

QUARTERLY REPORT

Kuban Open Joint-Stock Company
of Power Industry and Electrification

Issuer's code 00063-A

Quarter 4, 2012

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

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

Director general

Date: February 12, 2013

_____ Sultanov G.A.
signature

Chief accountant – head of Department of accounting
and tax reporting

Date: February 12, 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.

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
Budagrın Oleg Mikhailovich (chairperson)	1960
Goncharov Valeriy Anatolievich	1963
Demidov Aleksey Vladimirovich	1976
Diakov Fyodor Alekseevich	1958
Yemelin Aleksandr Sergeevich	1965
Likhov Khasan Mushtafaevich	1983
Murov Andrey Evgenievich	1970
Nikonov Vasiliy Vladislavovich	1972
Prokhorov Yegor Vyacheslavovich	1982
Romeiko Dmitriy Igorevich	1967
Sultanov Georgy Akhmedovich	1954

Sole Executive Body of the Issuer

Name	Year of Birth
Sultanov Georgy Akhmedovich	1954

Composition of the Collegial Executive Body of the Issuer

Name	Year of Birth
Sultanov Georgy Akhmedovich (Chairperson)	1954
Belik Vyacheslav Aleksandrovich	1978
Brizhan Aleksey Vasilyevich	1978
Bronnikov Mikhail Borisovich	1965
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		

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 item of the agenda "Choosing the auditor for performing the audit of

financial accounting report of Holding's affiliated company for 2012" the Central purchase committee of IDGC Holding JSC has recommended the candidature of KPMG CJSC as the auditor financial accounting report for 2012, prepared in accordance with Russian accounting standards, with financial proposal amounting to 654 689.0 rubles, including VAT (minutes of meeting of the Central purchase committee of IDGC Holding JSC No.12 dated 05.04.2012).

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. On 05.12.2012 the BoD fixed the payment to "KPMG" CJSC for their services in amount of 654 689 (minutes of meeting No.148/2012 dd 07.12.2012). "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.

1.4. Details of Appraiser(s) of the Issuer

Appraisers were not engaged during accounting 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

Is not specified in the report for the 4th quarter

2.2. Issuer's Market Capitalization

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

in thousand rubles

Indicator	2011	4 th quarter of 2012
Market capitalization	6 855 402	14 908 599

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:

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

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	3 049	95 630 510,00

3rd quarter		
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

2.3. Issuer's Liabilities

2.3.1. Accounts payable

Is not specified in the report for the 4th quarter

2.3.2. Issuer's Credit History

Fulfilment of liabilities by the Issuer under credit and/or loan contracts having been in effect during the 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 –	no

the total amount of overdue and their volume in days	
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)

No changes occurred in the paragraph

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:

- 1) “Kuban Generating Company”, with the generating capacities of the Company (Krasnodar CHP and minor-scale hydroelectric power plants) included in one’s authorized capital;
- 2) “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);
- 3) “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 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

Changes in branches and representatives offices of the issuer, as well as information on changes in the name, location of a branch, name of the director, terms of office

Since 04.12.2012 Sysoev Sergey Anatolievich fulfills obligations of director of branch South-Western electric grids, attorney issued on 04.12.2012 No.119/10-918, valid till 31.12.2013.

Directors of other branches are provided with new attorney with validity term till 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

Is not specified in the report for the 4th quarter

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

Is not specified in the report for the 4th quarter

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

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

The Company is the largest electric power grid company in the Krasnodar Territory and Republic of Adygea carrying out transmission and distribution of electric energy across electric power grids with voltage equal or below 110 kV among the populated localities, in rural settlements and individual cities and regional centres of the Krasnodar Territory and Republic of Adygea including Sochi. The market share on services of energy transmission is 58.42% for 4th quarter and 57.35% for the whole 2012.

“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 the 2nd quarter of 2012 by Order No. 20/2012-e “On establishment of tariffs for organizations providing electric energy transmission services” dated 30.05.2012:

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

58 725,90	472,78	948,61
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In the reporting quarter, the core consumers of “Kubanenergo” JSC energy transmission services were:

- energy selling companies that are wholesale and retail market players carrying out their activity of marketing electric energy to end consumers connected to the Company’s electric power grids and those of other grid companies (Kubanenergobyt JSC, NESK JSC, Oboronenergobyt LLC, Nizhnovatomenergobyt JSC, Dizazh M LLC, MAREM+ CJSC, Rusenergobyt LLC, REG LLC, KubanResurs LLC, Rusenergoresurs LLC, Transserviceenergo LLC, RN-Energo LLC);
- number of consumers having concluded “direct” contracts for provision of electric energy transmission services with “Kubanenergo” JSC (Novorosstement JSC, Tamanneftegaz CJSC, SBSV LLC, Kubanzheldormash JSC, SBSV LLC, Evrokhim-Belorechensk mineral fertilizers LLC)
- income-generating allied grid organization (“Maykop 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: **Administration of the Federal Security Service of Russia for the Krasnodar Territory**

No.: **735**

Name of activity type(s): **Performance of works involving use of information classified as state secret.**

Date of issue **04.03.2008**

Expiry date: **04.03.2013**

Name of the body issued the license: **Administration of the Federal Security Service of Russia for the Krasnodar Territory**

No.: **735/1**

Name of activity type(s): **Carrying out arrangements and (or) provision of services for protection of state secret related to cryptofacility functioning. The license covers operation of encryption tools intended for protection of information containing details classified as state secret.**

Date of issue **20.03.2008**

Expiry date: **20.03.2013**

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 **16.12.2010**

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 **01.09.2011**

Expiry date:

Perpetual

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 Non-profit partnership “Energostroy”**

No.: **0212.03-2012-2309001660-C060**

Name of activity type(s): **permit to construction, modernization and overhaul work**

Date of issue: **18.12.2012**

Expiry date:

Perpetual

Name of the body issued the license: **Self-regulating organization Non-profit partnership “Energoproekt”**

No.: **П-0263-03-2010-0274**

Name of activity type(s): **permit to work on preparation of design documents 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.

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 – 400.000 million rubles, additional issue of shares - 7 419.891 million rubles, payment for technological connection - 723.949 million rubles.

Adjustment of the investment program includes the input of electrical networks with total length of 147.4 km and substations with a total capacity 502.7 MW.

“Kubanenergo” prepared the investment programme for 2013-2018, by 15.03.2013 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:

The main activity of “Kubanenergo” JSC is the transmission of electric energy. The share of the activity in the total amount of revenue was 97% by the end of 2012.

Revenue for services for electric power transmission is planned from the estimated volume of electricity transmission services, as well as on the basis of tariffs for electricity transmission, estimated in accordance with:

- decisions of the tariff regulation governing the tariffs for electricity transmission;
- the forecast of socio-economic development of the Russian Federation and/or conditions of the economy of the Russian Federation, approved by the Russian Government in 2013 and 2014 - 2017.

When planning output to the network parameters and input the network to consumers and related territorial grid organizations Company is guided by:

- estimates of dynamics of power consumption by the results of 2012, as well as online data monitoring of power consumption in the region in general and the largest consumers of electricity;
- officially published plans of the changes in activity of electricity consumers that have a significant effect on the balance of power;
- existing contractual terms with customers for electricity transmission;
- existing forecasts of development of territorial subject of Russian Federation;

- rate of changes in energy consumption in accordance with the conditions of power industry development up to 2030, estimated increase related to sales contracts for technological connection, including the connection of electrical installations of small and medium businesses;
- concluded / terminated and planned to conclude / terminate in the current period, the contracts on lease of electric equipment possessed by to other owners, and with consideration of the transfer ownerless electric grid;
- acquisition of electric equipment;
- plan of activity on step-by-step termination starting from January 1, 2014 of transfer of transmission facilities of the Unified National (Russian) electric power grid, to lease to territorial grid organizations, approved by the executive authorities of the Russian Federation, which provides for the elimination of rent of UNEG grids for the period 2014 - 2016.

In the absence of an approved plan the company should be governed by the requirements of the Federal Law dated 26 March 2003 No. 35-FZ “On Power Industry” and in the event of termination of the contracts of the “last mile” from 1 January 2014 the lost income should be compensated by the corresponding growth rate.

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**

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 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**

Вид контроля: *прямой контроль*

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
Samoilenko Svetlana Stanislavovna	0	0
Shvetsov Aleksandr Anatolyevich	0	0
Kreizman Larisa Anatolyevna	0	0
Storchay Margarita Aleksandrovna	0	0

Sole Executive Body of the company

Name	Participatory stake of the person in the	Portion of ordinary shares
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	authorized capital of the Issuer, %:	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 4th quarter of 2012

	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, “IDGC Holding” JSC, “Neft-Aktiv” LLC):			
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: such information is not specified for this quarter

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

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

Location

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

TIN: **2304041820**

PSRN: **1042301876495**

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

Participation in affiliated company

Grounds for the company to be qualified as subsidiary of or dependent on the

Issuer: **Dominant participation of the Issuer in the Company's authorized capital**

Type of control: direct

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

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

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

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

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

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

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

Name	Participatory stake of the person in the authorized capital of the Issuer, %:	Portion of ordinary shares of the Issuer held by the person, %:
Samoylenko Svetlana Stanislavovna	0	0
Shvetsov Aleksandr Anatolyevich	0	0
Belik Vyacheslav Aleksandrovich (chairperson)	0	0
Kuryshkin Konstantin Mikhaylovich	0	0
Kreizman Larisa Anatolyevna	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, %:
Kreizman Larisa Anatolyevna	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 4th quarter of 2012.

	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, “IDGC Holding” JSC, “Neft-Aktiv” LLC):			
1	Leasing of real estate	“Kubanenergo”, JSC	27 450,00
2	Purchasing of trip tickets	“Kubanenergo”, JSC	9 990 680.00
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: such information is not specified for this quarter

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

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

Location

47 Novorossiyskaya str, Krasnodar, Russia 350080

TIN: 2312178191

PSRN: 1112312000536

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

Participation in affiliated company

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

Type of control: direct

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

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

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

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

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

Estimate and reduction of losses of energy resources in power supply systems of residential houses, industrial enterprises and public sector organizations. Financial engineering of energy saving projects and programs. Implementation of turnkey energy saving projects. It is planned that the Issuer will be one of the main customers of 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 Sergeyeovich	0	0
Galyayev Aleksandr Nikolayevich	0	0
Zinchenko Pavel Vasilyevich	0	0
Konevets Kirill Sergeyeovich	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 4th quarter of 2012

	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, “IDGC Holding” JSC, “Neft-Aktiv” LLC):			
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: such information is not specified for this quarter

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

3.6.1. Fixed assets

Is not specified in the report for the 4th quarter

IV. Information on issuer's business activity

4.1. Results of business activity

Is not specified in the report for the 4th quarter

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

Is not specified in the report for the 4th quarter

4.3. Financial investments of the Issuer

Is not specified in the report for the 4th quarter

4.4. Intangible assets

Is not specified in the report for the 4th quarter

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

Is not specified in the report for the 4th quarter

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

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

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

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

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

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

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

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

To the extent of electric energy transmission services marketing, the following

circumstances additionally affect the Issuer's activity:

- 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

Factors and conditions affecting the Issuer's activity and the results of such activity, forecast as to duration of the above factors and conditions:

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

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;

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

- 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 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):
no changes

During the last reporting period changes were introduced to charter of the issuer, or in the internal documents regulating the activity of the Issuer

Information on changes introduced to the Issuer's Charter and internal documents regulating the activities of the issuer during the last reporting quarter:
Amendments to the Charter of "Kubanenergo" JSC:

1. Paragraphs 4.1 and 4.2 of Article 4 of the Charter of "Kubanenergo" JSC should be put as follows:

"4.1. The authorized capital of the Company consists of the nominal value of shares purchased by shareholders (outstanding shares).

The authorized capital of the Company is 14 294 283 000 (fourteen billion two hundred ninety four million two hundred eighty three thousand) rubles.

4.2. The Company has distributed ordinary shares of nominal value of 100 (one hundred) rubles each in the amount of 142 942 830 (one hundred forty-two million nine hundred forty-two thousand eight hundred and thirty) shares with a total par value amount of 14 294 283 000 (fourteen billion two hundred ninety-four million two hundred eighty-three thousand) rubles"

2. Paragraph 4.6 of Article 4 of "Kubanenergo" Charter should be put as follows:

"4.6. Company announces additionally to the outstanding ordinary registered uncertified shares 334 364 407 (three hundred thirty-four million three hundred sixty-four thousand four hundred and seven) ordinary registered shares of nominal value of 100 (one hundred) rubles each for a total nominal value of 33 436 440 700 (thirty three billion four hundred thirty-six million four hundred forty thousand seven hundred) rubles.

Ordinary shares by the Company announced for placement, give their owners the rights provided by paragraph 6.2 of the Charter"

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: **Budagrin 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	to		
2007	2009	Siberian Federal District	Assistant of Plenipotentiary of the RF President
2009	present day	FGC UES JSC	Acting Chairperson of Management board, later - Chairperson of Management board
2010	2011	“APBE” CJSC	Member of the Board of Directors
2010	present day	FGC UES JSC	Member of the Board of Directors
2011	present day	VBRR JSC	Member of Supervisory board
2011	present day	INTER RAO UES	Member of the Board of Directors
2012	present day	Non-profit partnership “Association of solar power industry”	Chairperson of Supervisory board
2012	present day	Kubanenergo JSC, MOESK JSC, IDGC of Siberia JSC	Member of the Board of Directors
2012	present day	“Holding IDGC”, JSC	CEO

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"	Member of Board of Directors

		JSC, "Lenenergo" JSC, "MOESK" JSC, "IDGC of the North-West" JCS	
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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: **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	Present-day	JSC IDGC of Centre	Member of the Board of Directors, 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

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 day	FGC UES JSC	First deputy 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
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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: **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	Kubanenergo JSC, IDGC of the South JSC, Southern Scientific and Research centre 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: **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	Present-day	OJSC “Kubanenergo”	General Director, Chairman of the Management Board
2011	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: **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 Vladimirovich	Deputy of Chairperson of the board of “FGC UES” JSC, deputy Executive director on investment activity of “Holding IDGC” JSC
3	Prokhorov Egor	Financial Director of “FGC UES” JSC, director

	Vyacheslavovich	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 Vasiliy 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
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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

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		Name of 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”	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 under the Board of Directors
2010	Present-day	OJSC “Kubanenergo”	General Director, Chairman of the Management Board
2011	Present-	OJSC “Kubanenergo”	Member of the Board

	day		of Directors
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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

5.2.3. Composition of the Collegial Executive Body of the Issuer

Name: **Sultanov Georgy Akhmedovich**

(Chairman)

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		Name of 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 “Astrakhanelektrosetremont”	Chairman of the Board of Directors
2010	2011	OJSC “Kubanenergo”	Member of the Reliability Committee
2010	Present-day	OJSC “Kubanenergo”	General Director, Chairman of the Management Board
2011	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: **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	Present-day	OJSC “Kubanenergo”	Director of branch “Sochi Electric Power Grids”, 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: **Bronnikov, Mikhail Borisovich**

Year of birth: **1965**

Education:

Higher, graduated from Ust-Kamenogorsk Institute for Building and Construction, 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		
2006	2008	OJSC "Firm Tsentrenergomontazh"	Technical Director of project "Listvyanskaya 2" Construction Management"
2008	2010	OJSC "Group E4"	Deputy Director for Production of Directorate for Project Placement "South", Head of Detached Structural Subdivision PGU-410 at Krasnodar CHP, Head of Detached Subdivision "Projects South"
2010	Present-day	OJSC "Kubanenergo"	Deputy General Director for Capital Construction, Deputy General Director for Development of Sochi Power District
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: **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
2012	Present-	OJSC “Kubanenergo”	Member of the Board of

	day		Directors
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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:

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	OJSC “Kubanenergo”	Deputy General Director for Technical Issues- Chief

	-day		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 fir 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

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-	OJSC "Kubanenergo"	Member of the Committee for Strategy, Investment, Development and Reforms

	day		under the Board of Directors
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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:

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	OJSC "Kubanenergo"	Member of the Management

	-day		Board
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Participatory interest of the person in the authorized capital of the Issuer, %:
0.000002

Portion of the Issuer's ordinary shares held by the person, %: **0.000002**

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	Present day	“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
Reward	2 183.5
Wages	
Bonuses	
Commission fees	
Benefits	
Compensation for expenses	
Other pecuniary awards	
Other	2 183.5

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
Reward	1 462.3
Wages	
Bonuses	
Commission fees	
Benefits	
Compensation for expenses	
Other pecuniary awards	
Other	1 462.3

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.

Referred 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.

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 Administration for Internal Audit and Risk Management reports to General Director and functionally accountable to the Audit Committee under the Board of Directors.

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-ФЗ 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	JSC “IDGC of North-West”	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 "IDGC of Ural", "IDGC of Volga"	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: **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 day	Kubanenergo JSC, VNIKTIneftekhimoborodovaniye JSC, Stavropolneftegeofizika JSC, BNIPIneft JSC, Moscwo neftemaslozavod JSC, VNIMI JSC, Hefteproduktkomplekt JSC, Volgogradneftegoefizika JSCm TsGE JSC, NIItteplobor JSC, Souyuzmorgeo 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: **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**

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
Remuneration for participation in activity of the managing body	638.1
Salary	
Bonuses	
Commission	
Benefits	
Reimbursement of expenses	
Other remunearitions	
Total	638.1

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.

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

Is not specified in the report for the 4th quarter

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: **1 830**

Total number of the Issuer's nominal shareholders: **7**

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): **3 356**

Date of making the list of persons include the last in the list of those entitled to participate in general meeting of shareholders: **04.06.2012**

Holders of ordinary shares of the issuer subject to inclusion in the list: **3 356**

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: **90 073 091**

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, %: **21.37**

Portion of the Issuer's ordinary shares held by the person, %: **14.57**

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**

Additional information:

On 12.11.2012 Kubanenergo received a notification from Tyumenenergo JSC on the right to use a particular amount of votes, precisely 27 260 040 votes / 19.07% 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	16	319 039 640
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)	16	319 039 640
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 4th quarter of 2012

	Contractor	Contract	Contract amount, rub.
1	Scientific and Research Centre of IDGC JSC	Expertise of calculation of process losses	1 490 733.74
2	“Recreation centre “Energetik” JSC	Rent of immovable property	27 450.00
3	“Recreation centre “Energetik” JSC	Purchase of trips	9 990 680.00
4	Southern CPE JSC	Supplementary agreement to contract: reduce of sum and extension of term for works performance	160 971 863.62
5	Southern CPE JSC	Supplementary agreement to contract: extension of term for works performance and changes in sum of contract	87 954 551.13
6	Southern CPE JSC	Supplementary agreement to contract: increase of sum of the contract and extension of term for works performance	29 755 765.22
7	Southern CPE JSC	Supplementary agreement to contract: payment of forfeit and reduce in cost of work	28 142 258.45
8	Southern CPE JSC	Supplementary agreement to contract: information on beneficiary	0.00

9	Southern CPE JSC	Supplementary agreement to contract: information on beneficiary	0.00
10	Southern CPE JSC	Supplementary agreement to contract: information on beneficiary	0.00
11	Southern CPE JSC	Supplementary agreement to contract: inclusion of all stages of work in the calendar plan	0.00
12	Southern CPE JSC	Supplementary agreement to contract: inclusion of all stages of work in the calendar plan	0.00
13	Southern CPE JSC	Supplementary agreement to contract: information on beneficiary	0.00
14	Southern CPE JSC	Engineering supervision on project “Modernization of 110kV Gelendzhik substation (2 nd start-up facilities, 2 nd stage)	299 721.53
15	Southern CPE JSC	Engineering supervision on project “Modernization of 110kV grid adjoining to the planned 220kV Buzhora substation” (1 st stage of construction)	406 616.20
16	Southern CPE JSC	Supplementary agreement to contract: information on beneficiary	0.00

Total:

319 039 640

6.7. Details on the amount of accounts receivable

Is not specified for this quarter

VII. Issuer's accounting statements and other financial information

7.1. Issuer's annual accounting statements

Is not specified for this quarter

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

Is not specified for this quarter

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

7.4. Information on the accounting policy of the Issuer

No changes occurred in the reporting quarter

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

Is not specified for this quarter

7.6. Details of value of the Issuer's real property and material changes having occurred in the composition of the Issuer's real property after the last completed financial year expiry date

Details of substantial changes in the Issuer's real property composition having occurred within 12 months before the reporting quarter expiry date

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** Kubanenergo JSC filed claims against:

- “Rusenergoresurs” LLC for recovery of debt in an amount of 57 671 020 RUR 21 kopecks under a contract for provision of electric energy transmission services,
- “Kuban Generating Company” JSC for recovery of unjust enrichment sum in an amount of 60 210 193 RUR in connection with land tax,
- “Kubanenergobyty” JSC, “Kuban Generating Company” JSC, “Kuban Trunk Grids” JSC for recovery of joint and several liability in an amount of 89 618 137 50 RUR having arisen out of a supply contract.
- “Kuban Trunk Grids” JSC to recover the sum of unjust enrichment in the amount of 59.345.620 rubles for land tax. The decision of Arbitration

Court of Krasnodar Region dated 02.05.2012 denied the claims.

- “NESK” JSC on the recovery of the debt in the amount of 499,471,350 rubles for the service contract for the transfer of electrical energy. The decision of Arbitration Court of Krasnodar Region dated 16.05.2011 denied the claim. According to Resolution of the Federal Arbitration Court of North Caucasus dated 03.11.2011, the complaint was dismissed.
- “NESK” JSC on the recovery of the debt in the amount of 18.73 million rubles in the service contract for the transfer of electrical energy. The decision Arbitration Court of Krasnodar Region dated 23.09.2011 partially met claims of “Kubanenergo” JSC.

In 2011 “Yugenergoexpert” filed a claim against OJSC “Kubanenergo” for recovery of debt in an amount of 68,593,818 RUR 45 kopecks under a contract for provision of electric energy transmission services. The Arbitrage of Krasnodar region answered the claim of the contractor and obliged “Kubanenergo” to pay 81 388 652.68 rubles.

In 2011 “Kubanenergoby” JSC filed a statement of claim to “Kubanenergo” JSC on the collection of unjust enrichment in the amount of 49,335,441 rubles 08 kopecks. Resolution of the Fifteenth Arbitration Court of Appeal dated 18.01.2012 denied the demands to “Kubanenergo”.

In 2011 “Yugenergoekspert” LLC filed a statement of claim to “Kubanenergo” JSC for the recovery of the debt in the amount of 68,593,818 rubles 45 kopecks for the service contract for the transfer of electrical energy. The decision of Arbitration Court of Krasnodar Region dated 25.10.2011 met the demands of contractor and charged “Kubanenergo” to pay 81 388 652.68 rubles.

In the 4th quarter of 2012 “Kubanenergo” participated at 10 suits which results may have significant impact on business activity of the Company:

- action of JSC “Kubanenergoby” against JSC “Kubanenergo” for recovery of unjust enrichment in an amount of **167 195 180** rubles.
- claim of “Kubanenergo” JSC to “Nizhnovatomenergoby” JSC on debt collection in amount of 107 540 490 rubles for services of electric energy transmission. By decision of Fifteenth Arbitrage Court dated 26.06.2012 the claim was satisfied in the sum of 41 386. 550 rubles.
- claim of “Kubanenergo” JSC to “Nizhnovatomenergoby” JSC on debt collection in amount of 266 967 430 rubles for services of electric energy transmission
- claim of “Kubanenergo” JSC to “Kubanenergoby” JSC on debt collection in amount of 12,453,290 rubles for services of electric energy transmission. Decision of the Arbitration Court of Krasnodar Region dated 19.06.2012 approved a settlement agreement in the frameworks of which the obligations should be performed.

- claim of “Kubanenergo” JSC to “Armavirenergoinvest” JSC for recovery of debt in amount of 22.044.360 rubles under a contract for rendering of electric energy transmission services. The decision of Arbitration Court of Krasnodar Region dated 26.10.2012 denied the claim.
- claim “Kubanenergo” JSC to “Rusenergoresurso” JSC on the recovery of the debt in the amount of 17.543.840 rubles for the service contract for the transfer of electrical energy.
- claim “Kubanenergo” JSC to the “Maikop CHP” LLC the recovery of the debt in the amount of 45.626.400 rubles for the service contract for the transfer of electrical energy.
- claim “Kubanenergo” JSC to the “Rusenergosbyt” LLC the recovery of the debt in the amount of 74.704.330 rubles for the service contract for the transfer of electrical energy.
- claim “Kubanenergo” JSC to “Kubanenergosbyt” JSC to recover the debt in amount of 1.681.049.950 rubles for the service contract for the transfer of electrical energy.
- claim of “Neftegaztehnologiya-energiya” JSC to “Kubanenergo” JSC to recover the outstanding amount of 33,731,320 rubles for the service contract for the transfer of electrical energy.

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: **15.07.2011**

Amount of the AC before changes (RUR): **7 730 723 700**

Structure of the AC before changes

Ordinary shares

Total nominal cost: **7 730 723 700**

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): **9 746 093 300**

Structure of the AC after changes

Ordinary shares

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

Share in the AC, %: **100**

Privileged:

Total nominal cost: **0**

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

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):

26.10.2010

Minutes No.: **28**

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

Changes in the information of this paragraph did not occur during the reporting quarter

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

The specified transaction were not concluded during the reporting quarter

8.1.6. Information about credit ratings of the Issuer

No changes occurred during the reporting quarter

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

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

No changes occurred during the reporting quarter

8.3.2 Information on issues of securities that were not redeemed

No changes occurred during the reporting quarter

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:

In 2011, a reward was paid to Registrar of the Company for provision of services in an amount of 1 802 408.66 rubles, including: 49 805.96 rubles - for provision of services for maintenance and storage of the Register of Holders of Registered Securities; 42 000 rubles - for maintenance and storage of the history of payment of income from securities; 1 417.1 rubles - for preparation and provision of information from the shareholders register maintenance system; 550 647.0 rubles for transfer of ordinary registered shares of additional issue; 62 000 rubles - for services for collection of applications for acquisition of additional shares being placed; 1 096 538.6 rubles - for production and mailing of notifications of the opportunity for shareholders to exercise their pre-emptive right to acquisition of additional ordinary registered shares of the Company.

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.

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

No changes occurred during the reporting quarter

8.7. Description of the procedure for the taxation of income from placed and placing issue securities of the Issuer

No changes occurred during the reporting quarter

8.8. Information on announced (accrued) and paid dividend on the Issuer's shares as well as of incomes from the Issuer's bonds

8.8.1. Information on announced (accrued) and paid dividend on the Issuer's shares

Dividend period

Year: **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. Issues of bonds whereon income was paid for the last 5 completed financial years preceding the last reporting quarter expiry date or for each completed financial year preceding the last reporting quarter expiry date if the Issuer has carried out one's activity for less than 5 years

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 04.06.2012):

	Indicator	Number of shareholders	Quantity of shares	% from placed shares
1	Natural persons	3 248	1 793 905	1,26
	including:			
	Shares in joint shared ownership	13	6 505	0,005
2	Legal entities	108	140 308 648	98,74
	including:			
	Trustees	16	1 107 619	0,78
	Nominal holders having failed to provide information on their customers	2	259	0,00
	Unidentified persons	1	4 450	0,003
	Total:	3 356	142 102 589	100
	Non-residents	43	1 499 083	1,05

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.

8.9.3. Key events and news

	Date	News	Published
1	30.10.2012	Kubanenergo JSC installs new equipment at major substation of Gelendzhik	Website of Kubanenergo JSC
2	26.10.2012	Kubanenergo JSC invests more than half billion rubles in reliability of energy supply to consumers of Sochi district	Website of Kubanenergo JSC
3	19.10.2012	Kubanenergo JSC obtained the certificate of preparedness to autumn-winter season 2012/2013	Website of Kubanenergo JSC
4	18.10.2012	Construction of energy facilities for Olympic venues is under control of management of grid complex	Website of Kubanenergo JSC

5	05.10.2012	Two employees of Kubanenergo JSC were awarded Medal EMERCOM of Russia “Marshal Vasiliy Chyuikov”	Website of Kubanenergo JSC
6	22.11.2012	In 2012 Kubanenergo JSC installed more than 15 thousand units of metering at the territory of Krasnodar region and Adygheya	Website of Kubanenergo JSC
7	19.11.2012	Hotline 8-800-100-15-52 of Kubanenergo JSC received more than half million of phone calls	Website of Kubanenergo JSC
8	08.11.2012	Kubanenergo JSC uses modern technologies for diagnostics of energy equipment	Website of Kubanenergo JSC
9	29.12.2012	Kubanenergo JSC signed the collective employment agreement for 2013 -2015	Website of Kubanenergo JSC
10	06.12.2012	Kubanenergo JSC was named the best in the top largest companies of North Caucasus y the volume of sold services	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 name	Description	Information about adoption of internal 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 meetings.	Adopted in the new version by the decision of the Board of Directors, minutes 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	Adopted by the decision of the Board of Directors, minutes No. 22/2006 dated

		and other persons, as well as states the order and terms of disclosure and presentation of the above information.	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	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	Adopted by the decision of the Board of Directors, Minutes No. 69/2009 dated

	(participations) of which are owned by Kubanenergo, OJSC	shares, and participations to ensure efficient activity of Company representatives at General shareholders/participants meetings, in Boards of Directors and Auditing Commissions 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.	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

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: http://www.kubanenergo.ru/about/internal_documents/.

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:

General meetings of shareholders were conducted in the reporting quarter.

Company's Board of Directors had 7 meetings, where 114 issues were discussed, decisions on 111 of them were adopted, including:

- the adjusted business-plan (including investment programme) for 2012-2016 were approved, key performance indicators of Kubanenergo for 2012 were approved, Programme on energy saving and increasing energy efficiency for 2012-2017 was approved,

- recommendations on mandatory offer of Tyumenenergo JSC to purchase shares were taken into consideration,

- term of office of Company director general was prolonged for 1 year,

- personnel of Committee attached to the BoD were elected,

- changes to Management Board were introduced,

- Company's opinions on agenda items of meetings of affiliated companies were expressed,

- reports of director general on different aspects of Company's business – activity were taken into consideration,

- transactions of interest were approved.

On three agenda items (on approval of transactions of interest) decisions were not adopted due to lack of votes of independent directors.

Minutes of General meetings of shareholders are available at: <http://www.kubanenergo.ru/about/controls/>.

During the reporting quarter the following meetings were held:

- 2 meetings of Committee for strategy, development, investments and reforming attached to Kubanenergo BoD, decision on 18 issues were adopted,

- 3 meetings of Personnel and remuneration committee attached to Kubanenergo BoD, decisions on 15 issues were adopted,

- 3 meetings of Audit committee attached to Kubanenergo BoD, decisions on 15 issues were adopted,

- 1 meeting of Reliability committee attached to Kubanenergo BoD, decisions on 10 issues were adopted.

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 4th quarter of 2012 there were 2 meetings held by the Audit Commission and the following issues were discussed:

- on audit of expenses on personnel management in 2012 (minutes of meeting No.5);

- on approving terms for audit of expenses on personnel management in 2012 (minutes of meeting No.5);

- on approving programme of audit of expenses on personnel management in 2012 (minutes of meeting No.5).

- on audit (inspection) of Kubanenergo business activity by the demand of shareholders of the Company – Holding IDGC JSC dated December 27, 2012 No. AM-4445 (minutes of meeting No.6);

- on terms of the audit of Kubanenergo business activity by the demand of shareholders of the Company – Holding IDGC JSC dated December 27, 2012 No. AM-4445 (minutes of meeting No. 6);

- on the programme of the audit of Kubanenergo business activity by the demand of shareholders of the Company – Holding IDGC JSC dated December 27, 2012 No. AM-4445 (minutes of meeting No.6);

- on inviting specialists (experts) for the audit of Kubanenergo business activity by the demand of shareholders of the Company – Holding IDGC JSC dated December 27, 2012 No. AM- (minutes of meeting No.6);

- on submitting to Holding IDGC JSC the copy of report on the results of the audit (inspection) for 2012 (minutes of meeting No. 6);

- on taking into consideration the results of audit of expenses on personnel management in 2012 (minutes of meeting No.7).

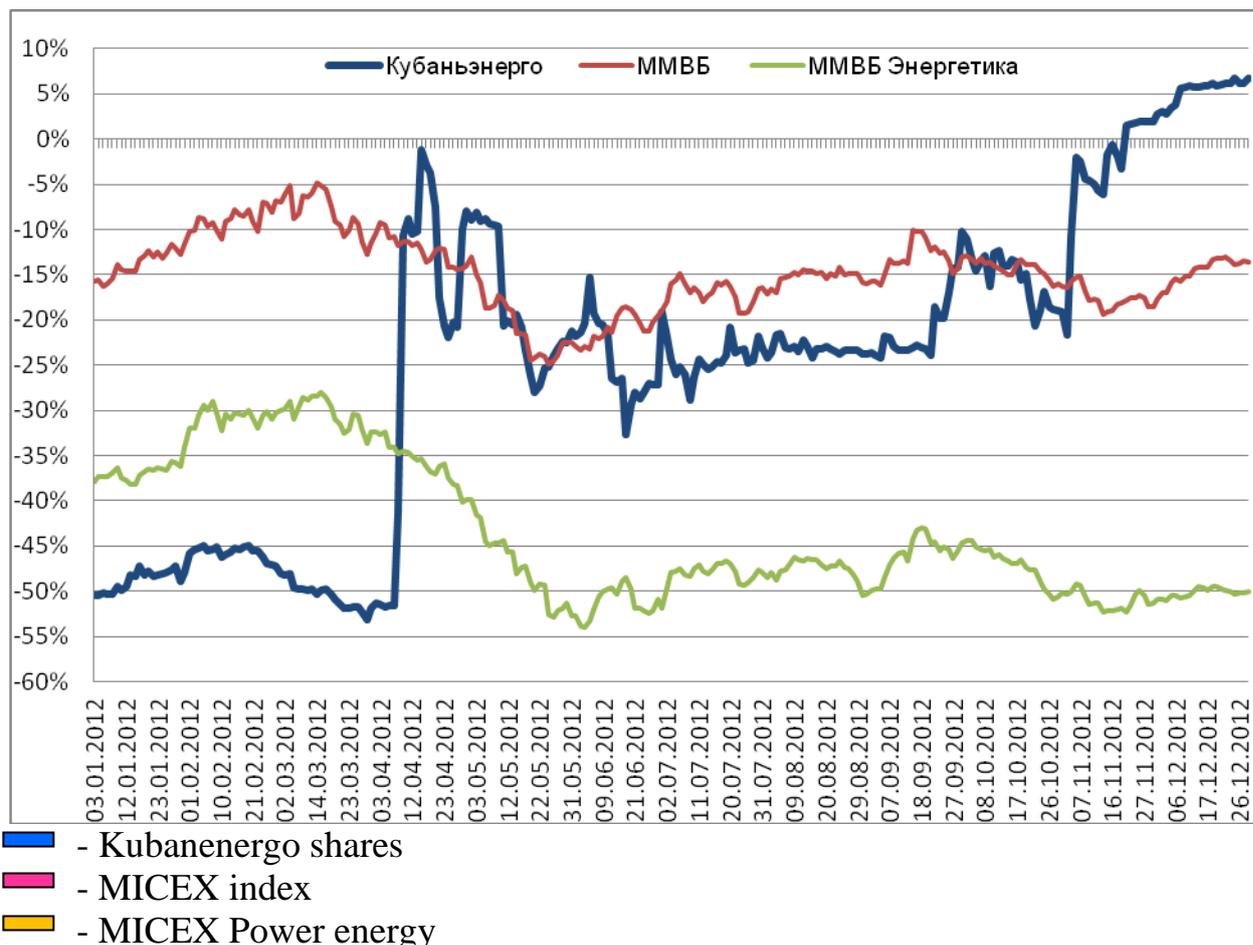
All decisions on agenda items were adopted unanimously.

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 for 9 months of 2012

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

Is not specified in the report for the 4th quarter

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 840 transactions with state and municipal companies for a total sum of 143.9 million rubles.

The state and municipal companies provided the following services to the Company:

- lease of land plots;
- technical inventory of real property;
- 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.

The Company concluded two transactions with its affiliated company:

Affiliated company	Subject of transaction	Sum of transaction, including VAT
“Recreation centre “Energetik” JSC	real estate lease	27 450.00
“Recreation centre “Energetik” JSC	Purchase of trips	9 990 680.00

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 depositary receipts.