

QUARTERLY REPORT

Kuban Open Joint-Stock Company
of Power Industry and Electrification

Issuer's code 00063-A

Quarter 3, 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

Acting Director general

Date: November 12, 2012

_____ Kocherga V.A.
signature

Chief accountant – head of Department of accounting
and tax reporting

Date: November 12, 2012.

_____ Loskutova L.V.
signature

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Internet page(s) used for disclosure of information contained in this quarterly report:
www.kubanenergo.ru/stockholders/disclosure_of_information/amp_reports/

ЕЖЕКВАРТАЛЬНЫЙ ОТЧЕТ

*Открытое акционерное общество энергетики и
электрификации Кубани*

Код эмитента: 00063-А

за 3 квартал 2012 г.

Место нахождения эмитента: 350033 Россия, город Краснодар, улица
Ставропольская, 2

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бумагах**

И.о. генерального директора
Дата: 12 ноября 2012 г.



И.о. генерального директора
подпись

Главный бухгалтер - начальник Департамента бухгалтерского
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Дата: 12 ноября 2012г.

Л.В. Лоскутова
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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/.

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).

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 OlegMikhailovich (chiarperson)	1960
Goncharov Valeriy Anatolievich	1963
Demidov Aleksey Vladimirovich	1976
Diakov FyodorAlekseevich	1958
Yemelin AleksandrSergeevich	1965
Likhov KhasanMushtafaevich	1983
Murov Andrey Evgenievich	1970
Nikonov VasiliyVladislavovich	
Prokhorov YegorVyacheslavovich	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
Anatsky Sergey Vladimirovich	1965
Brizhan Aleksey Vasilyevich	1978
Bronnikov Mikhail Borisovich	1965
Galyayev Aleksandr Nikolayevich	1972
Zinchenko Pavel Vasilyevich	1963
Kocherga Vitaly Aleksandrovich	1977

Loskutova Lyudmila Vladimirovna	1973
Lyashko Andrey Vladimirovich	1978
Natkho Inver Yusufovich	1958
Samoylenko Svetlana Stanislavovna	1963

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 of Joint-stock commercial bank (open joint stock company) ROSBANK in Krasnodar**

Abbreviated business name: **Branch of JSC ROSBANK in Krasnodar**

Location: **8/135/1 Turgenev str./Olympiyskaya str., Krasnodar**

TIN: **7730060164**

BIC: **044525256**

Account number: **40702810309810000363**

Correspondent account: **30101810300000000757**

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		

Period 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 KMPG 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 (in 3rd quarter of 2012). KMPG CJSC was approved as the issuer's auditor for the first time at annual General meeting of shareholders dated 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 12 months up to the date of end reporting quarter.

1.5. Details of consultants of the Issuer

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

1.6. Details of other persons having signed the quarterly report

No other signatures

II. Basic information on business activity of the Issuer

2.1. Indices of the Issuer's business activity

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

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

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

Indicator	2011, 9 months	2012, 9 months
Workforce productivity	2 869 971	2 722 749
Debt-to-equity ratio	1.4	2.47
Long-term debt to total sum of debt and equity ratio	0.47	0.5
Current cash debt coverage ratio	-15.5	-16
Level of overdue payment, %		
Level of overdue payment, %	46.28	5.4
Level of overdue payment, %	33.4	22.7

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

Decrease of indicator "Workforce productivity" in the reporting period in comparison with the 9 months of 2011 by 5.13% is explained by reduce in revenue from by 4% from the core activity – transmission of electric energy.

Indicator "Debt-to-equity ratio" increased by 1.06, which is caused by growth of accumulated loss; inclusion of estimated liabilities in report the for 9 months of 2012 as well as debts to shareholders within the frames of the issue of additional securities of the Company.

"Current cash debt coverage ratio" indicator also has negative value due to the loss in the reporting quarter.

Additional information disclosed in accordance with the Regulations on the Information Policy of "Kubanenergo" JSC

Income structure in the 3rd quarter of 2012, thousand rubles

	Indicator	2 nd quarter of 2012	3 rd quarter of 2012
1	Net income from selling products (services), total, including	6 682 614	7 032 539
1.1	Core activity products (services), total,	6 682 602	7 032 528

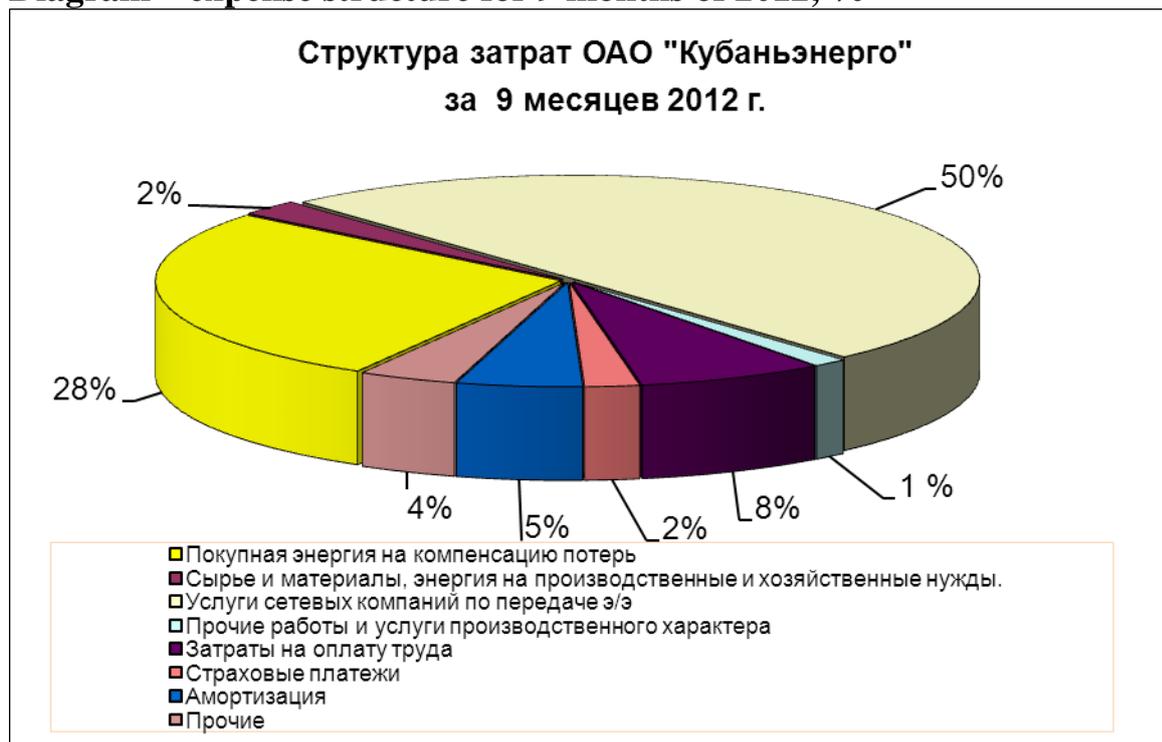
	among them:		
1.1.1.	Grid services	6 662 639	7 010 945
1.1.1.1	From transmission and transit of electric energy across grids	6 487 206	6 919 458
1.1.1.2	From provision of technological connection services	175 433	91 487
1.1.2.	Electric energy to internal consumers	0	0
1.1.3.	Thermal energy	0	0
1.1.4.	Other core activity products (services)	19 963	21 583
1.2	Non-core activity products (services)	12	11

Company's accounting policy allows providing detailed and structured information on income and self-cost of the sold products (services) of the sphere of company's business activity n.

Expenses structure for 9 months of 2012 and the same period of the previous year, thousand rubles.

	Cost item	9 months of 2011	9 months of 2012
1.	Material expenditures	6 017 164.7	6 316 712.6
	including		
1.1.	Purchased energy for losses compensation	5 596 213.5	5 808 165.1
1.2.	Purchased energy for production and domestic needs	54 190.6	48 721.9
1.3.	Raw materials and materials	366 760.6	459 825.6
2.	Works and services of production type	11 241 039.2	10 868 482.0
2.1.	Services of grid companies of energy transmission	10 909 515.9	10 582 443.9
2.2.	Other works and services of production type	331 523.4	286 038.1
3.	Labor cost	1 442 904.8	1 566 947.7
4.	Insurance payments	481 484.0	460 370.6
5.	Non-state pension provision	4 411.2	0.0
6.	Depreciation	960 740.3	1 055 187.0
7.	Other	960 759.8	828 427.4
	including		
7.1.	Service of third-parties organizations	236 486.7	261 970.9
7.2.	Management services	0.0	0.0
7.3.	Insurance expenses	83 144.0	74 317.4
7.4.	Taxes and levies	153 415.4	75 866.9
7.5.	Estimated liability backup	0.0	2 219.1
8.	Expenditures for production and selling of products	21 108 504.0	21 096 127.3

Diagram – expense structure for 9 months of 2012, %



The reduce of costs for production and sales in 9 months of 2012 in comparison with the previous period is explained by the reduced cost on , service network companies for power transmission. At the same time there is growth in expenses for purchased energy for losses compensation, labour costs and depreciation.

Expenditures on services of grid companies on transmission of electric energy have reduced by 327.1 million rubles due to:

- lowering the costs for the services of FGC UES JSC for the amount of 208.3 million rubles, which is explained by reduce of norms for electricity loss during its transmission via power grids in accordance with the Order of 24.04.2012 # 182 "On approval of the technical electricity losses during transmission via power grids in 2012";
- reduce of expenditures for services of SSO by 118.8 million rubles, which is associated with a reduction in electricity consumption by end-users, technical connection to the networks of SSO.

The increase of expenses for the purchased power to compensate losses by 212.0 million rubles is associated with an increase in the actual losses in networks of "Kubanenergo". In the current period "Kubanenergo" has a significant increase in the electricity supply chain, due to weather conditions (uncharacteristically cold in winter), as well as regional development. In comparison with the same period of the last year, the losses increase was 210.7 million kWh, or 11.1%.

Expenses for labour payment have increased in comparison to the previous year by 124.0 million rubles due to the following factors:

- changes in corporate structure of Kubanenergo (valid from 01.08.2012), that was approved by Kubanenergo BoD on July 20, 2012 (minutes of meeting No. 114/2011 dd 22.07.2011);

- pay rise to workers, employees of key posts and professions in accordance with data of Federal State Statistics Service

Depreciation charges in comparison with the same period of the previous year increased by 94.4 million rubles, the growth of costs is explained by introduction into operation of fixed assets specified by the investment programme.

Dynamics of other indices is insignificant.

Cost behavior:

	Expenses for production and selling of products	million rubles	Growth rate,%
			9 months of 2012/9 months of 2011
1	9 months of 2011	21 108.5	99.9
2	9 months of 2012	21 096.1	

Growth (fall) of revenue and expenditures in the 2nd and the 3rd quarter of 2012

	period	Revenue, thousand rubles	Revenue growth rate, %	Production and sale costs, thousand rubles	Expenditures growth rate, %
1	2 nd quarter of 2012	6 682 614	105.24	-6 740 013	94.24
2	3 rd quarter of 2012	7 032 539		-6 352 092	

Performance indicator:

Indicator	3rd quarter of 2012
ROE, return on equity, %	-2.36
ROA, return on assets, %	-4.16
ROTA, return on total assets, %	-5.04

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 01.11.2010 No. 10-65/ПЗ-Н.

in thousand rubles

Indicator	2011	3 rd quarter of 2012
Market capitalization	6 855 402	11 984 771

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
2007	665 636 640.00	Calculated by the trade organizer	16 447 984 838.00	Calculated by the trade organizer	16 036 035 456.00	Calculated by the trade organizer
2008	44 673 600.00	Calculated by the trade	1 912 030 080.00	Calculated by the trade	1 396 139 347.20	Calculated by the

		organizer		organizer		trade organizer
2009	74 158 176. 00	Calculated by the trade organizer	1 554 641 2 80,00	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

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 completed financial year:

Total number of transactions concluded, items				Total value of transactions concluded, rub			
2011	RTS "RTS Classica"	RTS "T+0"	MICEX	Period	RTS "RTS Classica"	RTS "T+0"	MICEX
January	0	0	4250	January	0	0	79115583,58
February	0	0	5871	February	0	0	85875928,46
March	0	0	3452	March	0	0	49908996,70
total in the 1st quarter	0	0	13 573	total in the 1st quarter	0	0	214 900 508,74
April	0	0	3501	April	0	0	57105836,30
May	1	0	2281	May	156 715,55	0	25829255,30
June	1	0	1613	June	319 354,20	0	29346568,90
total in the 2nd quarter	2	0	7395	total in the 2nd quarter	476 069,75	0	112 281 660,5 0
July	0	0	1933	July	0	0	23450465,70
August	0	0	4339	August	0	0	44786797,40
September	0	0	2940	September	0	0	33334431,80
total in the 3rd quarter	0	0	9212	total in the 3rd quarter	0	0	101 571 694,9 0
October	0	0	3012	October	0	0	32736623,00
November	0	0	2051	November	0	0	15580960,90
December	0	0	1943	December	0	0	29820468,40
total in the 4th quarter	0	0	7006	total in the 4th quarter	0	0	78 138 052,00
Total	2	0	37 186		476 069,75	0	506 891 916,14

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 completed financial year (2012):

Period	Total number of transactions concluded, items	Total value of transactions concluded, rub
January	1 350	11 068 571,00
February	1 854	23 598 939,60
March	2 829	43 966 826,30
total in the 1st quarter	6 033	78 634 337,10
April	20 456	717 825 919,90
May	2 619	71 611 660,80
June	1 995	53035582,20
total in the 2nd quarter	25 070	842 473 162,90
July	1634	48 148 266,00
August	491	10 332 064,70
September	1634	37 150 179,00
total for the 3rd quarter	3 049	95 630 510,00
Total	31 103	921 107 500,00

2.3. Issuer's Liabilities

2.3.1. Accounts payable

Structure of the Issuer's borrowing

For 9 months of 2012

unit of measurement: thousand rubles

Indicator	Value
Long-term borrowings	11 454 052
including:	
Credits	11 454 052
Loans, except bonded loans	0
bonded loans	0
Short-term borrowings	4 182 517
including:	
Credits	4 147 000
Loans, except bonded loans	35 517
bonded loans	0
Total amount of overdue loan debt	0
including:	
credits	0

Loans, except bonded loans	0
bonded loans	0

Accounts payable

unit of measurement: thousand rubles

Indicator	Value
Total for accounts payable	12 393 436
overdue	2 763 351
including	
Payable to budget and state off-budget funds	87 155
overdue	0
payable to suppliers and contractors	3 932 302
overdue	2 466 253
payable to staff	105 278
overdue	0
other	8 268 701
overdue	297 098

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

According to Kubanenergo business plan the redemption of overdue accounts payable is projected for the 4th quarter of 2012. Levies, penalties: no.

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

Dynamics of accounts payables

unit of measurement: thousand rubles

Structure of accounts payable	as of 31.12.2011	as of 30.09.2012	Dynamics during the 9 months of 2012
Borrowed assets:	11 561 281	11 454 052	-107 229
Bank credits due in more than 12 months after the reporting date	11 501 014	11 454 052	-46 962
Loans due in more than 12 months after the reporting date	60 267	0	-60 267
Deferred tax liabilities	149 156	137 637	-11 519
Other liabilities	59 541	246 211	186 670
Total, long-term liabilities	11 769 978	11 837 900	67 922
Borrowed assets:	3 704 137	4 182 517	478 380
Bank credits due in within 12 months after the reporting date	3 700 452	4 147 000	446 548
Loans due in more than 12 months after the reporting date	3 685	35 517	31 832
Accounts payable, including:	5 739 087	12 147 225	6 408 138
suppliers and contractors	2 477 105	3 932 302	1 455 197
Salaries payable to staff	125 389	105 278	-20 111
Debt to state non-budgetary funds	53 012	46 671	-6 341
tax and levy indebtedness	63 613	40 484	-23 129
advance payments received	2 492 689	3 131 934	639 245
income payment indebtedness to participants (founders)	127	0	-127
Other accounts payable	527 152	4 890 556	4 363 404
Incomes of future periods	13 649	12 873	-776
estimated liabilities	1 542 607	1 546 203	3 596
Total, short-term liabilities:	10 999 480	17 888 818	6 889 338
Creditor liabilities	21 213 202	28 167 642	6 954 440

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

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

Full company name: **open joint stock company “Holding of interregional distribution grid companies”**

Short company name: **IDGC Holding JSC**

Location: **26 Ulanskiy pereulok, Moscow 107996**

TIN: **7728662669**

PSRN: **1087760000019**

Sum of credit: **4 702 459.57 thousand rubles**

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

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

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

Issuer's stake of ordinary shares of the entity, %: **0**

Entity's participation share in the authorized capital of the issuer, %: **45.77**

Entity's stake of issuer's ordinary shares, %: **63.01**

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

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

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

TIN: **7707083893**

PSRN: **1027700132195**

Sum of credit: **8 450 000 thousand rubles**

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

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

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

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

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

TIN: **7744001497**

PSRN: **1027700167110**

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

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

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

2.3.2. Issuer's Credit History

Fulfilment of liabilities by the Issuer under credit and/or loan contracts having been in effect during the 5 last completed financial years (or per each closed financial year, if the Issuer has carried out one's activity for less than 5 years), or are in effect as of the reporting quarter expiry date, the sum of principal debt

thereunder is equal to or in excess of 5 percent of the Issuer's assets book value of as of the date of last completed reporting quarter preceding conclusion of the corresponding contract as well as under other credit and/or loan contracts that the Issuer, at one's own discretion, deems substantial.

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

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

The specified liabilities do not exist.

2.3.4. Issuer's other liabilities

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

expenses.

2.4. Risks related to acquisition of issue-grade securities being placed (placed)

Issuer's risk management policy:

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

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

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

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

2.4.1. Industry Risks

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

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

reconstruction, modernization and new construction of transmission facilities.

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

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

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

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

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

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

The issuer's sphere of influence in decision-making the bodies of tariff regulation is limited, and the issuer cannot guarantee that the measures aimed at minimizing the consequences will be as effective as possible. In accordance with the order of RF government dated 30.06.2012 # 663 "Kubanenergo" JSC passed the "reset" of long-term parameters of tariff regulation. The Federal Tariff Service of Russia has agreed to switch to the regulation of tariffs for the transmission of electric energy using the method of return on invested capital. The use of RAB-regulation should help to attract long-term investment in the sector and reduce the influence of subjective factors on the adoption of tariff decisions.

Operational risks

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

The main ones are:

- failure to comply with the obligations under the contracts for the provision of

electricity transmission services;

- deterioration of performance and economic indicators of electric equipment;
- negative environmental effects;
- threat of failures with partial or full undersupply of electricity with corresponding negative social consequences.

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

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

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

Risk of reducing electricity consumption (risk reduction of demand)

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

Price risks

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

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

2.4.2. Country and regional risks

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

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

At this stage some positive trends are observed in the economic development

and as one of the development priorities the energy efficiency and energy-saving technologies were chosen.

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

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

Deterioration of the whole national economy status and, consequently, of the Issuer's financial status;

Detriment to the Issuer's properties that may negatively affect one's ability to timely and fully fulfil one's liabilities to consumers and counterparties.

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

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

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

To compensate for damage of the effect of emergency circumstances associated, inter alia, with natural disasters, the Issuer concludes property insurance contracts.

Sharp regional scale changes (environmental, political, demographic, social) are unlikely, but their emergence will doubtlessly affect the Company's activity.

Taking into account the region transport infrastructure development level, the risks of interruption of transport communication due to difficulty of access or remoteness of location are minimal.

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

2.4.3. Financial risks

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

- Risk of interest rates change:

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

- Risk of changes of foreign currencies exchange rates:

Carrying out one's core business activity within the territory of the Russian Federation, the Issuer has neither investments into foreign companies value of net assets whereof is exposed to the risk of currency exchange rates fluctuations nor revenues or expenses expressed in terms of foreign currency. Risks associated with currency rates fluctuations are no factors of direct effect on the results of financial and business activity of the Issuer and are estimated by the Issuer as insignificant.

The Issuer does not carry out hedging for reduction of unfavourable consequences of interest rates and foreign currencies exchange rates fluctuations.

Exposure of the Issuer's financial status, liquidity, sources of funding, results of activity etc, to changes of currency exchange rates is estimated by the Issuer as insignificant.

In case of negative effect of currency exchange rate changes, the Issuer plans to carry out risks analysis and to make a corresponding decision in each specific situation.

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

Consumer costs reduction risks

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

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

Inflation risks

The estimate of the inflation level critical for the Issuer appears impossible since, apart from the consumer prices level, one needs to account for changes in the ruble real purchasing power, Russian and international energy carrier markets environment and further state policy regarding tariffs for electric and thermal energy.

The current inflation level does not have any substantial effect on the Issuer's financial status. According to inflation forecast values, inflation is not to substantially affect the Issuer's solvency, in particular, regarding payments on securities. For minimization of financial risks associated with inflation processes and affecting the financial results of activity, the Issuer is implementing an integrated program for analysis of financial risks, planning and appraisal of actual profitability of activity; one identifies return rate indices that are indicative of the Issuer's level of cost-efficiency, normative values of financial coefficients characterizing the Issuer's solvency and liquidity, which enable one to promptly detect drawbacks in the Issuer's work and take measures for their elimination.

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

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

Unlikely events include lack of proprietary funding sources due to currency risks that may result in increase of borrowings for implementation of the Issuer's investment program having been elaborated. The results of effect of currency exchange rates change risks on the Issuer's financial reporting indices are not provided since all the Issuer's costs and liabilities are nominated in terms of rubles. Change of interest rates will first of all affect the indices of the balance sheet items recording credit and loan indebtedness. Ongoing inflation processes

resulting in appreciation of material and technical resources used for the core activity, may affect the increase of the balance-sheet total and the Issuer's net profit.

2.4.4. Legal risks

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

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

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

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

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

In accordance with Federal Law No. 128-FZ "On licensing certain activity" dated 08.08.2001, electric power grids operation activity, which is a core activity type for the Issuer, is not subject to licensing.

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

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

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

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

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

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

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

2.4.5 Risks associated with the Issuer's activity

The Issuer's core activity is the electric energy transmission. Risks of the Issuer's production activity:

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

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

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

Risks associated with current judicial trials the Issuer participates in:

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

Risks associated with impossibility of prolongation of the Issuer's licenses for conduction a certain type activity or use of restricted circulation items (including natural resources):

Prolongation of licenses is carried out strictly within the terms established. The Issuer fulfils all the requirements necessary for obtainment /prolongation of licenses. Risks associated with impossibility of prolongation of the Issuer's licenses are the minimum and cannot substantially affect the Issuer's fulfilment

of liabilities under securities placed.

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

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

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

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

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

III. Detailed information on the Issuer

3.1. History of foundation and development of the Issuer

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

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

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

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

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

Previous company names

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

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

Date of introducing the name: **10.02.1993**

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

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

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

Date of introducing the name: **29.05.1996**

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

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

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

Date of introducing the name: **30.06.1998**

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

3.1.2. Data on the Issuer's State Registration

Data on primary state registration

State registration number: **127**

State registration date: **10.02.1993**

Name of the body having carried out primary state registration:

Administration of the Oktyabrsky District of Krasnodar

Data on legal entity registration;

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

Registration date: **17.09.2002**

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

3.1.3 Information on establishment and development of the Issuer

The Issuer has been founded for an indefinite period.

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

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

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

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

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

In 1963, in accordance with Resolution of the RSFSR Council of Ministers dated 14.05.1963, enterprises of Kuban rural and urban electric power grids

were withdrawn from the responsibility scope of the Territorial Committee for Economy and became a part of DEA.

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

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

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

In 1993, in accordance with the Russian legislation on privatization of state and municipal enterprises, PAPI&E “Krasnodarenergo” was transformed into OJSC “Kubanenergo” incorporating, apart from electric power grid enterprises, Krasnodar CHP, “Energonadzor”, repair and construction enterprises, an integrated training centre, a rest home and a summer children's recreation centre as branches.

“Kubanenergo” JSC was founded to receive profits from provision of services for supply of electric energy (both independently produced and purchased from other producers) to consumers within the Krasnodar Territory and Republic of Adygea and supply of thermal energy of own produce to consumers within Krasnodar City.

In accordance with Order No. 923 of President of the Russian Federation “On organization of management of the electric power industry sector of the Russian Federation under privatization conditions” dated 15.08.1992, 49% of the Company's shares were in 1993 transferred by way of payment for the authorized capital of “RAO UES of Russia” JSC with the remaining 51% of OJSC “Kubanenergo” shares acquired through private subscription by members of the Company staff and other persons having the right to benefits in accordance with the State Privatization Program.

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

The main objective of the Russian electric power industry reformation is the increase of efficiency of the enterprises of the branch, creation of conditions for

the latter development on the basis of investment process motivation and provision for reliable and uninterrupted supply of energy to consumers.

During the reformation “Kubanenergo” JSC got rid of service and non-core types of activity as well as dispatching functions by way of entrusting them to dedicated special entities:

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

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

- 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

Mail address

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 that occurred during the reporting quarter at branches or representative offices of the issuer

If any changes have occurred during the quarter, the information on management of branches or representative offices, location, name of the director, term of authority of the director should be specified:

Since 23.07.2012 Astapov Aleksey Viktorovich fulfills obligations of director of Ust-Labinskiye electric grids, branch of Kubanenergo (term of office: 23.07 – 31.12. 2012)

3.2. Issuer's core business activity

3.2.1. Issuer's branch identity

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

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

3.2.2. Issuer's core business activity

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

Unit of measurement: thousand rubles

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

Indicator	2011, 9 months	2012, 9 months
Revenue from this business activity, thousand rub	20 443 445	20 239 990
Portion of revenue from this type of business activity in the total amount of revenue of the Issuer, %	95	98

10 and more % changes in revenue from sales from core activity in comparison to the same period of previous year and causes of such changes

Core activity of Kubanenergo JSC is transmission of electric energy. Part of this activity in total amount revenue is 97.7% by results of the 1st half 2012.

In general the revenue for services of electric energy transmission amounted 20 239.99 million rubles, excluding load losses, for 9 months of 2012, which is 203.4 million rubles less than for the 9 months of 2011.

The reduction in revenue was mainly caused by:

1) choosing “Kubanenergoby” JSC as the provider for the purposes of payment for services on transmission of electric energy rendered to consumers, except for households with double-rate tariff.

In April 2012 the Company and the “Kubanenergoby” reached an amicable agreement on contract of transmission of electricity, under which the cost of the Company's services is calculated on the combined variant tariff that involves the application of one-part tariff for the population and double rate tariff for other consumers. The capacity, in accordance with the agreement reached 1600 MW, which is 670 MW below the value of registered by REC while making tariff-balance decisions for 2012.

2) approval on 01.07.2012 by the Regional Energy Commission - Department of prices and tariffs of the Krasnodar region the boiler tariff for electricity transmission for the consumers referred to “Population and consumers regarded as population”;

3) redistribution of structure useful output from a low voltage to a higher one.

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

Electric energy transmission

The main indexes of electric energy transmission by Kubanenergo, JSC in the 3rd quarter of 2012(kW*h):

Receipt of electric energy into the Company's grid for its transmission under service contracts made up 5 035 391.2 thousand kWh

Supply of electric energy from "Kubanenergo" grid made 4 485 789.0 thousand kW*h.

Productive supply of electric energy by the "boiler" method with breakdown per voltage levels made 4 247 005.65 thousand kW*h, including:

- High voltage (110 kV and more) – 1 058 570.08 thousand kW*h,
- Medium voltage 1 (35 kV) – 250 864.24 thousand kW*h,
- Medium voltage 2 (1-20 kV) – 1 257 730.23 thousand kW*h ,
- Low voltage (0.4 kV and less) – 1 679 841.10 thousand kW*h.

Actual losses of electric energy scaled to supply into the grid made 10.91% with standard losses allowance 10.16%.

Excess expenditure of electric energy in excess of the standard losses allowance in in the 3rd quarter of 2012 is 37 768.5 thousand kW*h.

The main indexes of electric energy transmission by Kubanenergo, JSC for 9 months of 2012(kW*h):

Receipt of electric energy into the Company's grid for its transmission under service contracts was 15 566 018.4 thousand kWh.

Supply of electric energy from OJSC "Kubanenergo" grid was 13 457 290.3 thousand kW*h.

Productive supply of electric energy by the "boiler" method with breakdown per voltage levels was 12 310 586.41 thousand kW*h, including:

- High voltage (110 kV and more) – 3 137 127.00 thousand kW*h,
- Medium voltage 1 (35 kV) – 685 072.90 thousand kW*h,
- Medium voltage 2 (1-20 kV)– 3 684 512,39 thousand kW*h,
- Low voltage (0.4 kV and less) – 4 803 874.12 thousand kW*h.

Actual losses of electric energy scaled to supply into the grid – 13.55% with standard losses allowance 12.21%.

Excess in expenditure of electric energy during 9 months of 2012 is 207 551.4 thousand kW*h.

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

16 403 contracts were concluded for technological connection to the electric power grids with total capacity = 388 MW during 9 months of 2012. Cash is collected in the amount of 646 million rubles, VAT excluded), proceeds equal to 363 million rubles. The volume of cash was received mostly from consumes

having submitted applications for capacity in excess of 200 kW.

In fact, during 9 months of 2012, 12 059 consumers with total capacity = 245 MW were connected (generation considered).

6 045 contracts for technological connection to the electric grids with total capacity = 160 MW were concluded in the 3rd quarter of 2012. Cash is collected in an amount of 205 million rubles (VAT excluded), proceeds equal to 91 million rubles. The volume of cash was received mostly from consumers having submitted applications for capacity in excess of 200 kW.

In fact, 4 980 consumers for total capacity = 108 were connected (generation considered) in the 3rd quarter of 2012.

Core production capacities of the Company:

Length of 110, 220 kV high voltage lines	110 kV overhead lines – 4758.44 km (route) 110 kV overhead lines – 6058.51 km (circuits) 220 kV overhead lines – 76.1 km 110 kV cable lines – 10.2 km
Length of medium voltage lines (6, 10, 35 kV)	40460.7 km (route) 41291.6 km (circuits), including: 35 kV overhead lines – 6939.3 km (route) BJI-35 kV – 7770.2 km (circuits) 10 kV overhead lines – 31107.3 km 35 kV cable lines – 0.5 km 10 kV cable lines – 684.2 km 6 kV overhead lines – 1257.1 km 6 kV cable lines – 472.3 km
Length of 0.4 kV low voltage lines	41545.8 km, including: overhead lines – 41080.3 km cable lines – 465.5 km
Number/capacity of substations with high (110 kV) basic voltage	214 substations/6175.8 MVA
Number/capacity of substations with high (35/6-10 kV) basic voltage	496 substations/2358.8 MVA
Number/capacity of transformer substations (6-35/0.4 kV)	21940 substations/4163.43 MVA

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

According to assessments of social and economic development of RF in 2012 and in planned 2013-2014 period and in order to avoid energy price leap and to provide moderate growth in prices and tariffs for goods from natural monopolies the Government of RF has adopted decisions on changing the time of growth of tariffs in activities related to natural monopoly types of activities – the growth in tariffs was delayed till July.

Due to the abovementioned, the order of Regional Tariff Services of Krasnodar region No.38/2011 dated 26.12.2011 “On fixing the unified (boiler) tariffs for services of energy transmission via grids of Krasnodar region and Adygeya republic” the tariffs for services of energy transmission in 2012 were fixed with detailed specification by half-years, the level of the tariffs does not exceed the

maximum levels of tariffs approved and fixed by RF Federal Tariff Services (order No. 328-э/4 dd 06.12.2011 “On approval of utmost level of tariffs for energy transmission via grids of territorial subjects of RF in 2012”) from 01.01.2012 to 30.06.2012 – at level of tariffs of 2011;

In accordance with Order of RF dated 29.12.2011 No, 1178 “On pricing in the sphere of regulated tariffs (prices) in energy industry” (as amended on 03.27.2012) by 01.06.2012 the regional regulatory authorities in energy industry is to establish rates for transmission services of electricity, taking into account the changed parameters of long-term RAB-regulation for 2012-2017, agreed with FTS of Russia.

Due to the absence of the agreed long-term parameters of tariff regulation Kubanenergo by RAB-regulation for 2012-2017, with regard if special opinion of RF The Ministry of Economic Development and Trade, in accordance with paragraph 4 of Order of RF Government No. 1178 dated 29.12.2011 “On pricing in the sphere if regulated prices (tariffs) in the sphere of power industry” Regional Energy Commission Department for Tariffs and Prices of Krasnodar region has set for Kubanenergo the tariffs on services of energy transmission from 01.07.2012:

	Indicator	Unit of measurement	Voltage			
			High Voltage (110 kV and more)	Medium Voltage 1 (35 kV)	Medium Voltage 2 (20-1 kV)	Low Voltage (0.4 kV and lower)
Group of consumers						
Population and consumers regarded as population (including VAT)						
	Flat rate	rubles/MW*h	2 389,878			
Other types of consumers (excluding VAT)						
1	Flat rate	rubles/MW*h	1 107,72	1 288,98	1 999,15	2 743,22
2	Two-part tariff					
2.1	- rate for grids maintenance	rubles/MW*month	326 378,25	261 440,43	389 546,25	563 675,02
2.2	- rate for payment of technological consumption (losses)	rubles/MW*h	553,89	554,29	554,48	1 070,60

On 21.09.2012 the Management Board of FST RF held a meeting, where it has adopted a decision on the approval of proposals from REC-DCT KK to transfer “Kubanenergo” to regulation of tariffs for the transmission of electrical energy by the method of return on investment and long-term options and on approval of parameters of regulating the activity of “Kubanenergo” JSC using the method of return on invested capital.

On 12.10.2012 the Management Board of REC-DCT KK held a meeting that adopted a decision to transfer “Kubanenergo” to method of return on invested

capital (RAB) from 01.11.2012 and established long-term options for the regulation of “Kubanenergo” calculated by the RAB by 01.07. 2017, in accordance with the approved by FTS RF (FTS RF order dated 21.09.2012 No.217-e /1 and dated 21.09.2012 No. 216-e /1)

The fee for technological connection of consumers to the grid of the Company is also fixed in orders of Regional Tariff Service of Krasnodar region at 24.05.2011 and entered into force on new standardized tariff rates approved by Order of the Regional Tariff Service of Krasnodar region on 06.05.2011 No. 7/2011-e.

Order of the Regional Tariff Service of Krasnodar region dd 30.12.2011 No. 43/2011-e “On changes in certain orders of the Regional Energy Commission - Department of Prices and Tariffs of Krasnodar region” extended the Order of the Regional Tariff Service of Krasnodar region dd06.05.2011 years NO. 7/2011- e in 2012.

1. Standardized tariff rates for coverage of expenses on construction and reconstruction of electric power grid facilities during technological connection of electric energy consumers’ power receiver devices and electric power grid facilities belonging to grid organizations and other persons to distribution electric power grid of OJSC “Kubanenergo” for 2011 (in terms of 2001¹ prices, VAT excluded):

	List of construction facilities	Cost
1	2	3
1	Standardized tariff rates for coverage of expenses on construction and reconstruction of electric power grid facilities during technological connection of electric energy consumers’ power receiver devices and electric power grid facilities belonging to grid organizations and other persons to the extent of expenses on construction and reconstruction of cable transmission lines at the corresponding voltage level, per 1 km of lines (RUR/km)	
1.1	Voltage level - 10(6) kV	
1.1.1	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПВПу2Г-10) with wire cross section up to 3*(1x500) in populated area	896 586
1.1.2	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПВПу2Г-10) with cross sectional area of conductor up to 3x(1x500)	720 966
1.1.3	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПВПу2Г-10) with cross sectional area of conductor up to 3x(1x300) in populated area	819 783
1.1.4	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПВПу2Г-10) with cross sectional area of conductor up to 3x(1x300)	639 202
1.1.5	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПВПу2Г-10) with cross sectional area of	1 614 544

	conductor from 3x(1x300) to 3x(1x500) at cable structures in populated area	
1.1.6	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПВПу2Г-10) with cross sectional area of conductor from 3x(1x300) to 3x(1x500) at cable structures	1 458 921
1.1.7	Installation of 1 km of 10kV cable line (two conductors in trench) using the conductor of type ASB-10kV (АСБ-10 кВ) with cross sectional area of conductor up to (3x240) in populated area	983 106
1.1.8	Installation of 1 km of 10kV cable line (two conductors in trench) using the conductor of type ASB-10kV (АСБ-10 кВ) with cross sectional area of conductor up to (3x240)	825 735
1.1.9	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПВПу2Г-10) 3x(1x630/70) in populated area	1 009 089
1.1.10	Installation of 1 km of cable line using the conductor of type APvPu2g - 10 (АПВПу2Г-10) 3x(1x630/70)	833 354
1.1.11	Installation of 1 km of cable line using the conductor of type APvPung - 10 (АПВПуНГ-10) 3x(1x800/50) at cable structures in populated area	1 195 557
1.1.12	Installation of 1 km of cable line using the conductor of type APvPung - 10 (АПВПуНГ-10) 3x(1x800/50) at cable structures	1 030 338
1.1.13	Installation of 1 km of cable line using the conductor of type APvPung - 10 (АПВПуНГ-10) from (3x185) to (3x240) at cable structures in populated area	776 338
1.1.14	Installation of 1 km of cable line using the conductor of type APvPung - 10 (АПВПуНГ-10) from (3x185) to (3x240) at cable structures	627 732
1.1.15	Installation of 1 km of 10kV cable line (two conductors in trench) using the conductor of type ASB-10kV (АСБ-10 кВ) with cross sectional area of conductor up to (3x120) in populated area	534 836
1.1.16	Installation of 1 km of 10kV cable line (two conductors in trench) using the conductor of type ASB-10kV (АСБ-10 кВ) with cross sectional area of conductor up to (3x120)	359 085
1.1.17	Installation of 1 km of 10kV cable line (two conductors in trench) using the conductor of type ASB-10kV (АСБ-10 кВ) with cross sectional area of conductor from (3x150) to (3x240) in populated area	557 962
1.1.18	Installation of 1 km of 10kV cable line (two conductors in trench) using the conductor of type ASB-10kV (АСБ-10 кВ) with cross sectional area of conductor from (3x150) to (3x240)	382 125
1.1.19	Installation of four pipes of d=225 mm by horizontal directional drilling (km)	2 822 100
1.1.20	Installation of three pipes of d=225 mm by horizontal directional drilling (km)	2 338 600
1.2	Voltage – 0.4kV	

1.2. 1	Installation of 1 km of cable line -0.4 using the conductor of type АПВБбШнг-1 with cross sectional area of conductor up to (4x240) in populated area	436 490
1.2. 2	Installation of 1 km of cable line -0.4 using the conductor of type АПВБбШнг-1 with cross sectional area of conductor up to (4x240)	385 865
1.2. 3	Installation of 1 km of cable line -0.4 using the conductor of type АПВБбШнг-1 with cross sectional area of conductor up to (4x240) (two cable sin trench) in populated area	739 272
1.2. 4	Installation of 1 km of cable line -0.4 using the conductor of type АПВБбШнг-1 with cross sectional area of conductor up to (4x240) (two cable sin trench)	687 603
1.2. 5	Installation of 1 km of cable line of type КВВГ 4x2,5 at cable structures in populated area	60 454
1.2. 6	Installation of 1 km of cable line of type КВВГ 4x2,5 at cable structures	51 202
1.2. 7	Installation of 1 km of cable line of type АВВБбШнг-1 (two cable sin trench) 4x120 in populated area	460 949
1.2. 8	Installation of 1 km of cable line of type АВВБбШнг-1 (two cable sin trench) 4x120	385 551
1.2. 9	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x120) in populated area	296 427
1.2. 10	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x120)	216519
1.2. 11	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x25) in populated area	239 748
1.2. 12	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x25)	161 011
1.2. 13	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x35) in populated area	250 788
1.2. 14	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x35)	172 051
1.2. 15	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x50) in populated area	254 916
1.2. 16	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x50)	175 789
1.2. 17	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x70) in populated area	265 844
1.2. 18	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x70)	186 717
1.2. 19	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x95) in populated area	283 518
1.2. 20	Installation of 1 km of cable line of type АПВБбШнг-1 with cross sectional area of conductor up to (4x95)	203 609

1.2. 21	Installation of 1 km of cable line of type АПВБбШНГ-1 with cross sectional area of conductor up to (4x150) in populated area	341 349
1.2. 22	Installation of 1 km of cable line of type АПВБбШНГ-1 with cross sectional area of conductor up to (4x150)	259 600
1.2. 23	Installation of 1 km of cable line of type АПВБбШНГ-1 with cross sectional area of conductor up to (4x185) in populated area	360 869
1.2. 24	Installation of 1 km of cable line of type АПВБбШНГ-1 with cross sectional area of conductor up to (4x185)	279 120
1.2. 25	Installation of four pipes of d=225 mm by horizontal directional drilling (km)	2 822 100
1.2. 26	Installation of three pipes of d=225 mm by horizontal directional drilling (km)	2 338 600
2	Standardized tariff rates for coverage of expenses on construction and reconstruction of electric power grid facilities during technological connection of electric energy consumers' power receiver devices and electric power grid facilities belonging to grid organizations and other persons to the extent of expenses on construction and reconstruction of overhead transmission lines at the corresponding voltage level, per 1 km of lines (RUR/km)	
2.1	Voltage - 10(6) kV	
2.1. 1	Construction of 10kV overhead lines with wire covering with cross sectional area of conductor 70 mm ²	119 230
2.1. 2	Construction of 10kV overhead lines with wire covering with cross sectional area of conductor 95 mm ² to 120 mm ²	125 584
2.1. 3	Construction of 10kV overhead lines with insulation of type АПВПгТ(п) with cross sectional area of conductor 150 mm ²	429 642
2.1. 4	Construction of 10kV overhead lines with insulation of type АПВПгТ(п) with cross sectional area of conductor from 185 mm ² to 240 mm ²	454 506
2.1. 5	Construction of 10kV overhead lines with self-supporting insulated twisted conductor of type АПВПгТ(п) with cross sectional area of 95 mm ²	356 450
2.1. 6	Construction of 10kV overhead lines with self-supporting insulated twisted conductor of type АПВПгТ(п) with cross sectional area of 120 mm ²	392 965
2.1. 7	Construction of 10kV overhead lines with self-supporting insulated twisted conductor of type АПВПгТ(п) with cross sectional area of 50 mm ²	292 607
2.1. 8	Construction of 10kV overhead lines with self-supporting insulated twisted conductor of type АПВПгТ(п) with cross sectional area of 70 mm ²	320 636
2.2	Voltage – 0.4 kV	
2.2. 1	Construction of 0.4kV overhead lines with self-supporting insulated conductor of type СИП-2А with cross sectional area of 3x95+70 mm ²	276 637
2.2.	Construction of 0.4kV overhead lines with self-supporting insulated	309 479

2	conductor of type СИП-2А with cross sectional area from 3x120+70 mm ² to 3x150+70 mm ²	
2.2. 3	Construction of 0.4kV overhead lines with self-supporting insulated conductor of type СИП-2А with cross sectional area of 3x50+54,6 mm ²	224 785
2.2. 4	Construction of 0.4kV overhead lines with self-supporting insulated conductor of type СИП-2А with cross sectional area from 3x70+54,6 mm ² to 3x95+54,6 mm ²	276 637
2.2. 5	Construction of 0.4kV overhead lines with self-supporting insulated conductor of type СИП-4 with cross sectional area of conductor up to 4x25 mm ²	72 533
2.2. 6	Construction of 1 km of 0.4kV cable line with cross sectional area of conductor of 3x50+54,6 mm ² with joint suspension to 10kV overhead line	69 836
2.2. 7	Construction of 1 km of 0.4kV cable line with cross sectional area of conductor from 3x70+54,6 mm ² to 3x150+70 mm ² with joint suspension to 10kV overhead line	154 531
3	Standardized tariff rates for coverage of expenses on construction and reconstruction of electric power grid facilities during technological connection of electric energy consumers' power receiver devices and electric power grid facilities belonging to grid organizations and other persons to the extent of expenses on construction and reconstruction of substations, per each line (RUR)	
3.1	Construction of cross-over units (distribution unit) of 10kV with installation of 16-line modules	4 103 650
3.2	Construction of cross-over units (distribution unit) of 10kV with installation of 8- line modules	2 315 243
3.3	Construction of 24БПТН (modular distribution units) 10 KV	3 577 642
3.4	Construction of 4БПТН (modular distribution units) with transformers up to 4x1000 kVA for voltage 10/0.4 kV with installation of 20-line modules	4 070 468
3.5	Construction of 4БПТН (modular distribution units) with transformers up to 4x1000 kVA for voltage 10/0.4 kV with installation of 20-line modules of KCO-298	4 179 209
3.6	Construction of 4БПТН (modular distribution units) with transformers up to 2x 1000 kVA for nominal voltage of 10/0,4kV with installation of up to 16 line modules KCO-298 (1 item)	3 226 894
3.7	Construction of 2БПТН-1250 with transformers (ТМГ) 2x1250 kVA for nominal voltage of 10/0,4kV with installation of 20 line modules KCO-298	3 405 781
3.8	Construction of 2БПТН (modular distribution units) with transformers 2x250 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	839 136
3.9	Construction of 2БПТН (modular distribution units) with transformers 2x400 kVA for nominal voltage of 10(6)/0,4 kV (1	880 348

	item)	
3.10	Construction of 2БПТII (modular distribution units) with transformers 2x630 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	1 250 344
3.11	Construction of 2БПТII (modular distribution units) with transformers 2x1000 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	1 304 671
3.12	Construction of БПТII (modular distribution units) with transformers 250 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	396 444
3.13	Construction of БПТII (modular distribution units) with transformers 400 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	463 422
3.14	Construction of БПТII (modular distribution units) with transformers 630 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	493 172
3.15	Construction of БПТII (modular distribution units) with transformers 1000 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	558 453
3.16	Construction of 2БПТII-1250 (modular distribution units) with transformers 2x1250 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	1 356 965
3.17	Construction of КТII-1250 (modular transformer units) with transformers 250 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	103 706
3.18	Construction of КТII-1250 (modular transformer units) with transformers 400 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	114 116
3.19	Construction of КТII-1250 (modular transformer units) with transformers 630 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	136 548
3.20	Construction of КТII-1250 (modular transformer units) with transformers 63 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	65 256
3.21	Construction of КТII-1250 (modular transformer units) with transformers 100 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	68 344
3.22	Construction of КТII-1250 (modular transformer units) with transformers 160 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	73 275
3.23	Construction of КТII-1250 (modular transformer units) with transformers 25 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	61 431
3.24	Construction of КТII-1250 (modular transformer units) with transformers 40 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	62 166
3.25	Construction of pole-mounted transformer unit with transformers 25 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	37 402
3.26	Construction of pole-mounted transformer unit with transformers 40 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	38 899
3.27	Construction of pole-mounted transformer unit with transformers 63 kVA for nominal voltage of 10(6)/0,4 kV (1 item)	42 448
3.28	Installation of module 10 (6) KV at feeding centres of 35kV and higher:	

3.28 .1	Installation of substation integration module -10(6) kV	223 984
3.28 .2	Installation of substation integration module -10(6) kV with changing the busbar of 10kV	230 005
3.28 .3	Installation of substation integration module -10(6) kV without changing the busbar of 10kV	229 851
3.28 .4	Instllation of metering equipment at module with changing the arrester at over voltage suppressor	8 474
3.29	Installation of module 10 (6) KV at transformer (distribution) units	
3.29 .1	Installation of module at distribution units -10(6) kV Transformer unit (Distribution unit) RM-6	188 599
3.29 .2	Installation of module of type KCO-298 at transformer (distribution) unit	78 457
3.29 .3	Installation of disconnecter 10 (6) kV	5374
3.30	Installation of unit of electric sectionalization with vacuum switch 10(6)kV	
3.30 .1	Installation of unit of electric sectionalization with vacuum switch 10(6)kV and metering devices	508 136
3.30 .2	Installation of unit of electric sectionalization with vacuum switch 10(6)kV without metering devices	202 145
3.31	Installation of outdoor unit with protection devices and energy metering devices	
3.31 .1	Installation of outdoor unit with protection devices and energy metering devices at pylon, single-phase	4 579
3.31 .2	Installation of outdoor unit with protection devices and energy metering devices at wall, single-phase	3 959
3.31 .3	Installation of outdoor unit with protection devices and energy metering devices at pylon, three-phase	4 824
3.31 .4	Installation of outdoor unit with protection devices and energy metering devices at wall, three-phase	4 228
3.32	Teleautomation of sectioning (distribution) unit 10 kV and 2БКПІІ (modular distribution unit) (4(2)БРТІІ modular transformer unit) for voltage of 10kV with installation of up to 20 units of KCO (single-end service assembled chamber)-298 MSM (660 659
3.33	Communication lines	
3.33 .1	Installation of 1km of cable in trench	244 602
3.33 .2	1km of cable at pylons of overhead lines	64 832
3.33 .3	1 km of cable in telephone conduit	194 975
3.33 .4	Installation of equipment (at fiber-optic communication line) (1unit)	203 947

3.33 .5	Organization of GSM communication channel	1 004
3.33 .6	Installation of unit for processing the telemechanics information with adjustment of dispatch board	1 052 785
3.33 .7	Installation of mosaic diagram	507 718
3.34	Provision of stable temperature in the room with communication and teleautomation equipment in accordance with the requirements of reference document	22 339
3.35	The organization of the system uninterruptible power supply to communication and teleautomation equipment for 6 hours of continuous operation	435 351

Notes:

1. Discounting unit value of construction and extension of OJSC “Kubanenergo” electric power grid facilities from 2001 prices into the prices of the reporting period when the standardized rate is applied is carried out by way of using the construction and assembly works estimated value change index with the concerned constituent entity of the Russian Federation for the quarter preceding that when payment is determined (contract concluded) for technological connection as recommended by the Ministry of Regional Development of the Russian Federation within the framework of exercising powers in the field of cost estimate and pricing in the town-planning activity sphere.
2. Classification of construction and extension of OJSC “Kubanenergo” electric power grid facilities as per construction condition zones “Populated locality” is determined by the actual location of construction and extension of OJSC “Kubanenergo” electric power grid facilities.
3. The above mentioned tariff rates are quoted less regard to profit tax.

2. Rate for technological connection of energy receiving devices, energy facilities possessed by grid companies and other entities related to distribution grids of Kubanenergo as of 2011, that do not include construction and modernization of energy facilities <35kV and capacity of at least 10 000kVA. Valid for 2012 without changes in accordance with Order of Rec DCT KK dated 30.12.2011 No.43/2011-9 “On introducing changes to particular orders of regional energy commission at department of prices and tariffs of Krasnodar region”:

	Activities	Rate, rubles/kW (VAT excluded)
1	2	3
1.	Payment rate, including:	517 983,42
1.1.	Preparation and distribution of technical specifications by the grid company and their approval	175 285,58

1.2.	Elaboration of design documentation by the grid company, in accordance with obligations imposed by technical specifications	-
1.3.	Implementation of technical specifications by the grid company, including the activity on connecting the accident protection devices	52 937,91
1.4.	Check of implementation by the applicant of technical specifications	150 370,59
1.5.	Participation in inspection of the connected devices by official from Rostechnadzor	17 456,04
1.6.	Activity on connecting and providing the operation of devices in the grid	121 933,30
2.	Payment rate ¹	517 983,42

Note: ¹ The rate is applied for connection of legal entities and individual entrepreneurs to one source of energy supply of energy consuming devices, which max capacity is up to 100 kW inclusively (with regard of previously connected capacity); and for applicants with temporary connection (up to 6 months) of energy consuming devices which max capacity is up to 100 kW inclusively (with regard of previously connected capacity); expenditures for participation in inspection are not specified

Seasonal nature of the Issuer's business activity

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

General structure of the Issuer's cost

	9 months of 2012
Raw materials, %	2.43
Purchased component parts and semi-finished goods, %	0
Works and production-related services, performed by third parties, %	53.26
Fuel, %	0
Power, %	23.58
Salaries and wages, %	8.61
Interest on credit, %	0
Rent, %	0.27
Allocations for social needs, %	2.5
Depreciation of fixed assets, %	5.18
Taxes included in cost of sales, %	0.36
Other expenses (clarify)	
Depreciation of intangible assets, %	0

Remunerations for rationalization proposals, %	0
Mandatory insurance payments, %	0.37
Expenses for representation, %	0.31
other, %	3.76
Total: Costs of production and sales of products (works, services) (prime cost), %	100
For reference: Proceeds from sales of products (works, services), %	97.9

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

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

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

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

- Federal Law No. 129-FZ "On accounting" dated 21.11.1996;
- Accounting Regulations "Accounting policy of the organization" PBU 1/2008 approved by Order No. 60n of the Ministry of Finance of the Russian Federation dated December 06, 1998;
- Regulations on Performance of Accounting and Reporting in the Russian Federation approved by Order No. 34n of the Ministry of Finance of the Russian Federation dated July 29, 1998;
- Directions on the Procedure of Preparation and Submittal of Accounting Statements proved of by Order No. 66n of the Ministry of Finance of the Russian Federation dated September 22, 2010

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

For 6 months of 2012

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

Full business name: **ASP GROUP YUG Limited Liability Company**

Office: **89, Kozhevennaya str, Krasnodar, Krasnodar region, 350000**

INN (Tax Payer ID): **2308151292**

OGRN (Primary State Registration Number): **1082308012049**

Share in the total volume of supplies, %: **11.21**

Full business name: **“VIKTAN” Closed joint stock company**

Office: **4 Sadovaya str., CHernogolovka, Nogonskiy district, Moscow region 142432**

TIN: **5031016874**

PSRN: **1035006104693**

Share in the total volume of supplies, %: **25.86**

Full business name: **“TATKABEL” Limited Liability Company**

Office: **32 Lesokolkhoznaya str., Stolbische village, Laishevskiy district, Republic of Tatarstan 422624**

TIN: **1624011485**

PSRN: **1091690024469**

Share in the total volume of supplies, %: **13.46**

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

price escalation:

- HV input by 15,3%,
- Concrete Pole SV by 23,1%,
- Poles SK by 26,3%,
- Concrete Pole SV164-12 by 22%
- self-supporting insulated conductors 3 1x70 by 16,1%,
- non-insulated conductor AC by 17,25%,
- glass insulator by 10%
- transaformer oil by 20,37%
- transformer insulator IPT-1/250 by 24%
- transformer insulator IPT -1/400 by 21%,
- transformer insulator IPT -6-10/250A by 29%,
- transformer insulator ИПТВ-1/250 by 38%,
- pin type porcelain insulator ШФ-20Г by 54%,

price lowering:

- трансформаторы тока ТОЛ by 41,3%
- изолятор опорно-стержневой by 15%

-изолятор опорный керамический ИО-20-3,75 УЗ by 28%,
-стойки СВ 95-3 by 19%

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

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 88.5%

“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 2011 by Order No. 39/2011-e “On establishment of tariffs for organizations providing electric energy transmission services” dated 26.12.2011:

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

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

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, Nizhnovatomenergobyt JSC, Dizazh M LLC, IESC JSC, MAREM+ CJSC, Rusenergobyt LLC, Rusenergoresurs LLC, KybanResurs LLC, RN-Energo LLC, Transneftservice S LLC, REK LLC, Transservicenergo 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, 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**

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.: **BII-30-003995 series AB 087343**

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

Date of issue: **11.11.2011**

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.

In 2012, it is planned to sign 13 513 contracts for technological connection, total capacity of 366 MW; the amount of cash collections (payment for connection) is expected to be up to 1 383 mln rubles (VAT excluded).

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 17.04.2012 No. 132/2012), as well the program is approved by order of the RF Ministry of Energy dated 05.05.2012 No.229.

Recently the investment program of "Kubanenergo" for 2012 was adjusted and implemented on the basis of the investment program approved by order of the Ministry of Energy dated 05.05.2012 no. 229, with regard of the financial capability of "Kubanenergo" JSC and conditions of the formation of the adjusted investment program for the period of 2012 and the forecast for 2013 – 2016 of "IDGC Holding" subsidiary.

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.

Adjustment of the investment program of “Kubanenergo” JSC for 2012 was approved by the federal executive authorities, “SO UES” JSC and the executive authorities of the Russian Federation.

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

Company’s strategy provides for:

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

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

No changes have occurred in the reporting quarter

3.5. Subsidiary and dependent companies of the Issuer

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

Abbreviated business name: **“Recreation Centre “Plamya” JSC**

Location

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

TIN: 2365000589

PSRN: 1042330761274

subsidiary company: **Yes**

dependent company: **Yes**

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**

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, %:
Samoylenko Svetlana Stanislavovna (Chairperson)	0	0
Shvetsov Aleksandr Anatolyevich	0	0
Belik Vyacheslav Aleksandrovich	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 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 of the Company.

Quarterly review of transactions concluded by “Recreation Centre Plamya” JSC in the 3rd 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:

	Indicator	9 months of 2012
1	Revenue, thousand rub	855
2	Gross profit, thousand rub	-1 060
3	Net profit (uncovered profit (loss), thousand rub	-1 060
4	ROE (return on equity),%	-9,68
5	Return on Total Assets ROTA, %	-5,74
6	Profitability ratio, %	-123,98
7	Product profitability, %	-124,0
8	Capital turnover	0,08
9	Sum of uncovered loss as of the reporting date, thousand rub.	-3 514
10	Uncovered loss and monetary assets balance ratio as of the reporting date ,%	19,0

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**

subsidiary company: **Yes**

dependent company: **Yes**

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**

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 3rd 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
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	no	no
3. Transactions concluded by “Recreation centre Energetik” JSC with “Kubanenergo” JSC subsidiary companies (“Energoservice of Kuban” JSC, “Recreation centre Plamya” JSC):		
1	no	no

Business results of “Recreation Centre “Energetik” JSC:

	Indicator	9 months of 2012
1	Revenue, thousand rub	53 975
2	Gross profit, thousand rub	8 076
3	Net profit (uncovered profit (loss), thousand rub	5 867
4	ROE (return on equity),%	12,27
5	Return on Total Assets ROTA, %	10,7
6	Profitability ratio, %	10,9
7	Product profitability, %	15,0
8	Capital turnover	111,4
9	Sum of uncovered loss as of the reporting date, thousand rub.	0
10	Uncovered loss and monetary assets balance ratio as of the reporting date,%	0

“Kubanenergo” JSC is a customer of “Recreation Centre “Energetik”, making 17% of company’s income.

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

subsidiary company: **Yes**

dependent company: **Yes**

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**

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

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

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

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

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

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

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

Name	Participation stake of the person in the authorized capital of the Issuer, %:	Portion of ordinary shares of the Issuer held by the person, %:
Bulavintsev Alexey Sergeyevich	0	0
Galyayev Aleksandr Nikolayevich	0	0
Zinchenko Pavel Vasilyevich	0	0
Konevets Kirill Sergeyevich	0	0
Kuryshkin Konstantin Mikhailovich	0	0
Lyashko, Andrey Vladimirovich (chairperson)	0	0
Ovchenkov Sergey Leonidovich	0	0

Sole Executive Body of the company

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

Composition of the Collegial Executive Body of the company

Collegial Executive Body is not stipulated

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

Quarterly review of transactions concluded by "Energoservice of Kuban" in the 3rd quarter of 2012

	Subject of transactions	Transaction	Transaction price, VAT
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		counterparty	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:

	Indicator	9 months of 2012
1	Revenue, thousand rub	13 836
2	Gross profit, thousand rub	11 424
3	Net profit (uncovered profit (loss), thousand rub	6 718
4	ROE (return on equity),%	79,11
5	Return on Total Assets ROTA, %	72,17
6	Profitability ratio, %	48,55
7	Product profitability, %	82,57
8	Capital turnover	1,63
9	Sum of uncovered loss as of the reporting date, thousand rub.	0,00
10	Uncovered loss and monetary assets balance ratio as of the reporting date ,%	0,00

“Kubanenergo” JSC is a consumer of 97.3% of services rendered by “Energoservis of Kuban” JSC

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

As of the end of reporting quarter

Unit of measurement: thousand rubles

Group of fixed assets	Acquisition cost	Accumulated
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	(replacement cost)	Depreciation
Fixed assets	53 281 638	36 543 546
Total	53 281 638	36 543 546

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

Reporting date: 31.09.2012

Results of the last revaluation of fixed assets and fixed assets leased for long-term period made for 5 closed fiscal years preceding the reporting period or for each closed fiscal year preceding the reporting period should the Issuer perform its activities during the period less than 5 years, and for the reporting period

Revaluation of fixed assets during the period was not performed

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

Company's investment program for 2012 includes reconstruction of facilities which estimated cost of reconstruction is more than 10 percent of the value of fixed assets of the issuer:

- "Overhead lines (110 kV) from the substation "Shepsi" to substation "Dagomys" (design and survey works, reconstruction)" in 2011-2013, Estimated cost - 4 264.226 million rub.;
- "Overhead lines (110 kV) to transmit power from the Sochi thermal power plants to substations "Vereshchagin" and from "Vereshchagin" to substation "Dagomys" (reconstruction) in 2011-2013, estimated cost - 2 792.222 million rubles .

fixed assets	Type of encumbrance	Start-date	End-date	Other conditions
Room 16 in Kubanenergo, building: 2, Stavropolskaya str., Krasnodar. Place on communication mast, area: 5.84 sq. m	Rent	01.02.2004	01.01.2013	Prolongation is possible

Premises at 2 Stavropolskaya str., Krasnodar. area: 959 sq. m	Rent	01.04.2003	till annulation	
Premises at 2 Stavropolskaya str., Krasnodar. area: 192.8 sq. m	Rent	01.05.2011	01.04.2013	Prolongation is possible
Premises at 2 Stavropolskaya str., Krasnodar. area: 1.2 sq. m	Rent	28.11.2006	30.05.2012	Prolongation is possible
Places for installation of energy accounting devices in FES	Rent	01.04.2009	31.03.2013	Prolongation is possible
Premises in Lit. A, 25, Tramvainaya str., Krasnodar, area: 202.8 sq. m	Rent	28.02.2012	На 3 года	
Part of non-residential premises in Lit. A, 2, Stavropolskaya str., Krasnodar, Area: 1.2 sq. m	Rent	01.01.2007	31.07.2012	Prolongation is possible
Part of non-residential premises at 42, Konstitutsii pl., Sochi, area: 1.2 sq. m	Rent	01.01.2007	31.07.2012	Prolongation is possible
Rooms Nos. 211, 212, 213, 214, 214/1, 214/2 in building: D, Stavropolskaya str., Krasnodar, Block 4, area: 54.2 sq. m	Rent	01.12.2007	31.07.2012	Prolongation is possible
Premises in 358, Shovghenova str., Maykop, Adygei Republic, area; 31.5 sq. m	Rent	04.06.2007	03.05.2013	Prolongation is possible
Rooms Nos. 40 and 41 in lit. A, 42, Konstitutsii SSSR ul., Sochi, area: 28.1 sq. m	Rent	04.06.2007	03.05.2013	Prolongation is possible
Site for installation of electric tower with antenna and feeder equipment, 74, Gagarina ul., Yablonovsky vill., area: 14.3 sq. m	Rent	20.07.2005	19.06.2013	Prolongation is possible
Radio mast, 30,	Rent	01.04.2003	Till cessation	

Tabachnaya ul., Saratovskaya ul., area; 6 sq. m				
Premises specified in appendix to the contract	Rent	31.07.2007	30.06.2013	Prolongation is possible
Premises located at: 1a, Industrialnaya street, Apsheronk, total square 12.5 sq. m	Rent	01.01.2011	31.10.2013	Prolongation is not possible
Antenna and mast construction with platform located at: 1A, Lugovaya street Kurganinsk and 1, 50 years of VLKSM street, village Novoalekseevskaya, total square 19 sq. m	Rent	01.06.2008	31.01.2013	Prolongation is possible
Nonresidential premises U- ZES, total square 91.9 sq. m	Rent	05.05.2008	31.10.2013	Prolongation is possible
Part of corridor No. 1, located at: 71/A1, Sovetskaya street, village Pavlovskaya, Pavlovskiy district, Krasnodar region, total square 61.6 sq. m	Rent	01.09.2006	28.02.2013	Prolongation is possible
Premises No. 34 located at: 131, Pashkovskaya street, Krasnodar, total square 23 sq. m	Rent	01.10.2007	30.04.2013	Prolongation is possible
Premises No. 6 located at: 1, Eastern spillway, Novorossiysk, total square 2,5 sq. m	Rent	02.11.2008	18.12.2013	Prolongation is possible
Garage-premises located at: 176B, Lenin street, Timashevsk, Krasnodar region, total square 30.1 sq. m	Rent	01.08.2008	28.02.2013	Prolongation is possible
Nonresidential premises Sochi substation, total square 91.2 sq. m	Rent	01.10.2008	30.06.2013	Prolongation is possible
Premises located at: 5, Stroitelnyi lane, Anapa, total square 9.2 sq. m	Rent	30.09.2008	30.05.2013	Prolongation is possible
Energy accounting meter installation sites according to appendix, total square 5.2 sq. M	Rent	01.01.2011	30.11.2013	Prolongation is possible
Premises located at: 176,	Rent	01.06.2007	31.12.2013	Prolongation is

Lenin street, Timashevsk, total square 2 sq. m				possible
Nonresidential premises located at: 1, Eastern spillway, Novorossiysk, total square 12.9 sq. m	Rent	01.06.2010	31.03.2013	Prolongation is possible
Nonresidential premises located at: 42, USSR Constitution street, Sochi and 147, Kalarash street, village Lazarevskoe, Sochi, total square 2.64 sq. m	Rent	26.08.2010	30.11.2013	Prolongation is possible
Premises on the territory of substation "Rodnikovaya" and substation "Vereshaginskaya", total square 1.2 sq. m	Rent	23.11.2010	23.10.2013	Prolongation is possible
Premises located at: 358, Shovgenov street, Maikop, total square 0.72 sq. m	Rent	11.10.2010	10.08.2012	Prolongation is possible
Nonresidential premises located at: 91, Shirokaya street, Dinskaya village, Krasnodar region, total square 7 sq. m	Rent	01.01.2011	30.10.2013	Prolongation is possible
Premises located at: 47, Novorossiyskaya streetm Krasnodar, total square 23.8 sq. m	Rent	01.02.2011	30.11.2013	Prolongation is possible
Concrete flumes for holding 2 electrical lines, length 700 m, substation 110/35 "Naberezhnaya"	Rent	01.09.2009	30.05.2013	Prolongation is possible
Concrete flumes for holding 2 electrical lines, length 700 m, substation 110/35 "Naberezhnaya"	Rent	01.04.2010	31.12.2012	Prolongation is possible
Movable property according to appendix to contract (furniture, air-conditioners) located at 2, Stavropolskaya street.	Rent	01.01.2011	31.12.2012	Prolongation is not possible
Movable property: optical fiber for installation on power line peers according to appendix to contract	Rent	29.04.2011	30.11.2012	Prolongation is possible

IV. IV. Information on issuer's business activity

4.1. Results of business activity

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

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

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

Indicator	9 months of 2011	9 months of 2012
Net Profit, %	-5.96	-8.41
Asset turnover ratio, times	0.62	0.49
Profitability of assets, %	-3.71	-4.16
Profitability of internal capital, %	-9.59	-14.43
Sum of non-covered loss as of reporting date	6 950 545	9 317 883
Ratio of non-covered loss as of reporting date and balance currency	20.1	22.3

All indicators are calculated in accordance with recommended methods of calculation

Analysis of profitability/ unprofitability of the issuer with regard of dynamic of specified indicators, as well as reasons of profit/loss:

By the results of 9 months of 2012 Kubanenergo JSC is at loss of 1 737. 2 million rubles, the loss was caused by growing rate of current expenses over the revenue from rendered services, which shows gross loss amounting 433.1million rubles.

Slow speed of turnover ratio is explained by peculiarity of Company's main activity: share of fixed assets and long-term investments is more 68%, while the share of current liabilities is relatively low (42%).

The opinions of the issuer with respect to the causes or extent of their influence on the results of the financial activities of the issuer do not match: None.

A member of the board of directors (supervisory council) of the Issuer or a member of the collegial executive body of the issuer has a special opinion on the reasons mentioned and / or the degree of their influence on the results of the financial activities of the issuer, as reflected in the minutes of the meeting (conference) board of directors (supervisory council) of the issuer or the collective executive body, which considered the issues involved, and insists on reflecting this view in the quarterly report: None.

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

Dynamics of indicators showing the issuer's liquidity

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

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

Indicator	9 months of 2011	9 months of 2012
Working capital	4 310 081	-4 904 631
Current liquidity ratio	1.59	0.73
Quick liquidity ratio	1.43	0.62

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

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

Analysis of liquidity and paying capacity of the issuer, capital adequacy for fulfillment of short-term obligations and covering current expenditures:

Indicator "Net working capital" reduced by the results of 9 months of 2012 up to minus 4 904.6 million rubles, which is explained by the growth of accounts receivable as the estimated liabilities were specified in the reporting as well as the debts to shareholders that occurred within the frameworks of the additional issue of securities.

Current liquidity ratio makes possible to define the ratio of current losses covering the short-term obligations.

The quick liquidity ratio shows how the liquid assets cover the short-term liabilities of the company.

The reduction of coefficient of quick liquidity is also influenced by growth of accounts payable and reduction of working assets.

Views of Issuer's management on the abovementioned reasons and/or on the degree of their influence on the indicators of financial and economic activities of the Issuer coincide.

None of the members of Board of Directors has dissenting opinion as to the abovementioned reasons and/or to the degree of their influence on the indicators of financial and economic activities of the Issuer.

4.3. Financial investments of the Issuer

As of the end of reporting quarter

The list of the Issuer's financial investments, representing 5 or more percent

of all financial investments as of the end of the reporting period

Investments in the emissive securities

Form of securities: **shares**

The Issuer's full business name: **Health Complex Plamya Open Joint-Stock Company**

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

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

TIN: **2365000589**

PSRN: **1042330761274**

Number of securities owned by the Issuer: 19 288 083

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

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

Unit: **rubles**

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

By results of 2011 no dividends were declared and paid.

Additional information:

28.02.2012 Federal Financial Markets Service of Russia in the PO OL registered the report about the issue of securities of "RC "Plamya" - uncertificated registered ordinary shares of nominal value 75 kopeks each, the method of placement: conversion into shares of smaller nominal value. There are currently state registration of amendments to the charter of the "RC "Plamya" JSC, associated with a decreasing of share capital. 18.07.2012 – state registration of adjustments to the Charter of "Recreation Centre Plamya" JSC

Type of securities: **shares**

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

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

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

TIN: **2304041820**

PSRN: **1042301876495**

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

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

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

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

Total nominal cost of securities owned by the issuer: **45 586 704.13**

Currency: **RUR**

**The issuer is affiliated and (or) depended company in relation to the issuer
By the results of the 3rd quarter of 2012 the dividends were not declared and paid.**

Additional information:

Investments in non-emission securities

Other financial investments

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

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

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

Information about losses is provided in the evaluation of the issuer's financial investments, as reflected in the issuer's financial statements for the period from the beginning of the year to the end of the last reporting quarter.

Standards (rules) of accounting reports, under which the issuer made the

calculations reflected in this paragraph of quarterly report: RAS 4/99 “Financial reports of the organization”, approved by order of Ministry of Finance of Russian Federation dated 6.07.1999 No. 43n, RAS 19/02, “Accounting of investments”, approved by order of the Ministry of Finance of Russian Federation dated 10.12.2002 No. 126n.

4.4. Intangible assets

As of the end of reporting quarter

Unit of measurement: thousand rubles

Intangible assets	Initial cost	Depreciation
Trade mark	54	
Total	54	

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

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

Reporting date: **30.09.2012**

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

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

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

The Innovative Development Program of “Kubanenergo” JSC was approved by decision of the Board of Directors of “Kubanenergo” JSC on 29.07.2011 (with adjustments dated 15.06.2012). The Company’s R&D Plan for 2012 covers 10 topics.

The Regulation on innovation-based activity of Kubanenergo was approved by order of the Company No. 651 dated 01.08.2011.

Kubanenergo JSC plans to spend 106 million rubles for the programme of

innovation-based development in 2012. Actual financing and application of costs to item “Expenditures for innovations” was not made in the reporting quarter.

Details of the Issuer establishing and obtaining legal protection of core intellectual property items (including details of dates of issue and validity terms of patents for inventions, utility models and production prototypes, of state registration of trademarks and service marks, indication of the commodities place of origin):

No legal protection of the Issuer’s intellectual property items carried out.

Core aspects and results of use of intellectual property items that are of core importance for the Issuer:

The Issuer does not use intellectual property items.

Risk factors associated with the possibility of expiry of validity terms of patents and licenses for use of trademarks that are of core importance for the Issuer:

There are no risks associated with expiry of validity terms of the Issuer’s patents and licenses for use of trademarks

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.

Within the framework of tariff regulation an important factor that will affect the Issuer's activity and the results of one's activity is the fact that, in accordance with Clause 9 of Resolution No. 1172 of the Government of the Russian Federation "On approval of Rules for the Wholesale Electric Energy and Power Market and on introduction of amendments to certain instruments of the Government of the Russian Federation dealing with organization of the wholesale electric energy and power market functioning" dated 27.12.2010, state regulation executive bodies of constituent entities of the Russian Federation are to reconsider the tariff for services for transmission of electric energy across electric power grids belonging to territorial grid organizations as having been established for 2011 beginning from May 1, 2011. Growth of tariff services for transmission of electric energy across electric power grids will be restricted to 15%.

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

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

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

Forced changes in the normal grid scheme lead to a significant growth of actual technological losses of electric energy, both due to losses in power transformers proper and to electric energy losses occurring because of transmission of additional reactive power of line transformers taken out of reserve as well as increase of receipt into the grid due to the above causes; Increased (in excess of values accounted for in calculations) consumption of reactive energy by users; Unavailability of a sufficient number of technical accounting devices prevents prompt performance of grid modes analysis for minimization of electric energy technological losses; Increase of losses of active energy spent on wire heating due to unavailability of compensation for reactive power by consumers.

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

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;
- Inconsistency of decisions taken in the sphere of establishment of tariffs for electric energy transmission to the extent of inclusion/ non-inclusion of the investment component , underestimation of the volumes of technological losses included into the tariff as normative losses against the losses as determined by production calculations;
- Growth of inflation (actual growth exceeding the forecast);
- The Issuer incurring uncompensated costs in connection with translation of electric energy losses purchase price;
- Appreciation of credit resources.

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

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

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.

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

In the reporting quarter no changes occurred

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**

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	Non-profit partnership	Chaiperson of

	day	“Association of solar power industry”	Supervisory board
2012	present day	Kubanenergo JSC, MOESK JSC, IDGC of Siberia 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: **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	Member of Board of Directors

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

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

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

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

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

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

instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Demidov, Aleksey Vladimirovich**

Year of birth: 1976

Education:

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

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

Period		Organization	Position
from	to		
2006	2009	OJSC NK Rosneft	First Deputy Financial Director
2009	Present-day	OJSC IDGC Holding	Deputy General Director for Economy and Finance, First Deputy General Director , Deputy Executive Director in charge of Economy and Finance, Member of the Management Board
2009	Present-day	OJSC IDGC of Siberia	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-	JSC Nurenergo	Member of the Board of

	day		Directors
2012	Present-day	JSC IDGC of Centre	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: **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	Present-day	NK Rosneft JSC	Deputy director department of Economy Заместитель
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:

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		
	Present-day	RF Ministry of Energy	Deputy director of Department
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: **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 “logstics 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

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:

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	NK Rosneft JSC	Director of Department of Energy
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: **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	Head of sector

		company of the wholesale electricity market) JSC	
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:

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
	Present day	JSC IDGC Holding	Director for Special Commissions, deputy executive director for special projects
2012	Present day	JSC 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**

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	Present-day	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 23.08.2012:

#	Name	Position
1	Golubev Pavel Vladilenovich (Chairperson of the Committee)	Operations manager - 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	Kurkaev Anatoliy Viktorovich	Deputy Chief Engineer of Kubanenergo JSC

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	Office²
1	Demidov, Aleksey Vladimirovich (Chairperson of the Committee)	Deputy General Director for Economy and Finance of OJSC “IDGC Holding”
2	Yurchuk, Sergey Evgenievich	Member of the Board of Directors of Kubanenergo JSC
3	Katina, Anna Yuryevna	Deputy Head of Department for Corporate Governance and Interaction with Shareholders of IDGC Holding 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	Deputy Head of Department Corporate Governance and

	Yuryevna	Interaction with Shareholders of IDGC Holding JSC
3	Balayeva, Svetlana Aleksandrovna	Head of the Investment Department of IDGC Holding JSC
4	Lavrova, Marina Aleksandrovna	Deputy Head of the Business Planning Department of IDGC Holding JSC
5	Isayev, Valery Ivanovich	Head of the Finance Department of IDGC Holding 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	Yemelin Aleksandr Sergeevich	Deputy director of Department of power industry at NK Rosneft JSC
9	Likhov Khasan Mushtafaeovich	Deputy director of Department of corporate governance and price environment and supervision at industries of fuel and energy complex of RF Ministry of Energy

Personnel and Remuneration Committee under the Board of Directors established by decision of the Board of Directors of OJSC "Kubanenergo", Minutes No. 94/2010 dated 06.08.2010 for elaboration of recommendations (conclusions) on the following aspects of activity of the Board of Directors and their submittal to the Board of Directors:

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

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

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

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

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

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

	Name	Office⁴
1.	Mangarov Yuriy Nikolaevich (Chairperson of the Committee)	Deputy acting director-chief of staff of IDGC Holding JSC
2.	Erpsher, Nataliya Ilyinichna	Chief of the Organizational Development Directorate of IDGC Holding JSC
	Tushnolobov Ivan Petrovich	Chief expert at Sector for salaries and motivation at HR department of IDGC Holding JSC
4.	Katina, Anna Yuryevna	Head of the Division for Analysis and Control of Corporate Governance of the Department for Corporate Governance and Interaction with Shareholders of IDGC Holding 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	Pyatigor Aleksandr	Head of Department of perspective development and

	Name	Position
	Mikhailovich, chairperson	technological connection at IDGC Holding 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 public organization of small and medium business OPORA ROSSII
5	Glazkov Sergey Pavlovich	Deputy director general – chief engineer of RN Energoneft CJSC

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		
2006	2007	OJSC “Kubanenergo”	Technical Director
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	Present-day	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-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

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		
2006	2006	Branch of OJSC “IESC” – “Krasnodar City Electric Power Grids”	Branch Director
2006	2007	OJSC “Kubanenergo”	Technical Director
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	Present-day	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: **Anatsky, Sergey Vladimirovich**

Year of birth: **1965**

Education:

Higher, graduated from Krasnodar Higher Command and Engineering Military College for Missile Force, 1987

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	2007	Branch of OJSC "IESC" - "Krasnodar City Electric Power Grids"	Head of the Production and Technical Service
2007	2007	OJSC "Kubanenergo"	Head of the Equipment Repair Administration - Head of the Repairs Organization and Planning Division
2007	2010	OJSC "IDGC of South"	Head of the Operation and Repair Department
2010	Present-day	OJSC "Kubanenergo"	Deputy General Director for Logistics and Material and Technical Provision, then Deputy General Director for Capital Construction
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: **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
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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: **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: **Zinchenko, Pavel Vasilyevich**

Year of birth: **1963**

Education:

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

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

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

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

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

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

The person does not hold such stake.

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

Such family relations are absent.

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

The person has not been brought to responsibility as specified.

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

The person did not hold such offices

Name: **Kocherga, Vitaly Aleksandrovich**

Year of birth: **1977**

Education:

Higher legal, graduated from Kuban State University

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

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

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

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

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

The person does not hold such stake.

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

Such family relations are absent.

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

The person has not been brought to responsibility as specified.

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

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

Name: **Loskutova, Lyudmila Vladimirovna**

Year of birth: **1973**

Education:

Higher, graduated from Kuban State Agriculture University, 1996

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

Period		Name of organization	Office
from	to		
2006	2009	“Timashevsk Electric Power Grids” - Branch of OJSC “Kubanenergo”	Deputy Chief Accountant , then Chief Accountant
2009	Present-day	OJSC “Kubanenergo”	Deputy Chief Accountant , then Chief Accountant – Head of the Department for Statutory and Fiscal Accounting and Reporting

2011	Present-day	OJSC “Kubanenergo”	Member of the Management Board
2011	2012	OJSC “Energoservice of Kuban”	Member of the Auditing Commission

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

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

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

The person does not hold such stake.

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

Such family relations are absent.

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

The person has not been brought to responsibility as specified.

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

The person did not hold such offices

Name: **Lyashko, Andrey Vladimirovich**

Year of birth: **1978**

Education:

Higher, graduated from Kuban State Agriculture University

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

Period		Name of organization	Office
from	to		
2005	Present-day	OJSC “Kubanenergo”	Head of the Sector for Follow-up of Technological Connection Contracts, then Deputy Head of Division - Head of the Sector for Technological Connection

			Contracts of TU “Energosbyt” branch; Deputy Head of Division - Head of the Sector for Technological Connection Contracts; Head of the Technological Connection Service, Head of the Prospective Development Administration - Head of the Prospective Development Service; Deputy General Director for Development and Marketing of Services.
2008	Present-day	OJSC “Kubanenergo”	Member of the Management Board
2011	Present-day	OJSC “Kuban Energoservice”	Chairman of the Board of Directors
2011	Present-day	OJSC “Kubanenergo”	Member of the Committee for Strategy, Investment, Development and Reforms under the Board of Directors

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

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

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

The person does not hold such stake.

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

Such family relations are absent.

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

The person has not been brought to responsibility as specified.

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

The person did not hold such offices

Name: **Natkho, Inver Yusufovich**

Year of birth: **1958**

Education:

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

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

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

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

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: **Samoylenko, Svetlana Stanislavovna**

Year of birth: **1963**

Education:

Higher, graduated from All-Russian Correspondence Institute for Economics and Finance (1988), State Educational Institution for Higher Vocational Education “North-Caucasus Academy of Public Administration” (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		
2006	2009	LLC “Gazprom Dobycha Astrakhan”	Deputy Head of the Economic Security Administration, Head of the Krasnodar Section
2009	2009	CJSC “Southern Industrial Corporation “Oboronprom”	Deputy General Director
2009	2010	LLC “Gazprommedservice”	Chief of the Southern Regional Administration
2010	2010	FSUE “Federal Centre for Dual Technologies “Soyuz” Health Recreation Centre “Gelendzhik-2”	Deputy Director for General Issues
2010	Present -day	OJSC “Kubanenergo”	Administrator, then – Deputy General Director – Chief of Staff
2011	Present -day	OJSC “Kubanenergo”	Member of the Management Board
2011	Present -day	OJSC “PO Energetik”, OJSC “OK Plamya”	Chairman 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

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	9 months of 2012
Reward	1 579.7
Wages	
Bonuses	
Commission fees	
Benefits	

Compensation for expenses	
Other pecuniary awards	
Other	1 579.7

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	9 months of 2012
Reward	1 127.3
Wages	
Bonuses	
Commission fees	
Benefits	
Compensation for expenses	
Other pecuniary awards	
Other	1 127.3

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-Φ3 dated 27.07.2010 "On prevention of illegal usage of insider information and market manipulation and on introduction of changes to particular legislative acts of Russian Federation" the Issuer has accomplished the following activities::

- at 30.12.2011 by the decision of the BoD (minutes of meeting No.125/2012 dd 12.01.2012) a restated version of Regulations on insider information of "Kubanenergo" JSC was approved;

- the list of insider information was formed;

- the list of persons regarded as insiders was made;

- the notifications on inclusion of particular persons to the list of insiders were sent;

- the list of insiders was sent to RTS-MICEX.

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

Webpage with the full text of the Regulation:

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	Member of the Auditing Commission

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

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

Name: **Bogashov Alexander Evgenievich**

Year of birth: 1989

Education:

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, Volgogradneftegeofizika JSCm TsGE JSC, NIItelopribor JSC, Souyuzmorgeo JSC	Member of the Auditing Commission
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The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

Name: **Sinitsina Olga Sergeevna**

Year of birth: 1979

Education:

Higher. Graduated from Novosibirsk state Academy of Economics and Management (2001), specialization "economist"

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

Period		Name of organization	Office
from	to		
2005	2010	LLC FinExpertiza	Projects managers at audit department
2010	Present day	JSC Holding IDGC	Chief expert at sector for audit and expertise of department for internal control and risks management

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

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

Name: **Yakubovich Yakob Borisovich**

Year of birth: 1981

Education:

Higher. Окончил Московский Инженерно-Физический Институт (Государственный Университет) по специальности "прикладная математика" в 2004 году.

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	9 months of 2012
Remuneration for participation in activity of the managing body	408
Salary	
Bonuses	
Commission	
Benefits	
Reimbursement of expenses	
Other remunearitions	
Total	408

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

Unit of measurement: thousand rubles

Indicator	9 months of 2012
Average number of employees	7 589
Volume of cash allocated for payment of wages	1 805 315.9
Volume of cash allocated for social welfare	35 457.3

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

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

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

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

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

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

Total number of persons registered in the Issuer's Register of Shareholders as of the expiry date of the last reporting quarter: **1 830**

Total number of the Issuer's nominal shareholders: **8**

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): **21.37**

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): **0.0005**

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: **26.04.2007**

List of Shareholders (Participants)

Full business name: **Russian Joint-Stock Company of Power Industry and Electrification “UES of Russia”**

Abbreviated business name: **OJSC RAO “UES of Russia”**

Participatory interest of the person in the authorized capital of the Issuer, %: **49**

Portion of the Issuer's ordinary shares held by the person, %: **49**

Full business name: **Open Joint-Stock Company “Oil Company “YUKOS”**

Abbreviated business name: **OJSC “Oil Company YUKOS”**

Participatory interest of the person in the authorized capital of the Issuer, %: **26.26**

Portion of the Issuer's ordinary shares held by the person, %: **26.26**

Date of making the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **17.07.2007**

List of Shareholders (Participants)

Full business name: **Russian Joint-Stock Company of Power Industry and Electrification “UES of Russia”**

Abbreviated business name: **OJSC RAO “UES of Russia”**

Participatory interest of the person in the authorized capital of the Issuer, %: **49**

Portion of the Issuer's ordinary shares held by the person, %: **49**

Full business name: **Limited Liability Company “Neft-Aktiv”**

Abbreviated business name: **LLC “Neft-Aktiv”**

Participatory interest of the person in the authorized capital of the Issuer, %:
26.26

Portion of the Issuer’s ordinary shares held by the person, %: **26.26**

Date of making the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **10.12.2007**

List of Shareholders (Participants)

Full business name: **Russian Joint-Stock Company of Power Industry and Electrification “UES of Russia”**

Abbreviated business name: **OJSC RAO “UES of Russia”**

Participatory interest of the person in the authorized capital of the Issuer, %: **49**

Portion of the Issuer’s ordinary shares held by the person, %: **49**

Full business name: **Limited Liability Company “Neft-Aktiv”**

Abbreviated business name: **LLC “Neft-Aktiv”**

Participatory interest of the person in the authorized capital of the Issuer, %:
26.26

Portion of the Issuer’s ordinary shares held by the person, %: **26.26**

Date of making the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **17.04.2008**

List of Shareholders (Participants)

Full business name: **Russian Joint-Stock Company of Power Industry and Electrification “UES of Russia”**

Abbreviated business name: **OJSC RAO “UES of Russia”**

Participatory interest of the person in the authorized capital of the Issuer, %: **49**

Portion of the Issuer’s ordinary shares held by the person, %: **49**

Full business name: **Limited Liability Company “Neft-Aktiv”**

Abbreviated business name: **LLC “Neft-Aktiv”**

Participatory interest of the person in the authorized capital of the Issuer, %:
26.26

Portion of the Issuer’s ordinary shares held by the person, %: **26.26**

Date of generation of the list of persons having the right to participate in the

General Meeting of Shareholders (Participants) of the Issuer: **17.12.2008**

List of Shareholders (Participants)

Full business name: **Open Joint-Stock Company “Interregional Distribution Grid Companies Holding”**

Abbreviated business name: **OJSC “IDGC Holding”**

Participatory interest of the person in the authorized capital of the Issuer, %: **49**

Portion of the Issuer’s ordinary shares held by the person, %: **49**

Full business name: **Limited Liability Company “Neft-Aktiv”**

Abbreviated business name: **LLC “Neft-Aktiv”**

Participatory interest of the person in the authorized capital of the Issuer, %: **26.26**

Portion of the Issuer’s ordinary shares held by the person, %: **26.26**

Date of making the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **20.05.2009**

List of Shareholders (Participants)

Full business name: **Open Joint-Stock Company “Interregional Distribution Grid Companies Holding”**

Abbreviated business name: **OJSC “IDGC Holding”**

Participatory interest of the person in the authorized capital of the Issuer, %: **49**

Portion of the Issuer’s ordinary shares held by the person, %: **49**

Full business name: **Limited Liability Company “Neft-Aktiv”**

Abbreviated business name: **LLC “Neft-Aktiv”**

Participatory interest of the person in the authorized capital of the Issuer, %: **26.26**

Portion of the Issuer’s ordinary shares held by the person, %: **26.26**

Date of making the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **17.06.2009**

List of Shareholders (Participants)

Full business name: **Open Joint-Stock Company “Interregional Distribution Grid Companies Holding”**

Abbreviated business name: **OJSC “IDGC Holding”**

Participatory interest of the person in the authorized capital of the Issuer, %: **49**

Portion of the Issuer’s ordinary shares held by the person, %: **49**

Full business name: **Limited Liability Company “Neft-Aktiv”**

Abbreviated business name: **LLC “Neft-Aktiv”**

Participatory interest of the person in the authorized capital of the Issuer, %: **26.26**

Portion of the Issuer’s ordinary shares held by the person, %: **26.26**

Date of generation of the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **17.05.2010**

List of Shareholders (Participants)

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

Abbreviated business name:

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

Portion of the Issuer’s ordinary shares held by the person, %: **33.88**

Full business name: **Open Joint-Stock Company “Interregional Distribution Grid Companies Holding”**

Abbreviated business name: **OJSC “IDGC Holding”**

Participatory interest of the person in the authorized capital of the Issuer, %: **49**

Portion of the Issuer’s ordinary shares held by the person, %: **25.42**

Full business name: **Limited Liability Company “Neft-Aktiv”**

Abbreviated business name: **LLC “Neft-Aktiv”**

Participatory interest of the person in the authorized capital of the Issuer, %: **26.26**

Portion of the Issuer’s ordinary shares held by the person, %: **33.05**

Date of generation of the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **17.09.2010**

List of Shareholders (Participants)

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

Abbreviated business name:

Participatory interest of the person in the authorized capital of the Issuer, %: **26.94**

Portion of the Issuer’s ordinary shares held by the person, %: **26.94**

Full business name: **Open Joint-Stock Company “Interregional Distribution Grid Companies Holding”**

Abbreviated business name: **OJSC “IDGC Holding”**

Participatory interest of the person in the authorized capital of the Issuer, %: **40.63**

Portion of the Issuer’s ordinary shares held by the person, %: **40.63**

Full business name: **Limited Liability Company “Neft-Aktiv”**

Abbreviated business name: **LLC “Neft-Aktiv”**

Participatory interest of the person in the authorized capital of the Issuer, %: **26.28**

Portion of the Issuer’s ordinary shares held by the person, %: **26.28**

Date of generation of the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **06.05.2011**

List of Shareholders (Participants)

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

Abbreviated business name:

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, %: **21.37**

Full business name: **Open Joint-Stock Company “Interregional Distribution Grid Companies Holding”**

Abbreviated business name: **OJSC “IDGC Holding”**

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, %: **45.77**

Full business name: **Limited Liability Company “Neft-Aktiv”**

Abbreviated business name: **LLC “Neft-Aktiv”**

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, %: **27.97**

Date of making the list of persons having the right to participate in the General Meeting of Shareholders (Participants) of the Issuer: **18.10.2011**

List of Shareholders (Participants)

Full business name: **Russian Federation in the person of the Federal**

Agency for Management of State Property

Abbreviated business name:

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, %: **21.37**

Full business name: **Open Joint-Stock Company "Interregional Distribution Grid Companies Holding"**

Abbreviated business name: **OJSC "IDGC Holding"**

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, %: **45.77**

Full business name: **Limited Liability Company "Neft-Aktiv"**

Abbreviated business name: **LLC "Neft-Aktiv"**

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, %: **27.97**

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 in the person of the Federal Agency for Management of State Property**

Abbreviated business name: **Russian Federal Property Management Agency**

Location: **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 "Interregional Distribution Grid Companies Holding"**

Abbreviated business name: **OJSC "IDGC Holding"**

Location: **26 Ulanskiy lane, Moscow**

TIN: **7728662669**

PSRN: **108776000019**

Participatory interest of the person in the authorized capital of the Issuer, %:
45.77

Portion of the Issuer's ordinary shares held by the person, %: **62.8%**

Full business name: **Limited Liability Company "Neft-Aktiv"**

Abbreviated business name: **LLC "Neft-Aktiv"**

Location: 15/28 Malaya Kaluzhskaya street, Moscow, RF

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, %: **27.97**

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 in the person of the Federal Agency for Management of State Property**

Abbreviated business name: **Russian Federal Property Management Agency**

Location: **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 "Interregional Distribution Grid Companies Holding"**

Abbreviated business name: **OJSC "IDGC Holding"**

Location: 26 Ulanskiy lane, Moscow

TIN: **7728662669**

PSRN: **108776000019**

Participatory interest of the person in the authorized capital of the Issuer, %:
45.77

Portion of the Issuer's ordinary shares held by the person, %: **62.79%**

Full business name: **Limited Liability Company "Neft-Aktiv"**

Abbreviated business name: **LLC "Neft-Aktiv"**

Location: 15/28 Malaya Kaluzhskaya street, Moscow, RF

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:

During the reporting the Company has distributed shares of additional issue (state registration number 1-02-00063-A-003D dated 21.02.2012); state registration of report on the results additional issue of shares and introducing changes to the Company's is expected in September- October 2012.

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	5	115 618
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)	5	115 618
Transactions of interest concluded by the issuer during the reporting period which require approval,	0	0

but have not been approved by the authorized body of the issuer		
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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 in which there is an interest of the prisoners "Kubanenergo" in the 3rd quarter of 2012

	Contractor	Contract	Contract amount, rub.
1	"Kuban main power transmission lines" JSC	debt restructuring arrangement	19 118 312,02
2	"MOESK" JSC	Purchase of diesel-generator set	9 585 314,09
3	"FGC UES" JSC	Supplementary agreement on provision of information about owners (beneficiary owners)	0
4	"Holding IDGC" JSC	Purchase of additional ordinary certified shares of "Kubanenergo" JSC	86 914 529,04
5	"Southern centre of power engineering" JSC	Supplementary agreement on provision of information about owners (beneficiary owners)	0

Total: 115 618 155.15

6.7. Details on the amount of accounts receivable

As of the end of the reporting quarter

Unit of measurement: thousand rubles

Indicator	Indicator's value
Accounts receivable from buyers and customers	296 268
including overdue	90 724
Accounts receivable under promissory notes receivable	0
including overdue	0
Accounts receivable from participants (founders) by way of contributions to the authorized capital	0
including overdue	0
Other accounts receivable	2 649 563
including overdue	69 643
Total	2 945 831
including overdue	160 367

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

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

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

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

TIN: **2308119595**

PSRN: **1062309019794**

Sum of accounts receivable: **1 866 989**

Unit of measurement: thousand rubles

Amount and conditions of overdue accounts receivable (interest rate, penalty sanctions): The debt is not overdue

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

In accordance with Regulations on information policy “Kubanenergo” JSC discloses information on debtors which part of debt is at least 5% from total sum of the debt

Additional information disclosed in accordance with Regulations on information policy:

Accounts receivable structure, thousand rubles

indicator	31.12.2011	30.09.2012
Accounts receivable from purchasers and customers	444 541	296 268
including overdue	259 778	90 724
Notes payable	0	0
including overdue	0	0
Accounts receivable from participants (founders) on payments to authorized capital	0	0
including overdue	0	0
Other accounts receivable	2 471 009	2 649 563
including overdue	84 015	69 643
Total accounts receivable	2 915 550	2 945 831
Including total overdue accounts receivable	343 793	160 367

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

Accounting balance as of 30.09.2012

			Codes
	Form No. 1 as per OKUD [Russian National Classifier of Management Documentation]		0710001
		Date	30.09.2012
Organization: Open Joint-Stock Company of Kuban Power Engineering and Electrification	As per OKPO [Russian National Classifier of Businesses and Organizations]		00104604
Taxpayer Identification Number	INN [Taxpayer Identification Number]		2309001660
Type of activity	as per OKVED [Russian National Classifier of Economic Activities]		40.10.2
Organizational legal form/ownership form Open Joint-Stock Company	As per OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]		
Unit: thousand RUR	As per OKEI [Russian National Classifier of Measurement Units]		384
Location (address): 2, Stavropolskaya str., Krasnodar, 350033 Russia			

	ASSETS	Line	as of 30.09.2012	as of 31.12.2011	as of 31.12.2010
1	2	3	4	5	6
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	54	15	0
	Results of researches and designing	1120	9 944	0	0
	Fixed assets	1130			
	Income-bearing investments in tangibles	1140			
	Financial investments	1150	27 373 725	24 966 539	20 679 434
	Deferred tax assets	1160			
	Other non-current assets	1170	45 688	45 688	63 753

	Deferred tax assets	1180	1 088 345	816 460	776 086
	Other non-current assets	1190	265 599	239 230	192 537
	TOTAL Section I	1100	28 783 355	26 067 932	21 711 810
	II. CURRENT ASSETS				
	Stocks	1210	1 935 507	1 095 421	1 021 893
	Added value tax on valuables purchased	1220	14 705	9 138	12 811
	Receivables	1230	2 945 831	2 915 550	1 702 745
	Financial investments	1240			
	Cash	1250	7 275 583	5 692 998	8 896 766
	Other current assets	1260	812 561	766 374	490 444
	TOTAL Section II	1200	12 984 187	10 479 481	12 124 659
	BALANCE (assets)	1600	41 767 542	36 547 413	33 836 469

	LIABILITIES	Line	as of 30.09.2012	as of 31.12.2011	as of 31.12.2010
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
	Authorized capital (reserve capital, statutory fund and partners' contributions)	1310	9 746 093	9 746 093	7 730 724
	Treasury stock bought out at from the shareholders	1320			
	Revaluation of non-current assets	1340	8 250 979	8 194 372	8 196 194
	Additional capital (without revaluation)	1350	3 272 288	3 272 288	1 560 836
	Reserve capital	1360	89 347	89 347	89 347
	Unallocated profit (uncovered loss)	1370	-9 317 883	-7 524 145	-5 664 621
	TOTAL Section III	1300	12 040 824	13 777 955	11 912 480
	IV. LONG-TERM LIABILITIES				
	Borrowed funds	1410	11 454 052	11 561 281	10 619 623
	Deferred tax liabilities	1420	137 637	149 156	167 613
	Reserve for contingent liabilities	1430			
	Other liabilities	1450	246 211	59 541	36 833
	TOTAL Section IV	1400	11 837 900	11 769 978	10 824 069
	V. SHORT-TERM LIABILITIES				
	Borrowed funds	1510	4 182 517	3 704 137	2 300 000
	Payables	1520	12 147 225	5 739 087	7 974 696
	Deferred expenses	1530	12 873	13 649	14 886
	Reserves for future expenses	1540	1 546 203	1 542 607	810 338
	Other liabilities	1550			

TOTAL Section V	1500	17 888 818	10 999 480	11 099 920
BALANCE (assets)	1700	41 767 542	36 547 413	33 836 469

Profit and loss statement for 9 months of 2012

Form No. 2 as per OKUD [Russian National Classifier of Management Documentation]		Codes
		0710002
Date		31.09.2012
Organization: Open Joint-Stock Company of Kuban Power Engineering and Electrification	As per OKPO [Russian National Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	INN [Taxpayer Identification Number]	2309001660
Type of activity	as per OKVED [Russian National Classifier of Economic Activities]	40.10.2
Organizational legal form/ownership form Open Joint-Stock Company	As per OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	
Unit: thousand RUR	As per OKEI [Russian National Classifier of Measurement Units]	384
Location (address): 2, Stavropolskaya str., Krasnodar, 350033 Russia		

	Indicator	Line	9 months of 2012	9 months of 2011
1	2	3	4	5
	Proceeds	2110	20 662 941	21 505 268
	Cost of sales	2120	-21 096 126	-21 108 502
	Gross profit (loss)	2100	-433 185	396 766
	Commercial expenses	2210		
	Administrative expenses	2220		
	Sales profit (loss)	2200	-433 185	396 766
	Participation incomes	2310	1	
	Interest receivable	2320	362 333	259 168
	Interest payable	2330	-1 083 738	-756 296
	Other incomes	2340	337 904	2 709 790
	Other expenses	2350	-1 288 098	-4 097 342
	Profit (loss) before tax	2300	-2 104 783	-1 487 914

	Current profit tax	2410		
	Including constant tax liabilities (assets)	2421	135 729	89 521
	Changes in deferred tax liabilities	2430	8 588	6 319
	Changes in deferred tax assets	2450	276 639	201 743
	Other	2460	82 299	-1 680
	Net profit (loss)	2400	-1 737 257	-1 281 532
	FOR REFERENCE:			
	Results of revaluation of non-current assets not included into net profit (loss) of the period	2510		
	Results of other operations not included into net profit (loss) of the period	2520		
	Aggregate financial result of the period	2500	-1 737 257	-1 281 532
	Basis profit (loss) per share	2900	-17.83	-13.15
	Diluted profit (loss) per share	2910	-17.83	-13.15

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

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

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,
- “Kubanenergobyt” 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 “Kubanenergobyt” 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 3rd quarter of 2012 “Kubanenergo” participated at 10 suits which results may have significant impact on business activity of the Company:

- action of JSC “Kubanenergobyt” against JSC “Kubanenergo” for recovery of unjust enrichment in an amount of **167 195 180** rubles.
- claim of “Kubanenergo” JSC to “Nizhnovatomenergobyt” JSC on debt collection in amount of 107 540 490 rubles for services of electric energy transmission
- claim of “Kubanenergo” JSC to “Kubanenergobyt” 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: **9 746 093 300**

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**

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:

Share in the AC, %:

Privileged:

Total nominal cost:

Amount of share in the AC, %:

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

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

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

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

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

Persons (bodies) entitled to convoke (claim for convocation) of and extraordinary meeting (session) of the Issuer's supreme management body, as well as the order of forwarding (presentation) of such claims: According to cl. 14 of Kubanenergo JSC Charter, an extraordinary General Shareholders Meeting shall be held by the decision of the Company Board of

Directors on its own initiative, upon demand of the Auditing Commission of the Company or the Auditor of the Company, or by request of a shareholder(s) representing at least 10 (ten) percent of the Company's voting shares as of the date of such request.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The order of announcement (communication to the Issuer's shareholders

(participants) of the decisions taken by the Issuer's supreme management body, as well as of the ballots:

Voting results and decisions made by the General Shareholders Meeting of the Company may be announced at the General Shareholders Meeting of the Company.

Should the ballot and the decisions made by the Company General Shareholders Meeting not be announced at such General Meeting of Shareholders, not later than 10 (ten) days after drawing up of the ballot minutes, the decisions made by the General Shareholders Meeting, as well as the ballot, shall be brought to the notice of the persons on the list of those entitled to participate in the General Shareholders Meeting, in the form of a ballot report, in the order foreseen for communication on the fact of holding of the General Shareholders Meeting.

8.1.4. Information on commercial organizations in which the Issuer owns not less than five percent of the authorized (reserve) capital (share fund), or not less than five percent of ordinary shares

List of commercial organizations in which the Issuer, as of the date of the last accounting quarter, owns not less than five percent of the authorized (reserve) capital (share fund), or not less than five percent of ordinary shares

Full business name: **Plamya Health Complex Open Joint-Stock Company**

Abbreviated business name: **OK Plamya, JSC**

Location

2, Novomikhailovsky vill., Tuapse district, Krasnodar Territory, 352856, Russia

INN (Tax Payer ID): **2365000589**

OGRN (Primary State Registration Number): **1042330761274**

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

Person's portion of ordinary shares of the Issuer, %: **100**

Share of person's participation in the authorized capital of the Issuer, %: **0**

Person's portion of ordinary shares of the Issuer, %: **0**

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

Abbreviated business name: **Kuban Energoservice, OJSC**

Location

47, Novorossiyskaya ul., Krasnodar, 350080, Russia

INN (Tax Payer ID): **2312178191**

OGRN (Primary State Registration Number): **1112312000536**

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

Person's portion of ordinary shares of the Issuer, %: **100**

Share of person's participation in the authorized capital of the Issuer, %: **0**

Person's portion of ordinary shares of the Issuer, %: **0**

Full business name: **Energetic Rest Home, Open Joint-Stock Company**

Abbreviated business name: **P/o Energetic, OJSC**

Location

4, Pionerskaya ul., Divnomorskoye vill, Ghelendjik, Krasnodar Territory, 353490

INN (Tax Payer ID): **2304041820**

OGRN (Primary State Registration Number): **1042301876495**

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

Person's portion of ordinary shares of the Issuer, %: **100**

Share of person's participation in the authorized capital of the Issuer, %: **0**

Person's portion of ordinary shares of the Issuer, %: **0**

8.1.5. Information on material deals effected by the Issuer

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: **379 846.304**

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	Registration number
--------------------	---------------------

date:	
08.07.2003	1-02-00063-A
01.09.2009	1-02-00063-A-001D
14.12.2010	1-02-00063-A-002D
21.02.2012	1-02-00063-A-003D

Rights granted to holders of the shares:

In accordance with Clause 6.2 of the Issuer's Charter, an equal scope of rights shall be granted to the holder of each ordinary share of the Company.

Shareholders holding registered ordinary shares of the Company have the right to:

- 1) participate in the General Meeting of Shareholders (personally or by proxy) with right of vote on all issue referred to the Meeting competence;
- 2) propose the agenda of the General Meeting of Shareholders in accordance with the procedure stipulated by the Russian Federation legislation and the Charter;
- 3) obtain information on the Company's activity and access the Company's documents in accordance with Article 91 of Federal Law "On Joint-Stock Companies", other regulatory legal instruments and the Charter;
- 4) receive dividend announced by the Company;
- 5) on a preferential basis acquire shares and issue-grade securities convertible into shares that are being placed by way of subscription in amounts proportional to the quantity of ordinary shares one holds in cases stipulated by the Russian Federation legislation;
- 6) receive a part of the Company's properties in case of the Company liquidation;
- 7) exercise other rights stipulated by the Russian Federation legislation and the Charter.

Other details of the shares indicated by the Issuer at one's sole discretion: **In the reporting quarter an additional issue of shares (state number 1-02-00063-A-003D) was registered and the receipt of applications from persons having the pre-emptive right to purchase the shares was commenced.**

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

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; 814,622.08 rubles - for production and mailing of materials for the annual and extraordinary General Meetings of Shareholders and discharge of tabulation commission functions at the annual and extraordinary General Meetings of Shareholders; 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; 550 647.0 rubles - for carrying out operations in the Register of Holders of Registered Securities for transfer or registered ordinary shares of the additional issue.

During 9 months of 2012 the Registrar was paid 1 040 476.8 rubles, among them: for services on keeping the registry of securities holders – 39 825 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 for the last 5 completed financial years or for each completed financial year if the Issuer has carried out one's activity for less than 5 years

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:

Share of declared dividends in net revenue of reporting year, %:

Share of paid out dividends from total volume of declared dividends on shares of the type (category), %:

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:

Share of declared dividends in net revenue of reporting year, %:

Share of paid out dividends from total volume of declared dividends on shares of the type (category), %:

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:

Share of declared dividends in net revenue of reporting year, %:

Share of paid out dividends from total volume of declared dividends on shares of the type (category), %:

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:

Share of declared dividends in net revenue of reporting year, %:

Share of paid out dividends from total volume of declared dividends on shares of the type (category), %:

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
1	30.07.2012	In Sochi, suspects in the theft of 12 tons of copper wire from high-voltage lines were detained
2	23.07.2012	Russian Energy Minister appreciated the level of preparation of the grid infrastructure of Winter Olympics 2014
3	19.07.2012	Kubanenergo repaired 3 135 km of power lines in the 1 st half of 2012
4	18.07.2012	Five and a half million rubles were collected by employees of “Kubanenergo” to help victims of flooding in Krymsk

5	09.07.2012	Kubanenergo introduced an automated accounting system of electricity in the region of Adygea Maikop
6	24.08.2012	Kubanenergo elected a new Board of Directors
7	23.08.2012	Kubanenergo prepares overhead lines for the autumn – winter season
8	09.08.2012	Kubanenergo builds in overhead lines to supply with electricity new houses in the flood-affected people in Krymsk
9	24.09.2012	Annual Report of Kubanenergo for 2011 was chosen as the best in the region
10	12.09.2012	Kubanenergo prepares power equipment in the northern regions of Krasnodar region for winter season
11	06.09.2012	Kubanenergo - a key social partner in the implementation of the programme on modernization professional education

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	Adopted in the new version by the decision of Annual

		And of decision making, as well as rights, duties and responsibility of the members of the Board.	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 and other persons, as well as states the order and terms of disclosure and presentation of the above information.	Adopted by the decision of the Board of Directors, minutes No. 22/2006 dated 03.10.2006

10	Statement on Company insider information	The document explains the terms “insider” and “insider information” of the Company and defines the order of protection and avoidance of illegal use and dissemination of insider information.	Утверждено в Adopted by the decision of the Board of Directors, minutes No. 125/2012 dated 12.01.2012
11	Statement on dividend policy	The document establishes the system of relations and principles on determination of dividends, of order and terms of their payment, as well as on responsibility of the Company for non-fulfillment of obligations on dividends payment.	Adopted in the new version by the decision of the Board of Directors, minutes No. 95/2010 dd 03.09.2010
12	Statement on Corporate Secretary of Company Board of Directors	The document defines the status, competence, rights and duties of Company Board of Directors Corporate Secretary, as well as the order of his election, and states the order of remuneration.	Adopted by the decision of the Board of Directors, minutes No. 38/2007 dated 27.06.07
13	Statement on Audit Commission of Company Board of Directors	The document regulates the tasks, competence, rights and duties of the Committee and the order of convocation and holding of its meetings.	Adopted in the new version by the decision of the Board of Directors, minutes No. 96/2010 dated 14.09.10
14	Statement on the Committee on strategy, investments, development and reformation of Company Board of Directors	The document regulates the tasks, competence, rights and duties of the Committee and the order of convocation and holding of its meetings.	Adopted by the decision of the Board of Directors, minutes No. 84/2010 dated 05.02.09
15	Statement on The procedures of internal audit of Kubanenergo, OJSC	The document states the tasks and goals of internal audit, the procedures of internal audit, subjects responsible for carrying out internal audit, as well as those in charge of control over carrying out internal audit procedures.	Adopted by the decision of the Board of Directors, minutes No. 66/2009 dated 12.02.09
16	Order of interaction of Kubanenergo, OJSC with economic entities, shares (participations) of which are owned by Kubanenergo, OJSC	The document: - Regulates the issues of realization by Kubanenergo, OJSC of the rights of a shareholder and participant in its affiliated and dependent companies certified with shares, and participations to ensure efficient activity of Company representatives at General	Adopted by the decision of the Board of Directors, Minutes No. 69/2009 dated 27.03.2009

		shareholders/participants meetings, in Boards of Directors and Auditing Commission s of affiliates and dependent companies of Kubanenergo, OJSC; - Sets the general terms of corporate interaction between the Company and its affiliates and dependent companies in various directions.	
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/rus/stockholders/documents/index.shtml>.

8.9.6. Information about procedures of nomination of candidates to Company Board of Directors and presentation of issues to Company Board of Directors. Brief description of Company management board in the accounting quarter.

Procedure of nomination of candidates to Company Board of Directors:

Shareholder (s) being in the aggregate owners of not less than 2 (two) percent of Company voting shares are entitled to introduce issues into the agenda of the annual General Shareholders Meeting and nominate candidates to the Company Board of Directors and Auditing Commission, the number of which cannot exceed quantitative composition of the relative body. Such proposals shall be submitted to the Company not later than 60 days upon expiry of the financial year.

Proposal on nomination of candidates shall be presented in writing stating names (institutional names) of shareholders (shareholder) initiating such proposal, the amount and category (type) of shares owned by them and shall be signed by shareholders (shareholder).

Proposal on nomination of candidates should contain the name of each nominated candidates, name of the body to which he is nominated. When

shareholders nominate candidates for election to the Company Board of Directors, they are also recommended to submit to the Issuer the following information about the nominated candidates: Citizenship, place of residence, education, profession, labour experience for five years prior to the date of nomination, including the main place of work and other occupied offices in management bodies of other legal entities, owning of shares of the Company and its ADC, affinity with Company officers (its management company), contract agreements with the Company on issues of acquisition of its property (money assets) with the values exceeding 10% of the aggregate annual income of the candidate. The above information is submitted by Company shareholders together with other materials of the agenda of the General Shareholders Meeting. Failure to submit the above information by shareholders does not entail rejection to include the relative candidate into the list of persons to be voted for election to Company Board of Directors.

The Board of Directors the Company is obliged to consider the proposals received and decide to include or to reject the corresponding matters to the agenda of the General Shareholders Meeting within 5 (five) days after expiration of the term of 60 (sixty) days after termination of the financial year.

Company Board of Directors is entitled to refuse to include the nominated candidates to the list of candidates to be voted for election to the relative Company body on the grounds foreseen by Federal Law “On Joint-Stock Companies” and other legal acts of the Russian Federation.

A substantiated decision by the Board of Directors of the Company on refusal to include the nominated candidate to a list of candidates for elections to the corresponding Company authority shall be sent to the shareholder(s) who submitted such proposal or nomination within 3 (three) days of the date of such decision.

The Board of Directors of the Company has no rights to change written statement of matters proposed for the agenda of the General Shareholders Meeting as well as to written statements of decisions on such matters.

Apart from issues proposed by shareholders for inclusion in the agenda of the General Shareholders Meeting as well as in case of absence of such proposals, absence or insufficient number of candidates proposed by shareholders for establishment of the corresponding body of the Company the Board of Directors of the Company shall have the right to include in the agenda of the General Shareholders Meeting issues or candidates to be included in the list of candidacies at their own discretion.

The order of submission of issues to the Company Board of Directors:

Demand for convocation of Company Board of Directors can be presented by the members of the Board of Directors, of the Auditing Commission, by Director General and by the members of the Management Body of the Company. The above demands are forwarded to the Chairman of the Board of Directors in written; a copy of it should be at the same time sent to Company Corporate Secretary.

The Chairman of the Board of Directors is obliged to consider the received demand on convocation of an extraordinary General Shareholders Meeting, on rejection of such demand or on inclusion of the issues contained in the demand to the agenda of the planned session of the Board of Directors not later than 5 working days from the moment of receipt of the relative demand. A session of the Company Board of Directors on consideration of issue (issues) contained in the demand should be held not later than 30 calendar days from the moment of receipt of the relative demand by the Chairman of the Company Board of Directors.

Brief description of Company management board in the accounting quarter:

On August 28, 2012 an extraordinary General meeting of Kubanenergo shareholders took place (minutes of meeting No.32 dated 27.08.2012) that adopted the following decisions:

	Agenda item	Resolution
1	On early termination of authorities of members of Company's Board of Directors	To early terminate the authorities of members of Company's Board of Directors
2	On electing members to Company's Board of Directors	To elect the following candidates to Company's Board of Directors: 1. Budagrin OlegMikhailovich; 2. Goncharov Valeriy Anatolievich; 3. Demidov Aleksey Vladimirovich; 4. Diakov FyodorAlekseevich; 5. Yemelin AleksandrSergeevich; 6. Likhov KhasanMushtafaevich; 7. Murov Andrey Evgenievich; 8. Nikonov VasiliyVladislavovich; 9. Prokhorov YegorVyacheslavovich; 10.Romeiko Dmitriy Igorevich; 11.Sultanov Georgy Akhmedovich.

8 meetings of Company Board of Directors were held in the accounting quarter, on which decisions on 52 issues were taken, including:

- on convening annual and extraordinary General meetings of shareholders,
- on determining Company's position on agenda items annual and extraordinary General meetings of Company's' shareholders and meetings of the Board of Directors,
- on determining as Company's priority activity:
- ensure that the applications were sent to regulatory agencies for rate regulation by the method of return on invested capital (RAB)

The following documents were approved:

- the plan of activities of the BoD for the 2nd half of 2012 – 1st half of 2012,
- annual complex procurement program of the Company for 2012
- report on the results of additional securities of the Company,
- restated regulations on the Audit Committee attached to the Board of Directors of “Kubanenergo”,
- benchmark Company's cash flows for the 3rd quarter 2012,
- results of key performance indicators of the Company for the 1st quarter 2012,
- report on the results of the business plan of the Company (including the investment program) for the 1st quarter 2012.,

Elected:

- chairperson, deputy chairperson and corporate secretary of the Board of Directors of “Kubanenergo”
- personal composition of the committees of the Board of Directors,
- proposals from shareholders on nomination of candidates for election to the Board of Directors of "Kubanenergo" as well as reports of the General Director of the Company on various aspects of the financial and economic activities were discussed.

Minutes of Kubanenergo BoD are available here:

[http://www.kubanenergo.ru/about/controls/.](http://www.kubanenergo.ru/about/controls/)

The following meetings were held in the accounting quarter:

- 3 meetings of the Committee on strategy, development, investments and reformation of Kubanenergo JSC Board of Directors at which decisions were taken on 18 considered questions,

- 3 meetings of Committee on personnel and remunerations attached to the Board of Directors, at which decisions were taken on 4 questions,

Minutes of General Shareholders Meetings and sessions of Board of Directors of Kubanenergo, OJSC can be seen at Company website:

[http://www.kubanenergo.ru/about/controls/board_of_directors/board_committees/.](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 3rd quarter of 2012 there were 2 meetings held by the Audit Commission

and the following issues were discussed:

- on approval of the work plan of the Audit Commission (Minutes of meeting No. 3);
- on inviting a specialist to participate in activity of the Audit Commission (Minutes of meeting No. 3);
- on approval of the report on inspection of “Kubanenergo” for the issue of implementation of the program of Olympic facilities construction and development of Sochi as a mountain resort, financed from the federal budget (Minutes of meeting No. 4).

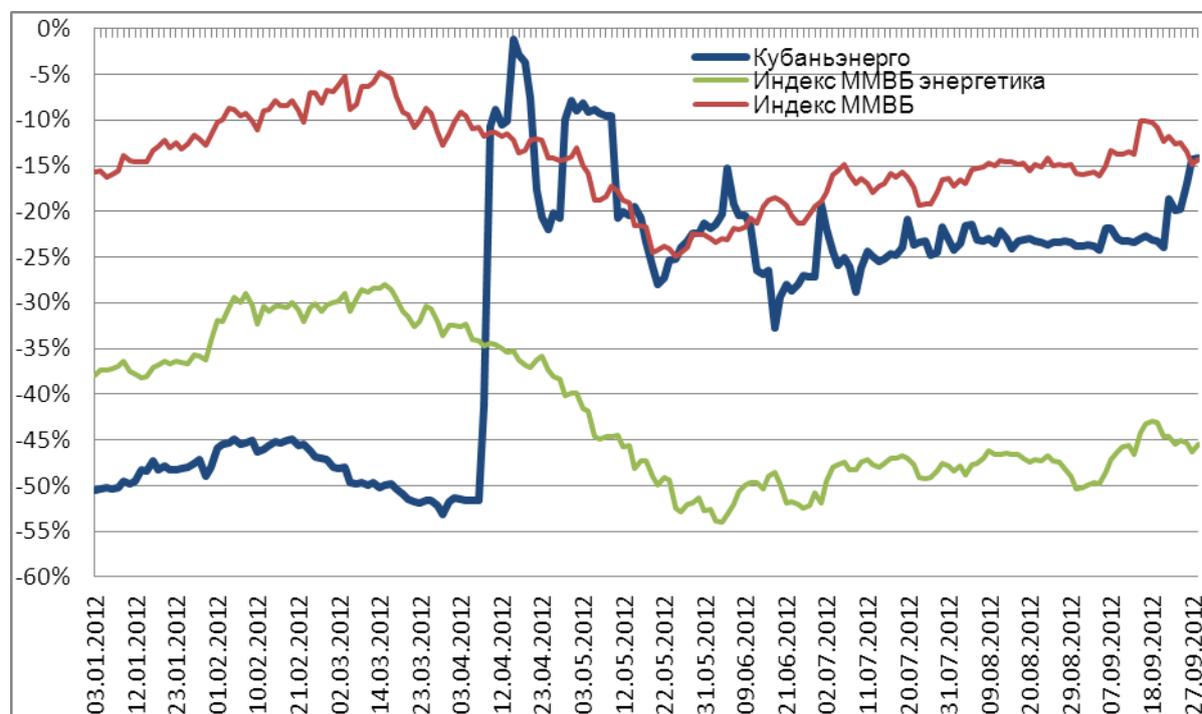
For all issues the commission adopted decisions unanimously

Minutes of meetings are published on the corporate website of the Company on the Internet:

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



- Kubanenergo shares
- MICEX index
- MICEX Power energy

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

The Company’s activity is planned in accordance with the following indicators:

- consolidated balance forecast for production and supply of electric energy of unified energy system of Russia;
- forecast of growth of tariffs for energy transmission services;
- forecast for consumer price index;
- forecast for growth of prices on purchase of energy to cover losses with regard of average share of wholesale market liberalization;
- losses of electric energy, with regard of wearing of equipment, grid loads, commercial losses.

Quarterly forecasting of production and financial results, thousand rubles

	Indicator	2 nd quarter of 2012	3 rd quarter of 2012
1	Revenue (net) from selling services (production), total	6 682 614	7 032 539
2	Self-cost of selling services (production)	-6 740 013	-6 352 092
3	Gross profit, total	-57 399	680 447
4	Net profit (loss)	-268 596	-274 385

Changes in indicators of Kubanenergo business activity in the third quarter of 2012 are explained by the following:

- reduce in revenue from selling services (production) by 349 925 thousand rubles or 5.2% due to decrease of revenue from services on energy transmission by 432 252 thousand rubles
- reduce of self-cost by 387 921 thousand rubles or 5.7% resulted by reduce of expenditures in purchase of energy for compensation of losses;

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 769 transactions with state and municipal companies for a total sum of 110.5 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.

In the reporting quarter, “Kubanenergo” JSC effected no transactions with shareholders holding no less than 5% of the Issuer's shares: “Holding IDGC” JSC purchased 840 241 distributed additional shares of the Company for the total sum of 86.9 million rubles.

Transactions with subsidiary and dependent companies of “Kubanenergo” JSC were not concluded in the reporting quarter.

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.

Factors that produced such positive effect on the rating were observance of shareholders’ rights and organization of activity of executive bodies, as well as high level of system controlling business.

8.10. Data on the securities distributed and on the Issuer of the distributed securities, the property right certified by Russian depositary receipts

The Issuer is not the Issuer of the securities, the property right of which is to be certified by Russian depositary receipts.