is possible
Premises No. 6 located at: 1, Eastern spillway, Novorossiysk, total square 2,5 sq. m	Rent	19.04.2009	31.12.2014	Prolongation is possible
Garage-premises located at: 176B, Lenin street, Timashevsk, Krasnodar region, total square 30.1 sq. m	Rent	01.08.2008	28.02.2014	Prolongation is possible
Premises located at: 5, Stroitelnyi lane, Anapa, total square 9.2 sq. m	Rent	30.09.2008	31.07.2013	Prolongation is possible
Energy accounting meter installation sites according to appendix, total square 5.2 sq. M	Rent	30.01.2010	31.10.2013	Prolongation is possible
Premises located at: 176, Lenin street, Timashevsk, total square 2 sq. m	Rent	01.06.2007	31.10.2013	Prolongation is possible
The building of control room and outbuildings lit.2B, 19, Street named after Sakko and Vanzetti, Novorossiysk, area,	Rent	05.08.2011	30.06.2013	Prolongation is possible

1.98 sq. m				
Premises No. 1 in building of control room, lit. B, 19, Street named after Sakko and Vanzetti, Novorossiysk, area 10.54 sq. m	Rent	20.09.2011	31.07.2013	Prolongation is possible
Nonresidential premises located at: 91, Shirokaya street, Dinskaya village, Krasnodar region, total square 7 sq. m	Rent	10.03.2011	31.11.2013	Prolongation is possible
Premises located at: 47, Novorossiyskaya streetm Krasnodar, total square 23.8 sq. m	Rent	01.02.2011	30.11.2013	Prolongation is possible
Concrete flumes for holding 2 electrical lines, length 700 m, substation 110/35 "Naberezhnaya"	Rent	01.09.2009	31.07.2013	Prolongation is possible
Concrete flumes for holding 2 electrical lines, length 700 m, substation 110/35 "Naberezhnaya"	Rent	01.04.2010	31.12.2014	Prolongation is possible

IV. Information on issuer's business activity

4.1. Results of business activity

Dynamics of indicators showing the issuer's business activity, including its profitability and loss

Standard (rules) applied for making the accounting report: RAS

Unit of measurement for the sum of uncovered loss: thousand rubles

Indicator	2012	2013, 3 months
Net Profit, %	-6.76	-10.27
Asset turnover ratio, times	0.65	0.17
Profitability of assets, %	-4.42	-1.78
Profitability of internal capital,	-14.2	-5.14

%		
Sum of non-covered loss as of reporting date	9 481 984	10 254 350
Ratio of non-covered loss as of reporting date and balance currency	22.1	23.7

All indicators are calculated on the basis of recommended methods of accounting

Economic analysis of the liquidity and solvency of the issuer, the issuer's capital adequacy for fulfillment of the short-term liabilities and to cover current operating expenses based on the economic analysis of the specified parameters describing the factors which, in the opinion of the issuer, had the most significant effect on the liquidity and solvency of the issuer:

By the results of 2012 “Kubanenergo” JSC got a loss in the amount of 1 901.5 million rubles, the main reason for the increase of loss is the change in the beginning of 2012 of the terms of contracts for the provision of transmission services with a suppliers of electrical power.

Return on assets and equity by the results of 2012 are negative due to the presence of a net loss by the results of the year:

- Return on equity for the reporting period increased by 1.94 points to “minus” 14.20%. Significant impact on the growth of this indicator in the reporting period was the impact of increase in equity of the Company as a result of the issuance of additional shares of “Kubanenergo” JSC.

The low rate of capital turnover is related to the specific core business of the Company: the proportion of non-current assets in the asset balance is more than 72%.

Opinions of the issuer’s management bodies on the causes or their effects on the financial and economic activities are not the same: None

Member of the Board of Directors (Supervisory Board) of the Issuer, or a member of the collegial executive body that has a special opinion on the reasons and/or their impact on the financial performance of the issuer, as reflected in the minutes of the meeting (session) of the Board of Directors (Supervisory Board) of the Issuer or the collective executive body, which considered the relevant issues, and insists on such a view in the quarterly report: None

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

Dynamics of indicators showing the issuer’s liquidity

Standard (rules) applied for making the accounting report: RAS

Unit of measurement for the sum of net fixed assets index: thousand rubles

Indicator	2012	2013, 3 months
Net fixed assets index	-9 661 807	-11 795 957
Current liquidity ratio	0.52	0.44
Quick liquidity ratio	0.42	0.34

By issuers decision the dynamics if indicators characterizing issuer's liquidity is additionally disclosed, the indicators are compiled on the basis of data of consolidated accounting report which is included in the quarterly report: no

All indicators are calculated on the basis of recommended methods of accounting: *yes*

Economic analysis of the liquidity and solvency of the issuer, the issuer's capital adequacy for fulfillment of the short-term liabilities and to cover current operating expenses based on the economic analysis of the specified parameters describing the factors which, in the opinion of the issuer, had the most significant effect on the liquidity and solvency of the issuer:

The indicator "Net working capital" reduced in 2012 in comparison to 2011 by 7 605 037 rubles due to an increase in accounts payable and short-term loans (loans) because of the transfer of long-term loans in the short-term loans.

By the results of 1st quarter of 2013 the indicator dropped to "minus"11 800 million rubles, which is caused by the reduction in funds by 35.7% due to the financing of the Olympic facilities with an increase in accounts receivable from operating activities related to the Company's loss ratio.

The current ratio allows setting out what the multiplicity of current assets cover current liabilities. The quick ratio shows how much the most liquid assets cover the current liabilities of the organization. The decline in liquidity is due to an increase in accounts receivable.

Opinions of the issuer's management bodies on the causes or their effects on the financial and economic activities are not the same: None

Member of the Board of Directors (Supervisory Board) of the Issuer, or a member of the collegial executive body that has a special opinion on the reasons and/or their impact on the financial performance of the issuer, as reflected in the minutes of the meeting (session) of the Board of Directors (Supervisory Board) of the Issuer or the collective executive body, which considered the relevant issues, and insists on such a view in the quarterly report: None

4.3. Financial investments of the Issuer

For 2012

The list of the Issuer's financial investments, representing 5 or more percent of all financial investments as of the end of the reporting period

Investments in the emissive securities

Form of securities: **shares**

The Issuer's full business name: **Recreation Centre Plamya Open Joint-Stock Company**

The Issuer's abbreviated business name: **RC Plamya, OJSC**

Issuer's location: **Novomikhailovsky-2 vill., Tuapse district, Krasnodar Territory, 352856**

TIN: **2365000589**

PSRN: **1042330761274**

Date of state registration of the issue (issues)	Registration number	Registering Authority
21.12.2004	1-01-34134-E	Direction of the Russian Federal Securities Commission for the Southern Federal District
30.01.2012.	1-01-34134-E	Direction of the Russian Federal Securities Commission for the Southern Federal District
06.11.2012	1-03-34134-E	Direction of the Russian Federal Securities Commission for the Southern Federal District

Number of securities owned by the Issuer: 19 288 083

The total nominal value of securities owned by the Issuer: 14 466 062.25 RUR x 1

The total book value of securities owned by the Issuer: 17.234.214

Unit: **rubles**

The issuer of the securities is a child, and (or) dependent company of the issuer, that have drawn up this quarterly report.

By results of 2011 no dividends were declared and paid.

Additional information:

28.02.2012 Federal Financial Markets Service of Russia in the PO OL registered the report about the issue of securities of "RC "Plamya" - uncertificated registered ordinary shares of nominal value 75 kopeks each, the method of placement: conversion into shares of smaller nominal value. There are currently state registration of amendments to the charter of the "RC "Plamya" JSC, associated with a decreasing of share capital.

Type of securities: **shares**

The full name of the Issuer: "Recreation centre "Energetik", JSC

Abbreviated name of the Issuer: "R/c "Energetik"

Address of the Issuer: **4, Pionerskaya street, village Divnomorskoe, Gelendzhik, Krasnodar region, 353490**

TIN: **2304041820**

PSRN: **1042301876495**

Date of state registration of the issue	Registration number	Registering Authority
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(issues)		
27.12.2004	1-01-34137-E	Direction of the Russian Federal Securities Commission for the Southern Federal District

Number of securities owned by the Issuer: **39 845 257**

Total face value of the securities owned by the Issuer: **39 845 257**

Currency: **RUR**

Total book value of the securities owned by the Issuer, RUR: **45 586 704 13**

Currency: **RUR**

The issuer of securities is affiliated and (or) dependent company of the issuer that prepared the report

By the results of 2012, the dividends were not declared and paid.

Additional information:

Investments in non-emission securities

The issuer made a reserve for possible losses from investments in securities

The quantity of provision for impairment of securities at the beginning and end of the last completed fiscal year before the expiry date of the last reporting quarter:

In accordance with the Russian Accounting Standard (RAS) "Accounting of investments" RAS19/02 approved by the Ministry of Finance of the Russian Federation on 10.12.2002 No. 126n (hereinafter - RAS 19/02), Regulation on the accounting policy of Kubanenergo JSC in 2012 approved by Company's order on 26.12.2011 No. 1135, commission of checking for impairment of financial investments of "Kubanenergo" created by order of "Kubanenergo" dated January 17, 2013 No. 22 "On the inspection on presence of impairment of financial investments", "Kubanenergo" carried out a check for impairment of financial investments as of 31 December 2012 and the results of test set as follows: as of December 31, 2012 it seems appropriate not to change the reserve created on 31 December 2011 in the amount of 17 236 thousand rubles

Other financial investments

There are no other financial investments that make up more than 5 percent of all investments.

Information about the magnitude of potential losses associated with the bankruptcy of organizations (enterprises), in which investments were made, for each type of investment: **no**

Information about losses is provided in the evaluation of the issuer's financial investments, as reflected in the issuer's financial statements for the period from

the beginning of the year to the end of the last reporting quarter.

Standards (rules) of accounting reports, under which the issuer made the calculations reflected in this paragraph of quarterly report: **“Financial reports of the organization”, approved by order of Ministry of Finance of Russian Federation, RAS 19/02, “Accounting of investments”, approved by order of the Ministry of Finance of Russian Federation dated 10.12.2002 No. 126n.**

Contributions to the charter capital of other organizations are recognized as financial investments of the organization and are accounted at sum of actual costs of investor, i.e. at the value of contributed assets on which they are recorded in the balance sheet of the investor.

Financial investments, on which the current market value is not determined, are to be reflected in the accounting records and financial statements at the balance sheet at initial cost (paragraph 21 of Regulation on Accounting 19/02).

Financial investments, which make possible to determine the current market value are recognized in the financial statements at the end of the year at the current market value by adjusting their estimates for the previous reporting date (paragraph 20 PBU 19/02).

Debt securities are accounted at the cost of purchase. The difference between the acquisition cost and the nominal value of the securities should be included in other income and expenses.

At the date of the end of reporting quarter

List of Issuer's financial investments, which constitute more than 5 percent of all its investments at the date of the reporting period.

Issue-grade securities investments

Kind of securities: **shares**

Issuer's full business name: **Open Joint-Stock Company “Recreation Centre “Plamya”**

Issuer's abbreviated business name: **OJSC “RC Plamya”**

Issuer's location: **352856, Krasnodar Territory, Tuapse District, Novomikhaylovsky Settlement 2**

ИИН: **2365000589**

ОГРН: **1042330761274**

Date of state registration of the issue(s)	Registration number	Registering Body
21.12.2004	1-01-34134-E	Regional Division of the Federal Financial Markets Service of Russia in

		the Southern Federal District
30.01.2012	1-02-34134-E	Regional Division of the Federal Financial Markets Service of Russia in the Southern Federal District
06.11.2012	1-03-34134-E	Regional Division of the Federal Financial Markets Service of Russia in the Southern Federal District

Number of securities owned by the Issuer: **19,288,083**

Total nominal value of securities owned by the Issuer: **102226,84 RUR x 1**

Total nominal value of securities owned by the Issuer: **17 236**

Currency: **RUR**

The issuer of the securities is a affiliated, and (or) a dependent company of the issuer that have drawn up this quarterly report:

By results of the 1st quarter of 2013 the dividend is not declared and not paid.

Additional information:

08.02.2013 Federal Financial Markets Service of Russia in the PO OL registered the report on the issue of securities of "RC "Plamya" JSC - uncertificated registered ordinary shares of nominal value 0.0053 kopeks each, the method of placement: conversion into shares of smaller nominal value.

On 03.04.2013 state registration of changes to Charter of recreation centre "Plamya" JSC related with decrease of authorized capital was performed.

Type of securities: **shares.**

The full name of the Issuer: Joint-stock company "Recreation centre "Energetik".

Abbreviated name of the issuer: "RC "Energetik" JSC.

Address of the issuer: 4, Pionerskaya street, village Divnomorskoe, Gelendzhik, Krasnodar region, 353490.

TIN: **2304041820**

PSRN: **1042301876495**

State registration date of issue (issues)	Registration number	The registration authority
27.12.2004	1-01-34137-E	RO Russian Federal Financial Markets

Number of securities owned by the Issuer: 39 845 257

The total nominal value of securities owned by the issuer: 39 845 257 RUR
x 1

The total book value of securities owned by the issuer: 45 586 704.13

Unit: **thousand rubles.**

The issuer of the securities is a child, and (or) a dependent company of the issuer that have drawn up this quarterly report.

By results of 2012 and the 1st quarter of 2013 dividends are not declared and not paid.

Additional information: **No.**

Investments in non-emission securities

The issuer made a reserve for possible losses from investments in securities

The quantity of provision for impairment of securities at the beginning and end of the last completed fiscal year before the expiry date of the last reporting quarter:

In accordance with the Russian Accounting Standard (RAS) “Accounting of investments” RAS19/02 approved by the Ministry of Finance of the Russian Federation on 10.12.2002 No. 126n (hereinafter - RAS 19/02), Regulation on the accounting policy of Kubanenergo JSC in 2012 approved by Company’s order on 26.12.2011 No. 1135, commission of checking for impairment of financial investments of “Kubanenergo” created by order of “Kubanenergo” dated January 17, 2013 No. 22 “On the inspection on presence of impairment of financial investments”, “Kubanenergo” carried out a check for impairment of financial investments as of 31 December 2012 and the results of test set as follows: as of December 31, 2012 it seems appropriate not to change the reserve created on 31 December 2012 in the amount of 17 236 thousand rubles

Other financial investments

There are no other financial investments that make up more than 5 percent of all investments.

Information about the magnitude of potential losses associated with the bankruptcy of organizations (enterprises), in which investments were made, for each type of investment:

The potential losses associated with the bankruptcy of organizations (enterprises), in which investments have been made do not exceed the size of the book value of such investments.

Standards (rules) of accounting reports, under which the issuer made the calculations reflected in this paragraph of quarterly report: **“Financial reports of the organization”, approved by order of Ministry of Finance of Russian Federation, RAS 19/02, “Accounting of investments”, approved by order of the Ministry of Finance of Russian Federation dated 10.12.2002 No. 126n.**

Contributions to the charter capital of other organizations are recognized as financial investments of the organization and are accounted at sum of actual costs of investor, i.e. at the value of contributed assets on which they are recorded in the balance sheet of the investor.

Financial investments, on which the current market value is not determined, are to be reflected in the accounting records and financial statements at the balance sheet at initial cost (paragraph 21 of Regulation on Accounting 19/02).

Financial investments, which make possible to determine the current market value are recognized in the financial statements at the end of the year at the current market value by adjusting their estimates for the previous reporting date (paragraph 20 PBU 19/02).

Debt securities are accounted at the cost of purchase. The difference between the acquisition cost and the nominal value of the securities should be included in other income and expenses.

4.4. Intangible assets

For 2012

Unit of measurement: thousand rubles

Intangible assets	Initial cost	Depreciation
Other intangible assets	19 661	0
Total	19 661	0

Standards (rules) of accounting, under which the issuer provides information on its intangible assets:

Accounting of intangible assets in accordance with the Order of Ministry of Finance of Russian Federation dated 27.12.2007 No. 153n “About approval of Accounting “Accounting of Intangible Assets” (RAS 14/2007).”

Reporting date: **31.12.2012**

At the date of the reporting quarter

Unit: **thousand rubles.**

Intangible assets	Initial cost	Depreciation
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Other intangible assets	22 012	1 639
Total		

Standards (rules) of accounting, under which the issuer provides information on its intangible assets:

Accounting of intangible assets in accordance with the Order of Ministry of Finance of Russian Federation dated 27.12.2007 No. 153n "About approval of accounting "Accounting of Intangible Assets" (RAS 14/2007)."

Reporting date: **31.03.2013**

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

Information on the Issuer's policy in the field of scientific and technical development for the reporting period including disclosure of costs in connection with scientific and technical activity carried out at the expense of the Issuer's proprietary assets:

The Company's policy in the field of scientific and technical development is aimed at increase of reliability of energy equipment operation, cost-effectiveness and environmental safety of the Company's core energy facilities activity.

The Innovative Development Program of "Kubanenergo" JSC was approved by decision of the Board of Directors of "Kubanenergo" JSC on 29.07.2011 (with following changes dd. 15.06.2012). The Company's R&D Plan for 2012 covers 10 projects, 4 projects have been implemented in 2012.

The amount of funding for the implementation of the Plan of R&D works of "Kubanenergo" amounted to 54.818 million rubles (including VAT) in 2012. Allocation of costs under line "Expenditure on innovation" was not carried out in 2012.

Draft Plan of R&D works in 2013 contains 9 projects, among them 3 are restarted. The planned volume of funding in 2013 is 37.71 million rubles (including VAT). In the 1st quarter of 2013 R&D activities have been financed in the amount of 850 rubles – the payment of state duty for registration of an application for a patent for utility model of the Russian Federation "Device of adaptive backup protection of transformers of tapping stations".

The planned sum of costs on line "The costs of innovation" in 2013 is 11 964 million rubles (VAT excluded). In the 1st quarter of 2013 the costs accounted were 1 886 million rubles (VAT excluded).

Information on the creation and acquisition by the Issuer of legal protection of intellectual property rights (including the date of issue and the duration of patents for invention, utility model or industrial design, the state registration of

trademarks and service marks, appellations of origin):

On 05.03.2013 the Federal Institute of Industrial Property (FIPS) approved the application for a patent for utility model of the Russian Federation: “Device of adaptive backup protection of transformers of tapping stations”.

The main directions and results of use of main for the issuer intellectual property objects:

In the reporting period the Company adopted the balance of the following intangible assets:

UV diagnostic system and insulation on 35-110 kV substation –system of detection at electrical insulation of corona discharge and electric arc in conditions of daylight at 35-110 kV substations and overhead lines; the system allows to determine the condition of the equipment and to predict when equipment needs a repair, to identify the malfunction of component and the possibility of failure, the exact location of the corona source. This reduces the cost of identifying the damaged component (December 2012).

Research of project “long-term development schemes of Kubanenergo JSC electric grid of 35 kV and higher” for the period of 2012-2017 with an outlook to 2022 – the aim of the work is the choice of schemes and justification of the perspective ways of development of 35-110 kV electric networks of the Company with regard of strategic directions of development of the economy of Krasnodar region and the Republic of Adygea. In the result of work the volume of new construction, expansion and upgrade of grids of 35 kV and higher for the period 2012-2017 with an outlook to 2022 (December 2012) were determined.

Microprocessor-based adaptive fine protection of local and remote backup of transformer of tap-ping and transmission substations fulfills functions of local and remote backup of transformers of relatively small capacity of 2.5-25 MVA. Provides high sensitivity to short-circuits for transformers by detecting emergency operation against a comparable level of load currents start of electric motors, the influence of transition resistance arc (March 2013).

Risk factors associated with the possible expiry of the basic patents, licenses for the use of trademarks:

There are no risks associated with the expiration of the patents and licenses for the use of trademarks in the Issuer.

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:

- Underestimation of the volumes of technological losses included into the tariff as normative losses against the losses as determined by production calculations;
- 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.

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 as a mountain climatic resort with a prospect for arrangement of 2014 Winter Olympic Games.

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.

Members of the Board of Directors and of the Collegial Executive Body (Management Board) have no particular opinion of the information provided as recorded in the Minutes of the session of the Board of Directors whereat the corresponding issues were considered.

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.

Under the conditions of the Issuer involvement in a monopolistic type of activity (provision of electric energy transmission services), no changes are expected in the nearest future as related to powers for regulation of tariffs for electric energy transmission services.

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

- Underestimation of the volumes of technological losses included into the tariff as normative losses against the losses as determined by production calculations

- 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.

Development of the infrastructure of the Krasnodar Territory and Republic of Adygea, construction of oil-and gas and chemical industry facilities, transshipment complexes, transport networks of the region, reconstruction of seaports and development of resort business in the Black and Azov Seas

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

coastline area are accompanied by growth of electric energy consumption.

The economy of the Territory emerging from the current financial crisis entails growth of risks for reliability of electric power supply to consumers and of the threat to stable work of the energy system due to overload of electric energy transmission lines and transformers (autotransformers) in steady normal and post-emergency modes..

The situation is aggravated by continuing ageing of energy equipment. The quantity of equipment, buildings and structures having outlived usefulness and subject to substitution, reconstruction and technical re-equipment increases.

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.

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.

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.

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.

Also by the end of 2013 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;
- Growth of inflation (actual growth exceeding the forecast);
- Changes in tariffs on electricity;
- 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.

4.6.2. Issuer's Competitors

“Kubanenergo” JSC carries out one’s activity in conditions of natural monopoly, performing electric energy transmission to consumers connected to the grids of interfacing grid organizations. The risk of occurrence of competition for “Kubanenergo” JSC is possible only in case if “FGC UES” JSC signs independent contracts for provision of electric energy transmission services with consumers territorially located within the responsibility zone of “Kubanenergo” JSC, their power receiver devices connected to “FGC UES” JSC grids..

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

Full description of the structure of Management Bodies of the Issuer and their competences in accordance with the Issuer’s Charter (constituent documents): In accordance with “Kubanenergo” JSC Charter, the management bodies of the Company are:

- The General Meeting of Shareholders;
- The Board of Directors;
- The Management Board (Collegial Executive Body of the Company);
- General Director (Sole Executive Body of the Company).

The General Meeting of Shareholders is the Supreme Management Body of the Company.

General management of the Company’s activity is carried out by the Board of Directors.

General Director and the Management Board of the Company carry out management of current activity of the Company.

Issues referred by the Company Charter to the competence of the General Meeting of Shareholders of the Issuer:

In accordance with “Kubanenergo” JSC Charter, the following issues are referred to the competence of the General Meeting of Shareholders:

- 1) Introduction of amendments and additions to the Charter or approval of restated Charter;
- 2) The Company reorganization;
- 3) The Company liquidation, appointment of a liquidation commission and approval of the provisional and final liquidation balance-sheets;
- 4) Determination of the quantity, nominal value and category (type) of declared shares and rights granted under such shares;

- 5) Increase of the authorized capital of the Company by way of increase of the nominal value of shares or by way of placement of additional shares;
- 6) Decrease of the authorized capital of the Company by way of decrease of the nominal value of shares, by way of partial acquisition of shares by the Company in view of their total quantity reduction as well as by way of redemption of shares having been acquired or bought out by the Company;
- 7) The Company's shares stock split or consolidation;
- 8) Taking decision on the Company's placement of bonds convertible into shares or other issue-grade securities convertible to shares;
- 9) Election of members of the Board of Directors of the Company and early termination of their powers;
- 10) Election of members of the Auditing Commission of the Company and early termination of their powers;
- 11) Approval of Auditor of the Company;
- 12) Taking decision on transfer of powers of Sole Management Body of the Company to a management organization (general manager);
- 13) Approval of annual reports, annual accounting statements including profit and loss statements (profit and loss account) of the Company as well as allocation of profit (including dividend payment (announcement, except for profit allocated as dividend following the results of the first quarter, half or nine months of a financial year) and loss of the Company following the results of financial year;
- 13.1) Payment (announcement) of dividend following the results of the first quarter, half or nine months of a financial year;
- 14) Determination of the arrangement procedure the General Meeting of Shareholders of the Company;
- 15) Taking decision on approval of transactions in cases stipulated by Article 83 of Federal Law "On Joint-Stock Companies";
- 16) Taking decision on approval of major transactions in cases stipulated by Article 79 of Federal Law "On Joint-Stock Companies";
- 17) Taking decision on participation in financial-and-industrial groups, associations or other unions of commercial organizations;
- 18) Approval of in-house documents regulating activity of the Company's bodies;
- 19) Taking decision on payment of rewards and/or compensations to the members of the Auditing Commission of the Company;
- 20) Taking decision on payment of rewards and/or compensations to the members of the Board of Directors of the Company;
- 21) Resolution of other issuers stipulated by Federal Law "On Joint-Stock Companies".

Issues referred by the Company Charter to the competence of the Board of Directors of the Issuer:

In accordance with "Kubanenergo" JSC Charter, the following issues are

referred to the competence of the Board of Directors of the Company:

- 1) Identification of priority aspects of the Company's activities and the Company development strategy;
- 2) Convention of the annual and extraordinary General Meetings of Shareholders of the Company except for cases stipulated by Clause 14.8 Article 14 of the Charter as well as announcement of the date of the General Meeting of Shareholders newly arranged in place of a meeting having failed to take place due to absence of quorum;
- 3) Approval of the agenda of General Meeting of Shareholders of the Company;
- 4) Election of Secretary of the General Meeting of Shareholders;
- 5) Determination of the date of generation of the list of persons having the right to participate in the General Meeting of Shareholders, approval of the estimate of costs of arrangement of the General Meeting of Shareholders of the Company and resolution of other issues related to preparation for and arrangement of the General Meeting of Shareholders of the Company;
- 6) Submittal of issues stipulated by sub-clauses 2, 5, 7, 8, 12-20 Clause 10.2 Article 10 of the Charter for decision by the General Meeting of Shareholders of the Company as well as decrease of the authorized capital by way of decrease of the nominal value of shares;
- 7) Placement of bonds and other issue-grade securities by the Company except for cases stipulated by Federal Law "On Joint-Stock Companies" and the Charter of the Company;
- 8) Approval of decision on issue (additional issue) of securities, a securities prospectus and a report on results of issue (additional issue) of securities, approval of reports on results of acquisition of shares from shareholders of the Company, reports on results of redemption of shares and reports on results of claims having been launched by shareholders of the Company for buyout of shares as may be held by them;
- 9) Determination of the price (monetary estimate) of property, price of placement and buyout of issue-grade securities in cases stipulated by Federal Law "On Joint-Stock Companies" as well as during resolution of issue specified in sub-clauses 21 and 38 Clause 15.1 of the Charter;
- 10) Acquisition of shares, bonds and other securities placed by the Company in cases stipulated by Federal Law "On Joint-Stock Companies";
- 11) Alienation (marketing) of shares of the Company which have come into the disposal of the Company as a result of their acquisition or buyout from shareholders of the Company as well as in other cases stipulated by Federal Law "On Joint-Stock Companies";
- 12) Election of General Director of the Company and early termination of one's powers including taking decision on early termination of a labour contract with General Director;
- 13) Determination of the number of members of the Management Board of the Company, election of members of the Management Board of the Company, establishment of the amounts of rewards and compensations payable to them and early termination of their powers;

- 14) Recommendations to the General Meeting of Shareholders of the Company on the amounts of rewards and compensations payable to members of the Auditing Commission of the Company and determination of the amount of payment for Auditor's services;
- 15) Recommendation on the amount of dividend on shares and on its payment procedure;
- 16) Approval of in-house documents of the Company determining the procedure of the Company's funds accumulation and use;
- 17) Taking decision on use of Company's assets; approval of estimates of use of special purpose funds assets and consideration of the results of fulfilment of the estimates of use of special purpose funds assets;
- 18) Approval of in-house documents of the Company except for the in-house documents approval whereof is referred to the competence of the General Meeting of Shareholders as well as other in-house documents approval whereof is referred to the competence of the executive bodies of the Company;
- 19) Approval of the Business Plan (corrected Business Plan) including the investment program and a report on their fulfilment, approval (correction) of the list and values of the Company's cash flow benchmarks;
- 19.1) On consideration of the investment program, including amendments thereto;
- 20) Establishment and opening of the Company's branches and representative offices and their liquidation;
- 20.1) Introduction of amendments to the Company Charter related to foundation of branches, opening of the Company's representative offices (including amendments to details of names and locations of branches and representative offices of the Company) and their liquidation;
- 21) Taking decision on the Company's participation of in other organizations (on joining an existing organization or establishing a new one including coordination of constituent documents) as well as on acquisition, alienation and encumbrance on shares or stakes in authorized capitals of organizations wherein the Company participates, change of the participatory stake in the authorized capital of the corresponding organization and termination of the Company's participation in other organizations;
- 22) Determination of the credit policy of the Company to the extent of the Company providing accommodations, concluding credit and loan contracts, granting sureties, assuming liabilities under a promissory note (issue of simple or exchangeable promissory notes), pledging property and taking decisions on the Company effecting the mentioned transactions in cases when the procedure for taking decisions thereon is not determined by credit policy of the Company as well as taking decisions on bringing the Company debt position in accordance with the limits established by credit policy of the Company in compliance with the procedure determined by credit policy of the Company;
- 23) Approval of major transactions in cases stipulated by Chapter X of Federal Law "On Joint-Stock Companies";
- 24) Approval of transactions stipulated by Chapter XI of Federal Law "On Joint-

Stock Companies”;

25) Approval of the Registrar of the Company, terms and conditions of the contract with one as well as termination of such contract;

26) Election of Chairman of the Board of Directors of the Company and early termination of one’s powers;

27) Election of Deputy Chairman of the Board of Directors of the Company and early termination of one’s powers;

28) Election of Corporate Secretary of the Company and early termination of one’s powers;

29) Preliminary endorsement of decisions on the Company effecting transactions dealing with gratuitous transfer of Company's property or transfer of property rights (claims) to oneself or to a third party; transactions dealing with release from property liability to oneself or to a third party; transactions dealing with gratuitous provision of services (performance of works) to third parties in cases (in the amount) as determined by individual decisions of the Board of Directors of the Company, as well as taking decisions on the Company effecting such transactions when the abovementioned cases (amounts) are not determined;

30) Introduction of changes into the general structure of the Company's Executive Staff;

31) Taking decision on suspension of powers of a management organization (general manager);

32) Taking decision on appointment of Acting General Director of the Company as well as bringing one to disciplinary responsibility;

33) Bringing General Director of the Company and members of the Management Board to disciplinary responsibility and their encouragement as required by the labour legislation of the Russian Federation;

34) Consideration of General Director’s reports on the Company’s activity (including to the extent of one discharging one’s official obligations), on fulfilment of decisions of the General Meeting of Shareholders and of the Board of Directors of the Company;

35) Approval of the procedure of the Company’s interaction with organizations wherein the Company participates;

36) Determination of the opinion of the Company (representatives of the Company) of the following issues as may be on agendas of General Meetings of Shareholders (Participants) and sessions of Boards of Directors of subsidiary and dependent companies (hereinafter referred to as “SDCs”) including instruction to participate or not to participate in voting on agenda issue or to vote as “FOR”, “AGAINST” or “ABSTAINED” on draft decisions):

a) On determination of the agenda of a general meeting of shareholders (participants) of SDC;

b) On reorganization or liquidation of SDC;

c) On determination of the number of members of the board of directors of SDC, nomination and election of members of such board of directors and early termination of their powers;

- d) On determination of quantity, nominal value, category (type) of announced shares of SDC and rights thereunder;
 - e) On increase of the authorized capital of SDC by way of increase of the nominal value of shares or by way of additional shares placement;
 - f) On placement of SDC securities convertible into ordinary shares;
 - g) On split or consolidation of SDC shares stock;
 - h) On approval of major transactions effected by SDCs;
 - i) On SDC participation in other organizations (joining an existing organization or founding a new one) as well as on acquisition, alienation and encumbrance of shares or stakes in authorized capitals of organizations wherein SDC participates, change of the participatory stake in the authorized capital of the corresponding organization;
 - j) On SDC effecting transactions (including multiple associated transactions) dealing with alienation or possible alienation of properties representing fixed assets, intangible assets, facilities under construction the purpose of use whereof consists in production, transmission, dispatching or distribution of electric or thermal energy in cases (in the amount) determined by the procedure of the Company's interaction with organizations wherein the Company participates as approved by the Board of Directors of the Company;
 - k) On introduction of amendments and additions to constituent documents of ADC;
 - l) On approval of the procedure for payment of rewards to members of the board of directors and auditing commissions of SDC;
 - m) On approval of the Business Plan (corrected Business Plan) including the investment plan and quarterly report on their fulfilment;
 - n) on consideration of the investment program including amendments thereto;
 - o) on approval of target values of key performance indicators (corrected target values of key performance indicators);
 - p) On approval of the report on achievement of target annual and quarterly values of key performance indicators;
 - q) On approval (consideration) of the Business Plan fulfilment report;
 - r) On approval of allocation of profit and loss following the financial year results;
 - s) On recommendations on the amount of dividend on shares and dividend payout procedure;
 - t) On payment (announcement) of dividend following the results of the first quarter, half or nine months of a financial year as well following the results of a financial year;
 - u) On approval (consideration) of the investment program performance report.
- 37) Determination of the opinion of the Company (representatives of the Company) of the following issues as may be on agendas of sessions of Boards of Directors of SDCs (including instruction to participate or not to participate in voting on agenda issue or to vote as "FOR", "AGAINST" or "ABSTAINED" on draft decisions):
- a) On determination of the opinion of SDC representatives of issues as may be

on agendas of General Meetings of Shareholders (Participants) and sessions of Boards of Directors of SDC subsidiary and dependent companies related to effecting (approval) of transactions (including multiple associated transactions) dealing with alienation or possible alienation of properties representing fixed assets, intangible assets, facilities under construction the purpose of use whereof consists in production, transmission, dispatching or distribution of electric or thermal energy in cases (in the amount) determined by the procedure of the Company's interaction with organizations wherein the Company participates as approved by the Board of Directors of the Company;

b) On determination of the opinion of SDC representatives of issues as may be on agendas of General Meetings of Shareholders (Participants) and sessions of Boards of Directors of SDC subsidiary and dependent companies engaged in production, transmission, dispatching or distribution of electric or thermal energy as related to their reorganization, liquidation, increase of authorized capitals of such companies by way of increasing the nominal value of shares or by way of placement of additional shares or securities convertible into ordinary shares;

38) Preliminary endorsement of decisions on the Company' effecting the following transactions:

a) Transactions dealing with non-current assets of the Company in an amount of more than 10 per cent of the book value of such assets of the Company according to data of accounting statements as of the last reporting date;

b) transactions (including multiple associated transactions) related to acquisition, alienation or possible alienation of property representing fixed assets, intangible assets, facilities under construction the purpose of use whereof consists in production, transmission, dispatching or distribution of electric or thermal energy in cases (in the amount) determined by individual decisions of the Board of Directors of the Company;

c) transactions (including multiple associated transactions) related to acquisition, alienation or possible alienation of property representing fixed assets, intangible assets, facilities under construction the purpose of use whereof consists in other than production, transmission, dispatching or distribution of electric or thermal energy in cases (in the amount) determined by individual decisions of the Board of Directors of the Company;

39) Appointment of the Company representatives for participation in supreme management bodies of organizations of any organizational legal form wherein the Company participates;

40) Taking decision on the Company's nominating candidacies for election to the office of Sole Executive Body, to offices with other management and control bodies as well as the candidacy of Auditor of organizations of any organizational legal form wherein the Company participates;

- Determination of the Company insurance protection provision aspects including approval of Insurer of the Company;

42) Approval of independent appraiser(s) candidacies for determination of the value of shares, property and other assets of the Company in cases stipulated by

Federal Law “On Joint-Stock Companies”, this Charter as well as individual decisions of the Board of Directors of the Company;

43) Preliminary approval of the collective contract, contracts concluded by the Company within the framework of regulation of social and labour relations as well as approval of documents related to the Company workers state and non-state pension provision;

44) Approval of the candidacy of a financial consultant engaged in compliance with Federal Law “On Securities Market” as well of candidacies of securities issue organizers and consultants on transactions directly related to attraction of assets by way of public borrowing;

45) Preliminary endorsement of transactions that may result in emergence of liabilities expressed in terms of a foreign currency (or liabilities the amount whereof is referenced to a foreign currency) in cases and in the amount determined by individual decisions of the Board of Directors of the Company as well as if such cases (amounts) are not determined by the Board of Directors of the Company;

46) Determination of the procurement policy of the Company including approval of the Regulation on the Procedure for Carrying Out Scheduled Procurement of Commodities, Works and Services, approval of Chief and members of the Central Procurement Body as well as approval of the Annual Integrated Procurement Program and taking other decisions in accordance with the approved documents of the Company regulating procurement activity of the Company;

47) Approval of target values (corrected values) of key performance indicators (KPIs) of the Company and reports on their achievement;

48) Taking decision on nominating General Director of the Company for decoration with State Awards;

49) Determination of the housing policy of the Company to the extent of provision of corporate support in housing conditions improvement to the Company workers in the form of subsidies, compensation for costs, non-interest bearing loans and taking decision on the Company providing such support in cases when such support provision procedure is not defined in the Company's housing policy;

50) Determination of the Company policy to the extent of improvement of reliability of the distribution electric power grid sector and other electric power grid facilities including approval of strategic programs of the Company for improvement of reliability of the distribution electric power grid sector, the distribution electric power grid sector development and safety;

51) Establishment of Committees under the Board of Directors of the Company, election of members of Committees under the Board of Directors of the Company and early termination of their powers, election of Chairmen of Committees under the Board of Directors of the Company and early termination of their powers;

52) Approval of the Regulations on Material Incentives for General Director, Regulations on Material Incentives for Top Managers of the Company; approval of the top managers list;

- 53) Coordination of candidacies for individual offices within the Company Executive Staff determined by the Board of Directors of the Company;
- 54) Other issues referred to the competence of the Board of Directors by Federal Law “On Joint-Stock Companies” and this Charter.

Items related by the Company Charter to the competence of the Management Board the Issuer:

In accordance with Kubanenergo, OJSC Charter, the following issuers are referred to the competence of the Management Board:

- 1) making decisions on the matters assigned to the competence of Supreme Management Bodies of economic organizations in which the Company owns one hundred (100) percent of authorized capital, or all voting shares of which belong to the Company (subject to sub-clauses 36 and of Clause 15.1 of Article 15 of the Charter);
- 2) preparation of reports on financial and business performance of economic organizations in which the Company owns one hundred (100) percent of authorized capital or all voting shares, and presentation of these reports for consideration by the Board of Directors;
- 3) Development and presentation for consideration of the Board of Directors of perspective plans on realization of the main directions of Company activity;
- 4) Preparation of business plan (corrected business plan) and report on the results of its fulfillment, as well as approval and correction of cash flows movement in compliance with the list and control values for Company cash flows movement adopted by the Board of Directors (with mandatory further forwarding to Company Board of Directors);
- 5) preparation of the report on financial and business performance of the Company and the report on execution by the Management Board of the decisions of the General Shareholders Meeting and of the Board of Directors of the Company;
- 6) Adoption of plans and steps for organization of training and professional development of Company personnel;
- 7) Establishment of social privileges and guarantees for Company personnel;
- 8) Decision making on effecting transactions with assets, works and services the value of which makes up from 1 to 25 percent of the balance sheet value of the Company’s assets estimated as of the date of decision on making the transaction (excluding the cases provided by sub-clause 38 of Clause 15.1 of this Charter);
- 9) Analysis of the reports of Deputy Directors General of the Company and of the heads of business subdivisions of the Company on the results of execution of the approved plans, programs and orders; analysis of reports, documents and other information on the activity of the Company and its affiliated and dependent companies;
- 10) Decision making on other matters related to the management of day-to-day activity of the Company in accordance with the decisions of the General Shareholders Meeting , meetings of the Board of Directors of the Company, as

well as matters brought for consideration of the Management Board by the General Director of the Company.

Items related by Company Charter to the competence of the Director General of the Issuer:

The competence of Kubanenergo, OJSC Director General includes all matters pertaining to management of the company's day-to-day activities, with the exception of those matters, which are referred to the competence of the Company's General Shareholders Meeting, of the Board of Directors or of the Management Board.

The Director General of the Company acts on behalf on the Company without a power of attorney, including subject to the restrictions imposed by the law of the Russian Federation in force, the Charter and the decisions of the Board of Directors of the Company:

- Ensures fulfillment of Company's plans of activity necessary for achievement of the goals of the Company;
- Organizes accounting and statements recording in the Company;
- Disposes Company's property, makes transactions on behalf of the Company, issues powers of attorney, opens settlement accounts and other accounts in banks and other credit institutions (as well as in organizations of securities market professionals, in cases stipulated in laws);
- Issues orders, approves (adopts) instructions, local normative acts and other internal documents of the Company related to the matters assigned to his competence, and gives instructions binding upon all employees of the Company;
- Approves Regulation on branches and representative offices of the Company;
- Adopts general structure of Company executive mechanism;
- Approves staff schedule and official salaries of Company employees, in accordance with the general structure of executive mechanism of the Company;
- Exercises rights and bears duties of the employer in respect of Company's employees in accordance with the labour legislation;
- Performs the functions of the Chairman of the Management Board of the Company;
- Assigns responsibilities among Deputy Directors General;
- Submits to the Board of Directors reports on financial and business activity of affiliated and dependent companies, which shares (participation interest) are owned by the Company, as well as information on other organizations wherein the Company participates, excluding the cases provided in sub-clause 2) of Clause 22.2 of Article 22 of this Charter;
- Submits Annual Report, Balance Sheet, Profit and Loss Account, Report on Distribution of Profit and Losses of the Company to the Board of Directors not later than Forty Five (45) days prior to the date of annual General Shareholders Meeting of the Company;
- Resolves other questions concerning current activities of the Company, excluding the matters assigned to the competence of the General Shareholders

Meeting, of the Board of Directors and of the Management Board of the Company;

- Is personally liable for ensuring secrecy order in the Company, including in case of organization of cipher communications;
- Is personally liable for selection of persons having access to the information representing state secret, as well as for organization of conditions in which Company employees get acquainted only with such information representing state secret, and in such amounts which, in compliance with the legislation of the Russian Federation on state secret, are necessary for execution of their job content (functions).

The Issuer has adopted (accepted) the Corporate Governance Code or any other similar document.

The information on corporate governance code or similar document: For the purpose of Issuer's management transparency, observance of standards of due corporate governance, the Board of Directors adopted Corporate Governance Code on 30.10.2006. Redrafted document dd. 06.03.2013 approved by Company's BoD (Minutes No. 154/2013 dd. 07.03.2013). Full text of the Corporate Governance Code is available on the Company's website at:

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: **Budagrין Oleg Mikhailovich**

(chairperson)

Year of birth: 1960

Education: Higher. In 1982 graduated Norilsk industry institute, faculty "Industrial and civil engineering", qualification –engineer. Ph.D. in 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		Organization	Position from
from	to		
2007	2009	Siberian Federal District	2007
2009	present day	FGC UES JSC	2009
2010	2011	"APBE" CJSC	2010
2010	present day	FGC UES JSC	2010
2011	present day	VBRR JSC	2011

2011	present day	INTER RAO UES	2011
2012	present day	Non-profit partnership “Association of solar power industry”	2012
2012	present day	Kubanenergo JSC, MOESK JSC, IDGC of Siberia JSC	2012
2012	present day	“Holding IDGC”, JSC	2012

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: **Goncharov Valeriy Anatolievich**

Year of birth: 1963

Education:

Higher engineering, Leningrad shipbuilding institute, specialization “Engineer”. Ph.D. in 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:

		Organization	Position
from	to		
2006	2012	Roszheldorsnab branch of RZhD JSC	First deputy director
2012	2012	Roszheldorproekt JSC	Director general
2012	present day	FGC UES JSC	Deputy Chairperson of Management Board
2012	present day	IDGC Holding JSC	deputy executive director on investment activity
2012	present day	Kubanenergo JSC, "IDGC of the South" JSC, "Lenenergo" JSC, "MOESK" JSC, "IDGC of the North-West" JCS	Member of Board of Directors

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Demidov, Aleksey Vladimirovich**

Year of birth: 1976

Education:

Higher economic, in 1998 graduated from Saint Petersburg Institute for Trade and Economics, speciality – “Accounting and audit”.

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		Organization	Position
from	to		
2006	2009	OJSC NK Rosneft	First Deputy Financial Director
2009	Present-day	OJSC IDGC Holding	Deputy General Director for Economy and Finance, First Deputy General Director , Deputy Executive Director in charge of Economy and Finance, Member of the Management Board
2009	2010	“IDGC of the North-West” JSC, “IDGC of the Centre and Volga region” JSC, “MOESK” JSC, “Tyumenenergo” JSC	Member of the Board of Directors
2009	2011	“IDGC of the Ural” JSC, “Managing of VOLS-VL” (up to 15.04.2011 – “Centre of calculation optimization of UES”)	Member of the Board of Directors
2009	Present day	“IDGC of Siberia” JSC	Member of the Board of Directors
2009	Present-day	OJSC IDGC of North Caucasus	Member of the Board of Directors
2009	Present-day	OJSC Lenenergo	Member of the Board of Directors
2010	Present-day	OJSC Kubanenergo	Member of the Board of Directors

2011	Present-day	OJSC Kubanenergo	Chairman of the Audit Committee under the Board of Directors
2011	2012	OJSC IDGC of North Caucasus	Acting director general
2012	Present-day	JSC IDGC of the South	Member of the Board of Directors
2012	Present-day	“IDGC of the North-West” JSC	Member of the Board of Directors
2012	Present-day	JSC Nurenergo	Member of the Board of Directors
2012	now	JSC IDGC of Centre	acting director general of “IDGC of the Centre” JSC

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Diakov Fyodor Aleksandrovcih**

Year of birth: 1958

Education:

Higher. Graduated from Kiev institute of civil aviation engineering, faculty “Radio engineering” in 1981. Doctor of 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		Organization	Position
from	to		
2006	Present -day	FGC UES JSC	Director general of branch – “Bulk power systems of the South”
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.

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Yemelin Aleksandr Sergeevich**

Year of birth: 1965

Education:

Higher. Graduated from MASI in 1988

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		Organization	Position
from	to		
2008	2010	Engineering centre “Energoauditkontrol” LLC	Director general
2010	2011	“EnergoStroyTelekom” LLC	Director general
2011	2012	NK Rosneft JSC	Deputy director department of power Economy
2012	Present-day	Kubanenergo JSC	Member of the Board of Directors
2012	Present day	“Energy systems and communications” CJSC	Adviser Director General, after - Director General

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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:

Graduated from Academy of economic security of MIA of Russia (Moscow)

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		Organization	Position
from	to		
2008	Present-day	RF Ministry of Energy	Lead consultant, counsellor, deputy head of department of federal targeted investment programme, Deputy director of Department of economic regulation and property relations in fuel and energy complex
2012	Present-day	Kubanenergo JSC, IDGC of the South JSC, Far East power managing company 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.

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Murov Andrey Evgenievich**

Year of birth: 1970

Education:

Higher. Graduated Saint-Petersburg state university, specialization “legal studies”, qualification “lawyer” in 1993; Graduated Saint-Petersburg state university of civil aviation, specialization “logistics and transport management (air transport)”

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		Organization	Position
from	to		
2007	2012	Pulkovo Airport JSC	Director general
2012	Present day	IDGC Holding JSC	Deputy Director general, than acting Director general, then executive director
2012	Present	FGC UES JSC	First deputy

	day		Chairperson of the Management Board
2012	Present day	IDGC Holding JSC	Executive director
2012	2012	IDGC of Ural JSC	Member of the Board of Directors
2012	Present day	Kubanenergo JSC, IDGC of Volga JSC, IDGC of North-West JSC, IDGC of Centre, Lenenergo JSC, MOESK 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.

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Nikonov Vasiliy Vladislavovich**

Year of birth:

Education:

Higher. Samara state technical university, specialization “composite and powder materials, coatings”, qualification “metallurgical engineer” (1994)

Samara state academy of economics, specialization “finance 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		Organization	Position
from	to		
2008	2010	“AVTOVAZ” JSC	President counsellor
2010	2012	RF Ministry of Energy	Director of department of electrical energy industry development
2012	Present day	NK Rosneft JSC	Director of Department of Energy
2012	Present day	Kubanenergo JSC	Member of the Board of Directors, member of Committee on strategy, development, investments and reforming of BoD

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Prokhorov Yegor Vyacheslavovich**

Year of birth: **1982**

Education:

Higher. Graduated from Saint-Petersburg state university, specialization “Mathematical methods in economics”, qualification “mathematical 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		Organization	Position
from	to		
2007	2009	OGK-1 (third generation company of the wholesale electricity market) JSC	Head of sector
2009	2009	INTER RAO UES JSC	Head of directorate
2009	Present day	FGC UES JSC	Head of department, financial director
2011	Present day	Index of Energy - FGC UES LLC	Director general (as a second job)
2011	Present day	Glavsetservis ENES JSC, Elektrosetservis ENES JSC, Energostroysnabkomplekt ENES JSC, GVTS of Power industry	
2012	Present day	IDGC Holding JSC	Finance director(as a second job)
2012	Present day	“Center for Engineering and Construction Management of UES” JSC, “Immovable property of VNIPIenergoprom Association” JSC,” Scientific	Member of the Board of Directors

		and Research centre of UES” JSC, “North-Western Scientific and Research centre” JSC, “Southern Scientific and Research centre” JSC	
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The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Romeiko Dmitriy Igorivich**

Year of birth: **1967**

Education:

Higher. FSB Academy, specialization “jurisprudence” (1996); The State University of Management, specialization “management of energy companies in market economy” (2006)

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		Organization	Position
from	to		
2005	2010	MOESK JSC	Deputy General Director for Customer services and technological connection, Director of department for technological connection, Deputy Director Strategic Planning and Investments department, Deputy Director for Investment, chief of administration
2010	Present day	JSC IDGC Holding	Director for Special Commissions, deputy executive director for special projects
2012	Present day	“IDGC of the Centre” JSC, “IDGC of the North Caucasus” JSC, “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.

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Sultanov Georgy Akhmedovich**

Year of birth: 1954

Education:

Higher engineering. Graduated from Krasnodar Polytechnic Institute, specialty – “Electric power supply of industrial enterprises, cities and agriculture”;

Academic degree conferred: ScD (Engineering)

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		Organization	Office
from	to		
2007	2010	OJSC “IDGC of South”	Deputy General Director for Technical Issues, Deputy General Director for Technical Issues - Chief Engineer
2007	2008	OJSC “Rostovenergo”, OJSC “Volgogradenergo”	Member of the Board of Directors
2007	2008	OJSC “Kubanenergo”	Member of the Management Board
2008	2009	OJSC “Kubanenergo”	Member of the Board of Directors
2008	2010	OJSC “Volgogradsetremont”	Chairman of the Board of Directors
2008	2010	OJSC “IDGC of South”	Deputy General Director for Technical Issues- Chief Engineer
2008	2010	OJSC “IDGC of South”	Member of the Management

			Board
2009	2011	OJSC “IDGC of South”	Member of the Reliability Committee under the Board of Directors
2010	2011	OJSC Astrakhanelectrosetremont	Chairman of the Board of Directors
2010	2011	OJSC “Kubanenergo”	Member of the Reliability Committee
2010	2013	OJSC “Kubanenergo”	General Director, Chairman of the Management Board
2011	Present-day	OJSC “Kubanenergo”	Member of the Board of Directors
2013	Present day	“Russian grids” JSC	Adviser of administrative body of executive director

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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**

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 under the Board of Directors of "Kubanenergo" JSC valid as of the end of accounting quarter:

#	Name	Position
1	Magadeev Ruslan Raisovich (Chairperson of the Committee)	Head of operation, maintenance and repair department of IDGC Holding JSC
2	Vasiliev Sergey Borisovich	Deputy Head of Directorate for Production Control and Occupational Safety at IDGC Holding JSC
3	Pankov Dmitriy Leonidovich	Director for Strategy, development and innovations at IDGC Holding JSC
4	Bespalov Alexander Vasilievich	Deputy Head of Capital Construction Department of IDGC Holding JSC
5	Ryazantsev Dmitry Yuryevich	Deputy Chief Engineer – Head of the Operational Technical Management Department of Kubanenergo JSC
6	Voronin Valeriy Dzhemlunovich	Chief power engineer of "RN-Tuapse Oil refinery" LLC
7	Petrenko Mikhail Georgievich	Chief power engineer of "RN-Krasnodarneftegaz" LLC

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 audit and reporting and their submittal to the Board of Directors, in particular – on the following issues:

- Control of annual independent audit of accounting record-keeping and financial (accounting) statements of the Company;
- Estimate of efficiency of the Company internal control procedures and preparation of proposals on their improvement;
- Other issues, upon instruction of the Board of Directors of the Company.

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	Demidov, Aleksey Vladimirovich (Chairperson of the Committee)	First deputy of Executive Director of "IDGC Holding" JSC
2	Goncharov Valeriy	Deputy of Chairperson of the board of "FGC

	Vladimirovich	UES” JSC, deputy Executive director on investment activity of “Holding IDGC” JSC
3	Prokhorov Egor Vyacheslavovich	Financial Director of “FGC UES” JSC, director on finance of “Holding IDGC” JSC
4	Romeiko Dmitriy Igorevich	Director on special orders of “Holding IDGC” 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	Office3
1	Pankov, Dmitry Leonidovich, chairperson	Director for Strategy, Development and Innovations of IDGC Holding JSC
2	Katina Anna Yuryevna	Deputy Head of Department Corporate Governance and Interaction with Shareholders of IDGC Holding JSC
3	Podlutskiy Sergey Vasilievich	Deputy Head of the Investment Department, office of analytics of external production resource of IDGC Holding JSC
4	Isayev, Valery Ivanovich	Head of the Finance Department of IDGC Holding JSC
5	Lavrova Marina Aleksandrovna	Deputy Head of Business planning department of “Holding IDGC” JSC
6	Kocherga, Vitaly Aleksandrovich	Deputy General Director for Corporate Governance of OJSC “Kubanenergo”, member of the Management Board of OJSC “Kubanenergo”
7	Lyashko, Andrey Vladimirovich	Deputy General Director for Development and Marketing of Services of OJSC “Kubanenergo”, member of the Management Board of OJSC “Kubanenergo”

8	Nikonov Vasily Vladislavovich	Director of Department of power industry at NK Rosneft JSC
9	Buklova Zalina Kazbekova	Deputy director of Department of corporate governance and price environment and supervision at industries of fuel and energy complex of RF Ministry of Energy

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 OJSC "Kubanenergo" valid as of the end of the reporting quarter:

	Name	Office⁴
1	Mangarov Yuriy Nikolaevich (Chairperson of the Committee)	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	Erpsher Natalia Ilinichna	Head of Organization development Department of “Holding IDGC” JSC, Head of Organization development Department of “FGC UES” JSC

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	Nikonov Vasilij Vladislavovich	Head of power industry department at “NK Rosneft” JSC
2	Lyashko Andrey Vladimirovich	Deputy director general in charge of development and selling of services of “Kubanenergo” JSC
3	Kocherga Vitaliy Aleksandrovich	Deputy director general in charge of corporate management at “Kubanenergo” JSC
4	Bashmakov Daniel Maratovich	First deputy chairperson of Krasnodar regional office of Russian pubic organization of small and medium business OPORA ROSSII
5	Glazkov Sergey Pavlovich	Deputy director general – chief engineer of RN Energoneft CJSC
6	Pyatigor Aleksandr Mikhailovich, chairperson	Head of Department of perspective development and technological connection at IDGC Holding JSC
7	Komarov Valentin Mikhailovich	Deputy head of Department of perspective development and technological connection – head of division of technological connection organization of “Holding IDGC” JSC

5.2.2. Information on the Sole Executive Body of the Issuer

Full name: **Gavrilov Aleksandr Ilich**

Year of birth: **1954**

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	Present day	Kubanenergo JSC	Acting Director General, chairperson of Board

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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**

Year of birth: **1954**

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	Present day	Kubanenergo JSC	Acting Director General, chairperson of Board

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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.

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Brizhan, Aleksey Vasilievich**

Year of birth: **1978**

Education:

Higher, graduated from Kuban State Technological 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		
2007	2009	OJSC “Kubanenergo”	Deputy Director for Economy and Finance of branch “Krasnodar Electric Power Grids”; Director of branch “Leningradskiye Electric Power Grids”; Director of branch “Armavir Electric Power Grids”
2009	2013	OJSC “Kubanenergo”	Director of branch “Sochi Electric Power Grids”, member of the Management Board
2013	Present-day	“Moscow United Electric Grid Company” JSC (Moscow district)	Director General

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Galyayev, Aleksandr Nikolayevich**

Year of birth: **1972**

Education:

Higher, 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		
2005	2008	LLC "Southern Construction Communication company"	Deputy General Director for Financial Markets and Investment
2008	Present-day	OJSC "Kubanenergo"	Deputy General Director for Economy and Finance, Member of the Management Board
2011	Present-day	OJSC "Energoservice of Kuban"	Member of the Board of Directors

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

Quantity of the Issuer's shares of each category (type) that can be acquired by

the person as a result of one exercising one’s rights under the Issuer’s options as may be held by one: **The Issuer has not issued options.**

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	OJSC “Kubanenergo”	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	OJSC “Kubanenergo”	Member of the Board of Directors

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

Quantity of the Issuer’s shares of each category (type) that can be acquired by the person as a result of one exercising one’s rights under the Issuer’s options as may be held by one: **The Issuer has not issued options.**

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: **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	OJSC “Kubanenergo”	Deputy General Director for Technical Issues- Chief Engineer
2011	2012	OJSC “Kubanenergo”	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	OJSC “Kubanenergo”	Member of the Management Board

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

Quantity of the Issuer’s shares of each category (type) that can be acquired by the person as a result of one exercising one’s rights under the Issuer’s options as may be held by one: **The Issuer has not issued options.**

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	OJSC “Kubanenergo”	Lead Legal Advisor, Head of the Legal Division, Deputy General Director for Corporate Management
2008	Present -day	OJSC “Kubanenergo”	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	Present -day	OJSC “Energoservice of Kuban”	Member of the Board of Directors
2011	Present -day	OJSC “Kubanenergo”	Member of the Committee for Strategy, Investment, Development and Reforms under the Board of Directors, member of Committee on technological connection attached to BoD

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Loskutova, Lyudmila Vladimirovna**

Year of birth: **1973**

Education:

Higher, graduated from Kuban State Agriculture University, 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		Name of organization	Office
from	to		
2006	2009	“Timashevsk Electric Power Grids” - Branch of OJSC “Kubanenergo”	Deputy Chief Accountant , then Chief Accountant
2009	Present-day	OJSC “Kubanenergo”	Deputy Chief Accountant , then Chief Accountant – Head of the Department for Statutory and Fiscal Accounting and Reporting
2011	Present-day	OJSC “Kubanenergo”	Member of the Management Board
2011	2012	OJSC “Energoservice of Kuban”	Member of the Auditing Commission

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Lyashko, Andrey Vladimirovich**

Year of birth: **1978**

Education:

Higher, graduated from Kuban State Agriculture 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		
2005	Present-day	OJSC "Kubanenergo"	Head of the Sector for Follow-up of Technological Connection Contracts, then Deputy Head of Division - Head of the Sector for Technological Connection Contracts of TU "Energosbyt" branch; Deputy Head of Division - Head of the Sector for Technological Connection Contracts; Head of the Technological Connection Service, Head of the Prospective Development Administration - Head of the Prospective Development

			Service; Deputy General Director for Development and Marketing of Services.
2008	Present-day	OJSC “Kubanenergo”	Member of the Management Board
2011	Present-day	OJSC “Kuban Energoservice”	Chairman of the Board of Directors
2011	Present-day	OJSC “Kubanenergo”	Member of the Committee for Strategy, Investment, Development and Reforms under the Board of Directors

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **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		Name of organization	Office
from	to		
2007	Present -day	OJSC “Kubanenergo”	Director of branch “Krasnodar Electric Power Grids”
2006	Present -day	OJSC “Kubanenergo”	Member of the Management Board

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

Quantity of the Issuer’s shares of each category (type) that can be acquired by the person as a result of one exercising one’s rights under the Issuer’s options as may be held by one: **The Issuer has not issued options.**

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: **Shvetsov Aleksandr Anatolievich**

Year of birth: **1955**

Education:

Higher military education. In 1990 graduated Politico-military academy named after Lenin, qualification “officer with higher military education, history teacher”

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		
1997	2009	Administration of Alekseevskiy rdistrict, Volgograd region	Deputy head of administration on housing and utilities infrastructure and social policy; qualification category “Acting first class municipal advisor”; first deputy of administration head; deputy of head of Administration of Alekseevskiy district, Volgograd region
2008	2010	“IDGC of the South” JSC	Office director of development of corporate information systems in department of information technologies
2009	2010	Building company “Leader” LLC	Deputy Director General on economic security; Chief security officer
2010	Present days	“Kubanenergo” JSC	Director-General of Security; deputy director general on security
2011	2013	“Recreation centre “Energetik” JSC, “Recreation centre “Plamya” JSC	Member of BoD
2012	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.

Quantity of the Issuer’s shares of each category (type) that can be acquired by the person as a result of one exercising one’s rights under the Issuer’s options as may be held by one: **The Issuer has not issued options.**

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:

Unit of measurement: thousand rubles

Board of Directors

Indicator	2012	2013, 3 months
Reward	2 183.5	549.2
Wages		
Bonuses		
Commission fees		
Benefits		
Compensation for expenses		
Other pecuniary awards		
Other	2 183.5	549.2

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	2012	2013, 3 months
Reward	1 478	335.1
Wages		
Bonuses		
Commission fees		
Benefits		

Compensation for expenses		
Other pecuniary awards		
Other	1 478	335.1

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) 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 the Regulation on motivation and social benefits set for Top managers of Kubanenergo, approved by the Company's BoD (minutes of meeting No.114/2011 dated 22.07.2011) 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: 7 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):

The Regulations on the Administration determine the latter core objectives and tasks as follows:

- Evaluation of efficiency of the Issuer's internal control system,
- monitoring for compliance with internal control procedures;
- Control of the Issuer complying with the requirements of the acting legislation regulating financial and business activity, in-house regulatory instruments of the Company and of efficient use and integrity of the Issuer's assets;
- Organization and functional support of the Issuer's risk management, coordination of activity of subdivisions participating in this process, evaluation of efficiency of the risk management process, regular monitoring of risk management arrangement, submittal of recommendations on improvement of the risk management process efficiency.

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 as well as 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 the BoD was established at October 16, 2011 by the decision of the BoD (minutes of meeting No. 80/2009 dated 16.10.2009). The main function of the Committee is provision of efficient function of Company's BoD in solving issues related to its competence.

Interaction of the Issuer's internal audit service and external Auditor of the Issuer:

Interaction of the Issuer's internal audit service and external Auditor of the Issuer is regulated by the provisions of the acting 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-Φ3 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::

- at 30.12.2011 by the decision of the BoD (minutes of meeting No.125/2012 dd 12.01.2012) 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

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

Auditing Commission

Name: **Alimuradova, Izumrud Aligadzhiyevna**

Year of birth: 1971

Education:

Higher. Graduated from Dagestan State University after V.I. Lenin, Specialty – “Economics” Qualification: economist PhD. (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		
2003	2009	LLC “Energoconsulting”	Director for Development
2009	Present-day	OJSC “IDGC Holding”	Head of the Department for Internal Audit and Risk Management
2010	Present-day	OJSC “Kubanenergo”	Member of the Auditing Commission
2011	Present-day	JSC “IDGC of North Caucasus”	Member of the Auditing Commission
2012	Present-day	“IDGC of Centre and Volga region” JSC, “IDGC of Centre” JSC, “IDGC of Siberia” JSC, “Yantarenergo” JSC, “Tyumenenergo” JSC, “Lenenergo” JSC, “IDGC of the South” JSC, “MOESK” JSC, “IDGC of NorthWest” JSC, “IDGC of Ural” JSC, “IDGC of Volga” JSC	Member of the Auditing Commission

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Arkhipov Vladimir Nikolayevich**

Year of birth: 1956

Education:

Higher. Graduated from Novosibirsk Electrotechnical Institute for Communications in 1979. Qualification: Electric Communications 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		
2006	2009	CJSC "Rustel"	General Director
2008	Present-day	OJSC "IDGC Holding"	First Deputy Head of the Security Department
2010	Present-day	OJSC "Kubanenergo"	Member of the Auditing Commission
2011	Present-day	JSC "IDGC of North Caucasus"	Member of the Auditing Commission
2012	Present-day	JSC "IDGC of Centre and Volga region", JSC "IDGC of Centre", JSC "IDGC of Siberia", JSC "Yantarenergo", JSC "TRK", JSC "Tyumenenergo", JSC "Lenenergo", JSC "IDGC of the South", JSC "MOESK", JSC "IDGC of North-West", JSC	Member of the Auditing Commission

		“IDGC of Ural”, “IDGC of Volga”	
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The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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 Alexander Evgenievich**

Year of birth: 1989

Education:

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

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		
	Present day	Federal Property Management Agency	Specialist of 1 st grade at sector for Management
2012	Present	Kubanenergo JSC, VNIKTIneftekhimoborodovaniy	Member of the

	day	e JSC, Stavropolneftegeofizika JSC, BNIPIneft JSC, Moscwo neftemaslozavod JSC, VNIMI JSC, Hefteproduktkomplekt JSC, Volgogradneftegeofizika JSCm TsGE JSC, NIiteplopribor JSC, Souyuzmorgeo JSC, “NPK Supermetall named after Rytvin E.I.” JSC	Auditing Commission
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The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Sinitsina Olga Sergeevna**

Year of birth: 1979

Education:

Higher. Graduated from Novosibirsk state Academy of Economics and Management (2001), specialization “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		Name of organization	Office
from	to		
2005	2010	LLC FinExpertiza	Projects managers at audit department
2010	Present day	JSC Holding IDGC	Chief expert at sector for audit and expertise of department for internal control and risks management

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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: **Yakubovich Yakob Borisovich**

Year of birth: 1981

Education:

Higher. Moscow Engineering and Physics Institute (State University), specialization "applied mathematics" (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		Name of organization	Office
from	to		
2007	2008	CJSC “KES”	Head of sector for risks management at department at internal control
2009	2010	JSC “MGTS”	Head of sector for risks management at financial department
2010	Present day	JSC “Holding IDGC”	Head of sector for risks management and organization of internal control at department at internal control and risks management
2012	Present day	JSC “Kubanenergo”, JSC “IDGC of North Caucasus”	Member of Auditing Committee

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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

Board of internal audit and risks management

Name: Golubova Irma Aleksandrovna

(Chairperson)

Year of birth: 1960

Education:

Higher technical education. Novosibirsk electric technical Institute, Specialty - "Applied mathematics", qualification: applied mathematician.

Higher economic education. Russian part-time financial-economic Institute, Specialty – "Accountancy and audit", Qualification – "Accountant".

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	"NESK" JSC, "NESK power grids"	Chief accountant of branch "Krasnodarelectroset"
2010	2011	Audit firm "Bona Dea" LLC	Executive director
2011	Present day	"Kubanenergo" JSC	Head of board of internal audit and risks management

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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 Aleksandrovna**

Year of birth: **1973**

Education:

Higher Kuban state University, specialty – “Accounting, audit and analyses of finances and business operations”. 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		Name of organization	Office
From	to		
2008	2009	“Savanna” LLC	Chief accountant
2010	2011	“IDGC of the South” JSC	Head of internal audit and risks management office of Department of internal audit and risks management
2012	Present day	“Kubanenergo” JSC	Chief specialist of internal audit and risks management board

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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. Specialty – “Turbine construction”. Qualification - mechanic engineer.

The Institute of Economics, Law and natural specialties, Krasnodar, specialty “Law”. 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		Name of organization	Office
From	to		
2008	2011	“Krasnodarelectrostroy” LLC	Estimator-engineer
2011	Present day	“Kubanenergo” JSC	Head, then head specialist of internal audit and risks management board

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

Quantity of the Issuer’s shares of each category (type) that can be acquired by the person as a result of one exercising one’s rights under the Issuer’s options as may be held by one: **The Issuer has not issued options.**

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: **Smirnov Vyacheslav Nikolaevich**

Year of birth: **1978**

Education:

Higher. Military financial and economic university, specialty "Finance and credit", qualification "economist".

Independent noncommercial organization of higher professional education of central union of Russian Federation "Russian University of cooperation", specialty "law". 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		Name of organization	Office
From	To		
2006	2012	Federal State-Funded Institution "Military unit 14254"	Deputy director of financial and economic service – deputy chief accountant
2012	Present day	"Kubanenergo" JSC	Head specialist of internal audit and risks management board

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as

may be held by one: **The Issuer has not issued options.**

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 Nikolai Gennadievich**

Year of birth: **1986**

Education:

Higher. Kuban state agrarian university, Krasnodar, specialty "Accounting, analyse and audit", qualification "economist".

Kuban state agrarian university, Krasnodar, specialty "Accounting, statistics" (postgraduate studentship).

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		
2008	2011	"Tander" CJSC	Senior specialist of audit division and accounting in accordance with international standards
2008	2011	"Magnit" JSC	Senior specialist of internal audit department

2011	Present day	“Kubanenergo” JSC	Senior specialist of internal audit department and risks management
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The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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 Tatyana Aleksandrovna**

Year of birth: **1982**

Education:

Higher. Moscow state social university, specialty “Finance and credits”.

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		Name of organization	Office
From	To		
2008	Present	“Kubanenergo” JSC	Engineer of capital

	day		building department of branch Krasnodar power grids; then head economist of management of tender procedures on building of Olympic facilities; then head specialist of internal audit board and risks management
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The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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 Natalia Viktorovna**

Year of birth: **1968**

Education:

Higher. 1. All-Russian Distance Institute of Finance and Economics (Moscow), specialty "Accounting, analyse and audit", qualification – economist, 2005.

Auditor's qualification certificate, Ministry of Finance of Russian Federation,

general audit, 2007.

2. Krasnodar technological university (Krasnodar), specialty “Technology and organization of catering arrangement”, qualification - manufacturing 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		Name of organization	Office
From	To		
2007	2008	“BDO Unikon Audit Aliance” LLC	Auditor
2009	2011	“Vladelets” LLC	Chief accountant
2011	Present day	“Kubanenergo” JSC	Chief specialist, then head of department of internal audit and risks management

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

Quantity of the Issuer's shares of each category (type) that can be acquired by the person as a result of one exercising one's rights under the Issuer's options as may be held by one: **The Issuer has not issued options.**

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.**

In the case of the issuer's internal audit or other authority control over its financial and economic activities other than the issuer's audit committee, which is composed of more than 10 persons, the information required by this paragraph, indicated by at least 10 persons who are members of the relevant the issuer's authority for control over its financial and economic activities, including the head of such a body.

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: **rubles**

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

Indicator	2012	2013, 3 months
Remuneration for participation in activity of the managing body	638.1	0
Salary		
Bonuses		
Commission		
Benefits		
Reimbursement of expenses		
Other remunearitions		
Total	638.1	0

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	2012	2013, 3 months.
Reward	0	0
Salary	2 536.6	862.9
Bonuses	1 028.8	221.5
Commission fees	0	0
Benefits	0	0
Compensation for expenses	0	0
Other pecuniary awards	0	0
Total	3 565.4	1 084.4

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.

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	2012	2013, 3 months
Average number of employees	7 593	7 821
Volume of cash allocated for payment of wages	2 419 072.2	726 469.7
Volume of cash allocated for social welfare	47 711.7	6 505.6

There are no employees substantially affecting financial and business activity of the Issuer in OJSC “Kubanenergo”.

A trade union body has been founded by employers (workers) of the Issuer.

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: **1 811**

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): **3 001**

Date of making the list of persons include the last in the list of those entitled to participate in general meeting of shareholders: **08.02.2013**

Holders of ordinary shares of the issuer subject to inclusion in the list: **2 979**

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

Participants (shareholders) of the Issuer holding no less than 5 percent of the Issuer's authorized (pooled) capital (co-op share fund) or no less than 5 percent 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, %: **14.57**

Persons who control member (shareholder) of the Issuer

No such persons

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

No such persons

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**

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: **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, %: **62.79**

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: **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, %:
19.07

Portion of the Issuer's ordinary shares held by the person, %: **19.07**

Additional information:

On 13.03.2013 Kubanenergo received a notification from Tyumenenergo JSC on the right to use a particular amount of votes, precisely 30 926 801 votes / 21.64% of authorized capital of the Company.

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: thousand rub.

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	2	180 504 034
Transactions of interest concluded by the issuer during the reporting period which have been approved by the general meeting of members (shareholders) of the Issuer	0	0
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)	2	180 504 034
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

These transactions has not been performed

Transactions (groups of related transactions) in the commission of which there was an interest and which is subject to the board of directors (supervisory board) or a general meeting of shareholders (members) of the Issuer was not taken in cases where such approval is required under the legislation of the Russian Federation

Additional Information:

Review of transactions of interest concluded by "Kubanenergo" in the 1st quarter of 2013

	Contractor	Contract	Contract amount, rub.
1	"Holding IDGC" JSC	Services for operation and development of the distribution grid complex	180 504 034,00
2	"FGC UES" JSC	Lease contract termination agreement	0
Total:			180 504 034,00

6.7. Details on the amount of accounts receivable

For 2012

Unit of measurement: thousand rubles

Indicators	Indicator value
Accounts receivable from buyers and customers	241 282
including overdue	18 658
Accounts receivable under promissory notes receivable	0
including overdue	0
Accounts receivable from participants (founders) by way of contributions to the authorized capital	0
including overdue	0
Other accounts receivable	2 977 675
including overdue	74 479
Total	3 218 957
including overdue	93 137

Debtors accounting for no less than 10 percent of the total sum of accounts receivable for the specified reporting period:

Full business name: **Open Joint Stock Company "Kuban Energy Selling Company"**

Abbreviated business name: **OJSC "Kubanenergobyt"**

Location: **350000, Krasnodar Territory, Krasnodar, Gimnazicheskaya str., 55**

TIN: **2308119595**

PSRN: **1062309019794**

Sum of accounts receivable: **2 384 334.44**

Unit of measurement: thousand rubles

Amount and conditions of overdue accounts receivable (interest rate, penalty sanctions): **No**

The debtor is the Issuer's affiliate: **No**

Full business name: **Interregional inspection of Federal Tax Service of Russia on major taxpayers No 4**

Abbreviated business name: **II FTS of Russia on major taxpayers No 4**

Location: **building 1, 3 Orlikov lane, Moscow, 107139**

TIN: **7707321795**

PSRN: **1047707041909**

Sum of accounts receivable: **329 258.86**

Unit of measurement: thousand rubles

Amount and conditions of overdue accounts receivable (interest rate, penalty sanctions): **No**

The debtor is the Issuer's affiliate: **No**

Additional information is disclosed in accordance with the Regulation on Information Policy:

Dynamics and changes in the structure of receivables

Unit of measure: **thousand rubles**

Indicator	For 31.12.2012	31.03.2013	Dynamics for the 1 st square of 2013
Accounts receivable from buyers and customers	241 282	1 190 464	949 182
including overdue	18 658	92 048	73 390
Accounts receivable under promissory notes receivable	0	0	0
including overdue	0	0	0
Accounts receivable from participants (founders) by way of contributions to the authorized capital	0	0	0
including overdue	0	0	0
Other accounts receivable	2 977 675	2 389 371	-588 304
including overdue	74 479	81 802	7 323
Total	3 218 957	3 579 835	360 878
including overdue	93 137	173 850	80 713

At the end of the reporting quarter

Unit of measure: **thousand rubles**

Indicator	Amount of indicator
Accounts receivable from buyers and customers	1 190 464
including overdue	92 048
Accounts receivable under promissory notes receivable	0
including overdue	0
Accounts receivable from participants (founders) by way of contributions to the authorized capital	0
including overdue	0
Other accounts receivable	2 389 371
including overdue	81 802
Total	3 579 835
including overdue	173 850

Debtors accounting for no less than 10 percent of the total sum of accounts receivable for the specified reporting period:

Full business name: **Open Joint Stock Company “Kuban Energy Selling Company” (on contract on electric energy purchasing on compensation for losses)**

Abbreviated business name: **OJSC “Kubanenergobyt”**

Location: **350000, Krasnodar region, Krasnodar, Gimnazicheskaya str., 55**

TIN: **2308119595**

PSRN: **1062309019794**

Sum of accounts receivable: **1 640 624.07**

Unit of measurement: thousand rubles

Amount and conditions of overdue accounts receivable (interest rate, penalty sanctions): **no.**

The debtor is the Issuer’s affiliate: **No**

Full business name: **Open Joint Stock Company “Kuban Energy Selling Company” (on contract on electric energy transferring)**

Abbreviated business name: **OJSC “Kubanenergobyt”**

Location: **350000, Krasnodar region, Krasnodar, Gimnazicheskaya str., 55**

TIN: **2308119595**

PSRN: **1062309019794**

Sum of accounts receivable: **708 645.4**

Unit of measurement: thousand rubles

Amount and conditions of overdue accounts receivable (interest rate, penalty

sanctions): **no**.

The debtor is the Issuer's affiliate: **No**

Full business name: **Interregional inspection of Federal Tax Service of Russia on major taxpayers No 4**

Abbreviated business name: **II FTS of Russia on major taxpayers No 4**

Location: **building 1, 3 Orlikov lane, Moscow, 107139**

TIN: **7707321795**

PSRN: **1047707041909**

Sum of accounts receivable: **442 197.08**

Unit of measurement: thousand rubles

Amount and conditions of overdue accounts receivable (interest rate, penalty sanctions): **No**

The debtor is the Issuer's affiliate: **No**

Full business name: **Joint-Stock Company "Independent energy selling company of Krasnodar region"**

Abbreviated business name: **"NESK" JSC**

Location: **247, Severnaya str., Krasnodar, Krasnodar region, 350049**

TIN: **2308091759**

PSRN: **1032304155102**

Sum of accounts receivable: **316 144.84**

Unit of measurement: thousand rubles

Amount and conditions of overdue accounts receivable (interest rate, penalty sanctions): **No**

The debtor is the Issuer's affiliate: **No**

VII. Issuer's accounting statements and other financial information

7.1. Issuer's annual accounting statements

2012

Accounting balance for 31.12.2012

Form No. 1 as per OKUD [Russian National Classifier of Management Documentation]		Codes
		0710001
	Date	31.12.2012
Organization: Kuban Open-End Joint-Stock Company of Power Industry and Electrification	As per OKPO [Russian National Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	TIN	2309001660
Type of activity	as per OKVED [Russian National Classifier of Types of	40.10.2

Organizational legal form/ownership form **Open-End Joint-Stock Company**

Economic Activity]	
As per OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	47 / 16
As per OKEI [Russian National Classifier of Measurement Units]	384

Unit: **thousand RUR**

Location (address): **Russia, 350033, Krasnodar, Stavropolskaya str., 2**

notes	ASSETS	Line code	as of 31.12.2012	as of 31.12.2011	as of 31.12.2010
1	2	3	4	5	6
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	19 715	15	0
	Results of researches and developments	1120	17 091	0	0
	Fixed assets	1130	31 207 441	24 966 539	20 679 434
	Income-bearing investments in tangible valuables	1140	0	0	0
	Financial investments	1150	45 688	45 688	63 753
	Deferred tax assets	1160	1 006 530	816 460	776 086
	Other non-current assets	1170	269 657	239 230	192 537
	TOTAL Section I	1100	32 566 122	26 067 932	21 711 810
	II. CURRENT ASSETS				
	Stock	1210	1 914 210	1 095 421	1 021 893
	Value added tax on valuables acquired	1220	10 232	9 138	12 811
	Accounts receivable	1230	3 218 957	2 915 550	1 702 745
	Financial investments	1240	0	0	0
	Cash	1250	4 292 452	5 692 998	8 896 766
	Other current assets	1260	972 097	766 374	490 444
	TOTAL Section II	1200	10 407 948	10 479 481	12 124 659
	BALANCE (assets)	1600	42 974 070	36 547 413	33 836 469

notes	LIABILITIES	Line code	as of 31.12.2012	as of 31.12.2011	as of 31.12.2010
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
	Authorized capital (pooled capital, authorized find, partners' contributions)	1310	14 294 283	9 746 093	7 730 724

Treasury shares bought out from shareholders	1320	0	0	0
Revaluation of non-current assets	1340	8 250 871	8 194 372	8 196 194
Additional capital (without revaluation)	1350	3 428 746	3 272 288	1 560 836
Reserve capital	1360	89 347	89 347	89 347
Unallocated profit (uncovered loss)	1370	-9 481 984	-7 524 145	-5 664 621
TOTAL Section III	1300	16 581 263	13 777 955	11 912 480
IV. LONG-TERM LIABILITIES				
Borrowed assets	1410	5 917 000	10 027 267	7 563 953
Deferred tax liabilities	1420	138 702	149 156	167 613
Reserves for contingent liabilities	1430	0	0	0
Other liabilities	1450	265 752	59 541	36 833
TOTAL Section IV	1400	6 321 454	10 235 964	7 768 399
V. SHORT-TERM LIABILITIES				
Borrowed assets	1510	10 027 267	5 238 151	5 355 670
Accounts payable	1520	8 278 698	5 739 087	7 974 696
Incomes of future periods	1530	12 598	13 649	14 886
Reserves for future expenses	1540	1 752 790	1 542 607	810 338
Other liabilities	1550	0	0	0
TOTAL Section V	1500	20 071 353	12 533 494	14 155 590
BALANCE (liabilities)	1700	42 974 070	36 547 413	33 836 469

Profit and loss statement, 2012

			Codes
Form No. 2 as per OKUD [Russian National Classifier of Management Documentation]			0710002
		Date	31.12.2012
Organization: Kuban Open-End Joint-Stock Company of Power Industry and Electrification	As per OKPO [Russian National Classifier of Businesses and Organizations]		00104604
Taxpayer Identification Number		TIN	2309001660
Type of activity	as per OKVED [Russian National Classifier of Types of Economic Activity]		40.10.2
Organizational legal form/ownership form Open-End Joint-Stock Company	As per OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]		47 / 16
Unit: thousand RUR	As per OKEI [Russian National Classifier of Measurement Units]		384

Location (address): **Russia, 350033, Krasnodar, Stavropolskaya str., 2**

	indicator	line	12 months of 2012	12 months of 2011
1	2	3	4	5
	Proceeds	2110	28 118 506	28 707 841
2.1.	Prime cost of sales	2120	-28 119 207	-29 630 163
	Gross profit (loss)	2100	-701	-922 322
	Commercial expenses	2210	0	0
	Managerial expenses	2220	0	0
	Sales profit (loss)	2200	-701	-922 322
	Incomes from participation in other organizations	2310	1	0
	Interest receivable	2320	446 963	339 002
	Interest payable	2330	-1 462 895	-1 040 253
5.11	Other incomes	2340	1 046 902	1 841 822
5.11	Other expenses	2350	-2 197 596	-2 439 253
	Profit (loss) before tax	2300	-2 167 326	-2 221 004
2.3.	Current profit tax	2410	0	0
2.3.	including constant tax liabilities (assets)	2421	228 256	388 004
2.3.	Changes in deferred tax liabilities	2430	6 250	7 781
2.3.	Changes in deferred tax assets	2450	198 959	48 416
2.3.	Other	2460	60 651	303 025
	Net profit (loss)	2400	-1 901 466	-1 861 782
	FOR REFERENCE:			
	Results of revaluation of non-current assets not included into net profit (loss) of the period	2510	0	0
	Results of other operations not included into net profit (loss) of the period	2520	0	0

	Aggregate financial result of the period	2500	-1 901 466	-1 861 782
2.2.	Base profit (loss) per share	2900	-14.9052	-21.3058
2.2.	Diluted profit (loss) per share	2910	-14.9052	-21.3058

Report on changes in equity for 2012

Form No. 3 as per OKUD [Russian National Classifier of Management Documentation]	Codes 0710003
Organization: Open Joint-Stock Company of Kuban Power Engineering and Electrification	Date 31.12.2012
Taxpayer Identification Number	As per OKPO [Russian National Classifier of Businesses and Organizations] 00104604
Type of activity	INN [Taxpayer Identification Number] 2309001660
Organizational legal form/ownership form Open Joint-Stock Company	as per OKVED [Russian National Classifier of Economic Activities] 40.10.2
Unit: thousand RUR	As per OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership] 47/16
Location (address): 2, Stavropolskaya ul., Krasnodar, 350033 Russia	As per OKEI [Russian National Classifier of Measurement Units] 384

I. Cash flow							
Indicator description	Line code	Chartered capital	Treasury stock	Reserve capital	Unallocated profit (uncovered loss)	Total	Reserve capital
1	2	3	4	5	6	7	8
Balance as of December 31 of the year preceding the previous period	3100	7 730 724	0	9 757 030	89 347	-5 664 621	11 912 480
Reporting period of the year preceding the previous period:							
Increase of capital - total:	3210	2 015 369	0	1 711 452	0	436	3 727 257
including:							
Net profit	3211						
Revaluation of property	3212						
Incomes directly related to increase of capital	3213					436	436
additional share issue	3214	2 015 369		1 711 452			3 726 821
increase of share nominal value	3215						
legal entity reorganization	3216						
Capital amount reduction – total:	3220	0	0	0	0	-1 861 782	-1 861 782

including:	3221						
loss	3222					-1 861 782	
Revaluation of property	3223						
expenditures directly related to decrease of capital	3224						
reduction of share nominal value	3225						
reduction of number of shares	3226						
legal entity reorganization	3227						
dividends	3230						
Additional fund changing	3240			-1 822		1 822	0
Reserve fund changing	3200						
Value of capital at the 31 December of previous year	3310	9 746 093	0	11 466 660	89 347	-7 524 145	13 777 955
During reporting year:	3311						
Capital provision – total:	3312	4 548 190	0	156 458	0	126	4 704 774
Including:	3313						
Net profit	3314						
Revaluation of assets	3315						
Capital provision income	3316					126	126
Additional share issue	3320	4 548 190		156 458			4 704 648
Increasing of share denomination	3321						
Re-organization of legal entity	3322						
Capital reduction – total:	3323	0	0	0	0	-1 901 466	-1 901 466
Including:	3324						
Loss	3325					-1 901 466	
Revaluation of assets	3326						
Capital reduction expense	3327						
Share denomination reduction	3330						
Reduce of number of shares	3340						

Re-organization of legal entity	3300						
Dividends	3327						
Additional fund changing	3330			56 499		-56 499	0
Reserve fund changing	3340						
Value of capital at the 31 December of previous year	3300	14 294 283	0	11 679 617	89 347	-9 481 984	16 581 263

2. Amendments with regard of changes in accounting policy and correction of mistakes.					
Indicator description	Line code	As of 31.12.2010	Capital changing in 2011		As of 31.12.2011
			At the expense of net profit	Due to other factors	
1	2	3	4	5	6
Capital – total					
Before correcting	3400	11 912 480	-1 861 346	3 726 821	13 777 955
Correcting due to the fact of:					
Accounting policy changing	3410				
Correction of mistakes	3420				
After correcting	3500	11 912 480	-1 861 346	3 726 821	13 777 955
Including:					
Undistributed profit (unrecovered loss):					
Before correcting	3401	-5 664 621	-1 859 524	0	-7 524 145
Correcting due to the fact of:					
Accounting policy changing	3411				
Correction of mistakes	3421				
After correcting	3501	-5 664 621	-1 859 524	0	-7 524 145
Other corrected capital articles:					
(under the article)					
Before correcting	3402	17 577 101	-1 822	3 726 821	21 302 100
Correcting due to the fact of:					
Accounting policy changing	3412				
Correction of mistakes	3422				
After correcting	3502	17 577	-1 822	3 726 821	21 302 100

		101			
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Inquiries				
Indicator description	Line code	As of 31.12.2012	As of 31.12.2011	As of 31.12.2010
1	2	3	4	5
Net assets	3600	16 593 861	13 791 604	11 927 366

Statement on cash flow in 2012

	Codes	
Form No.4 as per OKUD [Russian National Classifier of Management Documentation]	0710004	
	Date	31.12.2012
Organization: Open Joint-Stock Company of Kuban Power Engineering and Electrification	As per OKPO [Russian National Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	INN [Taxpayer Identification Number]	2309001660
Type of activity	as per OKVED [Russian National Classifier of Economic Activities]	40.10.2
Organizational legal form/ownership form Open Joint-Stock Company	As per OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	47 / 16
Unit: thousand RUR	As per OKEI [Russian National Classifier of Measurement Units]	384
Location (address): 2, Stavropolskaya street, Krasnodar, 350033 Russia		

Indicator	Line code	As of 12 months 2012	As of 12 months 2011
1	2	3	4
Money flows from currents operations			
Income - total	4110	31 738 969	29 096 342
Including:			
From sales of products, goods, work and services	4111	29 893 809	28 711 598
Lease rents, license fee, royalties, commission and other	4112	35 275	21 422
From resale of financial assets	4113	0	0
Other incomes	4119	1 809 885	363 322
Payments - total	4120	-31 076 023	-30 752 665
including:			
Suppliers (contractors) for materials, stuff, work, services	4121	-25 376 809	-25 774 282
Due to the fact of payment for the labour of an	4122	-2 131 845	-1 907 279

employee			
Interest on debenture	4123	-1 464 362	-1 038 786
Tax on the profit of organizations	4124	-22 272	0
Other payments	4125	-2 080 735	-2 032 318
Balance of money flows from current operations	4100	662 946	-1 656 323
Flow of investment activity funds			
Income – total	4210	526 993	363 484
Including:			
From sale of non-current assets (except financial assets)	4211	17 312	9 491
From sale of shares of other organizations (equity share)	4212		
From returning of granted loans, from sale of debt securities (claim of monetary funds to others)	4213		
From dividends, percent from debt financial placements and similar incomes from share participation in other organizations	4214	504 475	341 660
Other incomes	4219	5 206	12 333
Payments – total	4220	-7 894 711	-5 401 600
Including:			
Due to the fact of purchasing, creating, modernization, reconstruction and preparing for use of non-current assets	4221	-7 785 876	-5 378 786
Due to the fact of purchasing shares of other companies (equity share)	4222		-100
Due to the fact of purchasing debt securities (claim of monetary funds to others), lending procuration to others	4223		
Interest of debenture, included to value of investment asset	4224		
Other payments	4229	-108 835	-22 714
Balance of money flows from current operations	4200	-7 367 718	-5 038 116
Money flows from financial operations			
Income – total	4310	10 621 647	7 443 313
Including:			
Receiving the credits and loans	4311	5 917 000	6 100 000
From owners' lodgment (participants)	4312		
From shares release, increasing share of participation	4313	4 704 647	1 343 313
From issue of bonds, bills and other debt securities and other	4314		

Other incomes	4319		
Payments - total	4320	-5 318 003	-3 952 612
Including:			
To owners (participants) due to the fact of their shares purchasing (equity share) or their cessation of membership	4321		
To dividends and other payments under appropriation of profit in favor of owners (participants)	4322		-12
Due to the fact of payment of promissory notes (purchasing) and other debt securities, repayment of credits and loans	4323	-5 236 685	-3 755 670
Other payments	4329	-81 318	-196 930
Balance of money flows from current operations	4300	5 303 644	3 490 701
Balance of money flows in the accounting period	4400	-1 401 128	-3 203 738
Cash balance and money equivalent at the beginning of reporting period	4450	5 692 882	8 896 620
Cash balance and money equivalent at the end of reporting period	4500	4 291 754	5 692 882
Effect of exchange rate changes of rubles	4490		

Appendix to accounting balance 2012

Form No. 5 as per OKUD [Russian National Classifier of Management
Documentation]

31.12.2012

Organization: **Open Joint-Stock Company
of Kuban Power Engineering and
Electrification**

00104604

Taxpayer Identification Number

2309001660

Type of activity

40.10.2

Organizational legal form/ownership form

47 / 16

Open Joint-Stock Company

Unit: **thousand RUR**

384

Location (address): **2, Stavropolskaya street,
Krasnodar, 350033 Russia**

Presence and flow of intangible assets						
Indicator description	Code	Period	Beginning of the year		End of the year	
			Initial cost	Accumulated amortization and impairment loss	Initial cost	Accumulated amortization and impairment loss
Intangible assets – total	5100	For accounting year	0	0	19 661	0
	5110	For the preceding year	0	0	0	0
Including:						
(Type of intangible assets)		For accounting year			19 661	0
		For the preceding year				
(Type of intangible assets)		For accounting year				
		For the preceding year				

Presence and flow of intangible assets						
Indicator description	Code	Period	Changes over the period			
			Departure		Revaluation	
			Initial cost	Accumulation	Initial cost	Accumulation

				ted amortizati on and impairmen t loss		ed amortizati on and impairmen t loss
Intangible assets – total	5100	For accounting year				
	5110	For the preceding year				
Including:						
(Type of intangible assets)		For accounting year				
		For the preceding year				
(Type of intangible assets)		For accounting year				
		For the preceding year				

Presence and flow of intangible assets					
Indicator description	Code	Period	Changes over the period		
			Received	Accumulated amortization	Impairment loss
Intangible assets – total	5100	For accounting year	19 661	0	0
	5110	For the preceding year			
Including:					
(Type of intangible assets)		For accounting year			
		For the preceding year			
(Type of intangible assets)		For accounting year			
		For the preceding year			

Initial cost of intangible assets produced by organization				
Indicator description	Line code	As of 31.12.2012	As of 31.12.2011	As of 31.12.2010
Total	5120			
Including:				
(Type of intangible assets)				
(Type of intangible assets)				

Full repay cost intangible assets

Indicator description	Line code	As of 31.12.2012	As of 31.12.2011	As of 31.12.2010
Total	5130			
Including:				
(Type of intangible assets)				
(Type of intangible assets)				

Presence and flow of Research and Advanced Development results						
Indicator description	Code	Period	Beginning of the year		End of the year	
			Initial cost	Part of costs regarded as expenditures	Initial cost	Part of costs regarded as expenditures
Research and Advanced Development - Total	5140	For accounting year	0	0	2 966	0
	5150	For the preceding year				
Including:						
(Type of intangible assets)		For accounting year	0	0	2 966	0
		For the preceding year				
(Type of intangible assets)		For accounting year				
		For the preceding year				

Presence and flow of Research and Advanced Development results						
Indicator description	Code	Period	Changes for the period			
			Received	Departure		Part of costs regarded as expenditures for the period
				Initial cost	Part of costs regarded as expenditures	
Research and Advanced Development - Total	5140	For accounting year	2 966	0	0	0

	5150	For the preceding year				
Including:						
(object, group of objects)		For accounting year	2 966	0	0	0
		For the preceding year				

Incomplete and unexecuted Research and Advanced Development and incomplete intangible assets purchase operations				
Indicator description	Code	Period	At the beginning of the year	At the end of period
Expenses on incomplete research and development - total	5160	For accounting year	0	14 125
	5170	For the preceding year		
Including:				
(object, group of objects)		For accounting year		14 125
		For the preceding year		
Incomplete operations on purchasing intangible assets - Total	5180			
Including:	5190		0	15
(object, group of objects)		For the preceding year		
		For accounting year		
(object, group of objects)		For the preceding year		
		For accounting year		

Incomplete and unexecuted Research and Advanced Development and incomplete intangible assets purchase operations					
Indicator description	Code	Period	Changes for the period		
			Expenses for the period	Expenses regarded as unprofitable	Regarded as intangible assets or R&D
Expenses on incomplete research and development - total	5160	For accounting year	36 752	0	-22 627
	517	For the preceding			

	0	year			
Including:					
(object, group of objects)		For accounting year	36 752	0	-22 627
		For the preceding year			
Incomplete operations on purchasing intangible assets - Total	518 0	For the preceding year	15		
	519 0	For accounting year	39		
Including:					
(object, group of objects)		For the preceding year			
		For accounting year			
(object, group of objects)		For the preceding year			
		For accounting year			

Presence and flow of assets						
Indicator description	Code	Period	At the beginning of the year		At the end of the period	
			Initial cost	Accumulated amortization	Initial cost	Accumulated amortization
Assets (without income-bearing investments in tangible assets) - total	5200	For accounting year	52 117 839	-35 560 960	56 443 719	-36 853 330
	5210	For the preceding year	49 938 146	-34 494 727	52 117 839	-35 560 960
Including:						
(group of assets)		For accounting year				
		For the preceding year				
(group of assets)		For accounting year				
		For the preceding year				
Accounted in income-bearing investments in tangible assets - total	5220	For the preceding year	0	0	0	0
	5230	For accounting year	0	0	0	0
Including:						
(group of objects)		For the				

		preceding year				
		For accounting year				
(group of objects)		For the preceding year				
		For accounting year				

Presence and flow of assets					
Indicator description	Code	Period	Changes for the period		
			Received	Objects departure	
				Initial cost	Accumulated amortization
Assets (without income-bearing investments in tangible assets) - total	5200	For accounting year	4 594 211	-268 331	139 929
	5210	For the preceding year	2 549 129	-369 436	238 520
Including:					
(group of assets)		For accounting year			
		For the preceding year			
(group of assets)		For accounting year			
		For the preceding year			
Accounted in income-bearing investments in tangible assets - total	5220	For the preceding year			
	5230	For accounting year			
Including:					
(group of objects)		For the preceding year			
		For accounting year			

		year			
(group of objects)		For the preceding year			
		For accounting year			

Presence and flow of assets					
Indicator description	Code	Period	Changes for the period		
			Accumulated amortization	Revaluation	
				Initial cost	Accumulated amortization
Assets (without income-bearing investments in tangible assets) - total	5200	For accounting year	-1 430 756	0	0
	5210	For the preceding year	-1 298 611	0	0
Including:					
(group of assets)		For accounting year			
		For the preceding year			
(group of assets)		For accounting year			
		For the preceding year			
Accounted in income-bearing investments in tangible assets - total	5220	For the preceding year			
	5230	For accounting year			
Including:					
(group of objects)		For the preceding year			
		For			

		accounting year			
(group of objects)		For the preceding year			
		For accounting year			

Incomplete investments				
Indicator description	Code	Period	At the beginning of the year	At the end of the period
Incomplete building and incomplete purchase and modernization of assets operations - total	5240	For accounting year	6 454 127	10 436 102
	5250	For the preceding year	4 626 850	6 454 127
Including:				
(group of objects)		For accounting year		
		For the preceding year		

Incomplete investments					
Indicator description	Code	Period	Changes for the period		
			Expenses for the period	Regarded	Regarded as intangible assets or cost increased
Incomplete building and incomplete purchase and modernization of assets operations - total	5240	For accounting year	8 895 674	-329 041	-4 584 658
	5250	For the preceding year	4 923 132	-606 154	-2 489 701
Including:					
(group of objects)		For accounting year			
		For the preceding year			
(group of objects)		For accounting year			
		For the preceding year			

Change of assets cost due to further construction, further equipping reconstruction and partial

liquidation			
Indicator description	Code	For accounting year	For the preceding year
Increasing of assets objects price in result of further construction, further equipping reconstruction - total	5260	581 296	523 462
Including:			
(object of assets)			
(object of assets)			
Deseasing of assets objects price in result of partial liquidation – total	5270	-97 183	-198 043
Including:			
(object of assets)			
(object of assets)			

The other usage of permanent assets				
Indicator description	Code	As of 31.12.2012	As of 31.12.2011	As of 31.12.2010
Lease out permanent assets on the balance sheet	5280	30 133	60 263	59 894
Lease out permanent assets on the balance sheet	5281	0	0	0
Accepted on hire permanent assets on the balance sheet	5282	0	0	0
Accepted on hire permanent assets out of the balance sheet	5283	3 662 114	3 933 692	3 489 808
Real property, accepted for operation that uses in practice, and are in process of state registration	5284	161 266	153 916	0
Laying up permanent assets	5285	6 652	6 652	6 652
Other usage of permanent assets (pledge and other)	5286	0	0	0

Presence and flow of investments						
Indicator description	Code	Period	At the beginning of the year		At the end of the period	
			Initial cost	Accumulated correcting	Initial cost	Accumulated correcting
Long-term - total	5301	For accounting year	62 924	-17 236	62 924	-17 236
	5311	For the preceding year	108 189	-44 436	62 924	-17 236
Including:						

(group, type)		For accounting year				
		For the preceding year				
(group, type)		For accounting year				
		For the preceding year				
Short-term - total	5305	For accounting year				
	5315	For the preceding year				
Including:						
(group, type)		For accounting year				
		For the preceding year				
Financial investments - total	5300	For accounting year	62 924	-17 236	62 924	-17 236
	5315	For the preceding year	108 189	-44 436	62 924	-17 236

Presence and flow of finance investments					
Indicator description	Code	Period	Changing at the period		
			Received	Regarded (redeemed)	
				Initial cost	Accumulated correcting
Long-term - total	5301	For accounting year	0	0	0
	5311	For the preceding year	40 482	-85 747	44 436
Including:					
(group, type)		For accounting year			
		For the preceding year			
Short-term - total	5305	For accounting year			
	5315	For the preceding year			
Including:					
(group, type)		For accounting year			
		For the preceding year			
Financial investments - total	5300	For accounting year	0	0	0
	5310	For the	40 482	-85 747	44 436

		preceding year			
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Presence and flow of finance investments				
Indicator description	Code	Period	Changing at the period	
			Accrual of interest (including bringing the initial price to nominal)	Market value (impairment loss)
Long-term - total	5301	For accounting year	0	0
	5311	For the preceding year	0	-17 236
Including:				
(group, type)		For accounting year		
		For the preceding year		
Short-term - total	5305	For accounting year		
	5315	For the preceding year		
Including:				
(group, type)		For accounting year		
		For the preceding year		
Financial investments - total	5300	For accounting year		
	5310	For the preceding year		

The other usage of financial investments				
Indicator description	Code	As of 31.12.2012	As of 31.12.2011	As of 31.12.2010
Financial investments under pledge - total	5320			
Including:				
Financial investments passed on to a third party (except sail) – total	5325			
Including:				
The other usage of financial investments	5329			

Presence and flow of reserves						
Indicator description	Code	Period	At the beginning of the year		At the end of the period	
			Prime cost	Amount	Prime cost	Amount of

				of reserves for impact of value		reserves for impact of value
Reserves – total	5400	For accounting year	1 095 703	-282	1 919 050	-4 840
	5420	For the preceding year	1 021 893	0	1 095 703	-282
Including:						
(group, type)		For accounting year				
		For the preceding year				
(group, type)		For accounting year				
		For the preceding year				

Presence and flow of reserves					
Indicator description	Code	Period	Changes at the period		
			Income and expenses	Loss from impact of value	Reserves turnover between groups (types)
Reserves – total	5400	For accounting year	2 456 034	-4 840	
	5420	For the preceding year	1 317 912	-282	
Including:					
(group, type)		For accounting year			
		For the preceding year			
(group, type)		For accounting year			
		For the preceding year			

Presence and flow of reserves				
Indicator description	Code	Period	Changes at the period	
			Regarded	
			Prime cost	Reserve for impact value
Reserves – total	5400	For accounting year	-1 632 687	282
	5420	For the preceding year	-1 244 102	0

Including:				
(group, type)		For accounting year		
		For the preceding year		
(group, type)		For accounting year		
		For the preceding year		

Pledged reserves				
Indicator description	Code	As of 31.12.2012	As of 31.12.2011	As of 31.12.2010
Reserves unpaid at the balance sheet time - total	5440			
Including:				
Under pledge reserves under contract - total	5445			
Including:				

Presence and flow of debts						
Indicator description	Code	Period	At the beginning of the year		At the end of the period	
			Accounted under the contract	Amount of reserves for bad debt	Accounted under the contract	Amount of reserves for bad debt
Long-term receivables – total	5501	For accounting year	16 406	0	11 000	0
	5521	For the preceding year	38 074	0	16 406	0
Including:						
(type)		For accounting year				
		For the preceding year				
(type)		For accounting year				
		For the preceding year				
Short-term receivables – total	5510	For accounting year	3 712 112	-812 968	4 370 730	-1 162 773
	5530	For the preceding year	3 167 851	-1 503 180	3 712 112	-812 968
Including:						
(type)		For accounting year				

		For the preceding year				
(type)		For accounting year				
		For the preceding year				
Total	5500	For accounting year	3 728 518	-812 968	4 381 730	-1 162 773
	5520	For the preceding year	3 205 925	-1 503 180	3 728 518	-812 968

Presence and flow of debts					
Indicator description	Code	Period	Changes at the period		
			Receiving		
			In the result of business operations (bargain debt amount, operations)	Interest payable, penalties and other extra fee	Transfer from debt to floating debt
Long-term debt – total	5501	For accounting year	1 503	0	-6 395
	5521	For the preceding year	2 521	0	-24 130
Including:					
(type)		For accounting year			
		For the preceding year			
(type)		For accounting year			
		For the preceding year			
Short-term debt – total	5510	For accounting year	1 680 898	0	6 395
	5530	For the preceding year	1 587 876	0	24 130
Including:					
(type)		For accounting year			
		For the preceding year			
(type)		For accounting year			
		For the preceding year			
Total	5500	For accounting year	1 682 401	0	0

	5520	For the preceding year	1 590 397	0	0
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Presence and flow of debts					
Indicator description	Code	Period	Changes at the period		
			Regarded		
			Redemption	Regarding to financial result	Reserve recovery
Long-term debt – total	5501	For accounting year	-514	0	0
	5521	For the preceding year	-59	0	0
Including:					
(type)		For accounting year			
		For the preceding year			
(type)		For accounting year			
		For the preceding year			
Short-term debt – total	5510	For accounting year	-1 011 156	-4 474	800 821
	5530	For the preceding year	-1 046 045	-16 497	1 503 181
Including:					
(type)		For accounting year			
		For the preceding year			
(type)		For accounting year			
		For the preceding year			
Total	5500	For accounting year	-1 011 670	-4 474	800 821
	5520	For the preceding year	-1 046 104	-16 497	1 503 181

Overlude receivables			
Indicator description	Code	As of 31.12.2012	
		Accounted under contract	Reported value
Total	5540	912 608	93 137
Including:			

Overlude receivables					
Indicator description	Code	As of 31.12.2011		As of 31.12.2010	
		Accounted under contract	Reported value	Accounted under contract	Reported value
Total	5540	1 039 962	343 793	621 465	263 916
Including:					

Presence and flow of credits payable				
Indicator description	Code	Period	Balance at the beginning of the year	Balance at the end of the period
Long-term debt – total	5551	For accounting year	59 541	265 752
	5571	For the preceding year	36 833	59 541
Including:				
(type)		For accounting year		
		For the preceding year		
Short-term debt – total	5560	For accounting year	5 739 087	8 278 698
	5580	For the preceding year	7 974 696	5 739 087
Including:				
(type)		For accounting year		
		For the preceding year		
Total	5550	For accounting year	5 798 628	8 544 450
	5570	For the preceding year	8 011 529	5 798 628

Presence and flow of credits payable				
Indicator description	Code	Period	Changes at the period (receiving)	
			In the result of business operations (burgain amount of the debt, operations)	Interest payable, penalties and other extra fee
Long-term debt – total	5551	For accounting year	258 462	0
	5571	For the preceding year	249 899	0
Including:				

(type)		For accounting year		
		For the preceding year		
Short-term debt – total	5560	For accounting year	5 986 765	0
	5580	For the preceding year	3 650 420	0
Including:				
(type)		For accounting year		
		For the preceding year		
Total	5550	For accounting year	6 245 227	0
	5570	For the preceding year	3 900 319	0

Presence and flow of credits payable					
Indicator description	Code	Period	Changes at the period		
			Redeemed		
			Redemption	Finance result write-off	Transfer from long-term to short-term debt
Long-term debt – total	5551	For accounting year	-10 943	0	-41 308
	5571	For the preceding year	0	0	-227 191
Including:					
(type)		For accounting year			
		For the preceding year			
Short-term debt – total	5560	For accounting year	-3 488 353	-109	41 308
	5580	For the preceding year	-6 111 118	-2 102	227 191
Including:					
(type)		For accounting year			
		For the preceding year			
Total	5550	For accounting year	-3 499 296	-109	0
	5570	For the preceding year	-6 111 118	-2 102	0

Overdue accounts payable				
Indicator	Code	As of 31.12.2012	As of 31.12.2011	As of 31.12.2010
Total	5590	1 271 648	1 120 873	2 119 439
Including:				

Product cost			
Indicator	Code	In the accounting period	In the prior period
Material expenditures	5610	8 132 384	8 662 456
Labour payment expenses	5620	2 099 930	1 914 990
Allocations for social requirements	5630	610 494	623 864
Amortization	5640	1 424 787	1 295 094
Miscellaneous expenditures	5650	15 851 612	17 133 759
Total	5660	28 119 207	29 630 163
Changing of balance of incomplete production, final products and other (increase [-]):	5670	0	0
Changing of balance of incomplete production, final products and other (decrease [+])	5680	0	0
Total expenses	5600	28 119 207	29 630 163

Estimated liability						
Indicator description	Code	Balance at the beginning of the year	Recognized	Redeemed	Written-off as surplus payment	Balance at the end of the period
Estimated liability - total	5700	1 542 607	435 411	-225 228	0	1 752 790
Including:						

Security obligations				
Indicator description	Code	As of 31.12.2012	As of 31.12.2011	As of 31.12.2010
Received – total	5800	2 620 441	3 416 422	0
Including:				
Distributed – total	5810	0	0	0
Including:				

Government assistance			
Indicator description	Code	In the accounting period	In the prior period
Budgetary funds received — total	5900	406	0
Including:			

For current expenses	5901		0		0
For investments in non-current assets	5905				
Public budget funds – total:		At the beginning of the year	Received during the year	Returned during the year	At the end of the year
For accounting year	5910	0	0	0	0
For the preceding year	5920	0	0	0	0
Including:					

**Report on the intended use of proceeds
2012**

Form No. 6 as per OKUD [Russian National Classifier of Management Documentation]		Codes
		0710006
Date		31.12.2012
Organization: Open Joint-Stock Company of Kuban Power Engineering and Electrification	As per OKPO [Russian National Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	INN [Taxpayer Identification Number]	2309001660
Type of activity	as per OKVED [Russian National Classifier of Economic Activities]	40.10.2
Organizational legal form/ownership form Open Joint-Stock Company	As per OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	47 / 16
Unit: thousand RUR	As per OKEI [Russian National Classifier of Measurement Units]	384

Location (address): **2, Stavropolskaya street, Krasnodar, 350033 Russia**

Indicator	Line code	As of 12 months 2012	As of 12 months 2011
1	2	3	4
Fund balance at the end of reporting year	6400		
Fund balance at the beginning of reporting year	6100		
Fund received			
Entrance fee	6210		
Membership fee	6215		
Target contribution	6220		
Voluntary asset contributions and donations	6230		
Business profits	6240		
Other	6250		
Total funds received	6200		
Funds applied			
Expenses for target oriented events	6310		
Including:			

Social and beneficent help	6311		
Holding conferences, meetings, seminars and other	6312		
Other events	6313		
Administrative personnel expenses	6320		
Including:			
Costs associated with remuneration of labour (including extra fee)	6321		
Costs that are not associated with remuneration of labour	6322		
Expenses for business trips and business travels	6323		
Maintenance of premises, buildings, vehicles and other property (except repair)	6324		
Repairs of fixed assets and other property	6325		
Other	6326		
Fixed assets acquisition, equipment and other property	6330		
Other	6350		
Total funds applied	6300		
Fund balance at the end of reporting year	6400		

Explanatory note

The information contained in the annex to this quarterly report
Audit report

The information contained in the annex to this quarterly report

7.2. Quarterly accounting statements of the Issuer for the last completed accounting quarter

Accounting balance sheet for 31.03.2013

Form No. 1 as per OKUD [Russian National Classifier of Management Documentation]		Codes
		0710001
Date		31.03.2013
Organization: Open Joint-Stock Company of Kuban Power Engineering and Electrification	As per OKPO [Russian National Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	INN [Taxpayer Identification Number]	2309001660
Type of activity	as per OKVED [Russian National Classifier of Economic Activities]	40.10.2
Organizational legal form/ownership form Open Joint-Stock Company	As per OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	47 / 16
Unit: thousand RUR	As per OKEI [Russian National Classifier of Measurement Units]	384

Location (address): **2, Stavropolskaya str., Krasnodar, 350033 Russia**

	ASSETS	Line	as of 31.03.2013	as of 31.12.2012	as of 31.12.2011
1	2	3	4	5	6
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	20 427	19 715	15
	Results of researches and designing	1120	15 344	17 091	0
	Fixed assets	1130			
	Income-bearing investments in tangibles	1140			
	Financial investments	1150	32 319 779	31 207 441	24 966 539
	Deferred tax assets	1160			

	Other non-current assets	1170	45 688	45 688	45 688
	Deferred tax assets	1180	1 240 077	1 006 530	816 460
	Other non-current assets	1190	266 735	269 657	239 230
	TOTAL Section I	1100	33 908 050	32 566 122	26 067 932
	II. CURRENT ASSETS				
	Stocks	1210	2 177 773	1 914 210	1 095 421
	Added value tax on valuables purchased	1220	9 058	10 232	9 138
	Receivables	1230	3 579 835	3 218 957	2 915 550
	Financial investments	1240	0	0	0
	Cash	1250	2 756 554	4 292 452	5 692 998
	Other current assets	1260	915 835	972 097	766 374
	TOTAL Section II	1200	9 439 055	10 407 948	10 479 481
	BALANCE (assets)	1600	43 347 105	42 974 070	36 547 413

	LIABILITIES	Line	as of 31.03.2013	as of 31.12.2012	as of 31.12.2011
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
	Authorized capital (reserve capital, statutory fund and partners' contributions)	1310	14 294 283	14 294 283	9 746 093
	Treasury stock bought out at from the shareholders	1320	0	0	0
	Revaluation of non-current assets	1340	8 250 450	8 250 871	8 194 372
	Additional capital (without revaluation)	1350	3 428 746	3 428 746	3 272 288
	Reserve capital	1360	89 347	89 347	89 347
	Unallocated profit (uncovered loss)	1370	-10 254 350	-9 481 984	-7 524 145
	TOTAL Section III	1300	15 808 476	16 581 263	13 777 955
	IV. LONG-TERM LIABILITIES				
	Borrowed funds	1410	5 917 000	5 917 000	10 027 267
	Deferred tax liabilities	1420	136 148	138 702	149 156
	Reserve for contingent liabilities	1430	0	0	0
	Other liabilities	1450	245 666	265 752	59 541
	TOTAL Section IV	1400	6 298 814	6 321 454	10 235 964
	V. SHORT-TERM LIABILITIES				
	Borrowed funds	1510	10 022 893	10 027 267	5 238 151
	Payables	1520	9 418 827	8 278 698	5 739 087
	Deferred expenses	1530	12 325	12 598	13 649
	Reserves for future expenses	1540	1 785 770	1 752 790	1 542 607
	Other liabilities	1550	0	0	0

	TOTAL Section V	1500	21 239 815	20 071 353	12 533 494
	BALANCE (assets)	1700	43 347 105	42 974 070	36 547 413

Profit and loss statement for 3 months of 2013

		Codes
Form No. 2 as per OKUD [Russian National Classifier of Management Documentation]		0710002
	Date	31.03.2013
Organization: Open Joint-Stock Company of Kuban Power Engineering and Electrification	As per OKPO [Russian National Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	INN [Taxpayer Identification Number]	2309001660
Type of activity	as per OKVED [Russian National Classifier of Economic Activities]	40.10.2
Organizational legal form/ownership form Open Joint-Stock Company	As per OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	47 / 16
Unit: thousand RUR	As per OKEI [Russian National Classifier of Measurement Units]	384

Location (address): **2, Stavropolskaya str., Krasnodar, 350033 Russia**

	Indicator	Line	3 months of 2013	3 months of 2012
1	2	3	4	5
	Proceeds	2110	7 523 109	6 947 788
	Cost of sales	2120	-7 591 218	-8 004 021
	Gross profit (loss)	2100	-68 109	-1 056 233
	Commercial expenses	2210	0	0
	Administrative expenses	2220	0	0
	Sales profit (loss)	2200	-68 109	-1 056 233
	Participation incomes	2310	0	0
	Interest receivable	2320	29 765	76 423
	Interest payable	2330	-380 005	-340 982
	Other incomes	2340	246 648	101 561
	Other expenses	2350	-836 690	-327 366
	Profit (loss) before tax	2300	-1 008 391	-1 546 597
	Current profit tax	2410	0	0
	Including constant tax liabilities (assets)	2421	49 381	37 518

	Changes in deferred tax liabilities	2430	2 534	2 888
	Changes in deferred tax assets	2450	149 764	268 913
	Other	2460	83 306	80 520
	Net profit (loss)	2400	-772 787	-1 194 276
	FOR REFERENCE:			
	Results of revaluation of non-current assets not included into net profit (loss) of the period	2510	0	0
	Results of other operations not included into net profit (loss) of the period	2520	0	0
	Aggregate financial result of the period	2500	-772 787	-1 194 276
	Basis profit (loss) per share	2900	-5.4063	-12.2539
	Diluted profit (loss) per share	2910	-5.4063	-12.2539

7.3. Consolidated accounting statements of the Issuer for the last closed financial year

Annual consolidated accounting (financial) reports of the issuer for the last completed fiscal year is made before the end of the first quarter and is included in the report for the 1st quarter.

Standards (rules) in accordance with which composed consolidated accounting (financial) statements disclosed in this section of the quarterly report

IFRS

2012 - IFRS/GAAP

Accounting period

Year: **2012**

Quarter:

The information contained in the annex to this quarterly report

7.4. Information on the accounting policy of the Issuer

The information contained in the annex to this quarterly report

7.5. Details of the total sum of export and of the portion of export in the total volume of sales

The issuer does not export the products (goods, services, works)

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

No substantial changes in the Issuer's real property composition occurred within 12 months before the reporting quarter expiry date

Additional Information: None

7.7. Details on the Issuer's participation in judicial trials that may substantially affect the Issuer's financial and business activity

In 2011 Kubanenergoby JSC filed a claim to Kubanenergo JSC on collection of unjust enrichment in the amount of 49 335 441 rubles 08 kopecks. Resolution of the 15th Appellate Court on 18.01.2012 denied the claim in terms of the demands to Kubanenergo JSC.

In 2012 "Neftegaztehnologia-Energia" LLC filed a claim to Kubanenergo JSC to recover the debt under a contract in the amount of 67 714 072.13 rubles. The Arbitration Court of Krasnodar region satisfied the claim in the amount of 54

144 967.32 rubles.

In 2012 Kubanenergo JSC to filed claims:

- to “Kuban Trunk Network” JSC to recover the unjust enrichment in the amount of 59 345 620 rubles for land tax. By the decision of Arbitration Court of Krasnodar Region on 02.05.2012 the claim is denied.
- to “Kuban Generation Company” JSC to recover the unjust enrichment in the amount of 60 210 190 rubles for land tax. By the decision of Arbitration Court of Krasnodar Region on 10.12.2012 the claim is denied.
- to “Kubanenergobyт” JSC to recover the debt in the amount of 12 453 290 rubles under a service contract for the transfer of electrical energy. On 19.06.2012 the Arbitration Court of Krasnodar Region approved the amicable agreement, under which the obligations are being performed.
- 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.
- to “Rusenergobyт” LLC to recover the debt in the amount of 74 704 330 rubles under a service contract for the transfer of electrical energy.
- to “Maikop CHP” LLC to recover the amount of debt in the amount of 45 626 400 rubles under a service contract for the transfer of electrical energy.
- to “Kubanenergobyт” JSC to recover the disputed sum of 1 681 049 950 rubles under a service contract for the transfer of electrical energy.
- to “Kubanenergobyт” JSC to recover the debt in the amount of 17 543 840 rubles under a service contract for the transfer of electrical energy.
- to “Kubanenergobyт” JSC to recover the debt in the amount of 167 195 180 rubles under a service contract for the transfer of electrical energy.
- to “Nizhnovatomenergobyт” JSC to recover the debt in the amount of 107 540 490 rubles under a service contract for the transfer of electrical energy.
- to “Nizhnovatomenergobyт” JSC to recover the debt in the amount of 266 967 430 rubles under a service contract for the transfer of electrical energy.
- to “Nizhnovatomenergobyт” JSC to recover the debt in the amount of 135 292 970 rubles under a service contract for the transfer of electrical energy.

In the 1st quarter of 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 “Kubanenergobyт” 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 “Nizhnovatomenergobyт” 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 “Nizhnovatomenergobyт” 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 “Nizhnovatomenergobyт” 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.
- The claim of “Kubanenergo” JSC to “Maikop CHP” LLC to recover the debt in the amount of 45 626 400 rubles under a service contract for the transfer of electrical energy.
- The claim of “Kubanenergo” JSC to “Rusenergosbyt” LLC to recover the debt in the amount of 74 704 330 rubles under a service contract for the transfer of electrical energy. The Arbitration Court of Moscow on 19.12.2012 the deniend claim.
- The claim of “Kubanenergo” JSC to “Kubanenergobyт” JSC to recover the disputed sum in the amount of 1 681 049 950 rubles under a service contract for the transfer of electrical energy. The Arbitration Court of Krasnodar Region on 04.03.2013 denied the claim.

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

Information about changes of the amount of authorized (reserve) capital (share fund) of the Issuer for last five completed financial years prior to the date of termination of the accounting period, as well as in the accounting quarter

Date of changes of the AC: **10.10.2012**

Amount of the AC before changes (RUR): **9 746 093 300**

Structure of the AC before changes

Ordinary shares

Total nominal cost: **9 746 093 300**

Amount of share in the AC, %: **100**

Privileged:

Total nominal cost: **0**

Amount of share in the AC, %: **0**

Amount of the AC after changes (RUR): **14 294 283 000**

Structure of the AC after changes

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**

Name of the management body of the Issuer having taken the decision on changes of the Issuer's authorized (reserve) capital (share fund): **General Shareholders Meeting**

Date of the minutes of meeting (session) of the management body of the Issuer, having taken the decision on changes of the Issuer's authorized (reserve) capital (share fund):

28.11.2011

Minutes No.: **30**

8.1.3. Information on convocation and holding meetings (sessions) of the supreme management body of the Issuer

Name of the supreme management body of the Issuer: General Shareholders Meeting

Order of notification of shareholders (participants) on holding of a meeting (session) of the supreme management body of the Issuer:

Notification about holding of the General Shareholders Meeting is sent (or handed) to each person indicated in the list of persons entitled for participation in the General Shareholders Meeting, is published by the Company in Kuban News and Soviet Adygea newspapers, as well as is placed on Company web-site in Internet: www.kubanenergo.ru , not later than 30 (thirty) days before its holding.

In case a nominal shareholder is registered in Company shareholders register, the notification on holding of the General Shareholders Meeting is sent to the address of the nominal shareholder, if the list of persons entitled for participation in the General Shareholders Meeting does not contain another address, at which the notification on holding of the General Shareholders Meeting should be sent.

Persons (bodies) entitled to convoke (claim for convocation) of and extraordinary meeting (session) of the Issuer's supreme management body, as well as the order of forwarding (presentation) of such claims: According to cl. 14 of Kubanenergo JSC Charter, an extraordinary General Shareholders Meeting shall be held by the decision of the Company Board of Directors on its own initiative, upon demand of the Auditing Commission of the Company or the Auditor of the Company, or by request of a shareholder(s) representing at least 10 (ten) percent of the Company's voting shares as of the date of such request.

A request on an extraordinary General Shareholders Meeting shall word those matters subject to be included in the meeting's agenda. Person (persons) requesting the convention of the Extraordinary General Shareholders Meeting of the Company shall be entitled to submit a wording of the decision by the General Shareholders Meeting and a proposal on the form of holding of the General Meeting of Shareholders. If the request for convocation of an extraordinary General Shareholders Meeting is made by a Shareholder(s), such request shall identify such shareholder(s) claiming for convocation of the meeting and indicate number and categories (types) of Company shares in the latter's ownership. The request for an extraordinary General Shareholders Meeting of the Company shall be signed by the person (persons) requesting the convention of such Extraordinary General Shareholders Meeting of the Company.

Within 5 (five) days from the date of the request submitted by the Company's Auditing Commission, Company's Auditor or a shareholder(s) representing at least ten (10) percent of the Company's voting shares for convocation of an extraordinary General Shareholders Meeting, the Board of Directors of the

Company shall decide to convene of an extraordinary General Shareholders Meeting or to reject the request.

The decision of the Board of Directors of the Company on convocation of an extraordinary General Shareholders Meeting or a substantiated rejection shall be sent to the persons demanding convocation of such a meeting not later than 3 (three) days from the moment of the corresponding decision.

The order of definition of the date of holding of the meeting (session) of the Issuer's supreme management body:

In accordance with the Statement on the order of preparation and holding of the General Shareholders Meeting of Kubanenergo, OJSC, the date of the General Shareholders Meeting of the Issuer is determined by Company Board of Directors.

An extraordinary General Shareholders Meeting of the Company may be convoked by the Auditing Commission, by the Auditor or by shareholder(s) being the owner of not less than 10% of Company's voting shares in case if within 5 (five) days from the moment of presentation of demand for convocation of an extraordinary General Shareholders Meeting Company Board of Directors has not made a decision on convocation of the extraordinary meeting, or has rejected the demand for convocation.

The persons entitled to make proposals to the agenda of the meeting (session) of the Issuer's supreme body, as well as the order of making such proposals:

Shareholder (shareholders) of the Company who holds a total of at least two (2) percent of voting shares of the Company is entitled to put forward suggestions for the agenda of the annual General Shareholders Meeting and to nominate candidates for the Board of Directors and the Auditing Commission of the Company in the number not exceeding the number of members of the bodies in question within the period of not later than Sixty (60) days from the end date of financial year.

The proposal on inclusion of issues into the agenda of General Shareholders Meeting and proposals on nomination of candidates shall be presented in writing stating names (institutional names) of shareholders (shareholder) initiating such proposal, the amount and category (type) of shares owned by them and shall be signed by shareholders (shareholder).

The proposal on introduction of issues into the agenda of the General Shareholders Meeting shall contain wording of each proposed issue, and the proposal on nomination of candidates shall contain the name and the data of issue of the identity document (series and (or) number of the document, date and place of issue and the name of issuing body) of each nominated candidate and the name of the body for which the candidate is nominated (Art. 13 of the Charter of Kubanenergo, JSC).

The persons entitled to be familiarized with the information (materials) presented for preparation and holding of the Issuer's supreme management body meeting (session), as well as the order of familiarization with such information

(materials):

Information on matters of the agenda of the General Shareholders Meeting shall be made available to the persons entitled to participate in the General Shareholders Meeting at the office of Executive Body of the Company or other places at addresses stated in the notice on holding the General Shareholders Meeting within the period of 20 (Twenty) days, or, in case of holding the General Shareholders Meeting to discuss the matter on reorganization of the Company, within 30 (Thirty) days prior to the holding the General Meeting of Shareholders.

The information (materials) on the questions of the agenda of the General Shareholders Meeting is placed at Company Internet-site not later than 10 (ten) days before the date of the General Shareholders Meeting: www.kubanenergo.ru.

The mentioned information (materials) shall be available to the persons participating in the General Shareholders Meeting during the Meeting. Familiarization procedure for persons entitled to attend the General Shareholders Meeting with information (materials) on the agenda of the General Shareholders Meeting and the list of such information (materials) are determined by the Board of Directors of the Company.

The order of announcement (communication to the Issuer's shareholders (participants) of the decisions taken by the Issuer's supreme management body, as well as of the ballots:

Voting results and decisions made by the General Shareholders Meeting of the Company may be announced at the General Shareholders Meeting of the Company.

Should the ballot and the decisions made by the Company General Shareholders Meeting not be announced at such General Meeting of Shareholders, not later than 10 (ten) days after drawing up of the ballot minutes, the decisions made by the General Shareholders Meeting, as well as the ballot, shall be brought to the notice of the persons on the list of those entitled to participate in the General Shareholders Meeting, in the form of a ballot report, in the order foreseen for communication on the fact of holding of the General Shareholders Meeting.

8.1.4. Information on commercial organizations in which the Issuer owns not less than five percent of the authorized (reserve) capital (share fund), or not less than five percent 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: **Plamya Health Complex 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 Rest Home, Open Joint-Stock Company**

Abbreviated business name: **P/o Energetic, OJSC**

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 deals effected by the Issuer

2012

Transactions (groups of related transactions), the price of which is 10 or more percent of the net value of issuer's assets as defined according to its financial statements as of the last reporting date before the transaction, were not concluded during the reporting quarter

Date of transaction: **02.04.2012**

Type and subject of transaction:

purchase of additional shares of the issuer during their distribution via public offer

Content of the transaction, as well as rights and obligations that are changed, granted or terminated after the transaction:

The issuer transfers for possession to the Buyer, and the Buyer accepts and pays for shares of additional issue distribute via public offer during the processor fusing the by the Buyer of its preemptive right to make purchase.

Term for fulfillment of obligation under the transaction: **05.05.2012**

Parties: **Issuer: Kubanenergo JSC. Buyer: Holding IDGC JSC.**

Sum of transaction: **4615545 RUR x 1000**

Transaction in % from the cost of issuer's assets: **10.7**

Cost of issuer's assets as of the end of reporting period (quarter, year), preceding the transaction (dated of conclusion of contract) and in respect of which the accounting statements were prepared in correspondence with Russian legislation: **43238661 RUR x 1000**

The transaction is a transaction of issuer's interest

Data on approval of the transaction

The transaction was not subject to approval in accordance with legislation of RF

According to paragraph 2 of article 81 of Federal law "On joint stock companies" the regulations of chapter XI of the law are not applied when the preemptive right to make purchase is used.

The specified transaction were not concluded during the reporting quarter

8.1.6. Information about credit ratings of the Issuer

Ratings known to the Issuer for the last five completed financial years and for each terminated financial year if the Issuer is carrying out its activity less than five years

Object of rating: **Issuer**

Organization having assigned the rating

Full business name: **National Rating Agency, Limited Liability Company**

Abbreviated business name: **National Rating Agency, LLC:**

Office: **Bdg. 1., 35-b, Vorontsovskaya ul., 109147, Moscow 1**

Brief description of the method of assignment of credit rating or Internet page, on which the information about credit rating assignment is placed (published) in free access:

The address of Internet page, on which the information about credit rating assignment is placed (published) in free access: www.ra-national.ru.

Value of credit rating as of the end date of the accounting quarter: “BBB+” – sufficient solvency; 1st level

The history of credit rating values for the last five completed financial years prior to the end date of the accounting quarter, and, if the Issuer carries out its activity less than five years, for each completed financial year prior to the end date of the accounting quarter, with the indication of credit rating value and the date of assignment (change) of credit rating

Date of assignment	Credit rating value
20.08.2009	“BBB+” – sufficient solvency; 1 st level

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): **142 942 830**

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: **334 364 407**

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
01.09.2009	1-02-00063-A-001D
14.12.2010	1-02-00063-A-002D
21.02.2012	1-02-00063-A-003D

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:

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

Type of securities: **bonds**

Form of securities: **certified bearer bonds**

Series: **02**

Non-convertible interest bearing bonds with obligatory centralized storage with redemption period at 1 820th (one thousand eight hundred twentieth) day from the moment of distribution

State registration number of the issue: **4-002-00063-A**

Date of state registration: **18.09.2008**

Official that issued state registration: **FFMS (Federal Financial Markets Service) of Russia**

Additional issues of securities: **no**

Amount of securities issued: **4 000 000**

In accordance with RF legislation the presence of nominal cost of this type of securities is not stipulated: **no**

Nominal price of each security issued, in rubles: **1 000**

Volume of issue by nominal price: **4 000 000 000**

Date of redemption of securities issued: **29.10.2009**

Ground for redemption of securities: **acknowledgement the issue of securities as failed**

Type of securities: **bonds**

Form of securities: **certified bearer bonds**

Series: **01**

Non-convertible interest bearing bonds with obligatory centralized storage with redemption period at 21.07.2010

State registration number of the issue: **4-01-00063-A**

Date of state registration: **05.06.2007**

Official that issued state registration: **FFMS (Federal Financial Markets Service) of Russia**

Additional issues of securities: **no**

Amount of securities issued: **3 000 000**

In accordance with RF legislation the presence of nominal cost of this type of securities is not stipulated: **no**

Nominal price of each security issued, in rubles: **1 000**

Volume of issue by nominal price: **3 000 000 000**

Date of redemption of securities issued: **21.07.2010**

Ground for redemption of securities: **acknowledgement the issue of securities as failed**

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**

Additional information disclosed in accordance with Regulations on information policy of "Kubanenergo" JSC

Information on Registrar's transfer-agents:

"Registrar R.O.S.T." JSC does not have transfer-agents that may provide services to entities/persons registered as Kubanenergo shareholders.

Information on remuneration to registrar:

During 2012 the Registrar was paid 1 053 751.87 rubles, among them: for services on keeping the registry of securities holders – 53 100 rubles; for preparation and fulfillment of functions of counting commission at general meeting of shareholders – 390 493.87 rubles; for making an entry to the system of keeping the registry on distribution of securities - 610 158 rubles.

During 2013 the Registrar was paid 67.5 thousand rubles, among them: for services on keeping the registry of securities holders – 13.3 thousand rubles; for preparation and fulfillment of functions of counting commission at general meeting of shareholders – 54.2 thousand rubles.

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

In accordance with articles 43 of the Tax Code, any income received by a shareholder of the organization, while the distribution of profits, remaining after taxes, on shares held by the shareholder in proportion to the shareholders in the share capital of the organization is recognized as dividend.

As dividends are not recognized:

- 1) payment to shareholder during the liquidation of the organization in cash or in natural form, not exceeding the contribution from the shareholder to the share capital of the organization;
- 2) payments to shareholders in the form of transfer of shares of the same organization

Peculiarities of the personal income tax in respect of income from equity organizations are described in article 214 of the Tax Code of the Russian Federation.

Tax on the income of natural persons (hereinafter – the tax) in respect of income from equity participation in the organization received in the form of dividends is determined by considering the following points: as a source of income of the taxpayer received in the form of dividends is a Russian organization, then this organization is recognized by tax agent and determines the amount of tax for each taxpayer in respect of each payment of the income at the rate provided for in paragraph 4 of article 224 of the Tax Code of the Russian Federation, in the

manner prescribed by article 275 of the Tax Code of the Russian Federation.

Article 224 of the Tax Code specifies that in respect of proceeds from the equity in organizations, in the form of dividends received by individuals that are residents of the Russian Federation, the tax rate is set at 9%.

The tax rate of 15% is set in respect of income in form of dividends from participation in Russian companies, received by individuals that are not tax residents of the Russian Federation.

In relation to legal persons to the tax base determined by income received in the form of dividends, the following rates are used:

- 1) 9% - income received as dividends from Russian organizations by Russian organizations and individuals - tax residents of the Russian Federation;
- 2) 15 per cent - on income received as dividends from Russian entities by foreign organizations if there is no agreement on the avoidance of double taxation between the Russian Federation and the State receiving the dividend or if such agreement provides other conditions.

Along with it, the tax is calculated with the specifications specified in Article 275 of the Tax Code of the Russian Federation:

- 1) as the issuer is a Russian company then it is recognized a tax agent and determines the amount of the tax;
- 2) the sum of tax for retention from the income of the taxpayer - recipient of the dividend is calculated by the tax agent on the basis of the total amount of tax calculated in the manner prescribed by article 275 of the Tax Code, and the share of each taxpayer in the total amount of dividends.

The total amount of tax is determined as the multiplication of the tax rate established in subparagraph 1 of paragraph 3 of article 284 of the Tax Code, and the difference between the amount of dividends to be distributed to the shareholders (participants) in the current tax period reduced by the amount of dividends to be paid by the tax agent in accordance with paragraph 3 of the same article in the current tax period, and the amount of dividends received by the tax agent in the current reporting (tax) period and the previous reporting (tax) period, if such dividend amount have not been involved in the calculation for determining taxable income as dividends. If the difference is negative the liability to pay the tax does not arise and refund of the budget is not performed.

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: **2002**

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:

11.06.2003

Date as whereof the list of persons having the right to receive dividend for the specific dividend period was generated: **27.04.2003**

Minutes generation date: **11.06.2003**

Minutes No.: **12**

Shares category (type): **Ordinary**

Amount of announced (accrued) dividend on shares of the specific category (type) per one share, RUR: **0.56**

Aggregate amount of announced (accrued) dividend on all the shares of the specific category (type), RUR: **10 007 000**

Total amount of dividend paid on all the shares of the specific category (type), RUR: **10 007 000**

Source of payment of declared dividends: **net profit**

Share of declared dividends in net revenue of reporting year, %: **40**

Share of paid out dividends from total volume of declared dividends on shares of the type (category), %: **100**

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

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:

Persons registered in the Register of Shareholders of the Company having failed to submit information on their personal data changes

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:

Persons registered in the Register of Shareholders of the Company having failed to submit information on their personal data changes

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 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 RUR (upon such bonds holders’ request).

8.9. Other details

Additional details disclosed by the Issuer in the quarterly report in accordance with the requirements of the Regulation on the Information Policy

8.9.1. Statistical information on the Issuer’s shareholders

Joint-stock capital structure (as of the last date of closure of the register to the annual General Meeting of Shareholders 08.02.2013):

	Indicator	Number of shareholders	Quantity of shares	% from placed shares
1	Natural persons	2904	1 571 599	1,1
	including:			
	Shares in joint shared ownership	13	6 505	0,005
2	Legal entities	97	141 371 231	98,9
	including:			
	Trustees	19	1 111 427	0,78
	Nominal holders having failed to provide information on their customers	1	5	0,00

	Unidentified persons	2	3 204	0,002
	Total:	3 001	142 942 830	100
Non-residents		30	1 128 142	0,79

Details on the Issuer's shares in crossholding

There are no shares of the Issuer in crossholding.

8.9.2. Description of Company's organization structure and functional relations between subdivisions

The executive office performs control of grid companies in the following directions:

1. Technical sphere, including: operation and maintenance, dispatching, reliability, production control, occupational safety, quality management, metering and metrology, management of production assets;
2. Development and implementation of services, including: perspective development, technological connection, transport and accounting of electric energy, communication with customers, organization of energy saving and increasing of energy efficiency;
3. Investments, including: investment management and capital construction;
4. Logistics and inventory supply, including: resource management and tender procedures;
5. Economics and finances, including business-planning, tariffs formations, cash flow control, insurance;
6. Accounting, including: tax, financial and accounting reporting;
7. Corporate governance, including: legal support, corporate relations, property management, consolidation of grid assets, public relations;
8. Business and administrative affairs, including: documentation, документационное обеспечение, e-document flow, control and check of documents implementation, organization of corporate and other events, administrative support, transport, automation, use of constructions and buildings;
9. Staff management, including: organization design and labour rating, мотивация труда, учет кадров, recruiting and staff development, social corporate programmes;
10. IT, including: operation of automated management systems, development of supervisory control system, planning of IT-resources, operation of IT systems;
11. Security, including: economic, informational, regional safety, state secret protection, mobilization training and civil defense;
12. Internal audit and risk management, including: audit, expertize, risks management and internal control, internal audit;
13. Development of Sochi energy complex, including Programme on construction of Olympic facilities, interaction with "Olympstroy", legal and financial support, tender procedures, capital construction, contract work on construction of Olympic facilities, property management, engineering

supervision and modernization of facilities.

14. Working with the media and the authorities.

8.9.3. Key events and news

	Date	News	Published
1	17.01.2013	Kubanenergo JSC is developing a long-term schemes of electric networks 35 kV and higher for the period of 2012-2017 with perspective to 2022.	Corporate website of Kubanenergo JSC
2	25.01.2013	As part of the repair program in 2012 Kubanenergo JSC overhauled 89 substations of 35-220 kV, more than 2 500 km of overhead power lines of 0.4-110 kV, cleared 808 hectares of routing of overhead lines from trees and shrubs	Corporate website of Kubanenergo JSC
3	14.02.2013	Kubanenergo executives discussed with contractors the progress of reconstruction and construction of distribution network of Sochi	Corporate website of Kubanenergo JSC
4	12.03.2013	Kubanenergo built a new power line in the mountain villages in Krasnodar region	Corporate website of Kubanenergo JSC
5	21.03.2013	Kubanenergo reconstructs the distribution networks in the resort town Anapa	Corporate website of Kubanenergo JSC
6	18.03.2013	Shareholders of Kubanenergo decided to increase the authorized capital of the Company in order to attract investment	Corporate website of Kubanenergo JSC
7	27.03.2013	Teams of Kubanenergo promptly recovered the power supply in the northern areas of Kuban region, damage by icing on power lines	Corporate website of Kubanenergo JSC

8.9.4 Participation of the Company in exhibitions, conferences and activity in international organizations

Kubanenergo did not participate in conference and exhibitions during the reporting quarter

8.9.5. Brief description of Company internal regulations

The procedures of corporate management are regulated by the Charter and internal documents of the Company, including:

Internal regulation	Description	Information about adoption of internal

	name		regulation by Company management bodies
1	Regulation on the order of Preparation and holding of Company General Shareholders Meeting	The document regulates the order of convocation, preparation and holding of shareholders meetings, as well as interaction of operative organs of the meetings.	Adopted in the new version by the decision of Annual general shareholders meeting, minutes No. 23 dated 06.06.2008
2	Regulations on the order of convocation and holding of Sessions of the Board of Directors of the Company	The document regulates the order of convocation, preparation and holding of sessions of the Board of Directors, as well as rights, duties and responsibility of members and Corporate secretary of the Company.	Adopted in the new version by the decision of Annual general shareholders meeting, minutes No. 31 dated 22.06.2012
3	Statement on Company Management Board	The document regulates the order of: Formation of the Board; Convocation and holding of its sessions And of decision making, as well as rights, duties and responsibility of the members of the Board.	Adopted in the new version by the decision of Annual general shareholders meeting, minutes No. 23 dated 06.06.2008
4	Statement on the Auditing Commission of the Company	The document regulates the tasks and operating procedures of the Auditing Commission and regulates the issues of its interaction with Company management bodies, as well as regulates rights and duties of Auditing Commission members.	Adopted in the new version by the decision of Annual general shareholders meeting, minutes No. 23 dated 06.06.2008
5	Statement on payment of remunerations and compensations to the members of Company Board of Directors	The document regulates the amount and the order of payment of remunerations and compensations to the members of the Board of Directors (save the members of the Board of Directors being at the same time Director General and/or members of the Management Board).	Adopted in the new version by the decision of Annual general shareholders meeting, minutes No. 23 dated 06.06.2008
6	Statement on payment of remunerations and compensations to the members of Company Auditing Commission	The document regulates the amount and the order of payment of remunerations and compensations to the members of the Auditing Commission	Adopted in the new version by the decision of Annual general shareholders meeting, minutes No. 23 dated 06.06.2008
7	Statement on Reliability Committee of Company Board of Directors	The document regulates the tasks, competence, rights and duties of the Committee and the order of convocation and holding of its	Adopted in the new version by the decision of the Board of Directors, minutes

		meetings.	No. 94/2010 dated 05.08.2010
8	Code of corporate management of the Company	The document regulates the obligations assumed by the Company in the sphere of ensuring transparency of Company management and observation of standards of due corporate management.	Adopted by the decision of the Board of Directors, minutes No. 23/2006 dated 01.11.2006
9	Statement on Company information policy	The document regulates rules and approaches towards information disclosure, the list of information and documents subject to disclosure to shareholders, creditors, potential investors and other persons, as well as states the order and terms of disclosure and presentation of the above information.	Adopted by the decision of the Board of Directors, minutes No. 22/2006 dated 03.10.2006
10	Statement on Company insider information	The document explains the terms “insider” and “insider information” of the Company and defines the order of protection and avoidance of illegal use and dissemination of insider information.	УТВЕРЖДЕНО в Adopted by the decision of the Board of Directors, minutes No. 125/2012 dated 12.01.2012
11	Statement on dividend policy	The document establishes the system of relations and principles on determination of dividends, of order and terms of their payment, as well as on responsibility of the Company for non-fulfillment of obligations on dividends payment.	Adopted in the new version by the decision of the Board of Directors, minutes No. 95/2010 dd 03.09.2010
12	Statement on Corporate Secretary of Company Board of Directors	The document defines the status, competence, rights and duties of Company Board of Directors Corporate Secretary, as well as the order of his election, and states the order of remuneration.	Adopted by the decision of the Board of Directors, minutes No. 38/2007 dated 27.06.07
13	Statement on Audit Commission of Company Board of Directors	The document regulates the tasks, competence, rights and duties of the Committee and the order of convocation and holding of its meetings.	Adopted in the new version by the decision of the Board of Directors, minutes No. 142/2012 dated 24.08.12
14	Statement on the Committee on strategy, investments, development and reformation of Company Board of Directors	The document regulates the tasks, competence, rights and duties of the Committee and the order of convocation and holding of its meetings.	Adopted by the decision of the Board of Directors, minutes No. 84/2010 dated 05.02.09

15	Statement on The procedures of internal audit of Kubanenergo, OJSC	The document states the tasks and goals of internal audit, the procedures of internal audit, subjects responsible for carrying out internal audit, as well as those in charge of control over carrying out internal audit procedures.	Adopted by the decision of the Board of Directors, minutes No. 66/2009 dated 12.02.09
16	Order of interaction of Kubanenergo, OJSC with economic entities, shares (participations) of which are owned by Kubanenergo, OJSC	The document: - Regulates the issues of realization by Kubanenergo, OJSC of the rights of a shareholder and participant in its affiliated and dependent companies certified with shares, and participations to ensure efficient activity of Company representatives at General shareholders/participants meetings, in Boards of Directors and Auditing Commission s of affiliates and dependent companies of Kubanenergo, OJSC; - Sets the general terms of corporate interaction between the Company and its affiliates and dependent companies in various directions.	Adopted by the decision of the Board of Directors, Minutes No. 69/2009 dated 27.03.2009
17	Regulation on Personnel Committee attached to Board of Directors	The documents sets tasks, describes competence, rights and duties of the Committee, as well the procedure of convening and holding the meetings	Adopted by the decision of the Board of Directors, minutes No. 94/2010 dated 06.08.2010
18	Regulation on Committee for technological connection attached to Board of Directors	The documents sets tasks, describes competence, rights and duties of the Committee, as well the procedure of convening and holding the meetings	Adopted by the decision of the Board of Directors, minutes No.119/2011 dated 14.10.2011
19	Company's internal control policy	The document defines the procedures, objectives and principles of the organization of the internal control system, the roles, responsibilities and interaction of its parts, the types and levels of internal control over financial and economic activity.	Adopted by tge decision of the Board of Directors, Minutes No. 142/2012 dd. 24.08.2012

The above internal documents of the Company were developed in accordance with the legislation of the RF and with the Company Charter, and take into consideration the main statements of the Code of Corporate Behaviour, recommended for application by FCTsB (Disposition of FCTsB from 04.04.02 No. 421/r).

Issuer's internal statements can be found at Company website:

8.9.6. Information about procedures of nomination of candidates to Company Board of Directors and presentation of issues to Company Board of Directors. Brief description of Company management board in the accounting quarter.

Procedure of nomination of candidates to Company Board of Directors:

Shareholder (s) being in the aggregate owners of not less than 2 (two) percent of Company voting shares are entitled to introduce issues into the agenda of the annual General Shareholders Meeting and nominate candidates to the Company Board of Directors and Auditing Commission, the number of which cannot exceed quantitative composition of the relative body. Such proposals shall be submitted to the Company not later than 60 days upon expiry of the financial year.

Proposal on nomination of candidates shall be presented in writing stating names (institutional names) of shareholders (shareholder) initiating such proposal, the amount and category (type) of shares owned by them and shall be signed by shareholders (shareholder).

Proposal on nomination of candidates should contain the name of each nominated candidates, name of the body to which he is nominated. When shareholders nominate candidates for election to the Company Board of Directors, they are also recommended to submit to the Issuer the following information about the nominated candidates: Citizenship, place of residence, education, profession, labour experience for five years prior to the date of nomination, including the main place of work and other occupied offices in management bodies of other legal entities, owning of shares of the Company and its ADC, affinity with Company officers (its management company), contract agreements with the Company on issues of acquisition of its property (money assets) with the values exceeding 10% of the aggregate annual income of the candidate. The above information is submitted by Company shareholders together with other materials of the agenda of the General Shareholders Meeting. Failure to submit the above information by shareholders does not entail rejection to include the relative candidate into the list of persons to be voted for election to Company Board of Directors.

The Board of Directors the Company is obliged to consider the proposals received and decide to include or to reject the corresponding matters to the agenda of the General Shareholders Meeting within 5 (five) days after expiration of the term of 60 (sixty) days after termination of the financial year.

Company Board of Directors is entitled to refuse to include the nominated candidates to the list of candidates to be voted for election to the relative Company body on the grounds foreseen by Federal Law “On Joint-Stock Companies” and other legal acts of the Russian Federation.

A substantiated decision by the Board of Directors of the Company on refusal to include the nominated candidate to a list of candidates for elections to the

corresponding Company authority shall be sent to the shareholder(s) who submitted such proposal or nomination within 3 (three) days of the date of such decision.

The Board of Directors of the Company has no rights to change written statement of matters proposed for the agenda of the General Shareholders Meeting as well as to written statements of decisions on such matters.

Apart from issues proposed by shareholders for inclusion in the agenda of the General Shareholders Meeting as well as in case of absence of such proposals, absence or insufficient number of candidates proposed by shareholders for establishment of the corresponding body of the Company the Board of Directors of the Company shall have the right to include in the agenda of the General Shareholders Meeting issues or candidates to be included in the list of candidacies at their own discretion.

The order of submission of issues to the Company Board of Directors:

Demand for convocation of Company Board of Directors can be presented by the members of the Board of Directors, of the Auditing Commission, by Director General and by the members of the Management Body of the Company. The above demands are forwarded to the Chairman of the Board of Directors in written; a copy of it should be at the same time sent to Company Corporate Secretary.

The Chairman of the Board of Directors is obliged to consider the received demand on convocation of an extraordinary General Shareholders Meeting, on rejection of such demand or on inclusion of the issues contained in the demand to the agenda of the planned session of the Board of Directors not later than 5 working days from the moment of receipt of the relative demand. A session of the Company Board of Directors on consideration of issue (issues) contained in the demand should be held not later than 30 calendar days from the moment of receipt of the relative demand by the Chairman of the Company Board of Directors.

Brief description of Company management board in the accounting quarter:

On 18.03.2013 extraordinary general meeting of shareholders took place with the following agenda “On increasing authorized capital of “Kubanenergo” JSC by offering additional shares”, it was decided to increase the authorized capital of “Kubanenergo” JSC by offering 214 877 270 additional shares via public offer at 121.82 rubles per one share.

Company’s Board of Directors had 6 meetings, where 42 issues were discussed; decisions on all of them were adopted, including:

- on convening extraordinary general meeting of “Kubanenergo” JSC shareholders;
- on determining the price of additional shares;
- on propositions to extraordinary meeting of shareholders on agenda item “On increasing authorized capital of “Kubanenergo” JSC by offering

additional shares”;

- term of office of Director General of “Kubanenergo” JSC Sultanov G.A. was terminated, Gavrilov A.I. was appointed acting Director General of the Company;
- the following documents were approved:
 1. Business plan (including investment programme) of “Kubanenergo” JSC for 2013-2017;
 2. Key annual and quarterly performance indicators of Director General and top managers of “Kubanenergo” JSC for 2013.
 3. Annual purchasing programme of “Kubanenergo” JSC for 2013.
 4. Amended programme of perspective development of energy metering systems.
 5. Credit plan of “Kubanenergo” JSC for the 1st quarter of 2013.
 6. Results of implementation of key performance indicators in the 3rd quarter of 2012.
 7. Internal documents of the Company: Code of corporate conduct of “Kubanenergo” JSC, restated Corporate Governance Code of “Kubanenergo” JSC.
 8. Decision on additional issue of securities and prospect of securities.
- The Programme of energy saving and increasing energy efficiency was taken into consideration;
- Company expressed its opinion on Agenda items of BoD meetings and extraordinary general meetings of shareholders of affiliated and dependent companies;
- Propositions of shareholders on inclusion of the agenda of meeting issues of discussion as well as candidates for elections to BoD and audition commission were taken into consideration;
- Participation of “Kubanenergo” JSC in non-profit partnership “Market Council” was approved;
- Reports of Director General on different aspects of Company’s business activity were taken into consideration.

Minutes of the General Meeting of Shareholders and the Board of Directors of "Kubanenergo" are available on Company website at: <http://www.kubanenergo.ru/about/controls/>.

In the reporting quarter were held:

	Number of meetings	Number of issues and adopted decision
Committee of the Board of Directors		

		s
Committee on strategy, development, investments and reforming	5	25
Human Resources and Compensation Committee	5	10
Audit Committee	1	7
Reliability Committee	2	11
Committee on technological connection	1	5

Minutes of meeting committees attached to Kubanenergo BoD are available at: http://www.kubanenergo.ru/about/controls/board_of_directors/board_committees/.

8.9.7. Brief review of the Auditing Commission activity in the accounting quarter

The activity of the Audit Commission of the issuer is determined by the Regulations on the Audit Commission of “Kubanenergo” JSC approved by the General Shareholders' Meeting (Minutes dd 06.06.2008 No. 23).

Audit of the business activity is performed in accordance with the approved Annual Work Plan of the Audit Commission.

The order and timing of the opinion on the audit of financial and economic activities are determined by regulations of the Russian Federation and the Company.

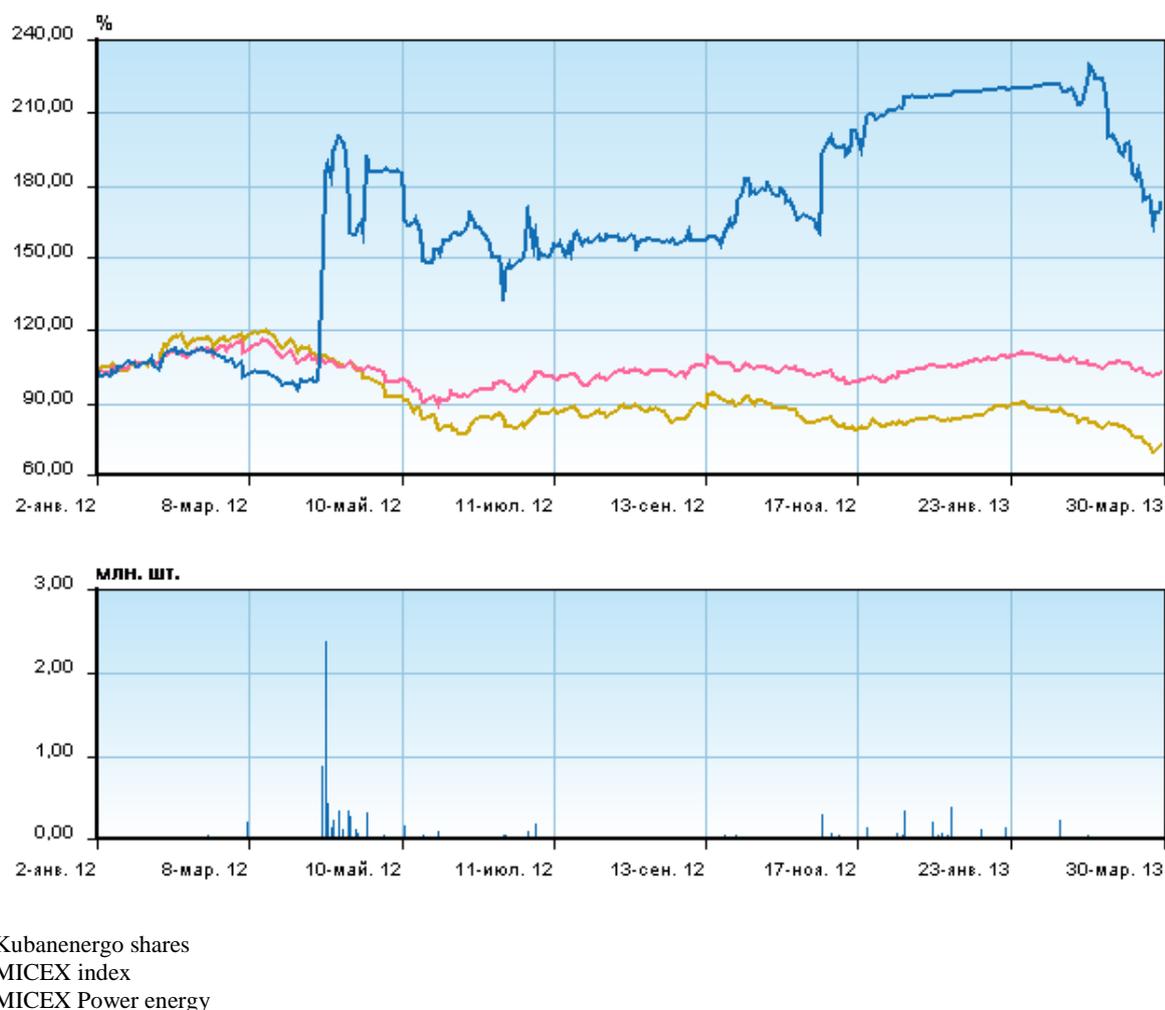
In the 1st quarter of 2013 there were 3 meetings held by the Audit Commission and the following issues were discussed:

- on inspecting (audit), terms and program of the inspection (audit) of financial and economic activities of the Company (Minutes No. 6 dd. 25.01.2013);
- on consideration of the results of inspection of costs for personnel management of the Company for 2012 (Minutes No. 7 dd. 31.01.2013);
- on approving the terms of inspection and programme of inspection of “Kubanenergo” JSC in accordance with approved plan of activities of inspection commission of “Kubanenergo” JSC for 2012-2013 (Minutes No. 8 dd. 26.03.2013).

Minutes of meeting of the Auditing Commission are available at: http://www.kubanenergo.ru/about/control_systemy/audit_commission/.

8.9.8. Dynamics of prices of share and other Company securities

Dynamics of prices of shares of Kubanenergo JSC in the last year (2012) and 1st quarter of 2013 according to data of FB MICEX



8.9.9. Methods of assets valuation

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 from 06.10.2008 No. 106n, Kubanenergo, OJSC 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.

8.9.10. Forecasting of production and financial results of Company’s activity

Company’s activity is planned with regard of the following indicators:

- consolidated balance of generation and transmission of electric energy in unified energy system of Russia to territorial subjects of RF;
- forecast of growth in tariffs for services on energy transmission;
- forecast of growth in consumer prices;
- forecast of growth in prices for purchasing losses with regard of average share of deregulation of market;

- volume of energy losses in comparison to grid output, with consideration of depreciation, network loads, commercial losses, etc.

Quarterly forecast of financial results, thousand rubles

	Indicator	3rd quarter 2012	4th quarter 2012	1sr quarter 2013
1	Income (net) from selling products , total	7 032 539	7 455 565	7 523 109
2	Self-cost of products (services), total	6 352 092	7 023 081	7 591 218
3	Gross income, total	680 447	432 484	-68 109
4	Net income, total	-274 385	-164 209	-772 787

Changes in financial and economic activity of “Kubanenergo” JSC in the 1st quarter 2013 in comparison to the 4th quarter of 2012 are characterized by the following dynamics:

- Increasing of the proceeds from the sale of products (services) in the reporting period by 67 544 thousand rubles or 0.9% due to increase in revenue for transmission services of electricity by 524 744 thousand rubles;
- Decrease in self-cost by 568 137 thousand rubles or 8% due to increase of cost of purchased electricity to compensate for losses by 643 833 thousand rubles or 40%.

8.9.11. 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 530 transactions with state and municipal companies for a total sum of 73.5 million rubles.

The state and municipal companies provided the following services to the Company:

- lease of land plots;
- technical inventory of real property;
- personnel training
- medical examination of the Company employees;
- formalization of legal land and town planning documents;
- information and advertisement servicing;
- subscription for printed periodicals;
- state expert valuation of design and cost estimate documentation for construction and reconstruction of energy facilities;
- organization of Olympic energy facilities construction;
- 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.

During the reporting quarter the following transactions were not concluded:

- between the Company and shareholders owning more than 5% of shares,
- between affiliated companies of the issuer.

8.9.12. Information on valuation of corporate governance

In 2011 rating agency “RA Expert” made an analysis of quality of management in the Company by the results of which at February 24, 2012 Kubanenergo was assigned quality rating “7” Developed corporate management.

8.10. Data on the securities distributed and on the Issuer of the distributed securities, the property right certified by Russian depository receipts

The Issuer is not the Issuer of the securities, the property right of which is to be certified by Russian depository receipts.