

QUARTERLY REPORT

Kuban Open Joint-Stock Company
of Power Industry and Electrification

Issuer's code 00063-A

Quarter 2, 2012

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

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

Director general

Date: August, 2012

_____ Sultanov G.A.
signature

Chief accountant – head of Department of accounting
and tax reporting

Date: August, 2012.

_____ Loskutova L.V.
signature

Contact person: Kruglova Svetlana Ivanovna, Chief Specialist of the Department for
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Internet page(s) used for disclosure of information contained in this quarterly report:
www.kubanenergo.ru/stockholders/disclosure_of_information/amp_reports/

Introduction	5
I. 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	6
1.1. Members of the Issuer's management bodies	6
1.2. Details on the Issuer's Bank Accounts	7
1.3. Information on Issuer's auditor	8
1.4. Details of Appraiser(s) of the Issuer	12
1.5. Details of consultants of the Issuer	12
1.6. Details of other persons having signed the quarterly report	13
II. Basic information on business activity of the Issuer	13
2.1. Indices of the Issuer's business activity	13
2.2. Issuer's Market Capitalization	16
2.3. Issuer's Liabilities	19
2.3.1. Accounts payable	19
2.3.2. Issuer's Credit History	22
2.3.3. Issuer's liabilities arising from guarantees provided to third persons	23
2.3.4. Issuer's other liabilities	23
2.4. Risks related to acquisition of issue-grade securities being placed (placed)	24
III. Detailed information on the Issuer	24
3.1. History of foundation and development of the Issuer	24
3.1.1. Information on the Issuer's business name (registered name)	24
3.1.2. Data on the Issuer's State Registration	25
3.1.3. Information on establishment and development of the Issuer	25
3.1.4. 3.1.4. Contact information	25
3.1.5. Taxpayer Identification Number	26
3.1.6. Branches and representative offices of the Issuer	26
3.2. Issuer's core business activity	26
3.2.1. Issuer's branch identity	26
3.2.2. Issuer's core business activity	26
3.2.3. Materials, goods (raw materials) and suppliers of issuer	36
3.2.4. Target markets of the Issuer's products (works, services)	37
3.2.5. Information on the Issuer's licenses	39
3.3. Issuer's future activity plans	41
3.4. Issuer's participation in industrial, banking and financial groups, holdings, groups of companies and associations	42
3.5. Subsidiary and dependent companies of the Issuer	42
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 ...	49
3.6.1. Fixed assets	49
IV. IV. Information on issuer's business activity	53
4.1. Results of business activity	53
4.2. Liquidity of the Issuer, sufficiency of equity and current assets	54
4.3. Financial investments of the Issuer	55
4.4. Intangible assets	57
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	58
4.6. Analysis of development trends in the sphere of Issuer's core activity	59
4.6.1. Analysis of factors and conditions affecting the Issuer's activity	60
4.6.2. Issuer's Competitors	64
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)	64
5.1. Details of the structure and competence of the Management Bodies of the Issuer	64
5.2.1. Composition of the Board of Directors of the Issuer (Supervisory Board)	74
5.2.2. Information on the Sole Executive Body of the Issuer	98

5.3. Details of the amounts of reward, benefits and/or compensation for expenses due to each of the Issuer's management bodies	115
5.4. Details on structure and competence of bodies for control of the Issuer's financial and business activity	117
5.5. Information on persons that are members of bodies for control of the Issuer's financial and business activity.....	117
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	123
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	124
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	124
VI. Details on the Issuer's participants (shareholders) and of interested-party transactions effected by the Issuer	125
6.1. Details of the total number of the Issuer's shareholders (participants)	125
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	125
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").....	127
6.4. Details of restrictions on participation in the Issuer's authorized (pooled) capital (co-op share fund)	128
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	128
6.6. Details of interested-party transactions effected by the Issuer	135
6.7. Details on the amount of accounts receivable	136
VII. Issuer's accounting statements and other financial information	139
7.1. Issuer's annual accounting statements	139
7.2. Quarterly accounting statements of the Issuer for the last completed accounting quarter	139
7.4. Information on the accounting policy of the Issuer	142
7.5. Details of the total sum of export and of the portion of export in the total volume of sales	142
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	142
7.7. Details on the Issuer's participation in judicial trials that may substantially affect the Issuer's financial and business activity	143
VIII. Additional information on the Issuer and on securities issued	144
8.1. Additional information on the Issuer	144
8.1.1. Information on the amount and structure of authorized (reserve) capital (share fund) of the Issuer	144
8.1.2. . Information on changes in the authorized (reserve) capital (share fund) of the Issuer.....	144
8.1.3. Information on convocation and holding meetings (sessions) of the supreme management body of the Issuer	145
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	148
8.1.5. Information on material deals effected by the Issuer	149
8.1.6. Information about credit ratings of the Issuer	150
8.2. Details on each category (type) of the Issuer's shares	150
8.3. Data on previous issues of the Issuer's issuable securities, except Issuer's shares	151
8.3.1. Details of issues all securities that have been redeemed	151
8.3.2 Information on issues of securities that were not redeemedNo changes occurred during the reporting quarter	151
8.4. Information of persons that provided security on bonds of the issue	151
8.4.1. Conditions of implementation obligations on mortgage-backed securities.....	151
8.5. Information on organizations controlling the implementation of rights on issuer's securities.....	152
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	152
8.7. Description of the procedure for the taxation of income from placed and placing issue securities of the	

Issuer	152
8.8. Information on announced (accrued) and paid dividend on the Issuer's shares as well as of incomes from the Issuer's bonds.....	152
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	152
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.....	156
8.10. Data on the securities distributed and on the Issuer of the distributed securities, the property right certified by Russian depositary receipts	172

Introduction

Basis for the Issuer's obligation to disclose the information in the form of quarterly report:

The Issuer had the securities Prospectus registered;

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. 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
Bannikova Valeria Vladimirovna	
Gilaev Gani Gaisinovich	1956
Demidov Aleksey Vladimirovich	1976
Katina Anna Yurievna	1982
Perepyolkin Andrey Yurievich	1970
Pukhalskiy Aleksandr Andreevich	1957
Pyatigor Aleksandr Mikhailovich	1980
Romeiko Dmitriy Igorevich	1967
Sultanov Georgy Akhmedovich	1954
Shvets Nikolay Nikolaevich	1956
Yurchyuk Sergey Evgenievich	1966

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 (Chairman)	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 RUR

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, 6 months	2012, 6 months
Workforce productivity	1 832 851.83	1 778 497.13
Debt-to-equity ratio	1.88	2.37
Long-term debt to total sum of debt and equity ratio	0.47	0.54
Current cash debt coverage ratio	-23.01	-18.64
Level of overdue payment, %		
Level of overdue payment, %	14	28.5
Level of overdue payment, %	23.1	18.4

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 1st half of 2011 by 3% is explained by reduce in revenue from core activity – transmission of electric energy.

Indicator "Debt-to-equity ratio" and "Long-term debt to total sum of debt and equity ratio" increased by 0.49 and 0.07 respectively, which is caused by growth of accumulated loss.

"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 2012, thousand rubles

	Indicator	1st quarter of 2012	6 months of 2012
1	Net income from selling products (services), total, including	6 947 788	13 630 402
1.1	Core activity products (services), total, among them:	6 947 777	13 630 379
1.1.1.	Grid services	6 929 666	13 592 305
1.1.1.1	From transmission and transit of electric energy across grids	6 833 326	13 320 532
1.1.1.2	From provision of technological connection services	96 340	271 773
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)	18 111	38 074
1.2	Non-core activity products (services)	11	23

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.

Dynamics of expenses and income growth (fall) for the 1st and 2nd quarter of 2012

	period	receipts from sales, thousand rubles	income growth rate, %	Expense for production and selling, thousand rubles	expense growth rate, %
1	1 st quarter of 2012	6 947 788	96.18	-8 004 021	84.21
2	2 nd quarter of 2012	6 682 614		-6 740 013	

expense structure for 2012, thousand rubles.

	Cost item	1st half-year of 2011	1st half-year 2012
1.	Material expenditures	4 453 100.8	4 716 253.8
	including		
1.1.	Purchased energy for losses compensation	4 187 120.2	4 414 942.4
1.2.	Purchased energy for production and domestic needs	47 045.1	39 808.2
1.3.	Raw materials and materials	218 935.5	261 503.2
2.	Works and services of production type	7 361 003.9	7 365 175.5
2.1.	Services of grid companies of energy transmission	7 204 914.6	7 228 721.6
2.2.	Service of commercial accounting electric energy	0.0	0.0
2.3.	Other works and services of production type	156 089.3	136 453.9
3.	Labor cost	959 837.5	1 069 203.6
4.	Insurance payments	324 961.4	316 330.8
5.	Non-state pension provision	4 411.2	0.0

6.	Depreciation	637 482.6	697 548.5
7.	Other	612 923.9	579 524.6
	including		
7.1.	Service of third-parties organizations	160 108.6	160 108.6
7.2.	Management services	0.0	0.0
7.3.	Insurance expenses	55 498.0	55 498.0
7.4.	Taxes and levies	102 880.3	102 880.3
7.5.	Estimated liability backup	0.0	0.0
7.6.	Carry-over vacation backup	0.0	19 729.3
8.	Expenditures for production and selling of products	14 353 721.4	14 744 036.9

Diagram – expense structure in the 1st half of 2012, %



The growth of costs for production and sales in the 1st half of 2012 in comparison with the previous period is explained by the increased cost of purchased energy for losses compensation, service network companies for power transmission and labor costs.

The expenses on purchased energy for losses compensation has increased by 227.8 million rubles which is related to increase of actual losses of electric energy in grids of Kubanenergo JSC. A significant increase in electric energy output was observed in the current period, which is caused by weather conditions (unusual cold winter), as well as by development of the region. In comparison to the same period of the previous year the growth is 755.8 million kW*h or 7.7%.

Increase in costs by 28.03 million rubles under the "Services Network Companies for the supply of electricity" is due to the increased volume of services provided by the territorial network organizations.

Expenses for labour payment have increased in comparison to the previous year by 109.4 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 22.0.2011) for the purpose of implementation of

order No. 75 issued by the Holding on 15.03.2011 “On approval of Regulation on shaping the corporate structure of interregional distribution grid companies” aimed to sophisticate the management process, optimize the corporate and functional structures;

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

Dynamics of other indices is insignificant.

Cost behavior:

	Expenses for production and selling of products	million rubles	Growth rate,%
			1 st half of 2012/ 1 st half of 2011
1	1 st half of 2011	14 353.7	102.7
2	1 st half of 2012	14 744.0	



debt-equity ratio:

6 months of 2011	6 months of 2012	Отклонение (+,-)
0.53	0.42	-0.11

Debt-equity ratio depicts dependence of the Company from borrowed source of financing of activity. During 6 months of 2012 this indicator has decreased to 0.42, which is related to growth of long-term credits and loans and accounts receivable.

Performance indicator:

Indicator	2 nd quarter of 2012
ROE, return on equity, %	-2.59
ROA, return on assets, %	-0.75
ROTA, return on total assets, %	-0.75

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	2 nd quarter of 2012
Market capitalization	6 855 402	11 290 849

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:

- OJSC “RTS” (hereinafter referred to as “RTS”) (125009, Moscow, Vozdvizhenka str., 4/7, Building 1) - without undergoing the procedure of listing in two sections – “T+0” (KUBEG Ticker) and “RTS Classica” (KUBE Ticker);
- 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	PTC (USD) «RTS Classica»		PTC (руб.) «T+0»		MMBB (руб.)	
	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 organizer	1 912 030 080.00	Calculated by the trade organizer	1 396 139 347.20	Calculated by the trade organizer
2009	74 158 176.00	Calculated by the trade organizer	1 554 641 280,00	Calculated by the trade organizer	2 335 535 808.00	Calculated by the trade organizer
2010	463 843 425.00	Calculated by the Company	15 461 447 500 .00	Calculated by the Company	13 864 279 883.50	Calculated by the trade organizer
2011	456 117 166 .00	Calculated by the trade organizer	19 492 186 600.00	Calculated by the trade organizer	6 855 402 027.00	Calculated by the trade organizer

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	101 571 694,90
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
Total	31 103	921 107 500,00

2.3. Issuer's Liabilities

2.3.1. Accounts payable

Structure of the Issuer's borrowing

For 6 months of 2012

unit of measurement: thousand rubles

Indicator	Value
Long-term borrowings	14 345 753
including:	
Credits	14 301 986
Loans, except bonded loans	43 767
bonded loans	0
Short-term borrowings	1 398 031

including:	
Credits	1 398 031
Loans, except bonded loans	0
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	11 766 225
overdue	2 665 510
including	
Payable to budget and state off-budget funds	97 699
overdue	0
payable to suppliers and contractors	3 775 784
overdue	2 185 554
payable to staff	121 103
overdue	0
other	7 771 639
overdue	479 956

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 30.06.2012	Dynamics during the six months of 2012
Borrowed assets:	11 561 281	14 345 753	2 784 472
Bank credits due in more than 12 months after the reporting date	11 501 014	14 301 986	2 800 972
Loans due in more than 12 months after the reporting date	60 267	43 767	-16 500
Deferred tax liabilities	149 156	143 137	-6 019
Other liabilities	59 541	244 127	184 586
Total, long-term liabilities	11 769 978	14 733 017	2 963 039
Borrowed assets:	3 704 137	1 398 031	-2 306 106
Bank credits due in within 12 months after the reporting date	3 700 452	1 398 031	-2 302 421
Loans due in more than 12 months after the reporting date	3 685	0	-3 685
Accounts payable, including:	5 739 087	11 522 098	5 783 011
suppliers and contractors	2 477 105	3 766 587	1 289 482
Salaries payable to staff	125 389	121 103	-4 286
Debt to state non-budgetary funds	53 012	55 626	2 614
tax and levy indebtedness	63 613	42 073	-21 540
advance payments received	2 492 689	2 638 899	146 210
income payment indebtedness to participants (founders)	127	0	-127
Other accounts payable	527 152	4 897 810	4 370 658
Incomes of future periods	13 649	13 152	-497
estimated liabilities	1 542 607	1 564 685	22 078
Total, short-term liabilities:	10 999 480	14 497 966	3 498 486
Creditor liabilities	21 213 202	27 653 146	6 439 944

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: **4 615 545.04 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, %: **62.8**

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: **8 300 000 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)

No changes has occurred in the reporting quarter

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 adjustments to 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

No changes occurred regarding the information for this item

3.1.4. 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

During the reporting quarter no changes occurred in branches composition and representatives of the issuers

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, 6 months	2012, 6 months
Revenue from this business activity, thousand	13 439 947	13 320 532

rub		
Portion of revenue from this type of business activity in the total amount of revenue of the Issuer, %	97.5	97.7

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 13 320.53 million rubles, excluding load losses, for 6 months of 2012, which is 119.4 million rubles less than for the 6 months of 2011.

The reduction in revenue was mainly caused by:

- growth of energy losses;
- switch of Kubanenergoby JSC and NESK JSC to double-rate tariff for service of energy transmission, it has reduced the average tariff.

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 2nd quarter of 2012(kW*h):

Receipt of electric energy into the Company's grid for its transmission under service contracts made up 4 538 266.235 thousand kWh.

Supply of electric energy from "Kubanenergo" grid made 3 995 649.578 thousand kW*h.

Productive supply of electric energy by the "boiler" method with breakdown per voltage levels made 3 576 000.536 thousand kW*h, including:

- High voltage (110 kV and more) – 935 341.034 thousand kW*h,
- Medium voltage 1 (35 kV) – 219 722.352 thousand kW*h,
- Medium voltage 2 (1-20 kV) – 1 066 505.756 thousand kW*h ,
- Low voltage (0.4 kV and less) – 1 354 431.394 thousand kW*h.

Actual losses of electric energy scaled to supply into the grid made 11.96% with standard losses allowance 11.06%.

Excess expenditure of electric energy in excess of the standard losses allowance in in the 2nd quarter of 2012 is 40 787.817 thousand kW*h.

The main indexes of electric energy transmission by Kubanenergo, JSC for 6 months of 2012(kW*h):

Receipt of electric energy into the Company's grid for its transmission under service contracts was 10 530 627.201 thousand kWh.

Supply of electric energy from OJSC "Kubanenergo" grid was 8 971 501.257 thousand kW*h.

Productive supply of electric energy by the "boiler" method with breakdown per voltage levels was 8 063 580. 764 thousand kW*h, including:

- High voltage (110 kV and more) – 2 078 556.921 thousand kW*h,
- Medium voltage 1 (35 kV) – 434 208.66 thousand kW*h,
- Medium voltage 2 (1-20 kV)– 2 426 782.158 thousand kW*h,
- Low voltage (0.4 kV and less) – 3 124 033.019 thousand kW*h.

Actual losses of electric energy scaled to supply into the grid – 14.81% with standard losses allowance 13.19%.

Excess in expenditure of electric energy in the 1st half of 2012 is 169 782.939 thousand kW*h.

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

10 358 contracts were concluded for technological connection to the electric power grids with total capacity = 228.02 MW in the 1st half of 2012. Cash is collected in the amount of 441.31 million rubles, VAT excluded), proceeds equal to 271.77 million rubles. The volume of cash was received mostly from consumers having submitted applications for capacity in excess of 200 kW.

In fact, in the 1st half of 2012, 7 079 consumers with total capacity = 137.0 MW were connected (generation considered).

6 006 contracts for technological connection to the electric grids with total capacity = 139.52 MW were concluded in the 2nd quarter of 2012. Cash is collected in an amount of 373.78 million rubles (VAT excluded), proceeds equal to 204.24 million rubles. The volume of cash was received mostly from consumers having submitted applications for capacity in excess of 200 kW.

In fact, 3 680 consumers for total capacity = 76.04 were connected (generation considered) in the 2nd 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

The order of RF Government No.663 dated 30.06.2012 introduced amendments to order of RF Government No.1178 dated 29.12.2011 in the part regulating long-term parameters and switching to RAB from 01.11.2012.

If the Federal Tariff Service of Russia approves the long-term parameters of tariff regulation RAB for Kubanenergo JSC, the Regional tariff service of Krasnodar region will fix tariffs for energy transmission in accordance with RAB from 01.11.2012.

By order of Regional tariff service of Krasnodar region No. 15/2012-э dated 30.05.2012 unified “boiler” tariffs for services of energy transmission were fixed for Krasnodar region and Republic of Adygeya, including tariffs for population and groups of consumers considered as population.

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 dd 06.05.2011 years NO. 7/2011- e in 2012.

1. Tariff for 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 uninclusive of construction and reconstruction of electric power grid facilities at a voltage level below 35 kV, connected capacity being less than 10,000 kVA.

	activity	Rate, RUR/MW (VAT excluded)
1	2	3
1.	Standardized tariff rate, including:	517 983.42

1.1.	Preparation and issue of technical specifications (TSs) by the grid organization and such TSs coordination	175 285.58
1.2.	Elaboration of design documentation by the grid organization in accordance with one's liabilities under TSs	-
1.3.	Fulfilment of TSs by the grid organization including the grid organization carrying out arrangements for connection of the Devices as subject to emergency and performance automation hardware in accordance with TSs (capital investments not included)	52 937.91
1.4.	Grid organization reviewing fulfilment of TSs by the applicant	150 370.59
1.5.	Participation in inspection of the Devices being connected by an officer of the Russian Federation Federal Service for Environmental, Technical and Nuclear Supervision	17 456.04
1.6.	Actual actions for connection of the Devices to the electric power grid and provision for their work	121 933.30
2.	Standardized tariff rate ¹	517 983.42

Note. ¹This rate applies during establishment of a payment for technological connection of applicants that are legal entities or self-employed entrepreneurs for purposes of technological connection of multiple power receiver devices with maximum capacity up to 100 kW inclusive (with account for capacity previously connected to the same connection point) to a single electric power supply source; for applicants for purposes of temporary (for a term not in excess of 6 months) technological connection of power receiver devices belonging to them to provide for supply of electric energy to mobile facilities with maximum capacity up to 100 kW inclusive (with account for capacity previously connected to the same connection point), less regard to expenses on participation in inspection of the Devices by an officer of the Russian Federation Federal Service for Environmental, Technical and Nuclear Supervision.

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 distribution electric power grid of OJSC "Kubanenergo" for 2011 (in terms of 2001¹ prices, VAT excluded):

	List of construction facilities	zones ² :		
		Populated locality ³	Mountains ⁴	Outside populated locality ⁵
1	2	3	4	5
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)			
	Voltage level - 10(6) kV			
1.1	Laying 1 km of 10 (6) kV cable line with APvPu2g-10 type cable with	810 844	851 984	787 974

	conductor cross-section area up to 3×(1×500).			
1.2	Laying 1 km of 10 (6) kV cable line (two cables in a trench) with APvPu2g-10 type cable with cross-section area up to 3×(1×300).	754 461	795 601	730 426
1.3	Laying 1 km of 10 (6) kV cable line with APvPung-10 type cable with conductor cross-section area up to 3×(1×500) across cable structures.	1 383 664	1 303 371	1 187 655
1.4	Laying 1 km of 10 (6) kV cable line (two cables in a trench) with ASB type cable with cross-section area up to (3×240).	714 072	755 212	686 127
	Voltage level - 0.4 kV			
1.5	Laying 1 km of 0.4 kV cable line with APvBbShng type cable with cross-section area up to (4x240)	448 959	387 686	358 591
1.6	Laying 1 km of 0.4 kV cable line with APvBbShng type cable with cross-section area up to (4x240) (two cables in a trench)	713 628	680 038	640 245
1.7	Laying 1 km of KVVG 4×2.5 type cable across cable structures	109 540	107 893	109 540
1.8	Laying four pipes d=225 mm by horizontal directional drilling method	3 285 642	3 861 212	3 285 642
1.9	Laying three pipes d=225 mm by horizontal directional drilling method	2 751 657	3 235 631	2 751 657
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)			
	Voltage level - 10(6) kV			
2.1	Construction of 1 km of 10 (6) kV protected wire overhead line with wire with cross section from 70 mm ² to 120 mm ²	409 198	421 639	405 081
2.2	Construction of 1 km of 10 (6) kV insulated wire overhead line with general purpose ("Water-Earth-Air") cable with cross section from 120 mm ² to 240 mm ²	466 834	483 842	466 834
2.3	Construction of 1 km of 10 (6) kV insulated wire overhead line with general purpose ("Water-Earth-Air") cable with cross section from 50 mm ² to 95 mm ²	357 066	352 886	337 635
	Voltage level - 0.4 kV			

2.4	Construction of 1 km of 0.4 kV insulated wire overhead line with SIP-2A wire with cross section from 3×95+70 mm ² to 3×150+70 mm ²	250 662	265 862	250 662
2.5	Construction of 1 km of 0.4 kV insulated wire overhead line with SIP-2A wire with cross section from 3×35+54.6 mm ² to 3×95+54.6 mm ²	209 443	220 067	209 443
2.6	Construction of 1 km of 0.4 kV insulated wire overhead line with SIP-4 wire with cross section up to 4×25 mm ² (for loops)	200 274	214 970	200 274
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 2 modular integrated distribution substations for 10 (6) kV voltage with installation of up to 14 cubicles	1 223 946	1 331 948	1 319 553
3.2	Construction of 4 modular integrated distribution substations with transformers (sealed oil transformers) up to 2×1000 kVA for rated voltage = 10 (6)/0.4 kV with installation of up to 20 KSO-298 MSM cubicles	3 573 666	3 681 668	3 669 274
3.3	Construction of 2 modular integrated distribution substations with transformers (sealed oil transformers) up to 2×1000 kVA for rated voltage = 10 (6)/0.4 kV with installation of up to 16 KSO-298 MSM cubicles	3 000 564	3 108 566	3 096 171
3.4	Construction of 2 modular integrated distribution substations with transformers (sealed oil transformers) from 2×250 to 2×1000 kVA for rated voltage = 10 (6)/0.4 kV	943 147	1 051 149	1 038 754
3.5	Construction of a modular integrated distribution substation with a transformer (sealed oil transformer) from 250 to 1000 kVA for rated voltage = 10 (6)/0.4 kV	875 848	983 850	971 455
3.6	Construction of an integrated distribution substation with a transformer (sealed oil transformer) from 250 to 630 kVA for rated voltage = 10 (6)/0.4 kV	133 740	143 243	133 740
3.7	Construction of an integrated distribution substation with a transformer (sealed oil transformer)	76 230	81 422	76 230

	from 63 to 160 kVA for rated voltage = 10 (6)/0.4 kV			
3.8	Construction of an integrated distribution substation with a transformer (sealed oil transformer) from 25 to 40 kVA for rated voltage = 10 (6)/0.4 kV	71 921	77 563	71 921
3.9	Installation of KRU-10 (6) kV cubicle	131 733	132 686	131 733
3.10	Installation of RU-10 (6) kV of TS (DS) cubicle	59 545	60 498	59 545

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”, “Mountains” or “Outside populated locality”) is determined by the actual location of construction and extension of OJSC “Kubanenergo” electric power grid facilities.

Criteria for localization of OJSC “Kubanenergo” electric power grid facilities for determination of payment for technological connection with account for construction unit value and building and construction works performance conditions:

“Populated area” – facilities for erection whereof construction and assembly works are performed within populates localities’ boundaries.

“Mountains” – facilities for erection whereof building and construction works are performed within mountainous terrain over 1,500 m above sea level.

“Outside populated locality” – facilities for erection whereof building and construction works are performed outside within populates localities’ boundaries at an altitude not in excess of 1,500 m above sea level.

3. The above mentioned tariff rates are quoted less regard to profit tax.

Seasonal nature of the Issuer’s business activity

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

General structure of the Issuer’s prime cost

	6 months of 2012
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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), %	92.4

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, %: **21.1**

Full company name: **Limited liability company “Scientific and production company “Elektrokomplex”**

Location: **50 Kropotkina Str., Krasnodar, Krasnodar region 350004**

TIN: **2308098000**

PSRN: **1042303645780**

Stake in total amount of supplies, %: **20.3**

Full company name: **Closed joint stock company “FGP Energokontrakt”**

Location: **13 Prosouyznaya Street, Moscow 17036**

TIN: **7703268269**

PSRN: **1027739479404**

Stake in total amount of supplies, %: **10.6**

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

Growth of prices on:

- insulator for transformer bushing IPT - 1/250 by 24%
- insulator for transformer bushing IPT -1/400 by 21%,
- insulator for transformer bushing IPT - -6-10/250A на 29%,
- insulator for transformer bushing IPTV - -1/250 by 38%,
- pin type porcelain insulator ShF-20G by 54%,

- poles SV 164-12 by 22%.

Price reduction on:

- porcelain supporting insulator IO-20-3,75 UZ by 28%,

- poles SV 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 82%

“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:

Names of grid organizations	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
“Maykop CHP” LLC - “Kubanenergo” JSC).	41 386.78	136.57	501.63

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: **Ministry of Regional Development of the Russian federation**

No.: **K 037229 No. GS-3-23-02-1027-0-2309001660-020237-5**

Name of activity type(s): **Construction of buildings and structures except for seasonal or auxiliary structures**

Date of issue **26.11.2008**

Expiry date: **20.08.2012**

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 13 500 contracts for technological connection, total capacity of 273.3 MW; the amount of cash collections (payment for connection) is expected to be up to 1 383.1 mln RUR (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:

The investment program of Kubanenergo for 2012 includes 107 investment projects, precisely:

- 30 large projects (cost estimates more than 300 million rubles, in accordance with the criteria for determining the extent of investment projects) for the total amount of 6 342 446 thousand rubles, 24 of them are related to the Olympic program for the total amount of 5 612 141 thousand rubles;
- 10 medium projects (cost estimates less than 300 million rubles, but more than 200 million rubles) for the total amount 502 770 thousand rubles, 5 of them are related to Olympic program for the total amount 410 238 thousand rubles;
- 67 small projects (cost estimates less than 200 million rubles) for the total amount 1 192 315 thousand rubles, 31 of them are related to Olympic program for the total amount 999 408 thousand rubles.

The investment programme is financed: depreciation – 400.000 million rubles, additional issue of shares – 7 073.875 million rubles, payments for technological connection – 563.656 million rubles.

At the present moment the investment programme of Kubanenergo for 2012 is being adjusted, it will be later approved in accordance with regulation of RF Government No.977 dated 01.12.2009.

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

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 2nd 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	6 months of 2012
1	Revenue, thousand rub	855
2	Gross profit, thousand rub	-436
3	Net profit (uncovered profit (loss), thousand rub	-473
4	ROE (return on equity),%	-4.10
5	Return on Total Assets ROTA, %	-2. 54
6	Profitability ratio, %	-55.32
7	Product profitability, %	-51.0
8	Capital turnover	0.07
9	Sum of uncovered loss as of the reporting date, thousand rub.	-7 749
10	Uncovered loss and monetary assets balance ratio as of the reporting date ,%	41.6

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 (Chairman)	0	0
Shvetsov Aleksandr Anatolyevich	0	0
Belik Vyacheslav Aleksandrovich	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 2nd quarter of 2012.

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

Business results of “Recreation Centre “Energetik” JSC:

	Indicator	6 months of 2012
1	Revenue, thousand rub	11669
2	Gross profit, thousand rub	-7112
3	Net profit (uncovered profit (loss), thousand rub	-5903
4	ROE (return on equity),%	-16,37
5	Return on Total Assets ROTA, %	-9,5
6	Profitability ratio, %	-50,6
7	Product profitability, %	-60,9
8	Capital turnover	32,3
9	Sum of uncovered loss as of the reporting date, thousand rub.	-4262
10	Uncovered loss and monetary assets balance ratio as of the reporting date, %	6,8

“Kubanenergo” JSC is a customer of “Recreation Centre “Energetik”, making 10.7% 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 Sergeyeovich	0	0
Galyayev Aleksandr Nikolayevich	0	0
Zinchenko Pavel Vasilyevich	0	0
Konevets Kirill Sergeyeovich	0	0
Kuryshkin Konstantin Mikhailovich	0	0
Lyashko, Andrey Vladimirovich	0	0
Ovchenkov Sergey Leonidovich	0	0

Sole Executive Body of the company

Name	Participatory stake of the person in the	Portion of ordinary shares of the Issuer
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	authorized capital 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 2nd quarter of 2012

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

Business results of “Energoservice of Kuban” JSC:

	Indicator	6 months of 2012
1	Revenue, thousand rub	13596
2	Gross profit, thousand rub	12003
3	Net profit (uncovered profit (loss), thousand rub	7822
4	ROE (return on equity),%	81,50
5	Return on Total Assets ROTA, %	62,17
6	Profitability ratio, %	57,53
7	Product profitability, %	72,28
8	Capital turnover	1,42
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 99% 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 (replacement cost)	Accumulated Depreciation
Fixed assets	52 853 240	36 215 877
Total	52 853 240	36 215 877

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: 31.06.2012

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 - 3 650.525 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 - 2 630.254 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	Rent	04.06.2007	03.05.2013	Prolongation is

SSSR ul., Sochi, area: 28.1 sq. m				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, Tabachnaya ul., Saratovskaya ul., area; 6 sq. m	Rent	01.04.2003	Till cessation	
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	Rent	01.10.2008	30.06.2013	Prolongation is possible

square 91.2 sq. m				
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, Lenin street, Timashevsk, total square 2 sq. m	Rent	01.06.2007	31.12.2013	Prolongation is 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-	Rent	01.01.2011	31.12.2012	Prolongation is not possible

conditioners) located at 2, Stavropolskaya street.				
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	6 months of 2011	6 months of 2012
Net Profit, %	-7.87	-10.73
Asset turnover ratio, times	0.37	0.33
Profitability of assets, %	-5.09	-0.75
Profitability of internal capital, %	-16.15	-2.59
Sum of non-covered loss as of reporting date	4 726 267	9 043 896
Ratio of non-covered loss as of reporting date and balance currency	13	21.77

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 6 months of 2012 Kubanenergo JSC is at loss of 1 462. 8 million rubles, the loss was caused by growing rate of current expenses over the revenue from rendered services, which shows gross loss amounting 1 113.6 million rubles.

Turnover ratio by the results of 6 months of 2012 in comparison with the same period of 2011 has reduced by 0.04 points. Slow speed of turnover ratio is explained by peculiarity of Company's main activity: share of fixed assets and long-term investments is more 61.6%, while the share of current liabilities is relatively low (35%).

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	6 months of 2011	6 months of 2012
Working capital	2 745 002	-440 113
Current liquidity ratio	1.22	0.97
Quick liquidity ratio	1.12	0.88

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 "Working capital" reduced by the results s of the 1st half of the year. Such changes are caused by drop of working assets as a consequence of decline of short-term accounts payable. The appropriate sum of working capital is determined in accordance with individual needs of each enterprise and depends on range of activity, stocks turnover period, accounts receivable, terms of providing and attracting loans and credits.

Current liquidity ratio makes possible to define the ratio of current losses covering the short-term obligations. In comparison to the same period of 2011 the current liquidity ratio has reduced by 0.25 and now is 0.97. These changes are caused by the growth of credit liabilities by 14%, including growth of credits payable, as well as reduction of working assets by 9%, including due to the reduction of accounts receivable by 40%.

The recommended index of current liquidity should be minimum 0.6.

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

By the results of the 1st half of 2012 this indicator has decreased by 0.24 in comparison to previous year and is 0.88. The reduction of coefficient of quick liquidity is also influenced by growth of accounts payable and reduction of working assets.

The appropriate level of quick liquidity ratio should be at least 0.5.

Current liquidity ratio and quick liquidity ratio are within recommended value.

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**

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

Number of securities owned by the Issuer: 19 288 083

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

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

Unit: **rubles**

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

By results of 2011 no dividends were declared and paid.

Additional information:

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

Type of securities: **shares**

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

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

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

TIN: **2304041820**

PSRN: **1042301876495**

Date of state registration of the issue (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 face value of the securities owned by the Issuer: **39 845 257**

Currency: **RUR**

The issuer is affiliated and (or) depended company in relation to the issuer

By the results of the 2nd 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: **30.06.2012**

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

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

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

- 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

In the reporting quarter no changes occurred

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

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

Full description of the structure of Management Bodies of the Issuer and their competences in accordance with the Issuer's Charter (constituent documents):

In accordance with "Kubanenergo" JSC Charter, the management bodies of the Company are:

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

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

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

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

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

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

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

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

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

In accordance with “Kubanenergo” JSC Charter, the following issues are referred to the competence of the Board of Directors of the Company:

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

establishment of the amounts of rewards and compensations payable to them and early termination of their powers;

14) Recommendations to the General Meeting of Shareholders of the Company on the amounts of rewards and compensations payable to members of the Auditing Commission of the Company and determination of the amount of payment for Auditor's services;

15) Recommendation on the amount of dividend on shares and on its payment procedure;

16) Approval of in-house documents of the Company determining the procedure of the Company's funds accumulation and use;

17) Taking decision on use of Company's assets; approval of estimates of use of special purpose funds assets and consideration of the results of fulfilment of the estimates of use of special purpose funds assets;

18) Approval of in-house documents of the Company except for the in-house documents approval whereof is referred to the competence of the General Meeting of Shareholders as well as other in-house documents approval whereof is referred to the competence of the executive bodies of the Company;

19) Approval of the Business Plan (corrected Business Plan) including the investment program and a report on their fulfilment, approval (correction) of the list and values of the Company's cash flow benchmarks;

19.1) On consideration of the investment program, including amendments thereto;

20) Establishment and opening of the Company's branches and representative offices and their liquidation;

20.1) Introduction of amendments to the Company Charter related to foundation of branches, opening of the Company's representative offices (including amendments to details of names and locations of branches and representative offices of the Company) and their liquidation;

21) Taking decision on the Company's participation of in other organizations (on joining an existing organization or establishing a new one including coordination of constituent documents) as well as on acquisition, alienation and encumbrance on shares or stakes in authorized capitals of organizations wherein the Company participates, change of the participatory stake in the authorized capital of the corresponding organization and termination of the Company's participation in other organizations;

22) Determination of the credit policy of the Company to the extent of the Company providing accommodations, concluding credit and loan contracts, granting sureties, assuming liabilities under a promissory note (issue of simple or exchangeable promissory notes), pledging property and taking decisions on the Company effecting the mentioned transactions in cases when the procedure for taking decisions thereon is not determined by credit policy of the Company as well as taking decisions on bringing the Company debt position in accordance with the limits established by credit policy of the Company in compliance with the procedure determined by credit policy of the Company;

- 23) Approval of major transactions in cases stipulated by Chapter X of Federal Law “On Joint-Stock Companies”;
- 24) Approval of transactions stipulated by Chapter XI of Federal Law “On Joint-Stock Companies”;
- 25) Approval of the Registrar of the Company, terms and conditions of the contract with one as well as termination of such contract;
- 26) Election of Chairman of the Board of Directors of the Company and early termination of one’s powers;
- 27) Election of Deputy Chairman of the Board of Directors of the Company and early termination of one’s powers;
- 28) Election of Corporate Secretary of the Company and early termination of one’s powers;
- 29) Preliminary endorsement of decisions on the Company effecting transactions dealing with gratuitous transfer of Company's property or transfer of property rights (claims) to oneself or to a third party; transactions dealing with release from property liability to oneself or to a third party; transactions dealing with gratuitous provision of services (performance of works) to third parties in cases (in the amount) as determined by individual decisions of the Board of Directors of the Company, as well as taking decisions on the Company effecting such transactions when the abovementioned cases (amounts) are not determined;
- 30) Introduction of changes into the general structure of the Company's Executive Staff;
- 31) Taking decision on suspension of powers of a management organization (general manager);
- 32) Taking decision on appointment of Acting General Director of the Company as well as bringing one to disciplinary responsibility;
- 33) Bringing General Director of the Company and members of the Management Board to disciplinary responsibility and their encouragement as required by the labour legislation of the Russian Federation;
- 34) Consideration of General Director’s reports on the Company’s activity (including to the extent of one discharging one’s official obligations), on fulfilment of decisions of the General Meeting of Shareholders and of the Board of Directors of the Company;
- 35) Approval of the procedure of the Company’s interaction with organizations wherein the Company participates;
- 36) Determination of the opinion of the Company (representatives of the Company) of the following issues as may be on agendas of General Meetings of Shareholders (Participants) and sessions of Boards of Directors of subsidiary and dependent companies (hereinafter referred to as “SDCs”) including instruction to participate or not to participate in voting on agenda issue or to vote as “FOR”, “AGAINST” or “ABSTAINED” on draft decisions):
 - a) On determination of the agenda of a general meeting of shareholders (participants) of SDC;

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

Company) of the following issues as may be on agendas of sessions of Boards of Directors of SDCs (including instruction to participate or not to participate in voting on agenda issue or to vote as “FOR”, “AGAINST” or “ABSTAINED” on draft decisions):

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

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

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

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

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

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

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

40) Taking decision on the Company’s nominating candidacies for election to the office of Sole Executive Body, to offices with other management and control

bodies as well as the candidacy of Auditor of organizations of any organizational legal form wherein the Company participates;

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

42) Approval of independent appraiser(s) candidacies for determination of the value of shares, property and other assets of the Company in cases stipulated by Federal Law “On Joint-Stock Companies”, this Charter as well as individual decisions of the Board of Directors of the Company;

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

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

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

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

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

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

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

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

51) Establishment of Committees under the Board of Directors of the Company,

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

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

53) Coordination of candidacies for individual offices within the Company Executive Staff determined by the Board of Directors of the Company;

54) Other issues referred to the competence of the Board of Directors by Federal Law “On Joint-Stock Companies” and this Charter.

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

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

1) making decisions on the matters assigned to the competence of Supreme Management Bodies of economic organizations in which the Company owns one hundred (100) percent of authorized capital, or all voting shares of which belong to the Company (subject to sub-clauses 36 and of Clause 15.1 of Article 15 of the Charter);

2) preparation of reports on financial and business performance of economic organizations in which the Company owns one hundred (100) percent of authorized capital or all voting shares, and presentation of these reports for consideration by the Board of Directors;

3) Development and presentation for consideration of the Board of Directors of perspective plans on realization of the main directions of Company activity;

4) Preparation of business plan (corrected business plan) and report on the results of its fulfillment, as well as approval and correction of cash flows movement in compliance with the list and control values for Company cash flows movement adopted by the Board of Directors (with mandatory further forwarding to Company Board of Directors);

5) preparation of the report on financial and business performance of the Company and the report on execution by the Management Board of the decisions of the General Shareholders Meeting and of the Board of Directors of the Company;

6) Adoption of plans and steps for organization of training and professional development of Company personnel;

7) Establishment of social privileges and guarantees for Company personnel;

8) Decision making on effecting transactions with assets, works and services the value of which makes up from 1 to 25 percent of the balance sheet value of the Company’s assets estimated as of the date of decision on making the transaction (excluding the cases provided by sub-clause 38 of Clause 15.1 of this Charter);

9) Analysis of the reports of Deputy Directors General of the Company and of the heads of business subdivisions of the Company on the results of execution of the approved plans, programs and orders; analysis of reports, documents and other information on the activity of the Company and its affiliated and dependent companies;

10) Decision making on other matters related to the management of day-to-day activity of the Company in accordance with the decisions of the General Shareholders Meeting, meetings of the Board of Directors of the Company, as well as matters brought for consideration of the Management Board by the General Director of the Company.

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

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

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

- Ensures fulfillment of Company's plans of activity necessary for achievement of the goals of the Company;
- Organizes accounting and statements recording in the Company;
- Disposes Company's property, makes transactions on behalf of the Company, issues powers of attorney, opens settlement accounts and other accounts in banks and other credit institutions (as well as in organizations of securities market professionals, in cases stipulated in laws);
- Issues orders, approves (adopts) instructions, local normative acts and other internal documents of the Company related to the matters assigned to his competence, and gives instructions binding upon all employees of the Company;
- Approves Regulation on branches and representative offices of the Company;
- Adopts general structure of Company executive mechanism;
- Approves staff schedule and official salaries of Company employees, in accordance with the general structure of executive mechanism of the Company;
- Exercises rights and bears duties of the employer in respect of Company's employees in accordance with the labour legislation;
- Performs the functions of the Chairman of the Management Board of the Company;
- Assigns responsibilities among Deputy Directors General;
- Submits to the Board of Directors reports on financial and business activity of affiliated and dependent companies, which shares (participation interest) are owned by the Company, as well as information on other organizations wherein

the Company participates, excluding the cases provided in sub-clause 2) of Clause 22.2 of Article 22 of this Charter;

- Submits Annual Report, Balance Sheet, Profit and Loss Account, Report on Distribution of Profit and Losses of the Company to the Board of Directors not later than Forty Five (45) days prior to the date of annual General Shareholders Meeting of the Company;
- Resolves other questions concerning current activities of the Company, excluding the matters assigned to the competence of the General Shareholders Meeting, of the Board of Directors and of the Management Board of the Company;
- Is personally liable for ensuring secrecy order in the Company, including in case of organization of cipher communications;
- Is personally liable for selection of persons having access to the information representing state secret, as well as for organization of conditions in which Company employees get acquainted only with such information representing state secret, and in such amounts which, in compliance with the legislation of the Russian Federation on state secret, are necessary for execution of their job content (functions).

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

The information on corporate governance code or similar document: For the purpose of Issuer's management transparency, observance of standards of due corporate governance, the Board of Directors adopted Corporate Governance Code on 30.10.2006.

During the last reporting period some changes were introduced to the Company's Charter or to internal documents:

On 21.06.2012 annual General meeting of Kubanenergo shareholders took place (minutes of meeting NO.31 dated 22.06.2012), that adopted decision on introducing changes to Company's Charter and approval of restated Regulations on Kubanenergo Board of Directors.

Regarding the Charter the following changes have occurred: the newspaper "Sovetskaya Adygeya" was excluded from editions that publish announcements on holding the general meetings of shareholders. State registration of such changes was performed on 16.07.2012.

The restated Regulations on Kubanenergo Board of Directors presupposes the possibility of using videoconference while holding the meetings in the form of joint presence.

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: **Bannikova Valeria Vladimirovna**

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		
	Present day	Ministry of power industry of Russia	Deputy director of department
2012	Present day	JSC Kubanenergo	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: **Gilayev, Gani Gaysinovich**

Year of birth: 1956

Education:

Higher engineering, Doctor of Engineering .Graduated from the Oktyabrsky Oil Technical College, speciality – Oilfield technician (1975). Ufa Oil Institute, speciality – Mining engineer (1990).

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	2008	OJSC Udmurtneft	General Director
2008	Present-day	OJSC NK Rosneft	Director of the Oil and Gas Production Department, then – Acting Vice President, Director of the Oil and Gas Production Department
2010	Present-day	OJSC NK Rosneft	Member of the Management Board
2009	2011	CJSC Inzerneft	Member of the Board of Directors
2009	Present-day	OJSC NK Rosneft-Dagneft	Member of the Board of Directors
2010	2011	OJSC Dagneftegaz	Member of the Board of Directors
2010	2011	CJSC Sakhalinmorneftegaz-Shelf	Member of the Board of Directors
2010	Present-day	OJSC VNK Tomskneft, OJSC Grozneftegaz	Member of the Board of Directors
2011	Present-day	OJSC Kubanenergo, OJSC Udmurtneft, OJSC Kuban Trunk Grids, LLC	Member of the Board of Directors

		Polyarnoye Siyaniye Company, JSC Vostsibneftegaz, JSC RN Ingneft, JSC VChNG	
2011	Present-day	CJSC RN-Astra	Member of Supervisory Board
2012	Present-day	JSC Dagneftegaz	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-day	JSC Nurenergo	Member of the Board of 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: **Katina Anna Yuryevna**

Year of birth: 1982

Education:

Higher legal, graduated from Moscow Humanitarian 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		Organization	Position
from	to		
2004	2008	OJSC RAO UES of Russia	Lead Specialist, Head Specialist, Lead Expert, Head Expert of the Department for Corporate

			Governance and Interaction with Shareholders of the Corporate Centre
2006	2008	OJSC Yarenergoremont-Holding	Member of the Board of Directors
2007	2008	OJSC Novgorod Energy Selling Company, OJSC Science and Technology Centre for Electric Power Industry	Member of the Board of Directors
2008	Present-day	OJSC IDGC Holding	Head of the sector for analysis and control of corporate governance at Department for Corporate Governance and Interaction with Shareholders, deputy Head of Department for Corporate Governance and Interaction with Shareholders
2008	2008	OJSC Real Property of the Southern Engineering Centre for Power Industry	Member of the Board of Directors
2009	2009	OJSC Real Property of the UES Engineering Centre	Member of the Board of Directors
2009	2011	OJSC VNIPIenergoprom	Member of the Board of Directors
2009	Present-day	OJSC Kubanenergo, OJSC RETO Plant, OJSC Berendeyevskoye	Member of the Board of Directors
2010	2011	OJSC Scientific Research Centre of the North-West	Member of the Board of Directors
2010	Present-day	CJSC Tsarskoye Selo Energy Company	Member of the Board of Directors
2011	Present-day	OJSC Kubanenergo	Member of the Audit Committee under the Board of Directors, member of the Personnel and Rewards Committee under the Board of Directors, member of Committee for strategy, development and reform 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: **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: **Perepyolkin Aleksey Yurievich**

Year of birth: 1970

Education:

Moscow State Technical University named after Bauman N.E., speciality "Optical devices and systems" (1993);

Moscow State Law Academy, speciality "Jurisprudence" (1998)

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
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from	to		
2006	2007	Federal Tax Service of Russia	Head of analytical department
2007	2009	Ministry of Defence of the Russian Federation	Minister's adviser, head of Chief Legal administration
2009	2012	JSC IDGC Holding	Member of Management Board, Deputy director general on corporate management and property
2009	2010	JSC IDGC of the South	Board of Directors Member
2010	2011	JSC IDGC of North-West, UES settlement centre	Board of Directors Member
2012	Present-day	JSC NK Rosneft	Член Правления, руководитель Аппарата Президента
2010	Present-day	IDGC of Centre and Volga region, JSC; IDGC of Centre, JSC	Board of Directors Member
2011	Present-day	IDGC of Volga, JSC; "VOLS-VL Management"	Board of Directors Member
2012	Present-day	JSC IDGC of the South, JSC Kubanenergo, JSC Institute Energosetproekt	Board of Directors Member

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: **Pukhalsky, Aleksandr Andreyevich**

Year of birth: 1957

Education:

Higher engineering. North-Caucasian Institute for Mining and Metallurgy, a course of postgraduate studies at Omsk State Technical University, Academy of National Economy under the Government of the Russian Federation
Academic degree conferred: PhD (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	Position
from	to		
2006	2008	OJSC "TNK-BP Management"	Regional Manager of the Power Engineering Administration, Director of the Production Department
2008	Present-day	OJSC "NK Rosneft"	Director of the Power Engineering Department
2009	2011	OJSC "Kubanenergobyt"	Member of the Board of Directors
2009	Present-	OJSC "Kubanenergo", OJSC	Member of the Board of

	day	“Kuban Trunk Grids”, LLC “RN-Energo”, OJSC “Tomskenergoremont”, OJSC “Tomskelectrosetremont”, OJSC “Tomsk Trunk Grids”, OJSC “Tomsk Energy Selling Company”, OJSC “TRK”	Directors
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The person holds no participatory stake in the Issuer's authorized capital or the Issuer’s ordinary shares.

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

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

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

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

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

Name: **Pyatigor Aleksandr Mikhailovich**

Year of birth: 1980

Education:

Higher. In 2002 Graduated from Akmolinskiy Agriculture University named after Seifulin (Republic of Kazakhstan), speciality – energy supply and electrification of rural area, qualification – electrical engineer.

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

Period		Organization	Position
from	to		
2006	2008	JSC Belgorodenergo	Head of department for technological connection affairs
2008	2010	LLC RN-Energo	Head of sector for perspective development and planning
2009	2010	JSC TRK	Member of Committee for technological connection under the Board of Directors
2010	Present day	JSC Holding IDGC	Head of sector for perspective development and technological connection
2011	Present day	JSC IDGC of Centre, JSC MOESK, JSC Lenenergo, JSC IDGC of the South, JSC IDGC of Ural, JSC Tyumenenergo, JSC Kubanenergo	Member of Committee for technological connection under the Board of Directors
2012	Present day	JSC Kubanenergo	Member of the Board of Directors
2012	Present day	JSC IDGC of North-West	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 Igorovich**

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		
	Present day	JSC IDGC Holding	Director for Special Commissions
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**

Name: **Shvets Nikolay Nikolayevich**

Year of birth: 1956

Education:

Higher.

Graduated:

Corresponding Polytechnic Institute, specialty – “Electric power supply of industrial enterprises, cities and agriculture”;

speciality – “Electrical Engineer”;

- Command Military Academy for Air Defence decorated with Order of Red Banner after USSR Marshal G.K. Zhukov,

speciality – “Command-and-staff pre-strategic of air defence team”;

- Military Academy under the General Staff of the Russian Federation Armed Forces,

speciality – “Military history strategy and tactics”;

- PhD (Economics);

- Corresponding Member of the Academy of Military Sciences.

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

Period		Company	Position
from	to		
2004	2007	FSUE "Rosoboronexport"	Assistant to General Director
2006	2008	"Sarapul Power Generator Plant" JSC	Member of the Board of Directors
2006	2008	"Scientific and Production Enterprise "Start" JSC	Member of the Board of Directors
2007	2008	Government of the Amur Region	First Deputy Chairman of the Region Government
2008	2009	Legislative Assembly of the Amur Region	Chairman of the Legislative Assembly
2008	2009	Far-East State Agriculture University	Professor of the Chair of Management, Marketing and Law (part-time)
2007	2011	All-Russian Public Organization "Union of Machine-Builders of Russia"	Member of the Central Board, member of the Central Board Bureau
2007	Present -day	Russian Branch Association of Employers "Union of Machine-Builders of Russia"	Vice President, members of the Management Board, member of the Management Board Bureau
2008	Present -day	Non-profit Partnership "Scientific and Technical Board of the Unified Energy System"	Member of the Supervisory Board
2009	Present -day	"IDGC Holding" JSC	Member of the Board of Directors
2009	2012	"IDGC Holding" JSC	General Director, Chairman of the Management Board
2009	2010	"IDGC of Centre and Privolzhye" JSC	Chairman of the Board of Directors
2009	2010	"IDGC of the North-West" JSC	Chairman of the Board of Directors
2009	Present -day	"MOESK" JSC	Chairman of the Board of Directors
2009	Present -day	"Lenenergo" JSC	Chairman of the Board of Directors
2009	2010	"IDGC of Ural" JSC	Chairman of the Board of Directors
2009	Present	"Tyumenenergo" JSC	Chairman of the Board of

	-day		Directors
2009	Present -day	“Yantarenergo” JSC	Chairman of the Board of Directors
2010	2011	"IDGC of Centre” JSC	Chairman of the Board of Directors
2010	2011	“IDGC of South” JSC	Chairman of the Board of Directors
2010	2011	“ARBDR” JSC	Member of the Board of Directors
2010	2011	“APBE” CJSC	Member of the Board of Directors
2010	Present -day	“Kubanenergo” JSC	Member of the Board of Directors
2011	Present -day	“IDGC of North Caucasus” JSC	Member of the Board of Directors
2012	Present -day	JSC TRK	Member of the Board of Directors
2012	Present -day	JSC FGC UES	Deputy Chairman of Management Board

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

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

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

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

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

as specified.

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

Name: **Yurchuk, Sergey Yevgenyevich**

Year of birth: 1966

Education:

Higher economic: Graduated from the Faculty of Economics of Lomonosov Moscow State University (1994)

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		
2005	2008	OJSC "Shipbuilding Plant "Severnaya Verf"	Director for Economy and Finance
2008	2009	CJSC "Almaz-Press"	Deputy General Director for Economy and Finance
2009	Present-day	OJSC "IDGC Holding"	Director for Finance
2010	2011	OJSC "IDGC of the North-West"	Member of the Board of Directors
2010	Present-day	OJSC "Lenenergo", OJSC "MOESK", OJSC "IDGC of South"	Member of the Board of Directors
2011	Present-day	OJSC "Kubanenergo"	Member of the Board of Directors, member of the Audit Committee under the Board of Directors
2011	Present-day	OJSC "IDGC of Ural",	Member of the Board of Directors
2012	Present-day	JSC Dagestan energy selling company	Member of the Board of Directors

Participatory interest of the person in the authorized capital of the Issuer, %:
0.005

Portion of the Issuer's ordinary shares held by the person, %: **0.005**

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 21.06.2012:

	Name	Position
	Mekhanoshin, Boris Iosifovich (Chairman of the Committee)	Deputy General Director - Technical Director of OJSC “IDGC Holding”
	Petrov, Aleksey Petrovich	Deputy Head of the Technical Development and Regulation Department – Head of the Production Technical Regulation Division of OJSC “IDGC Holding”

	Bespalov, Aleksandr Vasilyevich	Head of the Division for Investment Projects and Cost Estimate of the Capital Construction Department of OJSC “IDGC Holding”
	Zinchenko, Pavel Vasilyevich	Deputy General Director for Technical Issues - Chief Engineer of OJSC “Kubanenergo”
	Ryazantsev, Dmitry Yuryevich	Deputy Chief Engineer – Head of the Operational Technical Management Department of OJSC “Kubanenergo”
	Voronin, Valery Dzhemlunovich	Chief Power Engineer of LLC “RN-Tuapse Oil Processing Plant”
	Petrenko, Mikhail Georgiyevich	Chief Power Engineer of LLC “RN-Krasnodarneftegaz”

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 (Chairman of the Committee)	Deputy General Director for Economy and Finance of OJSC “IDGC Holding”
2	Yurchuk, Sergey Yevgenyevich	Director for Finance of OJSC “IDGC Holding”, Member of the Board of Directors of OJSC “IDGC Holding”
3	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 OJSC “IDGC Holding”

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
	Pankov, Dmitry Leonidovich	Director for Strategy, Development and Innovations of OJSC “IDGC Holding”
	Akhrimenko Dmitry Olegovich	Deputy Head of the Department for Corporate Governance and Interaction with Shareholders of OJSC “IDGC Holding”
	Lavrova, Marina Aleksandrovna	Deputy Head of the Business Planning Department of OJSC “IDGC Holding”
	Balayeva, Svetlana Aleksandrovna	Head of the Investment Department of OJSC “IDGC Holding”
	Kocherga, Vitaly Aleksandrovich	Deputy General Director for Corporate Governance of OJSC “Kubanenergo”, member of the Management Board of OJSC “Kubanenergo”
	Lyashko, Andrey Vladimirovich	Deputy General Director for Development and Marketing of Services of OJSC “Kubanenergo”, member of the Management Board of OJSC “Kubanenergo”
	Isayev, Valery Ivanovich	Head of the Finance Department of OJSC “IDGC Holding”
	Dmitriyeva, Yuliya Petrovna	Lead Advisor of the Division for Implementation of Federal Targeted Investment Programs of the Department for Economic Regulation of Property Relations in the Fuel-and-Energy Sector
	Korotayev, Igor Aleksandrovich	Head of the Administration for Energy Supply of Oil Processing and Selling Enterprises of the Power Industry Department of LLC “NK Rosneft”
	Levayev, Valery Petrovich	Head of the Prospective Development Administration of the Power Industry Department of LLC “NK Rosneft”

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.	Chigrin, Andrey Valeryevich Chairman of the Committee	Head of the Personnel Management Department of OJSC “IDGC Holding”
2.	Lutskovich, Viktor Yevgenyevich	Deputy Head of the Personnel Management Department – Head of the Labour Remuneration and Motivation Department of OJSC “IDGC Holding”
3.	Erpsher, Nataliya Ilyinichna	Chief of the Organizational Development Directorate of OJSC “IDGC Holding”
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 OJSC “IDGC Holding”

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	Arifov Alisher Izatovich (died on May 3, 2012)	Deputy director general of "RN-Energo" LLC
2	Pyatigor Aleksandr Mikhailovich	Head of Department of perspective development and technological connection at "Holding IDGC" JSC
3	Lyashko Andrey Vladimirovich	Deputy director general in charge of development and selling of services of "Kubanenergo" JSC
4	Kocherga Vitaliy Aleksandrovich	Deputy director general in charge of corporate management at "Kubanenergo" JSC
5	Levaev Valeriy Petrovich	Head of Directorate for Perspective development at Department of Power engineering in "NP Rosneft" JSC

5.2.2. Information on the Sole Executive Body of the Issuer

Name: **Sultanov, Georgy Akhmedovich**

Year of birth: 1954

Education:

Higher engineering. Graduated from Krasnodar Polytechnic Institute, specialty – "Electric power supply of industrial enterprises, cities and agriculture"; Academic degree conferred: ScD (Engineering)

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

Period		Name of organization	Office
from	to		
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		
2000	2007	LLC "KNAUF MARKETING Krasnodar"	Manager of the Advertisement and Informational Division, Head of the Advertisement Division
2007	2009	OJSC "Kubanenergo"	Deputy Director for Economy and Finance of branch "Krasnodar Electric Power Grids"; Director of branch "Leningradskiye Electric Power Grids"; Director of branch "Armavir Electric Power Grids"
2009	Present-day	OJSC "Kubanenergo"	Director of branch "Sochi Electric Power Grids", member of the Management Board

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

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

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

The person does not hold such stake.

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

Such family relations are absent.

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

The person has not been brought to responsibility as specified.

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

The person did not hold such offices

Name: **Bronnikov, Mikhail Borisovich**

Year of birth: **1965**

Education:

Higher, graduated from Ust-Kamenogorsk Institute for Building and Construction, 1991

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

Period		Name of organization	Office
from	to		
2005	2006	OJSC "Trust Prikaspiyelectrostroy"	Chief Engineer
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
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The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

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

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

The person does not hold such stake.

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

Such family relations are absent.

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

The person has not been brought to responsibility as specified.

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

The person did not hold such offices

Name: **Zinchenko, Pavel Vasilyevich**

Year of birth: **1963**

Education:

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

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

Period		Name of organization	Office
from	to		
2004	2006	Branch of OJSC “IESC” - "Krasnodar City Electric Power Grids"	Chief Engineer

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		
2002	2006	State inspection of Krasnodar Territory on surveillance over technical condition of self-propelled machines and other kinds of mechanisms	Category 1 Specialist; Lead Specialist; Head of the Legal and Staff Provision Sector
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	Present-day	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		
2006	2007	OJSC “Kubanenergo”	Director of branch “Adygea Electric Power Grids”
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	6 months of 2012
Reward	689
Wages	
Bonuses	
Commission fees	
Benefits	
Compensation for expenses	
Other pecuniary awards	

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	6 months of 2012
Reward	798
Wages	

Bonuses	
Commission fees	
Benefits	
Compensation for expenses	
Other pecuniary awards	
Other	798

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

No changes occurred in the reporting quarter

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 Aligadzhievna**

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
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from	to		
2003	2009	LLC “Energoconsulting”	Director for Development
2009	Present-day	OJSC “IDGC Holding”	Head of the Department for Internal Audit and Risk Management
2010	Present-day	OJSC “Kubanenergo”	Member of the Auditing Commission
2011	Present-day	JSC “IDGC of North Caucasus”	Member of the Auditing Commission
2012	Present-day	JSC “IDGC of North-West”	Member of the Auditing Commission

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

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

Name: **Arkhipov, Vladimir Nikolayevich**

Year of birth: 1956

Education:

Higher. Graduated from Novosibirsk Electrotechnical Institute for Communications in 1979. Qualification: Electric Communications Engineer

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

Period		Name of organization	Office
from	to		
2006	2009	CJSC "Rustel"	General Director
2008	Present-day	OJSC "IDGC Holding"	First Deputy Head of the Security Department
2010	Present-day	OJSC "Kubanenergo"	Member of the Auditing Commission
2011	Present-day	JSC "IDGC of North Caucasus"	Member of the Auditing Commission
2012	Present-day	JSC "IDGC of Centre and Volga region", JSC "IDGC of Centre", JSC "IDGC of Siberia", JSC "Yantarenergo", JSC "TRK", JSC "Tyumenenergo", JSC "Lenenergo", JSC "IDGC of the South", JSC "MOESK", JSC "IDGC of North-West", JSC "IDGC of Ural", "IDGC of Volga"	Member of the Auditing Commission

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

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

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

The person does not hold such stake.

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

There are no such family relations.

Details of the person having been brought to administrative responsibility for

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

The person has not been brought to responsibility as specified.

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

Name: **Bogashov Alexander Evgenievich**

Year of birth: 1989

Education:

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	Member of the Auditing Commission

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

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

Name: **Sinitsina Olga Sergeevna**

Year of birth: 1979

Education:

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

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

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

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

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

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

The person does not hold such stake.

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

There are no such family relations.

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

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

The person has not been brought to responsibility as specified.

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

Name: **Yakubovich Yakob Borisovich**

Year of birth: 1981

Education:

Higher. 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	6 months of 2012
Remuneration for participation in activity of the managing body	689
Salary	

Bonuses	
Commission	
Benefits	
Reimbursement of expenses	
Other remunerations	
Total	689

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	6 months of 2012
Average number of employees	7 603
Volume of cash allocated for payment of wages	1 218 969.45
Volume of cash allocated for social welfare	20 817.44

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: **1 829**

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: **18.10.2011**

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: **89 232 850**

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, %: **14.66**

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	1	990
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	1	990

during the reporting period which have been approved by the board of directors (supervisory board of the issuer)		
Transactions of interest concluded by the issuer during the reporting period which require approval, but have not been approved by the authorized body of the issuer	0	0

Transactions (groups of related transactions), the price of which is 5 percent or more of the book value of assets of the issuer as defined according to its financial statements for the last reporting date before the transaction, the issuer of the last reporting quarter

These transactions has not been performed

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

Additional Information:

Review of transactions in which there is an interest of the prisoners "Kubanenergo" in the 2nd quarter of 2012

	Contractor	Contract	Contract amount, rub.	Notes
1	OJSC "IDGC of the South"	Russian competitions on professional skills	989 600.00	
2	JSC IDHC Holding	Purchase of additional ordinary personal non-certified shares of Kubanenergo	4 615 545 037.20	This transaction does not require the approval of Company's management bodies, as according to paragraph 2 of article 81 of federal law "On joint stock companies" the paragraph XI of the law is not applied when the preemptive right is used while making the purchase

Total: 4 616 534 637.20

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	420 794
including overdue	327 091
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	2 535 277
including overdue	85 288
Total	2 956 071
including overdue	412 379

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: **1 661 992**

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**

Full business name: **Open Joint Stock Company “Nizhnovatomenergobyt”**

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

Location: **107031, Moscow, Bolshaya Dmitrovka str., 32 Building 4**

TIN: **5260099456**

PSRN: **1025203019775**

Sum of accounts receivable: **308 354**

Единица измерения: **тыс. руб.**

Unit of measurement: thousand rubles

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

debtor's overdue is 278 thousand rubles. Levies, penalties: no

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	30.06.2012	Dynamics for 6 months of 2012
Accounts receivable from purchasers and customers	444 541	420 794	-23 747
including overdue	259 778	327 091	67 313
Notes payable	0	0	0
including overdue	0	0	0
Accounts receivable from participants (founders) on payments to authorized capital	0	0	0
including overdue	0	0	0
Other accounts receivable	2 471 009	2 535 277	64 268
including overdue	84 015	85 288	1 273
Total accounts receivable	2 915 550	2 956 071	40 521
Including total overdue accounts receivable	343 793	412 379	68 586

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 30.06.2012

			Codes
	Form No. 1 as per OKUD [Russian National Classifier of Management Documentation]		0710001
		Date	30.06.2012
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 30.06.2012	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	3 572	0	0
	Fixed assets	1130			
	Income-bearing investments in tangibles	1140			
	Financial investments	1150	26 073 536	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	1 106 817	816 460	776 086
	Other non-current assets	1190	258 673	239 230	192 537
	TOTAL Section I	1100	27 488 340	26 067 932	21 711 810
	II. CURRENT ASSETS				
	Stocks	1210	1 237 779	1 095 421	1 021 893
	Added value tax on valuables purchased	1220	8 631	9 138	12 811
	Receivables	1230	2 956 071	2 915 550	1 702 745
	Financial investments	1240			
	Cash	1250	9 142 379	5 692 998	8 896 766
	Other current assets	1260	712 993	766 374	490 444
	TOTAL Section II	1200	14 057 853	10 479 481	12 124 659
	BALANCE (assets)	1600	41 546 193	36 547 413	33 836 469

	LIABILITIES	Line	as of 30.06.2012	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	8 251 378	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	-9 043 896	-7 524 145	-5 664 621
	TOTAL Section III	1300	12 315 210	13 777 955	11 912 480
	IV. LONG-TERM LIABILITIES				
	Borrowed funds	1410	14 345 753	11 561 281	10 619 623
	Deferred tax liabilities	1420	143 137	149 156	167 613
	Reserve for contingent liabilities	1430			
	Other liabilities	1450	244 127	59 541	36 833
	TOTAL Section IV	1400	14 733 017	11 769 978	10 824 069
	V. SHORT-TERM LIABILITIES				
	Borrowed funds	1510	1 398 031	3 704 137	2 300 000
	Payables	1520	11 522 098	5 739 087	7 974 696
	Deferred expenses	1530	13 152	13 649	14 886
	Reserves for future expenses	1540	1 564 685	1 542 607	810 338
	Other liabilities	1550			

TOTAL Section V	1500	14 497 966	10 999 480	11 099 920
BALANCE (assets)	1700	41 546 193	36 547 413	33 836 469

Profit and loss statement for 6 months of 2012

Form No. 2 as per OKUD [Russian National Classifier of Management Documentation]		Codes
		0710002
Date		31.03.2012
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	6 months of 2012	6 months of 2011
1	2	3	4	5
	Proceeds	2110	13 630 402	13 792 210
	Cost of sales	2120	-14 744 034	-14 353 720
	Gross profit (loss)	2100	-1 113 632	-561 510
	Commercial expenses	2210		
	Administrative expenses	2220		
	Sales profit (loss)	2200	-1 113 632	-561 510
	Participation incomes	2310		
	Interest receivable	2320	231 820	173 024
	Interest payable	2330	-710 425	-482 701
	Other incomes	2340	285 574	161 159
	Other expenses	2350	-533 772	-584 869
	Profit (loss) before tax	2300	-1 840 435	-1 294 897

	Current profit tax	2410		
	Including constant tax liabilities (assets)	2421	68 481	49 508
	Changes in deferred tax liabilities	2430	5 977	4 624
	Changes in deferred tax assets	2450	293 629	204 847
	Other	2460	77 957	-353
	Net profit (loss)	2400	-1 462 872	-1 085 779
	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	-1 462 872	-1 085 779
	Basis profit (loss) per share	2900	-15.01	-14.05
	Diluted profit (loss) per share	2910	-15.01	-14.05

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

The issue does not prepare consolidated accounting (financial) report

The reason why the issuer is not obliged to prepare the consolidated accounting (financial) report:

According to paragraph 1.6 of Order of RF Ministry of Finance No.112 dated 30.12.1996 “On recommendations for preparing and producing the consolidated accounting report” the information on affiliated companies of Kubanenergo should not be included in consolidated accounting report, as the data of affiliates do not influence greatly the financial state and financial results of the group (the volume of authorized capital of affiliated companies take 0.46% from the total volume of the authorized capital) .

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,
- “Kubanenergoby” 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.

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 the 2nd quarter of 2012 “Kubanenergo” participated at 8 suits which results may have significant impact on business activity of the Company:

- Action of JSC “Kubanenergoby” against JSC “Kubanenergo” for recovery of unjust enrichment in an amount of 49 335 441 08 RUR. The 15th Arbitration Court of Appeal refused Kubanenergo in demands on 18.01.2012.
- Action of JSC “Kubanenergo” against OJSC “Kuban Trunk Grids” for recovery of unjust enrichment in an amount of 59 345 620 RUR in connection with land tax. By decision of Krasnodar Arbitration the claims were dismissed on 02.05.2012.
- claim of “Kubanenergo” JSC to “NESK” JSC on debt collection in amount of 499 471 350 rubles for services of electric energy transmission. The arbitrage of Krasnodar region dismissed the claim at 16.05.2011. By order of 03.11.2011 of Federal Arbitration Court of North-Caucasus region the appeal was dismissed.
- claim of “Kubanenergo” JSC to “NESK” JSC on debt collection in amount of 18 730 000 rubles for services of electric energy transmission. The arbitrage of Krasnodar region partially approved the claim at 23.09.2011
- claim of “Kubanenergo” JSC to “Nizhnovatomenergoby” JSC on debt collection in amount of 107 540 490 rubles for services of electric energy transmission

- claim of “Kubanenergo” JSC to “Kubanenergoby” JSC on debt collection in amount of 12 453 290 rubles for services of electric energy transmission.
- action of JSC “Yugenergoexpert” against OJSC “Kubanenergo” for recovery of debt in 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
- 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

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

The persons entitled to make proposals to the agenda of the meeting (session) of the Issuer's supreme body, as well as the order of making such proposals: Shareholder (shareholders) of the Company who holds a total of at least two (2) percent of voting shares of the Company is entitled to put forward suggestions for the agenda of the annual General Shareholders Meeting and to nominate candidates for the Board of Directors and the Auditing Commission of the Company in the number not exceeding the number of members of the bodies in question within the period of not later than Sixty (60) days from the end date of financial year.

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

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

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

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

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

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

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

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

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

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

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

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

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

Location

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

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

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

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

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

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

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

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

Location

47, Novorossiyskaya ul., Krasnodar, 350080, Russia

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

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

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

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

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

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

Full business name: **Energetic Rest Home, Open Joint-Stock Company**
Abbreviated business name: **P/o Energetic, OJSC**

Location

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

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

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

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

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

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

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

8.1.5. Information on material deals effected by the Issuer

Reporting quarter

Transactions (groups of related transactions), the price of which is 10 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

Date of transaction: **02.04.2012**

Subject:

purchase of additional shares of the issuer during the process of their distribution by public subscription.

Content of the transaction, including civil rights and obligations:
The Issuer gives to the Purchaser, and the Purchaser takes and pays for shares of additional issue their distributed by public subscription during the Purchser using the preemptive right for the purchase.

Deadline for fulfillment of the obligation **05.05.2012**

Parties of transaction: **Issuer: Kubanenergo JSC. Purchaser: IDGC Holding JSC.**

Transaction in monetary terms: **4615545 RUR x 1000**

Transaction in % from issuer's assets cost: **10.7**

Issuer's assets value as of the end of reporting period (quarter, year) preceding the transaction (date of concluding the contract) and in relation to which the accounting report in RAS was prepared: **43238661 RUR x 1000**

The transaction is considered as transaction of interest

Information on approval of the transaction

This transaction does not require the approval of Company's management bodies, as according to paragraph 2 of article 81 of federal law "On joint stock companies" the paragraph XI of the law is not applied when the preemptive right is used while making the purchase

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**

97 460 933

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): **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 date:	Registration number
08.07.2003	1-02-00063-A
01.09.2009	1-02-00063-A-001D
14.12.2010	1-02-00063-A-002D
21.02.2012	1-02-00063-A-003D

Rights granted to holders of the shares:

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

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

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

Other details of the shares indicated by the Issuer at one's sole discretion: **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

No changes occurred during the reporting quarter

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 Q1 2008, due to the extraordinary General Meeting of Shareholders of OJSC “Kubanenergo” having taken decision on the Company reorganization in the form of takeover by OJSC “IDGC of South”(Minutes No. 22 dated 22.01.2008.), in accordance with Article 60 of the Civil Code of the Russian Federation and Article 15 of Federal Law “On Joint-Stock Companies”, the Company carried out buyout of 2 939.822 bonds in the amount of 2 939.8 mln RUR (upon such bonds holders’ request).

8.9. Other details

Additional details disclosed by the Issuer in the quarterly report in accordance with the requirements of the Regulation on the Information Policy

8.9.1. Statistical information on the Issuer’s shareholders

Joint-stock capital structure (as of the last date of closure of the register to the annual General Meeting of Shareholders 04.06.2012):

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

Details on the Issuer's shares in crossholding

There are no shares of the Issuer in crossholding.

8.9.2. Description of Company’s organization structure and functional relations between subdivisions

The executive office performs control of grid companies in the following directions:

1. Technical sphere, including: operation and maintenance, dispatching, reliability, production control, occupational safety, quality management,

metering and metrology, management of production assets;

2. Development and implementation of services, including: perspective development, technological connection, transport and accounting of electric energy, communication with customers, organization of energy saving and increasing of energy efficiency;

3. Investments, including: investment management and capital construction;

4. Logistics and inventory supply, including: resource management and tender procedures;

5. Economics and finances, including business-planning, tariffs formations, cash flow control, insurance;

6. Accounting, including: tax, financial and accounting reporting;

7. Corporate governance, including: legal support, corporate relations, property management, consolidation of grid assets, public relations;

8. Business and administrative affairs, including: documentation, документационное обеспечение, e-document flow, control and check of documents implementation, organization of corporate and other events, administrative support, transport, automation, use of constructions and buildings;

9. Staff management, including: organization design and labour rating, мотивация труда, учет кадров, recruiting and staff development, social corporate programmes;

10. IT, including: operation of automated management systems, development of supervisory control system, planning of IT-resources, operation of IT systems;

11. Security, including: economic, informational, regional safety, state secret protection, mobilization training and civil defense;

12. Internal audit and risk management, including: audit, expertize, risks management and internal control, internal audit;

13. Development of Sochi energy complex, including Programme on construction of Olympic facilities, interaction with “Olympstroy”, legal and financial support, tender procedures, capital construction, contract work on construction of Olympic facilities, property management, engineering supervision and modernization of facilities.

8.9.3. Key events and news

	Date	News	Published at
1	02.04.2012	Kubanenergo invests in installation of Smart metering devices in Sochi, Tuapse and Kushevskiy district of Kuban region	Webpage of Kubanenergo JSC
2	03.04.2012	Kubanenergo spent 18 million rubles for repair of one of the main overhead lines of central part of Krasnodar	Webpage of Kubanenergo JSC
3	10.04.2012	In 2011 Kubanenergo has saved 2 billion rubles	Webpage of Kubanenergo

			JSC
4	13.04.2012	Kubanenergo installs equipment at main substation of Gelendzhik	Webpage of Kubanenergo JSC
5	04.05.2012	Kubanenergo introduces international standards of financial reporting	Webpage of Kubanenergo JSC
6	12.05.2012	Kubanenergo plans to replace more than 14 thousand single-phased inputs in houses of consumer of Ust-Labinskiy district	Webpage of Kubanenergo JSC
7	13.06.2012	In 2012 Kubanenergo collected more than 15.7 million rubles for unauthorized consumption of electric energy	Webpage of Kubanenergo JSC
8	18.06.2012	Customer service centers were opened in 11 districts of Krasnodar region.	Webpage of Kubanenergo JSC
9	21.06.2012	Annual General meeting of Kubanenergo shareholders took place	Webpage of Kubanenergo JSC

8.9.4 Participation of the Company in exhibitions, conferences and activity in international organizations

July 4-8, 2012, Gelendzhik, Recreation Center “Energetik”, affiliate of Kubanenergo, host the 15th Russian scientific conference of Krasnodar regional department of Russian scientific and association of power engineers and fitters. The conference was dedicated to main tasks and perspectives of development of grid complex of Russia. About 110 representatives of interregional distribution grid companies, city grid companies, energy selling companies, manufacturers and suppliers of electric al equipment attended the conference.

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	The document regulates the order of	Adopted in the new

	order of convocation and holding of Sessions of the Board of Directors of the Company	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.	version by the decision of Annual general shareholders meeting, minutes No. 31 dated 22.06.2012
3	Statement on Company Management Board	The document regulates the order of: Formation of the Board; Convocation and holding of its sessions And of decision making, as well as rights, duties and responsibility of the members of the Board.	Adopted in the new version by the decision of Annual general shareholders meeting, minutes No. 23 dated 06.06.2008
4	Statement on the Auditing Commission of the Company	The document regulates the tasks and operating procedures of the Auditing Commission and regulates the issues of its interaction with Company management bodies, as well as regulates rights and duties of Auditing Commission members.	Adopted in the new version by the decision of Annual general shareholders meeting, minutes No. 23 dated 06.06.2008
5	Statement on payment of remunerations and compensations to the members of Company Board of Directors	The document regulates the amount and the order of payment of remunerations and compensations to the members of the Board of Directors (save the members of the Board of Directors being at the same time Director General and/or members of the Management Board).	Adopted in the new version by the decision of Annual general shareholders meeting, minutes No. 23 dated 06.06.2008
6	Statement on payment of remunerations and compensations to the members of Company Auditing Commission	The document regulates the amount and the order of payment of remunerations and compensations to the members of the Auditing Commission	Adopted in the new version by the decision of Annual general shareholders meeting, minutes No. 23 dated 06.06.2008
7	Statement on Reliability Committee of Company Board of Directors	The document regulates the tasks, competence, rights and duties of the Committee and the order of convocation and holding of its meetings.	Adopted in the new version by the decision of the Board of Directors, minutes No. 94/2010 dated 05.08.2010
8	Code of corporate management of the Company	The document regulates the obligations assumed by the Company in the sphere of ensuring transparency of Company management and observation of standards of due corporate management.	Adopted by the decision of the Board of Directors, minutes No. 23/2006 dated

			01.11.2006
9	Statement on Company information policy	The document regulates rules and approaches towards information disclosure, the list of information and documents subject to disclosure to shareholders, creditors, potential investors 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 shareholders/participants meetings, in Boards of Directors and Auditing Commission s of affiliates and dependent companies of Kubanenergo, OJSC; - Sets the general terms of corporate interaction between the Company and its affiliates and dependent companies in various directions.	Adopted by the decision of the Board of Directors, Minutes No. 69/2009 dated 27.03.2009
17	Regulation on Personnel Committee attached to Board of Directors	The documents sets tasks, describes competence, rights and duties of the Committee, as well the procedure of convening and holding the meetings	Adopted by the decision of the Board of Directors, minutes No. 94/2010 dated 06.08.2010
18	Regulation on Committee for technological connection attached to Board of Directors	The documents sets tasks, describes competence, rights and duties of the Committee, as well the procedure of convening and holding the meetings	Adopted by the decision of the Board of Directors, minutes No.119/2011 dated 14.10.2011

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 July 21, 2012 an annual General meeting of Kubanenergo shareholders took place (minutes of meeting No.31 dated 22.06.2012) that adopted the following decisions:

	Agenda item	Resolution												
1	Approval of Company's annual report	To approve Company's annual report for 2011.												
2	Approval of Company's annual accounting report, report on profit and losses.	To approve the Company's annual accounting report, report on profit and losses.												
3	Approval of Company's distribution of losses by the results of 2011.	<p>To approve the following distribution of losses (profit) for 2011 financial year:</p> <table border="1" data-bbox="711 1543 1445 1868"> <thead> <tr> <th data-bbox="711 1543 1139 1594"></th> <th data-bbox="1139 1543 1445 1594">(thousand rubles)</th> </tr> </thead> <tbody> <tr> <td data-bbox="711 1594 1139 1641">Undistributed profit (loss):</td> <td data-bbox="1139 1594 1445 1641">(1 861 782)</td> </tr> <tr> <td data-bbox="711 1641 1139 1688">distribute for: reserve fund</td> <td data-bbox="1139 1641 1445 1688">-</td> </tr> <tr> <td data-bbox="711 1688 1139 1736">Profit for development</td> <td data-bbox="1139 1688 1445 1736">-</td> </tr> <tr> <td data-bbox="711 1736 1139 1783">Dividends</td> <td data-bbox="1139 1736 1445 1783">-</td> </tr> <tr> <td data-bbox="711 1783 1139 1868">Discharge of losses of previous years</td> <td data-bbox="1139 1783 1445 1868">-</td> </tr> </tbody> </table>		(thousand rubles)	Undistributed profit (loss):	(1 861 782)	distribute for: reserve fund	-	Profit for development	-	Dividends	-	Discharge of losses of previous years	-
	(thousand rubles)													
Undistributed profit (loss):	(1 861 782)													
distribute for: reserve fund	-													
Profit for development	-													
Dividends	-													
Discharge of losses of previous years	-													
4	On the volume, period and form of paying the dividends by the results of 2011.	It is decided not to pay dividends from ordinary shares of Company by the results of 2011.												

5	Election of members of Company's Board of Directors	<p>To elect the following persons to Board of Directors:</p> <ol style="list-style-type: none"> 1. Bannikova Valeria Vladimirovna; 2. Gilaev Gani Gaisinovich; 3. Demidov Aleksey Vladimirovich; 4. Katina Anna Yurievna; 5. Perepyolkin Andrey Yurievich; 6. Pukhalskiy Aleksandr Andreevich; 7. Pyatigor Aleksandr Mikhailovich; 8. Romeiko Dmitriy Igorevich; 9. Sultanov Georgy Akhmedovich; 10. Shvets Nikolay Nikolaevich; 11. Yurchyuk Sergey Evgenievich.
6	Election of members of Company's auditing committee	<p>To elected the following persons to Company's Auditing committee:</p> <ol style="list-style-type: none"> 1. Alimuradova Izumrud Aligadzhievna; 2. Arkhipov Vladimir Nikolaevich; 3. Bogashov Aleksandr Evgenievich; 4. Sinitsina Olga Sergevna; 5. Yakubov Yakov Borisovich.
7	Approval of Company's Auditor	To appoint "KPMG" CJSC as Company's auditor.
8	On introducing changes and supplements to Company's Charter	<p>Introduce the following changes and additions to the Charter:</p> <ol style="list-style-type: none"> 1. Change Article 11 of the Company's Charter p.11.5 as follows: "Announcement on the General Meeting of Shareholders is sent (or delivered) to each person included in the list of persons entitled to attend the General Meeting of Shareholders should be published in the newspaper "Kubanskiye novosti" as well as on the Company's website no later than thirty (30) days prior to the meeting" 2. Change p.12.4. Article 12 of the Company's Charter as follows: " Announcement on the General Meeting of Shareholders held by absentee voting is sent (or delivered) to each person named in the list of persons entitled to attend the General Meeting of Shareholders should be published in the newspaper "Kubanskiye novosti" as well as posted on the Company's website nor later than thirty (30) days prior to the deadline Company's newsletters.

9	On approval of restated Regulations of procedure of convening and holding meetings of Kubanenergo BoD.	To approve the restated Regulations of procedure of convening and holding meetings of Kubanenergo BoD.
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8 sessions of Company Board of Directors were held in the accounting quarter, on which decisions on 111 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:
 - construction and operation of fiber-optic communication lines,
 - introduction of production assets management system,
- the following documents were approved:
 - business plan (including the investment programme) of Kubanenergo JSC for 2012 and amended programme of activities on financial recovery of Company in 2012-2013,
 - key performance indicators for 2012,
 - Programme on energy saving and increasing energy efficiency for 2012-2016,
 - Company's Strategy in the sphere of information al technologies, automation and telecommunication for the period of 2012-2016; the implementation of the Programme was determined as Company's priority activity,
- reports by director general of Kubanenergo on different business matters were taken into consideration.

On 13 items on approval of transactions of interest the decisions were not taken due to lack of votes of independent directors and director not interest in transaction.

Minutes of Kubanenergo BoD are available here:

<http://www.kubanenergo.ru/about/controls/>.

The following meetings were held in the accounting quarter:

- 6 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,
- 2 meetings of Auditing Committee attached to the Board of Directors, at which decisions were taken on 11 questions,
- 2 meetings of Reliability committee attached to the BoD, 4 decisions were adopted.

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/.

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.

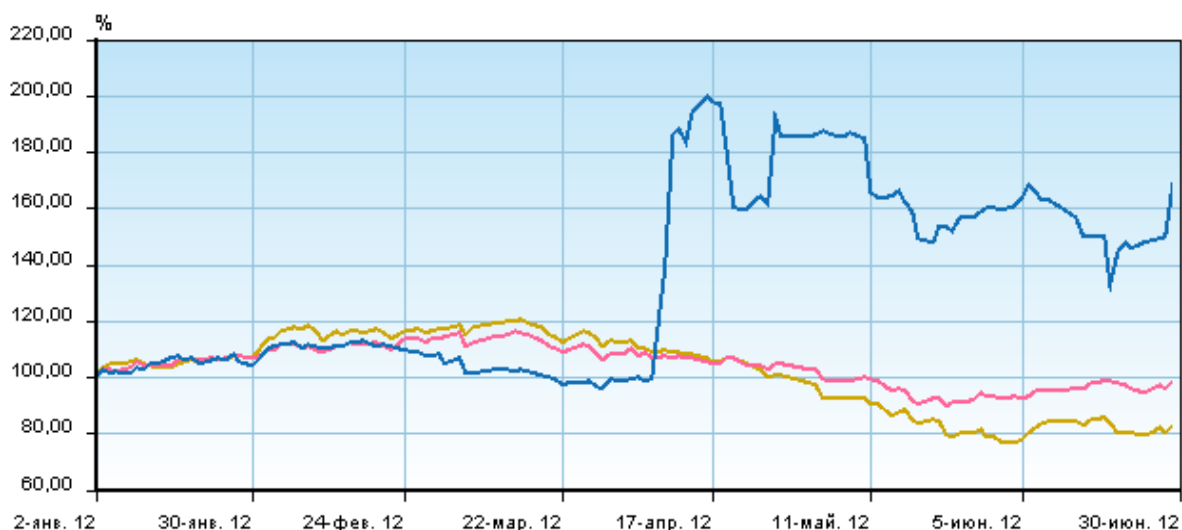
In the 2nd quarter of 2012 there were no meetings held by the Audit Commission.

Minutes of meetings of the Audit Commission for the entire period of the issuer are published on the corporate website of the Company on the Internet at:

http://www.kubanenergo.ru/about/control_systemy/audit_commission/.

8.9.8. Dynamics of prices of share and other Company securities

Dynamics of prices of shares of Kubanenergo, OJSC in the 1st half-year of 2012 according to data of FB MICEX

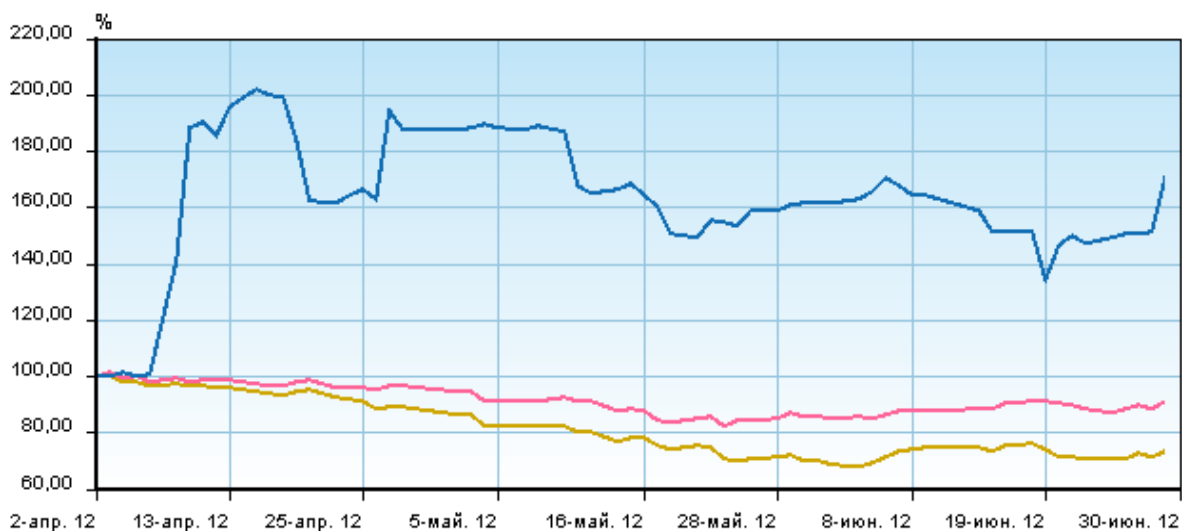


- - Kubanenergo shares
- - MICEX index
- - MICEX Power energy

First closing,	max,	min,	Last closing,	Difference,	Difference, %	Volume,
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rubles	rubles	rubles	rubles	rubles		million shares
72.03	146.00	66.66	118.10	48.10	68.71	8.0931

Dynamics of Kubanenergo stock prices in the send quarter of 2012 (data by MICEX)



- - Kubanenergo shares
- - MICEX index
- - MICEX Power energy

First closing, rubles	max, rubles	min, rubles	Last closing, rubles	Difference, rubles	Difference, %	Volume, million shares
69.24	146.00	67.73	118.10	48.86	70.57	7.0254

Provided by RUSTOCKS.com

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	1 st quarter of 2012	2 nd quarter of 2012
1	Revenue (net) from selling services (production), total	6 947 788	6 682 614
2	Self-cost of selling services (production)	-8 004 021	-6 740 013
3	Gross profit, total	-1 056 233	-57 399
4	Net profit (loss)	-1 194 276	-268 596

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

- reduce in revenue from selling services (production) by 265 174 thousand rubles or 3.8% due to decrease of revenue from services on energy transmission by 346 120 thousand rubles
- reduce of self-cost by 1 264 008 thousand rubles or 16% resulted by reduce of expenditures in purchase of energy for compensation of losses;
- by the results of the reporting quarter the net loss has reduced by 925 680 thousand rubles.

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 380 transactions with state and municipal companies for a total sum of 19.3 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 44 620 505 distributed additional shares of the Company for the total sum of 4 615.5 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 depository receipts

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