

QUARTERLY REPORT

Kuban Open Joint-Stock Company of Power Industry and Electrification
Открытое акционерное общество энергетики и электрификации Кубани

Issuer's code 00063-A

Quarter 1, 2015

(with changes introduced on 29.02.2016)

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: 29 February 2016

_____ Gavrilov A.I.
signature

Chief accountant – head of Department of financial records, accounts and tax returns

Date: 29 February 2016

_____ Skiba I.V.
signature

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Internet page(s) used for disclosure of information contained in this quarterly report:
www.kubanenergo.ru/stockholders/disclosure_of_information/amp_reports/,
<http://www.e-disclosure.ru/portal/company.aspx?id=2827>.

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Introduction

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

The Issuer has the securities Prospectus registered;

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

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

In the report Kuban Open Joint-Stock Company of Power Industry and Electrification is also referred to "Kubanenergo" JSC, the Issuer and the Company.

Open Joint Stock Company "Holding of Interregional Distribution Companies" (JSC "IDGC Holding") referred to in this report, April 4, 2013 renamed Open Joint Stock Company "Russian Grids" (JSC "Rosseti").

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

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

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

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

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

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

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

1.1. Details on the Issuer's Bank Accounts

Details of the credit institution

Full business name: **Open Joint Stock Company “Sberbank of Russia**

Abbreviated business name: **“Sberbank of Russia” JSC**

Location: **19 Vavilova street, Moscow 117997**

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**

Abbreviated business name: **“Sberbank of Russia” JSC**

Location: **19 Vavilova street, Moscow 117997**

TIN: **7707083893**

BIC: **040349602**

Account number: **40702810230020101076**

Correspondent account: **30101810100000000602**

Account type: **Settlement account in rubles**

Details of the credit institution

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

Abbreviated business name: **Bank GPB (JSC)**

Location: **16/1 Nametkina street, Moscow 117420**

TIN: **7744001497**

BIC: **040349781**

Account number: **40702810500070010191**

Correspondent account: **30101810500000000781**

Account type: **Settlement account in rubles**

1.2. Information on Issuer's auditor

The following information is specified: information about the auditor(s), that exercises (exercised) an independent audit of accounting (financial) statements of the issuer and the consolidated financial statements of the issuer and (or) a group of organizations that are in relation to each other and are controlled by the controlling entities or are required to prepare a

statement of other grounds and in the manner provided for by federal law, if at least one of these organizations is the issuer (hereinafter - the consolidated accounting (consolidated financial) statements of the Issuer), which is part of the quarterly report, based on the contract concluded, as well as auditor (auditors) approved (elected) for auditing the annual financial (accounting) statements of the issuer, including its consolidated financial statements for the current and the last completed fiscal year.

Full business name: **Closed Joint-Stock Company “KPMG”**

Abbreviated business name: **“KPMG” CJSC**

Location: **office 3035, 18/1 Olimpiyskiy prospect, Moscow 129110**

Postal address: 31 floor, block C, building 10, Presnenskaya naberezhnaya, Moscow 123317

TIN: **7702019950**

PSRN: **1027700125628**

Telephone: **(495) 937-4477**

Fax: **(495) 937-4499**

E-mail: **moscow@kpmg.ru**

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

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

Location

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

Additional Information:

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

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

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

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

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

9 months of 2013		
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Factors that may affect the independence of the auditor (auditing organization) of the issuer, including specified information on any material interests between the auditor (or persons holding positions in the management bodies and the bodies of control over financial and economic activities of the audit organization) and the issuer (persons holding positions in the management and control bodies of financial and economic activities of the issuer):

There are no factors that may affect the independence of the auditor (auditing organization) of the issuer, including specified information on any material interests between the auditor (or persons holding positions in the management bodies and the bodies of control over financial and economic activities of the audit organization) and the issuer (persons holding positions in the management and control bodies of financial and economic activities of the issuer)

Procedure for selection of the Issuer's Auditor:

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

On the basis of decisions of:

- Commission for the selection of organizations carrying out audit activities that will be recommended to "Holding IDGC" JSC for approval by the management bodies of subsidiaries and affiliates as auditor of accounting (financial) statements) for 2013, prepared in accordance with RAS,

-Purchasing Committee of "Holding IDGC" JSC

The candidature of "KPMG" JSC was recommended by the Board of Directors of "Kubanenergo" JSC for approval as an auditor to audit the accounting (financial) statements for 2013 at the Annual General Meeting of Shareholders.

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

According to the Federal Law "On Joint-Stock Companies", the Auditor of the Company is subject to approval by the General Meeting of Shareholders. However, the legislation fails to set forth the auditor candidacy nomination procedure: unspecified are the terms and the procedure of the auditor candidacy nomination for inclusion in the list for voting on the issue of approval of Auditor of the Company. In this regard, the candidature of an auditor for approval by the general meeting of shareholders shall be preliminary considered by the Audit Committee of the Board of Directors of the Company and, with the advice of the Audit Committee shall be determined by the Board of Directors of the Company in dealing with the issue of preparation and holding of the Annual General Meeting of Shareholders.

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

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

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

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

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

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

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

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

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

- Full business name: Limited Liability Company “Ernst and Young”
- Abbreviated business name: “Ernst and Young”, LLC
- Location: 77/1 Sadovnicheskaya Naberezhnaya, Mscow, Russian 115035
- TIN: 7709383532
- PSRN: 1027739707203
- Telephone: (495) 755-97-00
- Fax: (495) 755-97-01
- E-mail: moscow@ru.ey.com

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

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

Location

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

Additional Information:

The primary registration number of “Ernst and Young” LLC in Self-regulatory organization of auditors Non-profit Partnership “Auditor Chamber of Russia” is 10201017420.

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 financial report, year
2014	2014

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

financial (accounting) statements, year	Consolidated financial report, year
30.09.2014	
31.12.2014	31.12.2014

Factors that may affect the independence of the auditor (auditing organization) of the issuer, including specified information on any material interests between the auditor (or persons holding positions in the management bodies and the bodies of control over financial and economic activities of the audit organization) and the issuer (persons holding positions in the management and control bodies of financial and economic activities of the issuer):

There are no factors that may affect the independence of the auditor (auditing organization) of the issuer, including specified information on any material interests between the auditor (or persons holding positions in the management bodies and the bodies of control over financial and economic activities of the audit organization) and the issuer (persons holding positions in the management and control bodies of financial and economic activities of the issuer).

Procedure for selection of the Issuer's Auditor:

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

On the basis of decision of Tender committee of Rosseti on summing up the results of public competitive negotiations without prequalification of bidders for the right to conclude contracts on audit of accounting report under RAS, audit of interim consolidated financial statements and audit of IFRS of affiliated and dependent companies of Rosseti JSC in 2014 (minutes No.5/39678 dd 09.04.2014), at AGM the Board of Directors recommended the candidature of “Ernst and Young”, LLC for approval as the auditor in 2014.

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. In this regard, the candidature of an auditor for approval by the general meeting of shareholders shall be preliminary considered by the Audit Committee of the Board of Directors of the Company and, with the advice of the Audit Committee shall be determined by the Board of Directors of the Company in dealing with the issue of preparation and holding of the Annual General Meeting of Shareholders.

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

Such works were not performed.

Procedure for determining the remuneration of the auditor; actual amount of remuneration paid

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

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

The amount of payment for services of "Ernst and Young", LLC on compulsory audit of financial report of the Company for the year ended 31.12.2014, stipulated by federal Law dated 06.12.2011 No.402-FZ "On Accounting" and on audit of financial statements amounted 2 624 476 rubles 48 kopeks, including VAT.

"KPMG" CJSC was appointed as Company's auditor by annual general meeting of shareholders on 23.06.2014.

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

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

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

1.3. Details of Appraiser(s) of the Issuer

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

1.4. Details of consultants of the Issuer

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

1.5 Details of other persons having signed the quarterly report

Name: **Gavrilov Aleksandr Ilich**

Year of birth: **1973**

Place of work: **Kubanenergo JSC**

Position: **Director General**

Name: **SKiba Inna Viktorovna**

Year of birth: **1975**

Place of work: **Kubanenergo JSC**

Position: **Chief accountant – head of Department of financial records, accounts and tax returns**

II. Information on business activity of the Issuer

2.1. Business performance of the issuer

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	3 months of 2014	3 months of 2015
Workforce productivity	875 876.5	908 017.5
Debt-to-equity ratio	0.9	1.1
Leverage ratio	0.36	0.34
Debt coverage ratio (profit)	0	0.66
Rate of overdue repayment of debts, %		
- receivables, %:	19.53	37.62
- payable, %:	54.33	59.42

Indicator	2013	2014
Workforce productivity	4 282 413.2	3 492 559.9
Debt-to-equity ratio	0.94	1.08
Leverage ratio	0.35	0.35
Debt coverage ratio (profit)	0	0
Rate of overdue repayment of debts, %		
- receivables, %:	37.56	49.92
- payable, %:	49.91	55.05

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

Increase of indicator "Workforce productivity" by 3.7% in the 1st quarter of 2015 in comparison with the same period of 2014 is explained by increase in revenue by 8.9% from selling the products (services).

The increase of indicator "debt-to-equity ratio" in the 1st quarter of 2015 by 0.2 points occurred as a result of augmentation of accumulated loss, which influenced the decrease of shareholders' equity by 9.8%.

The "leverage ratio" has reduced by 0.2 points by the results of the 1st quarter of 2015.

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.

in thousand rubles

Indicator	31.12.2014	1 st quarter of 2015
Market capitalization	12 163 330	12 559 345

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

Webpage: www.micex.ru

2.3. Issuer's Liabilities

2.3.1. Accounts payable

Structure of the Issuer's borrowing

31.12.2014

unit of measurement: thousand rubles

Indicator	Value
Long-term borrowings	14 900 000
including:	
Credits	14 900 000
Loans, except bonded loans	0
bonded loans	0
Short-term borrowings	2 517 000
including:	
Credits	2 517 000
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	11 641 646
overdue	5 845 798
including	
Payable to budget and state off-budget funds	250 148
overdue	13 725
payable to suppliers and contractors	7 795 369
overdue	5 036 752
payable to staff	122 577
overdue	0
other	3 473 552
overdue	795 321

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 2015, including on debt restructuring arrangements. Levies, penalties: no.

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

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

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

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

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

TIN: **2308119595**

PSRN: **1062309019794**

Sum of credit: **2 264 357 000 thousand rubles**

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

Overdue: 927 610.15 thousand rubles.

Levies, penalties: no

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

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

Short company name: **“FGC UES” JSC**

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

TIN: **4716016979**

PSRN: **1024701893336**

Sum of credit: **3 194 300 440 thousand rubles**

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

Overdue accounts payable amounts 2 820 056.24 thousand rubles.

Interest rate, levies, penalties – no.

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

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

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

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

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

Full company name: **open joint stock company Gazprombank**

Short company name: **Bank GPB JSC**

Location: **16/1 Nametkina street, Moscow 117420**

TIN: **7744001497**

PSRN: **1027700167110**

Sum of credit: **8 417 000 000 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: **Open joint stock company Sberbank of Russia**

Short company name: **Sberbank of Russia JSC**

Location: **19 Vavilova str., Moscow 117997**

TIN: **7707083893**

PSRN: **1027700132195**

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

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

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

31.03.2015

Structure of the Issuer's loan funds

Unit: thousand rubles

indicator	
Long-term loans	14 900 000
including:	
credits	14 900 000
loans, except bonded loans	0
bonded loan	0
Short-term loans	2 517 000
including:	
credits	2 517 000
loans, except bonded loans	0
bonded loan	0
Total sum of overdue loan	0
including:	
credits	0
loans, except bonded loans	0
bonded loan	0

Structure of the Issuer's accounts payable

Unit: thousand rubles

Indicator	
Total amount of accounts payable	11 882 348
overdue	6 880 487
including	
to budget and state non-budgetary funds	584 219
overdue	0
to suppliers and contractors	7 553 363
overdue	5 975 702
to staff	175 036
overdue	0
other	3 569 730
overdue	904 785

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 2015, including on debt restructuring arrangements. Levies, penalties: no.

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

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

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

Short company name: **“FGC UES” JSC**

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

TIN: **4716016979**

PSRN: **1024701893336**

Sum of credit: **3 356 556 590 thousand rubles**

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

Overdue accounts payable amounts 3 014 909.15 thousand rubles. Interest rate, levies, penalties – no.

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

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

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

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

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

Full company name: **open joint stock company Gazprombank**

Short company name: **Bank GPB JSC**

Location: **16/1 Nametkina street, 117420**

TIN: **7744001497**

PSRN: **1027700167110**

Sum of credit: **8 637 000 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: **Open joint stock company Sberbank of Russia**

Short company name: **Sberbank of Russia JSC**

Location: **19 Vavilova str., Moscow 117997**

TIN: **7707083893**

PSRN: **1027700132195**

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

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

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

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

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

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

TIN: **2308119595**

PSRN: **1062309019794**

Sum of credit: **1 720 429 900 thousand rubles**

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

Overdue: 1 329 169.9 thousand rubles.

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 last completed financial year and (or) loan agreements, including those concluded by issuing and selling bonds, the principal of which is 5% of the net value of the assets as of the date the last complete reporting period, consisting of 3, 6, 9 or 12 months preceding the conclusion of the respective agreement as well as other credit agreements and (or) loan agreements which the Issuer considers material.

The issuer did not have the specified liabilities

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

The specified liabilities do not exist.

2.3.4. Issuer's other liabilities

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

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

Issuer's risk management policy:

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

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

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

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

2.4.1. Industry Risks

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

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

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

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

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

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

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

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

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

Operational risks

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

The main ones are:

- failure to comply with the obligations under the contracts for the provision of electricity transmission services;
- deterioration of performance and economic indicators of electric equipment;
- negative environmental effects;
- threat of failures with partial or full undersupply of electricity with corresponding negative social consequences.

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

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

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

Risk of reducing electricity consumption (risk reduction of demand)

The decline in revenue from transmission is due to increased number of network companies and related reduction in electricity consumption by end users was due to the economic crisis and the decline in production of goods, reduction of the demand for products in the domestic market, consumers constructing own generation facilities, weather anomalies, industrial accidents, man-

made disasters. These factors can affect the change in the Issuer's revenues.

To reduce the consequences of this risk, the Issuer implements programmes and activities related to the monitoring of the current and forecasted economic situation in the Russian Federation, the preparatory work for the proper functioning of power equipment, maintenance and repair of power equipment. Due to the economic development of the region in which the issuer operates, there is a dynamic increase in the volume of electricity consumption over the past few years.

Price risks

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

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

2.4.2. Country and regional risks

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

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

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

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

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

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

The Company operates in the Krasnodar Territory and the Republic of Adygea. The regions where the Issuer carries out one's activity are politically stable with the risk of a military conflict or a state of emergency occurrence there due to internal causes being the minimum. At the same time, because of the proximity of the republics of the North Caucasus region, there is a considerable risk of terrorist acts; for its minimization, the Issuer actively cooperates with state bodies in charge and takes coordinated measures to ensure security of production.

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

The Company established a permanent working group on combating terrorism in the power distribution facilities in the region. To compensate for damage of the effect of emergency circumstances associated, inter alia, with natural disasters, the Issuer concludes property insurance contracts.

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

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

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

2.4.3. Financial risks

- Risk of interest rates change:

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

- Risk of changes of foreign currencies exchange rates:

Carrying out one's core business activity within the territory of the Russian Federation, the Issuer has neither investments into foreign companies value of net assets whereof is exposed to the risk of currency exchange rates fluctuations nor revenues or expenses expressed in terms of foreign currency. Risks connected with exchange rate fluctuations, are not factors of direct impact on the financial and economic activities of the Issuer, but may lead to augmentation of prices for energy equipment. Currently, this risk is assessed as medium. In order to reduce the risk, the Company is implementing a program of import substitution. In case of a further weakening of the national currency the issuer plans to analyze the risks and make appropriate decisions in each particular situation

Risk of reducing the customer's prices

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

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

Inflation risks

To estimate of the inflation level critical for the Issuer appears impossible since, apart from the consumer prices level, one needs to account for changes in the ruble real purchasing power,

Russian and international energy carrier markets environment and further state policy regarding tariffs for electric and thermal energy.

The current inflation level may have effect on the Issuer's financial status. For minimization of financial risks associated with inflation processes and affecting the financial results of activity, the Issuer is implementing an integrated program for analysis of financial risks, planning and appraisal of actual profitability of activity; one identifies return rate indices that are indicative of the Issuer's level of cost-efficiency, normative values of financial coefficients characterizing the Issuer's solvency and liquidity, which enable one to promptly detect drawbacks in the Issuer's work and take measures for their elimination.

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

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

2.4.4. Legal risks

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

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

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

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

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

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

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

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

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

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

The Issuer carries out constant monitoring of judicial practice which allows using this

information to secure positive judicial decisions in favour of the Issuer.

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

Risks associated with current judicial trials the Issuer participates in:

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

Risks associated with impossibility of prolongation of the Issuer's licenses for conduction a certain type activity or use of restricted circulation items (including natural resources): prolongation of licenses is carried out strictly within the terms established. The Issuer fulfils all the requirements necessary for obtainment /prolongation of licenses. Risks associated with impossibility of prolongation of the Issuer's licenses are the minimum and cannot substantially affect the Issuer's fulfilment of liabilities under securities placed.

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

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

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

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

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

2.4.5. Reputational risk.

The risk that the issuer of incurs losses due to such factors as a reduction in the number of customers (counterparties) because of the formation of negative image of financial stability, the financial position of the issuer, the quality of the work, is considered as minimal. The Issuer is a natural monopoly, there is an annual increase in the number of electricity consumers. In addition, the Issuer developed good practice for long-term cooperation with its partners.

2.4.6. Strategy risk

The Issuer, being a part of the single distribution grid complex of Russia, seeks to achieve the objectives defines at the national level. On 3 April 2013 the Russian Government approved the development strategy for the electric grid complex of the Russian Federation. Due to the fact that the Issuer is a subsidiary of Rosseti, the largest Russian backbone grid company, the Issuer is a participant in implementation of policies and programmes on activities (business processes) of Rosseti. The decision to start the implementation of a specific strategy (programme) in the activities of the Issuer's shall be accepted by the Board of Directors. The probability of the risk of the Issuer losses arising from errors (defects) made in management decisions, defining the strategy and activities of the Issuer, is assessed as low. Measures to prevent the occurrence of this risk are: continuous monitoring by the structural units of the Issuer's the ratio of the cost of implementing a specific strategy to the received profit and submission to the Board of Directors of the Issuer of the information for decision-making (including, by definition, the quantity and quality of resources); elaboration of proposals and scenarios to improve the implementation of specific policies and programmes; development and implementation of key performance

indicators to achieve policies, linking them with bonuses of managers of the Issuer; analysis of the effectiveness.

2.4.7. Risks associated with the Issuer's activity

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

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

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

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

III. Detailed information on the Issuer

3.1. History of foundation and development of the Issuer

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

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

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

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

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

Previous company names

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

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

Date of introducing the name: **10.02.1993**

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

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

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

Date of introducing the name: **29.05.1996**

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

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

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

Date of introducing the name: **30.06.1998**

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

3.1.2. Data on the Issuer's State Registration

Data on primary state registration

State registration number: **127**

State registration date: **10.02.1993**

Name of the body having carried out primary state registration: **Administration of the Oktyabrsky District of Krasnodar**

Data on legal entity registration;

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

Registration date: **17.09.2002**

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

3.1.3 Information on establishment and development of the Issuer

The Issuer has been founded for an indefinite period.

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

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

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

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

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

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

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

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

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

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

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

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

In 2003-2006 “Kubanenergo” JSC, as well as power industry in general, has undergone large-scale reforms.

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

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

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

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

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

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

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

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

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

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

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

Strategic objectives of the Company:

1. provision of quality, reliable and uninterrupted energy supply to consumers;
2. reduction of energy facilities wear;
3. bringing operational efficiency indices to the level of efficiency of distribution grid companies in advanced countries by 2020;
4. creation of a reserve of electric power grids carrying capacity to a volume outstripping the development of economy by 3 years;
5. adoption of innovative technologies corresponding to the world’s best standards in the field of electric energy distribution at all stages of the technological process;
6. provision of high rate of return on investments in the distribution grid sector at the level of cost-efficiency of companies operating under comparable market activity conditions in the Russian Federation.

7. Implementation of federal target programme “The social and economic development of the Republic of Crimea and the federal city of Sevastopol until 2020”, approved by RF Government on 11.08.2014 No. 790 .

To achieve the stated objectives the Company:

- implements large-scale investment programs coordinated by the Ministry of Energy of the Russian Federation and considering prospects of development of the economies of the Krasnodar Territory and the Republic of Adygea;
- implements the Company’s Financial Recovery Programme;
- is determined to increase the portion of energy facilities repairs using own resources to reduce the cost of repair and ensure the proper level of quality control of repairs;
- seeks to carry out large-scale renovation of fixed assets;
- maintains a high level of professional competence of the Company’s workers through continuous personnel training (including in the sphere of quality, ecology, occupational safety and health);
- constructs the line and substation facilities in the process of grid connection if need.

3.1.4. Contact information

Location of a permanently operating executive body

2 Stavropolskaya str., Krasnodar, Russia 350033

Telephone: (861) 268-5913

Fax: (861) 268-2493

E-mail: telet@kuben.elektra.ru

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

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

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

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

Telephone: (861) 212-24-09

Fax: (861) 212-27-08

E-mail: gurauu@kuben.elektra.ru

Internet page:

www.kubanenergo.ru/stockholders/

3.1.5. Taxpayer Identification Number

2309001660

3.1.6. Branches and representative offices of the Issuer

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

documents):

Full name: **Adygeiskiye electric networks**

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

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Natkho Azamat Inverovich**

Validity period the power of attorney: **31.12.2015**

Full name: **Armavirskiye electric networks**

Office: **54, Vorovskoi str., 352900, Armavir**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Magdeev Rustam Khaidarovich**

Validity period the power of attorney: **31.12.2015**

Full name: **Krasnodarskiye electric networks**

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

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Rud Evgeniy Viktorovich**

Validity period the power of attorney: **31.12.2015**

Full name: **Labinskiye electric networks**

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

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Gerasko Andei Leonidovich**

Validity period the power of attorney: **31.12.2015**

Full name: **Leningradskiye electric networks**

Office: **6, 302 Division street, Leningradskaya village, 353740**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Podushko Vitatli Valerievich**

Validity period the power of attorney: **31.12.2015**

Full name: **Slavyanskiye electric networks**

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

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Mikhailov Vladimir Alexandrovich**

Validity period the power of attorney: **31.12.2015**

Full name: **Sochinskiye electric networks**

Office: **42, Konstitutsiya str., 354000, Sochi**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Armaganyan Edgar Garrievich**

Validity period the power of attorney: **31.12.2015**

Full name: **Timashevskiye electric networks**

Office: **176, Lenin Street, 353760, Timashevsk**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Sobolev Sergey Viktorovich**

Validity period the power of attorney: **31.12.2015**

Full name: **Tikhoretskiye electric networks**

Office: **62, Dzerzhinskiy street, 352100, Tikhoretsk**

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Pluzhnik Sergey Nikolaevich**

Validity period the power of attorney: **31.12.2015**

Full name: **Ust-Labinskiye electric networks**

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

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Suvorov Mikhail Vladimirovich**

Validity period the power of attorney: **31.12.2015**

Full name: **Yugo-Vostochniye electric networks (South-Western electric networks)**

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

Date of opening: **01.03.1993**

Head of a branch (representative office)

Full name: **Golovakha Dmitriy Nikolaevich**

Validity period the power of attorney: **31.12.2015**

3.2. Issuer's core business activity

3.2.1. Issuer's branch identity

Principal activity of the company

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	2013	2014
Revenue from this business activity, thousand rub	30 505 345	28 464 228
Portion of revenue from this type of business activity in the total amount of revenue of the Issuer, %	90	96.8

Indicator	3 months of 2014	3 months of 2015
Revenue from this business activity, thousand rub	7 123 441	7 861 654
Portion of revenue from this type of business activity in	98	99.2

the total amount of revenue of the Issuer, %		
--	--	--

Information on changes of revenue (proceeds) from core business activity by 10 percent and more compared with the corresponding previous reporting period and causes of such changes:

The main activity of “Kubanenergo” JSC is the transmission of electrical energy. The share of this kind of activity in the total value of revenue by the results of the 1st quarter of 2015 amounted to 99.2% .

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 for 12 months of 2014:

Receipt of electric energy into the Company’s grid for its transmission under service contracts made up 21 572 652,878 thousand kWh

Supply of electric energy from OJSC “Kubanenergo” grid made 18 719 928,951 thousand kW*h.

Productive supply of electric energy by the “boiler” method with breakdown per voltage levels made 17 081 926,17 thousand kW*h, including:

- High voltage (110 kV and more) – 3 873 668,41 thousand kW*h,
- Medium voltage 1 (35 kV) – 1 126 371,39 thousand kW*h,
- Medium voltage 2 (1-20 kV) – 5 185 745,21 thousand kW*h,
- Low voltage (0.4 kV and less) – 6 896 141,16 thousand kW*h.

Actual losses of electric energy scaled to supply into the grid made 13,22% with standard losses allowance 13,3%.

Energy savings from the norms of losses for the 12 months 2014 was -16 438.9 thousand kWh.

The main indexes of electric energy transmission by Kubanenergo, JSC in the 1st quarter of 2015:

Receipt of electric energy into the Company’s grid for its transmission under service contracts made 5 880 255,044 thousand kWh

Supply of electric energy from OJSC “Kubanenergo” grid made 4 974 534,159 thousand kW*h.

Productive supply of electric energy by the “boiler” method with breakdown per voltage levels made 4 407 588,62 thousand kW*h, including:

- High voltage (110 kV and more) – 959 411,95 thousand kW*h,
- Medium voltage 1 (35 kV) – 270 161,32 thousand kW*h,
- Medium voltage 2 (1-20 kV) – 1 341 172,02 thousand kW*h,
- Low voltage (0.4 kV and less) – 1 836 843,33 thousand kW*h.

Actual losses of electric energy scaled to supply into the grid made 15,4% with standard losses allowance 15,7%.

Energy savings from the norms of losses for the 1st quarter of 2015 was -18 628.5 thousand kWh.

Quarterly forecasting of production results and comments.

The main purpose of Kubanenergo in 2015 is to pass trouble-free the winter and summer peak loads, the timely implementation of the activities of supervisory authorities to obtain a certificate of preparedness, the performance of investment and maintenance programmes that will create an opportunity for further connection of consumers to the networks of Kubanenergo and minimization of excessive losses.

To fulfill the targets of financial and economic activity of electricity transmission it is necessary: to implement the planned structure of productive supply by voltage levels; to eliminate the growth of costs on housekeeping overheads and uncontrolled expenses of the Issuer.

A significant risk in 2015 for electricity transmission is:

- Imprecise planning of balances of electric energy and capacities by the regional market participants and Regional Energy Commission of the Krasnodar region;
- Approval of the mid-year of the electricity transmission tariffs for the newly formed network of related organizations, the emergence of uncompensated costs on them;
- In case of transition to payments for network maintenance there increases economic responsibility of sales companies for non-compliance of the actual structure of productive supply to consumers from the planned, by voltage levels;
- Low payment discipline of energy selling companies, failure to comply with their contractual obligations.

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

29 539 contracts were concluded for technological connection to the electric power grids with total capacity 591 MW in 12 months of 2013. Cash is collected in the amount of 1 223.8 million RUR (VAT excluded), proceeds equal to 847.8 million rubles. The volume of cash was received mostly from consumes having submitted applications for capacity in excess of 150 kW.

In fact, in 12 months of 2014, 16 792 consumers with total capacity 543 MW were connected (generation considered).

6 798 contracts were concluded for technological connection to the electric power grids with total capacity of 145 MW in 1st quarter of 2015. Cash is collected in the amount of 105.1 million RUR (VAT excluded), proceeds equal to 45.0 million rubles. The volume of cash was received mostly from consumes having submitted applications for capacity in excess of 150 kW.

In fact, 6 133 consumers for total capacity of 112 MW were connected (generation considered) in the 1st quarter of 2015.

Core production capacities of the Company (as of 01.01.2015):

Length of 110, 220 kV high voltage lines	110 kV overhead lines – 4 836,6 km (route) 110 kV overhead lines – 6 163,9 km (circuits) 220 kV overhead lines – 76.1 km 110 kV cable lines – 75,1 km
Length of medium voltage lines (6 - 35 kV)	Power lines 6-35 kV – 39 665,7 km (route) Power lines 6-35 kV – 40 559,km (route), including:

	Overhead-35 kV – 6 937,3 km (route) Overhead -35 kV – 7 768,2 km (circuit) Overhead - 6-10 kV – 31 170,6 km Cable lines-35 kV – 0,5 km Cable lines- 6-10 kV – 1 620,3 km
Length of 0.4 kV low voltage lines	04 kV - 41 702,4 km, including: overhead lines – 41 227.8 km cable lines – 474.6 km
Number/capacity of substations with high (110 kV) basic voltage	218 substations/6774.9 MVA
Number/capacity of substations with high (35/6-10 kV) basic voltage	496 substations/2391.2 MVA
Number/capacity of transformer substations (6-35/0.4 kV)	22184 substations/4556.83 MVA

Additional information of Company's business activity

Economic indicators:

Revenue in 2012 – 2014, thousand rubles

	Indicator	2014	1 st quarter of 2015
1	Revenue from selling products (services), total,	7 269 775	7 922 453
2	Production (services) costs, total	7 336 301	7 742 965
3	Gross profit, total	-66 526	179 488
4	Net profit, total	-698 840	-254 810

Changes in financial and economic activity of Kubanenergo in the 1st quarter of 2015 compared with the 1st quarter of 2014, is characterized by the following changes:

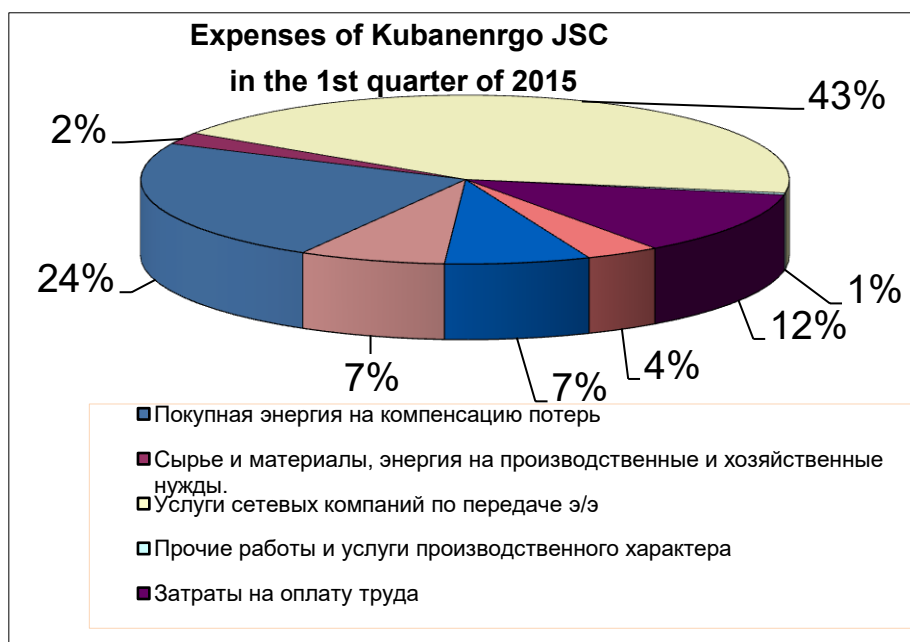
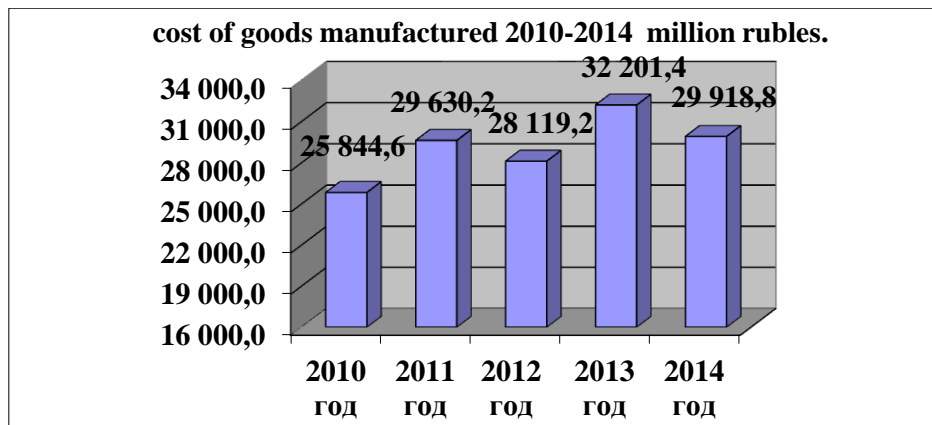
- increase in revenue from sales of products (services) in the reporting period by 652.7 million rubles or 9.0%, due to the increase in revenue from electricity transmission services by 10.4%;
- decrease in revenues for services on technological connection by 65.3%;
- increase in cost of sales by 406.7 million rubles or 5.5%;
- increase in net profit for the reporting period by 444.0 million rubles or 63.5%.

The accounting policy of the Company allows the structuring of revenue and cost of goods sold (services) business areas with access to the overall financial performance of the company.

Expenditure structure, thousand rubles:

Expenditure	2010	2011	2012	2013	2014	3 months of 2015

1.	Material expenditures	7 544 765	8 662 456	8 132 384	9 143 190	6 496 386	2 094 039
	including						
1.1	Purchased power for loss compensation	6 997 212	8 049 645	7 427 499	8 298 460	5 566 431	1 936 905
1.2	Purchased energy for industrial and domestic needs	93 153	78 704	67 927	78 548	89 231	39 301
1.3	Materials and supplies	454 400	534 107	636 958	766 182	840 724	117 833
2.	Work and production services	12 763 347	15 098 919	14 563 043	15 481 904	13 373 753	3 261 587
2.1	Services of network companies for electricity transmission	12 306 815	14 636 298	14 158 425	14 902 076	12 814 947	3 234 893
2.2	Other works and production services	456 532	462 621	404 618	579 828	558 806	26 694
3.	Labour payment expenditures	1 808 881	1 914 990	2 099 931	2 871 822	3 302 981	805 209
4.	Insurance payments	441 391	623 864	610 494	836 238	950 249	244 083
5.	Non-state pension schemes	184	4 411	0	0	0	0
6.	Amortization	1 137 359	1 295 094	1 424 787	1 713 723	2 474 732	767 400
7.	Others	2 148 722	2 030 429	1 288 569	2 154 548	3 320 676	570 647
	including						
7.1	Payment of third party services	342 846	338 184	349 195	464 756	866 821	290 494
7.2	Management services	357 156					
7.3	Insurance expenses	125 207	112 985	99 725	95 165	90 211	20 403
7.4	Taxes and levies	142 424	119 183	97 630	157 833	224 153	115 670
7.5	Provision for estimated liabilities	476 729	692 943	171 291	416 191	1 335 306	89 489
7.6	Provision for unutilized vacation	34 561	75 252	1 728	69 081	27 056	32 706
8.	Production and sales expences	25 844 649	29 630 163	28 119 208	32 201 425	29 918 777	7 742 965



Purchased power for loss compensation – 24%

Materials, raw materials, energy for industrial and domestic needs – 2%

Services of network companies for electricity transmission – 43%

Other works and production services – 1%

Labour payment expenditures – 12%

Performance indicators

Indicator	2013	2014	1 st quarter of 2015
ROE, %	-7,46	-12,26	-0,87
ROA, %	-3,84	-5,89	-0,41
ROTA, %	-3,89	-6,05	-0,42

Debt to equity ratio

Indicator	2013	2014	3 months of 2015
Debt to equity ratio, %	1,89	1,70	1,70

The debt to equity ratio shows the share of borrowed funds in the capital structure of the company. In 2014 this index improved by 0.19 points and was 1.7. There is a positive trend.

The dynamics of growth (falling) incomes, thousand rubles:

#	Indicator	2013	2014
1	Net proceeds from selling production, service, total, including	33 903 758	29 393 384
1.1.	from transmission and transit of electric energy through networks	30 505 345	28 464 228
1.2.	from grid connection services	3 335 847	847 766
1.3.	other products (services) of core activity	62 566	81 390

#	Indicator	3 months of 2014	3 months of 2015
1	Net proceeds from selling production, service, total, including	7 269 775	7 922 453
1.1.	from transmission and transit of electric energy through networks	7 123 441	7 861 654
1.2.	from grid connection services	129 840	45 006
1.3.	other products (services) of core activity	16 494	15 793

By the results of the 1st quarter of 2015 revenues from sales of products, works and services amounted 7 922.5 million rubles, which is 652.7 million rubles or 9.0% lower than in the 1st quarter of 2014. The main influence on the increase in this index had an increase in revenues for the electricity transmission services by 738.2 million rubles or 10.4%.

Expenditures:

#	Expenses for production and selling of products	mln rubles	mln rubles			
			2014/2010	2014/2011	2014/2012	2014/2013
1	2010	25 844,6	115,8	101,0	106,4	92,9
2	2011	29 630,2				
3	2012	28 119,2				
4	2013	32 201,4				
5	2014	29 918,8				

Reduction of the cost for production and sales in 2014, compared with 2013 by 2 282.6 million rubles was due to reduced expenses for purchased energy for losses, expenses related to services distribution companies for electricity transmission.

Reduction of the cost for purchased power for loss compensation amounted 2 732.0 million rubles and was due to a decrease in the average price for the purchase of power losses.

Reduction of the cost for network services for electricity transmission companies amounted 2 087.1 million rubles and was due to decrease in costs of services on distribution grid companies by 2 246.2 million rubles by reducing the average tariff for electricity transmission services on networks of Territorial grid organizations. The increased costs on services of "FGC UES" JSC by 159.1 million rubles were due to tariff indexation. In addition, in 2014 the payment settlement for services of "FGC UES" JSC was made based on the declared capacity, as well as in 2013.

Compared to the previous year labour costs have increased by 431.2 million rubles. It happened due to:

growth of the number of personnel in connection with the implementation of measures set by the joint order of FGC UES JSC and Kubanenergo JSC dated 12.09.2012 No. 544/465 "On measures aim to improve the reliability of the power grid facilities of the Black Sea coast of Krasnodar region";

increasing the motivation of personnel involved maintenance and repair of the distribution network and the organization of operational staff in Sochi district working around the clock, in terms of preparation and holding of the XXII Olympic Winter Games and the XI Paralympic Winter Games 2014 in Sochi;

a one-time bonus payment to personnel who are engaged in work on the certification of electric equipment of the Company and identification of unrecorded consumption of electricity at the acts of non-contractual and non-metered electricity consumption.

In comparison to 2015 the depreciation of fixed assets and intangible assets has grown by 761.0 million rubles due to the commissioning of fixed assets of Sochi power grid complex, related to the preparation for the XXII Olympic Winter Games and the XI Paralympic Winter Games 2014 in Sochi as part of the approved investment program of the Company.

Reserve for estimated liabilities created on the basis of the requirements of paragraph 16 of Accounting Regulations 8/2010 "Provisions, Contingent Liabilities and Contingent Assets", approved by order of the Ministry of Finance of Russia No.167H dated 13.10.2010, in 2014 amounted to 1 335.3 million rubles, which is 919.1 million rubles higher than in 2013.

The structure of revenue and profit by type of activities, thousand rubles

#	Indicator	2013	2014
1	Net proceeds from selling production, service, total, including	33 903 758	29 383 384
1.1	Production (services) of core activity, total, including:	33 890 917	29 383 384
1.1.1.	сетевых услуг	33 841 192	29 311 994
1.1.1.1	from transmission and transit of electric energy through networks	30 505 345	28 464 228
1.1.1.2	from grid connection services	3 335 847	847 766

1.1.2.	electric energy to internal consumers	0	0
1.1.3.	heat energy	0	0
1.1.4.	other production (services) of core activity	62 566	81 390
1.2	Production (services) of non-core activity	0	0

#	Indicator	3 months of 2014	3 months of 2015
1	Net proceeds from selling production, service, total, including	7 269 775	7 922 453
1.1	Production (services) of core activity, total, including:	7 269 775	7 922 453
1.1.1.	сетевых услуг	7 253 281	7 906 660
1.1.1.1	from transmission and transit of electric energy through networks	7 123 441	7 861 654
1.1.1.2	from grid connection services	129 840	45 006
1.1.2.	electric energy to internal consumers	0	0
1.1.3.	heat energy	0	0
1.1.4.	other production (services) of core activity	16 494	15 793
1.2	Production (services) of non-core activity	0	0

The main influence on the increase in this index had an increase in revenues for network services to 653.4 million rubles or by 9.0%, including an increase in revenue from electricity transmission services by 738.2 million rubles or 10.4%, as well as the decline in revenues from technological connection by 84.8 million rubles or 65.3%.

Quarterly forecasting of financial results and comments:

The activities of the Company are planned on the basis of the following indicators:

- consolidated forecast balance of production and supply of electric energy within the Unified Energy System of Russia by subjects of the Russian Federation;
- forecast of growth in tariff on electricity transmission services;
- forecast of growth in consumer prices;
- forecast of growth in purchase of electricity to cover energy losses;
- amount of electricity losses, taking into account the depreciation of equipment, modes of loads on networks, business losses, etc.

Trends and changes in the structure of payables of the Company, thousand rubles:

Accounts payable	31.12.2014	31.12.2013	Dynamics, 2014
Long-term liabilities, including	1 021 770	595 374	426 396

Other liabilities	1 021 770	595 374	426 396
Short-term liabilities, including	10 619 876	11 651 767	-1 031 891
suppliers and contractors	7 795 369	9 097 198	-1 301 829
salaries payable	122 577	174 859	-52 282
payables to public non-budgetary funds	66 362	120 178	-53 816
taxes payable	183 786	81 424	102 362
advances received	2 187 283	1 924 893	262 390
other accounts payable	264 499	253 215	11 284
Accounts payable, total	11 641 646	12 247 141	-605 495

Accounts payable	31.03.2015	31.12.2014	Dynamics, 1 st quarter of 2015
Long-term liabilities, including	303 894	1 021 770	-717 876
Other liabilities	303 894	1 021 770	-717 876
Short-term liabilities, including	11 578 454	10 619 876	958 578
suppliers and contractors	7 553 363	7 795 369	-242 006
salaries payable	175 036	122 577	52 459
payables to public non-budgetary funds	83 619	66 362	17 257
taxes payable	500 600	183 786	316 814
advances received	2 898 515	2 187 283	711 232
other accounts payable	367 321	264 499	102 822
Accounts payable, total	11 882 348	11 641 646	240 702

Accounts receivable, thousand rubles.

Indicator	31.12.2013	31.12.2014	Dynamics, 2014
Trade debtors	3 955 924	3 267 641	-688 283
including overdue	1 787 238	1 500 026	-287 212
Notes payable	0	0	0
including overdue	0	0	0
Accounts receivable from founders (participants) on share capital payment	0	0	0
including overdue	0	0	0
Other accounts receivable	1 167 613	562 654	-604 959

including overdue	137 090	412 122	275 032
Total amount of accounts receivable	5 123 537	3 830 295	-1 293 242
Including total amount of overdue accounts receivable	1 924 328	1 912 149	-12 179

Indicator	31.12.2014	31.03.2015	Dynamics, 1 st quarter of 2015
Trade debtors	3 267 641	4 078 814	811 173
including overdue	1 500 026	1 298 313	-201 713
Notes payable	0	0	0
including overdue	0	0	0
Accounts receivable from founders (participants) on share capital payment	0	0	0
including overdue	0	0	0
Other accounts receivable	562 654	616 593	53 939
including overdue	412 122	468 234	56 112
Total amount of accounts receivable	3 830 295	4 695 407	865 112
Including total amount of overdue accounts receivable	1 912 149	1 766 547	-145 601

General structure of the Issuer's prime cost

	2013	2014
Raw materials, %	2.4	2.8
Purchased component parts and semi-finished goods, %	0	0
Works and production-related services, performed by third parties, %	48.1	44.7
Fuel, %	0	0
Power, %	26	18.9
Salaries and wages, %	8.9	11
Interest on credit, %	0	0
Rent, %	0.2	0.3
Allocations for social needs, %	2.6	3.2
Depreciation of fixed assets, %	5.3	8.3
Taxes included in cost of sales, %	0.5	0.8
Other expenses (clarify)		

Depreciation of intangible assets, %	0	0
Remunerations for rationalization proposals, %	0	0
Mandatory insurance payments, %	0	0
Expenses for representation, %	0	0
other, %	6	10
Total: Costs of production and sales of products (works, services) (prime cost), %	100	100
For reference: Proceeds from sales of products (works, services), %	105.3	98.2

	3 months of 2014	3 months of 2015
Raw materials, %	1.8	1.5
Purchased component parts and semi-finished goods, %	0	0
Works and production-related services, performed by third parties, %	43.7	42.1
Fuel, %	0	0
Power, %	24.1	25.5
Salaries and wages, %	12.2	10.4
Interest on credit, %	0	0
Rent, %	0.3	0.1
Allocations for social needs, %	3.7	3.2
Depreciation of fixed assets, %	7.2	9.9
Taxes included in cost of sales, %	0.8	1.5
Other expenses (clarify)		
Depreciation of intangible assets, %	0	0
Remunerations for rationalization proposals, %	0	0
Mandatory insurance payments, %	9	0
Expenses for representation, %	0	0
other, %	6.2	5.8
Total: Costs of production and sales of products (works, services) (prime cost), %	100	100
For reference: Proceeds from sales of products (works, services), %	99.1	102.3

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:

Russian standards of accounting reports.

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

Name: Closed joint stock company "Energovolt"

Location: 1/6 Soldatskaya str., Moscow 111250

TIN: 5001070151

PSRN: 1085001004318

Purchase share, %: 12.5

Name: Limited Liability company "Manufacturing group "Energozhelezobetininvest"

Location: 20/20 Komintern str., Moscow 129327

TIN: 7716618190

PSRN: 5087746319326

Purchase share, %: 10.9

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

Reduction of price for:

Stand CB 110-5 - 22%

Stand CB 95-3 - 24%

ИОС-20-2000 М УХЛ1 pin type insulator - 28%

ИОС-35-2000 М УХЛ1 pin type insulator - 20%

ИОС-35-500-01 М УХЛ1 pin type insulator - 27%

ШФ-20Г porcelain insulator - 29%

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 months of 2015

The Issuer's suppliers that account for at least 10 percent of all supplies of materials and goods (raw materials)

Name: Limited Liability company "Kamsky cable"

Location: 105 Gaivunskaya str., Perm 614030

TIN: 5904184047

PSRN: 1085904004779

Purchase share, %: **25.9**

Name: Limited Liability company “Manufacturing group “Energozhelezobetininvest”

Location: 20/20 Komintern str., Moscow 129327

TIN: 7716618190

PSRN: 5087746319326

Purchase share, %: **24.5**

Name: Limited Liability company “KubanTorgSnab”

Location: 443 Severnaya str., Krasnodar 350000

TIN: 2310138475

PSRN: 1092310001695

Purchase share, %: 19.5

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

Reduction of price for:

current transformer TOL-SESCH by 25,2%

current transformer TPL-SESCH by 21,3%

non-insulated cable AC 185/24 by 40,3%

wire SIP-3 1x70-20 by 18,4%

wire SIP-3 1x95-20 by 11,1%

Increase:

Stand CB by 15,6 %

current transformer AC by 52,2%

ShF-20 pin type porcelain insulator by 30%

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:

Core markets wherein the Issuer carried out its 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 66.8% during 12 months of 2014 and

69.03% in the 1st quarter of 2015.

“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.

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

- guarantee suppliers (“Kubanenergoby” JSC, “NESK” JSC, “Oboronenergoby” JSC), energy selling companies (“MAREM+” CJSC, “Disage-M” LLC, “RUSENERGOSBYT” LLC, “REK” LLC, “RUSENERGOESURS” LLC, “Transservicenergo” CJSC, “RN-ENERGO” LLC, “Experstroy” LLC, “MK SBYT”, “KNAUF ENERGIYA” LLC, “Southern energy selling company” LLC, “MagnitEnergo” LLC, “Mosenergoby” JSC, “KES” LLC, “Yugstroy-Energoby” LLC, “Energoeffektivnost” LLC, “Kvant” LLC, “NSK” LLC) – participants of wholesale and retail markets that carrying out its activity on selling of electric energy to final consumers, connected to power grids of the Company and power grids of other Companies;

- a number of consumers (143) that concluded with Kubanenergo irect contracts for electricity transmission (“Novorostsement” JSC, “Tamaneftgaz” CJSC, “Kubanzheldormash” CJSC, “Euro Khim-Belorechenskie Minudobreniya” LLC, “Poultry farm “Primorskaya” LLC, “Fanagoria” APF, “Agrofirma stud farm “Pobeda” CJSC, “Kubanskiy bacon” LLC, “Sad-Gigant” CJSC, “Verkhnebakan cement factory” CJSC, “Abrau Durso” CJSC, “Pilot” CJSC, “Novoroslesexport” JSC, “Stud farm “Leninskiy put” JSC, “Stud farm “Gulkevichskiy” CJSC, “RAMO-M” CJSC, “Novomol” LLC, “Uspenskiy sakharnik” CJSC, “Pioneer” CJSC, “Novorossiysk commercial seaport” JSC, “Formika-Yug” LLC, “Kanevskiy Gas fitting plant” LLC, “IPP” JSC), concluded Agreement for the transmission of electricity;

- Grid Company - provide transmission and distribution of electricity on the grid to consumers and related distribution companies (“Maikop CHP” LLC).

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

Negative factors that may have a negative effect on OJSC “Kubanenergo” products marketing represent political risks associated with decisions of the Government of the Russian Federation on issues related to development of electric power branch in the post-transition period of electric power industry reform (since July 1, 2008) and risks associated with relations with local bodies;

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

3.2.5. Information on the Issuer's licenses

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

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

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

Date of issue **17.07.2007**

Expiry date: **20.07.2014**

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

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

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

Date of issue **17.12.2009**

Expiry date: **01.01.2015**

Name of the body issued the license: **North Caucasus 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

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 **16.12.2013**

Expiry date:

Perpetual

Name of the body issued the license: **Self-Regulating Organization NP "Energoprojekt"**

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 **03.02.2014**

Expiry date:

Perpetual

Name of the body issued the license: **The Federal Security Service of the Russian Federation in Krasnodar region**

No.: **GT 0062143, registration number 1223**

Name of activity type(s): **activities that involve usage of information constituting state secret**

Date of issue **06.08.2013**

Expiry date: **06.08.2018**

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

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

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

Mining is not the core activities of the issuer

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

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

3.3. Issuer's future activity plans

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

Arrangement of new production capacity is not planned.

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

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

It is planned to conclude over 30 thousand contracts for technological connection to the electric power grids with total capacity = 500 MW in 2015, the amount of cash fees (payment for technological connection) is projected to be 1 306 million rubles (excluding VAT).

It is expected that in 2019, due to the growth of power consumption in the region and the connecting of new customers, the amount of electricity transmission services rendered by the Company amount to 17 936 593 thousand kWh. (105% compared to 2014).

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.

Plans of issuer's investment activity:

The sources of financing of the investment programme 2015 adjustments are: amortization – 826.00 million rubles, other own sources – 2.2 million rubles.

Implementaion of the investment program includes the input of substations with transformer capacity of 50.2MW.

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

Future prospects in terms of sources of future income:

Main elements of Company's financial strategy:

- provision of qualitative, reliable and stable power supply;
- reduction of power equipment tear and wear;
- keeping of tariff sources of investment for the renewal and development of the network;
- improving the efficiency of operating costs;
- making of a reserve capacity of power grids in the volume advancing economic development for 3 years;
- - introduction of innovative technologies that meet the highest international standards in the field of power distribution at all stages of the process;
- ensuring of the profitability of investments in the distribution grid complex at the level of

profitability of companies with comparable market conditions in the Russian Federation

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

Name of the group, holding, corporate group or association: **“Rosseti” JSC**

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

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

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

3.5. Subsidiary and dependent companies of the Issuer

The issuer does not have subsidiary and dependent companies of material significance

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

31.12.2014

Unit: thousand rub

Group of fixed assets	Acquisition cost (replacement cost)	Accumulated Depreciation
Fixed assets	86 571 754	42 535 979
TOTAL	86 571 754	42 535 979

Information on depreciation calculation method for groups of fixed assets:

Depreciation on fixed assets objects is charged in linear mode based on the terms of useful service of these objects

Reporting date: **31.12.2014**

31.03.2015

Unit: thousand rub

Group of fixed assets	Acquisition cost (replacement cost)	Accumulated Depreciation
Fixed assets	86 846 271	43 277 260
Total	86 846 271	43 277 260

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

service of these objects

Reporting date: 31.03.2015

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

Unit: thousand rub

Group of fixed assets	Total cost before revaluation	Net asset value (excluding amortization) before revaluation	Revaluation date	Full replacement cost after revaluation	Depreciated replacement cost (excluding amortization) after revaluation
Homogeneous groups of fixed assets (group 110, 420)	42 627 669	15 130 414	31.12.2014	42 971 378	15 285 499
Total	42 627 669	15 130 414		42 971 378	15 285 499

Method of revaluation of fixed assets (according to coefficient of federal executive body for statistics, market cost of fixed assets, supported by documents and experts' reviews. In case of presence of experts' review it is necessary to specify the method of evaluation):

Revaluation of fixed assets as of 31.12.2014 was carried out for the groups of fixed assets (code 110 "Industrial buildings", code 420 "Equipment for the conversion of electric power") by "LAIR" Ltd in accordance with the agreement No. 250814/КЭ/ОС110420/ДТ/407/30-1299 dated 22.09.2014. The final results of the revaluation of homogeneous groups of fixed assets (code 110 "Industrial buildings", code 420 "Equipment for the conversion of electric power") are not reflected in the financial statements for 2014. The cost of revalued property, plant and equipment does not exceed the materiality level set in paragraph 3.5.18 of the Accounting policies.

Auditor:

Limited Liability Company "LAIR" (abbreviated name – "LAIR" Ltd.)

Location: 64/1Serdobolskaya str., St-Petersburg, 197342.

Postal address: Trade centre "Tavrisheskiy" 51 A Shpalernaya str., St-Petersburg, 191015

OGRN (principal state registration number) and the date of the assignment: 1027807581141 dated 29.11.2002.

Additional liability of the Contractor for the period from 20.10.2012 to 12.31.2017 was insured by insurance company "EVROINS" LLC for the amount of 500 000 000.00 (five hundred million) rubles, which is confirmed by the certificate of insurance number СИФ-000042/12 dated 09.12.2013.

"LAIR" Ltd fully meets the requirements of paragraph 15.1 of the Federal Law of the Russian Federation No.135-FGZ dated 29.07.1998 "On appraisal activities in the Russian Federation".

When choosing the method for calculation of the replacement cost of fixed asset group (code 110 “Industrial buildings”) the experts of “LAIR” Ltd used the method of revaluation with coefficients for the group of assets Code 420 “Equipment for the conversion of electric power” - a method of indexing with the help of price indices of cost type.

Information on plans for the acquisition, replacement, retirement of fixed assets, the value of which is 10 or more percent from the total assets value, and other fixed assets at the discretion of the issuer, as well as all facts of encumbrance of the issuer (indicating the type of burden, the date of encumbrance, its validity and other conditions at the issuer's discretion):

The approved investments programme 2014 does not include modernization of facilities, cost of modernization of which is more than 10% of issuer’s fixed assets

Property Register "Kubanenergo" JSC encumbered by leases as of 30 May 2015:

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	30.09.2015	Prolongation is possible
Premises at 2 Stavropolskaya str., Krasnodar. area: 192.8 sq. m	Rent	15.03.2013	31.12.2016	Prolongation is possible
Premises at 2 Stavropolskaya str., Krasnodar. area: 1.2 sq. m	Rent	28.11.2006	31.07.2015	Prolongation is possible
Premises located at 42, Konstitutsii street, Sochi, total area 396.92 sq.m	Rent	29.10.2013	Неопределённый срок	Rent duration amounts 364 days
Premises in Lit. A, 25, Tramvainaya str., Krasnodar, area: 202.8 sq. m	Rent	28.02.2012	31.05.2015	
Part of non-residential premises in Lit. A, 2, Stavropolskaya str., Krasnodar, Area: 1.2 sq. m	Rent	01.10.2007	31.03.2016	Prolongation is possible
Part of non-residential	Rent	01.10.2007	31.10.2015	Prolongation is

premises at office 104, 42, Konstitutsii street, Sochi, area: 1.2 sq. m				possible
Part of non-residential premises at: 42, Konstitutsiya USSR str., Sochi, 147 Kalarash str., Lazarevskoe village, Sochi, area:	Rent	01.06.2011	05.12.2015	Prolongation is possible
Providing services for the arrangement of reinforcement and fiber-optic cables on poles of power lines, Sochi	Rent	01.04.2011	03.09.2015	Prolongation is possible
Facilities and power transmission towers 0.4-10kW, the length of 67.8 km	Rent	01.09.2011	20.10.2015	Prolongation is possible
Part of the non-residential premises at office 32, letter A, 42, Constitution of the USSR str., control room, area 0.36 sq. m	Rent	01.06.2011	31.03.2016	Prolongation is possible
Providing services for the provision of fiber in a fiber-optic cable transmission line and substation Golovinka - substation Volkonka - substation Lazarevskiy RES	Rent	01.06.2011	20.09.2015	Prolongation is possible
Real estate, control room, lit A, office. 32, area 1.32 sq. m and repair production capacities lit A, Room 47, 147/B Kalarash str., Lazarevskiy district, area: 1.32 sq. m	Rent	01.06.2011	31.10.2015	Prolongation is possible
Part of non-residential premises at 42, Konstitutsii pl., Sochi, area: 1.2 sq. m	Rent	01.09.2011	01.06.2015	Prolongation is possible
Singlemode optical	Rent	01.07.2013	01.06.2015	Prolongation is

fiber of fiber-optic transfer link "Sochi-Substation "Matsesta" 9.7 km				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	27.12.2007	30.11.2015	Prolongation is possible
Premises on the territory of substation "Rodnikovaya" and substation "Vereshaginskaya", total square 1.2 sq. m	Rent	23.11.2010	31.08.2015	Prolongation is possible
Premises at: 358, Shovgenev str., Maikop, RA, area 21.9 sq. m	Rent	31.12.2010	31.08.2015	Prolongation is possible
Premises at: letter A, 49, Stroitel'naya str., Slavyansk-na-Kubani, area 12.2 and at 137a, Street named after K. Marks, Temryuk, area 17.1 sq. m	Rent	02.02.2013	01.11.2015	Prolongation is possible
Site for installation of electric tower with antenna and feeder equipment, 74, Gagarina ul., Yablonovsky vill., area: 14.3 sq. m	Rent	19.07.2005	05.02.2016	Prolongation is possible
Radio mast, 30, Tabachnaya ul., Saratovskaya ul., area; 6 sq. m	Rent	01.04.2003	14.08.2015	Prolongation is possible
Part of premises according to contract, area 21.6 sq. m	Rent	31.07.2007	31.10.2015	Prolongation is possible
Fiber rent No. 15, 16	Rent	17.12.2013	12.11.2015	Prolongation is possible
Antenna and mast construction with platform located at: 1A, Lugovaya street Kurganinsk and 1, 50	Rent	01.06.2008	31.11.2015	Prolongation is possible

years of VLKSM street, village Novoalekseevskaya, total square 19 sq. m				
Premises No. 6 located at: 1, Eastern spillway, Novorossiysk, total square 2,5 sq. m	Rent	19.04.2009	01.11.2015	Prolongation is possible
Garage-premises located at: 176B, Lenin street, Timashevsk, Krasnodar region, total square 30.1 sq. m	Rent	04.09.2008	30.11.2015	Prolongated without date
Energy accounting meter installation sites according to appendix, total square 5.2 sq. M	Rent	30.01.2010	03.11.2015	Prolongation is possible
Premises located at: 176, Lenin street, Timashevsk, total square 2 sq. m	Rent	01.06.2007	30.11.2015	Prolongated without date
The building of control room and outbuildings lit.2B, 19, Street named after Sakko and Vanzetti, Novorossiysk, area, 1.98 sq. m	Rent	05.08.2011	01.08.2015	Prolongation is possible
Premises No. 1 in building of control room, lit. B, 19, Street named after Sakko and Vanzetti, Novorossiysk, area 10.54 sq. m	Rent	20.09.2011	26.10.2015	Prolongation is possible
Nonresidential premises located at: 91, Shirokaya street, Dinskaya village, Krasnodar region, total square 7 sq. m	Rent	15.03.2013	01.01.2016	Prolongation is possible
Premises No. 18, 19, 20 located at: 47, Novorossiyskaya streetm Krasnodar, total square 23.8 sq. m	Rent	05.05.2011	01.01.2016	Prolongation is possible
Concrete flumes for	Rent	01.09.2009	28.09.2015	Prolongation is

holding 2 electrical lines, length 700 m, substation 110/35 “Naberezhnaya”				possible
Concrete flumes for holding 2 electrical lines, length 700 m, substation 110/35 “Naberezhnaya”	Rent	01.04.2010	01.10.2015	Prolongation is possible
Cash machine located at 334, Mira street, Labinsk	Rent	04.09.2013	01.07.2015	Prolongation is possible
Toilet room of hotel facilities of Recreation centre “Energetik” located at 4, Pionerskaya street, village Divnomorskoe, Krasnodar region, total area 156 and 28.1 sq. m.	Rent	03.09.2012	30.11.2015	
Overhead line 0,4 kV from Packaged Transformer Substation Φ 5-509 (ϕ 1), overhead line 0,4 kV from Packaged Transformer Substation KY9-107 (ϕ 1), overhead line 0,4 kV from Packaged Transformer Substation KY9-107 (ϕ 2), overhead line 0,4 kV from Packaged Transformer Substation KY3-65 (ϕ 1), overhead line 0,4 kV from Packaged Transformer Substation TM2-193 (ϕ 1), overhead line 0,4 kV from Packaged Transformer Substation ПД1-446 (ϕ 1)	Rent	01.11.2012	31.05.2015	Prolongation is possible
Service on installation of ODF box	Rent	30.10.2012	01.04.2016	Prolongation is possible
Premises No. 7 on the	Rent	1.04.2013	01.07.2015	Prolongation is

territory of Gelendzhik distribution zone in repair and production building lit. A at: 24a, Suvorov street, Gelendzhik, total area 0.72 sq.m.				possible
Premises No. 34 located at 131, Pashkovskaya street, Krasnodar. Total area 23 sq.m.	Rent	31.07.2013	01.01.2016	Prolongation is possible
Installation site of metering equipment – 158 sq.m	Rent	31.03.2010	01.01.2016	Prolongation is possible
Premises located at 358, Shovgenov street, Maikop	Rent	14.10.2013	31.12.2015	Prolongation is possible
Premises located at 358, Shovgenov street, Maikop	Rent	01.01.2014	01.01.2016	Prolongation is possible
Rooms No. 11 and 11a total area 23.1 sq.m, located at building lit. K, 6, 302 nd diviziya street, village Leningradskaya, Leningradskaya district, Krasnodar region	Rent	03.02.2014	01.03.2016	Prolongation is possible
Premises located at: 334, Mira street, Labinsk	Rent	01.02.2014	31.07.2015	Prolongation is possible
Premises No. 6 and 6' located at the 2 nd floor in building lit. A, 45, Pobedy street, Timashevsk, Timashevsk district, Krasnodar region	Rent	21.03.2014	17.10.2015	Prolongation is possible
Premises in non-domestic building lit. G total area 1 362.6 sq. m located at 4, Krasnodarskaya street, Ust-Labinsk	Rent	04.02.2014	04.01.2016	Prolongation is possible

IV. Information on issuer's business activity

4.1. Results of business activity

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

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

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

Indicator	2013	2014
Net Profit, %	-7.32	-12.36
Asset turnover ratio, times	0.53	0.48
Profitability of assets, %	-3.84	-5.89
Profitability of internal capital, %	-7.46	-12.26
Sum of non-covered loss as of reporting date	11 359 824	14 879 177
Ratio of non-covered loss as of reporting date and balance currency	17.6	24.11

Indicator	3 months of 2014	3 months of 2015
Net Profit, %	-9.61	-3.22
Asset turnover ratio, times	0.12	0.13
Profitability of assets, %	-1.13	-0.41
Profitability of internal capital, %	-2.15	-0.87
Sum of non-covered loss as of reporting date	12 071 803	15 130 582
Ratio of non-covered loss as of reporting date and balance currency	19.49	24.49

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

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

In terms of implementation of events necessary for providing of reliable power supply of XXII Winter Olympic Games and XI Winter Paralympic Games of 2014 in Sochi, by the results of 2014 the Company's business activity was unprofitable, the amount of loss was 3 632.3 million rubles which was caused by reduction of revenue by 4 510.4 million rubles or 13.3% and reduction of production cost by 2 282.6 million or 7.1%.

Assets profitability ratio and stockholders' equity by the results of 2014 and 1st quarter of 2015 are negative due to presence of net loss by the results of reporting period.

Return on equity has decreased by 4.8 points and amounted “minus” 12.62%. Significant impact on the decline in this indicator in the reporting period had a decrease in the Company's equity, due to the establishment of tariffs for electricity transmission at a level below the approved in 2013.

The indicator amounts “minus” 0.87% in the 1st quarter of 2015.

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

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

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

Dynamics of indicators showing the issuer’s liquidity

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

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

Indicator	2013	2014
Net fixed assets index	6 513 272	-3 007 853
Current liquidity ratio	1.49	0.81
Quick liquidity ratio	1.38	0.72

Indicator	3 months of 2014	3 months of 2015
Net fixed assets index	5 455 232	-3 896 969
Current liquidity ratio	1.49	0.77
Quick liquidity ratio	1.29	0.68

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

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

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

The indicator “Net working capital” decreased in 2014 in comparison to 2013 by 9 521.1 million rubles due to an decrease of current assets by 34.8% and increase of short-term liabilities by 20.4%.

By the results of 1st quarter of 2015 the indicator dropped by 9 352.2 million rubles or 171.4%, due to the implementation of large-scale investment program, as well as the preparation and

holding of the XXII Olympic Winter Games and the XI Paralympic Winter Games 2014 in Sochi. The current ratio allows setting out what the multiplicity of current assets cover current liabilities. The quick ratio shows how much the most liquid assets cover the current liabilities of the organization. The decline in liquidity in 2014 due to the implementation of measures necessary to ensure a reliable supply of the XXII Olympic Winter Games and the XI Paralympic Winter Games 2014 in Sochi. At the end of the 1st quarter of 2015 the current ratio was 0.77, quick ratio was 0.68.

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

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

4.3. Financial investments of the Issuer

For 31.12.2014

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 securities

Form of securities: **shares**

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

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

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

TIN: **2365000589**

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

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

The total book value of securities owned by the Issuer: **17 236**

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 2013 no dividends were declared and paid.

Additional information:

08.02.2013 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 0.053 ruble each, the method of placement: conversion into shares of smaller nominal value. 03.04.2013 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

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

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

Total book value of the securities owned by the Issuer, RUR: **17 234.2**

Currency: **RUR**

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

By the results of 2014, the dividends were not declared and paid.

Type of securities: **shares**

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

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

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

TIN: 2304041820

PSRN: 1042301876495

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

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

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

Currency: **RUR**

Total book value of the securities owned by the Issuer, RUR: **45 586 704.13**

Currency: **RUR**

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

By the results of 2014, the dividends were not declared and paid.

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

Investments in non-emission securities

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

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

In accordance with the Russian Accounting Standard (RAS) “Accounting of investments” RAS19/02 approved by the Ministry of Finance of the Russian Federation on 10.12.2002 No. 126n (hereinafter - RAS 19/02), Regulation on the accounting policy of Kubanenergo JSC in 2013 approved by Company’s order on 29.12.2012 No. 1165, “Kubanenergo” carried out a check for impairment of financial investments as of 31 December 2012 amounted 17 236 thousand rubles, and as of December 31, 2013 amounted 17 336 thousand rubles.

Other financial investments

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

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

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

Standards (rules) of accounting reports, under which the issuer made the calculations reflected in this paragraph of quarterly report:

“Financial reports of the organization”, approved by order of Ministry of Finance of Russian Federation, RAS 19/02, “Accounting of investments”, approved by order of the Ministry of Finance of Russian Federation dated 10.12.2002 No. 126n.

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

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

Financial investments, which make possible to determine the current market value are

recognized in the financial statements at the end of the year at the current market value by adjusting their estimates for the previous reporting date (paragraph 20 PBU 19/02).

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

31.03.2015

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

Issue-grade securities investments

Kind of securities: **shares**

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

Issuer's abbreviated business name: **OJSC "RC Plamya"**

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

TIN: **2365000589**

PSRN: **1042330761274**

Date of state registration of the issue(s)	Registration number	Registering Body
21.12.2004	1-01-34134-E	Regional Division of the Federal Financial Markets Service of Russia in the Southern Federal District
30.01.2012	1-02-34134-E	Regional Division of the Federal Financial Markets Service of Russia in the Southern Federal District
06.11.2012	1-03-34134-E	Regional Division of the Federal Financial Markets Service of Russia in the Southern Federal District

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

Total nominal value of securities owned by the Issuer: **102 226,84 RUR x 1**

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

Currency: **Thousand rubles**

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

By results of the 2014 and 1st quarter of 2015 the dividend is not declared and not paid.

Additional information: no

Type of securities: **shares**.

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

Abbreviated name of the issuer: “RC ”Energetik” JSC.

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

TIN: **2304041820**

PSRN: **1042301876495**

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

Number of securities owned by the Issuer: 39 845 257

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

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

Unit: **thousand rubles**.

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

By results of 2014 and the 1st quarter of 2015 dividends are not declared and not paid.

Additional information: **No.**

Investments in non-emission securities

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

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

In accordance with the Russian Accounting Standard (RAS) “Accounting of investments” RAS19/02 approved by the Ministry of Finance of the Russian Federation on 10.12.2002 No. 126n (hereinafter - RAS 19/02), Regulation on the accounting policy of Kubanenergo JSC in 2013 approved by Company’s order on 29.12.2012 No. 1165, “Kubanenergo” carried out a check for impairment of financial investments as of 31 December 2012 amounted 17 236 thousand rubles, and as of December 31, 2013 amounted 17 336 thousand rubles.

Other financial investments

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

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

no

Standards (rules) of accounting reports, under which the issuer made the calculations reflected in this paragraph of quarterly report:

“Financial reports of the organization”, approved by order of Ministry of Finance of Russian Federation, RAS 19/02, “Accounting of investments”, approved by order of the Ministry of Finance of Russian Federation dated 10.12.2002 No. 126n.

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

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

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

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

4.4. Intangible assets

31.12.2014

Unit of measurement: thousand rubles

Intangible assets	Initial (replacement) cost	Depreciation
Intangible assets	28 091	14 618
TOTAL	28 091	14 618

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

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

Reporting date: **31.12.2013**

31.03.2015

Unit: **thousand rubles.**

Intangible assets	Initial (replacement) cost	Depreciation
Intangible assets	28 091	16 752
TOTAL	28 091	16 752

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

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

Reporting date: **31.03.2015**

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 the Board of Directors of Kubanenergo on 29.07.2011 (as amended on 15.06.2012).

Plan of R&D works in 2014 contained the 5 R&D projects. In 2014, works on 6 stages of 4 projects were accepted and paid for.

The Company's research and development plan for 2015 contains 3 projects and for 2016 - 2 newly started projects.

The amount of funding of R&D activities under the Plan of the Company in 2014 amounted to 8.856 million rubles with VAT. The company paid for the state fees for maintaining a patent of the Russian Federation for useful model for the second year in the amount of 400 rubles, and for the registration of computer software "Programme for data processing and presentation of monitoring equipment, formed by the system of monitoring the insulation of power transformers - 2600 rubles.

Company's investment programme for 2015 presupposes a limit of funding the R&D Plan in the amount of 12.33 million rubles. In the 1st quarter of 2015 the company paid the state duty for the maintenance of the patent of the Russian Federation for useful model for the third year in the amount of 850 rubles.

In February was terminated: the implementation of R&D project "Development of technical standards "Proprietary Standard. The implementation of the requirements of technical policy. The system of standard units of electrical networks of territorial grid organizations, the dispatching control and process management" in order to centralize the process of actualization of conventional units and exclusion of unjustified financial costs by the initiative of Rossetti.

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

On 19.02.2015 as a result of the R&D project the company obtained a certificate of state registration of the computer software programme "Program of processing and submission of data on equipment monitoring, that is formed by a system for control of the insulation of power transformers (TSE SKI)" No.2015612526.

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

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

In the reporting period, the Company's balance adopted and started using developed in framework of the implementation research and development microprocessor of adaptive low-voltage protection, and remote backup transformer of tap-and intermediate substations. The indicated protection provides high sensitivity to short-circuits for transformers by detecting

emergency operation on the background of comparable level of load currents launch (self-launch) of electric motors, the influence of transition resistance of an electric arc.

It was offered to use the following results of R&D projects recied earlier:

- UV system diagnostics of insulation at Substation and overhead lines 35-110 kV - detection system on electrical insulation of crown discharge and electric arc in daylight at Substation and overhead lines 35-110 kV, allows to define status of the equipment, to identify the malfunction of a component and the possibility of failure, exact location of the source of the crown and specify necessity of equipment repair. This reduces time of detecting the defecting part and elimination of such defect.

- The scheme of perspective development of electric networks of 35 kV and above of “Kubanenergo” JSC for the period 2012-2017 with prospect of up 2022. In the result of the activities schemes of the electric grids were determined and perspective directions of grids 35-110 kV development were explained with regard of strategical directions of economics development of Krasnodar region and Adyghea Republic, determined amount of construction projects, modernization of electric grid facilities.

- Microprocessor adaptive fine protection of near and remote redundancy of transformers of tap-off and intermediate substations. The specified protection provides a high sensitivity to short circuits for transformers by detecting emergency operation against the background of a comparable level of current load, start-up (self-starting) of electric motors, the influence of transition resistance of the electric arc.

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

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

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

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

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.

In respect of selling services on electric energy transmission, the following circumstances additionally affect the Issuer's activity:

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

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

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

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

The main result of the Issuer's activity in power industry consists in provision of reliable and uninterrupted power supply of consumers, consistent implementation of investment projects on construction and reconstruction of overhead lines, substations and power industry facilities, primarily oriented at provision for uninterrupted power supply of the of the Krasnodar Territory seaside areas (along the Black and Azov Seas coasts), Krasnodar as a social and cultural centre and especially – the Sochi power district. Successful resolution of tasks set to the Company within the framework of the industry reform by efforts of “Kubanenergo” JSC management contributes to it.

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

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

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

Among the factors and conditions that directly influence the Issuer's activity is the economic stability of the region.

In the current macroeconomic conditions the issuer's core activity is influenced by inflation, by the cost of large-scale investment programme and the costs related to the preparation and holding of the XXII Olympic Winter Games and XI Paralympic Winter Games 2014 in Sochi.

Also, the issuer's activities and the amount of revenue from the sale of goods, works and services on the results of 2014 was influenced by increase in interest rates on loans due to the deterioration of financial market conditions.

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

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

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

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

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

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

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

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

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

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.

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.

In order to agree on the reasonable tariff rate the Company constantly cooperates with REC-DTP KK.

In order to enhance efficiency of its activity and financial state, to ensure business solvency and reach a sustainable positive business results Kubanenergo JSC has developed a Plan of activities on increasing efficiency of its business and improvement of its financial state.

Taking into account the present macroeconomic conditions, the Company has determined the list of internal and external activities that shall enhance the efficiency of business processes both at Kubanenergo and Rosseti group in general.

Methods used by the issuer and methods the issuer plans to use in the future to reduce the negative effect of factors and conditions influencing the issuer's activity:

Implementation of developed by Kubanenergo investment programmes that include the development, modernization and reconstruction of electric grid facilities of the Company. This should improve the state of power supply to consumers of electricity in the coming years.

Development of power grid facilities of the Company in accordance with the approved scheme of perspective development of electric networks and the technical requirements in the organization of technological connection of consumers to electric grids of the Company.

In addition, the issuer shall apply the following methods:

- implementation of measures aimed to improve the payment discipline and reduce the accounts receivable for electricity transmission services, including the elaboration of mechanisms of consolidation of transmission assets;

- optimization of the investment costs;
- providing cost savings through effective use of material resources, increase productivity, optimization of the organizational structure of the company (without loss of qualified personnel);
- imposition of limitations on power consumption in case of debts in payments for the electricity from the customers;
- carrying out work on the consolidation of property owned by territorial grid companies that do not meet the criteria on the basis of Kubanenergo.

Significant events/factors that may have the most negative impact on the possibility gaining by the Issuer in the future the same or better results as compared to the results obtained for the last reporting period, as well as the likelihood of such events (factors):

There are risks to ensure the reliability of electricity supply to consumers and a threat to stable operation of the power system due to overload power lines and transformers (autotransformers) in normal and post-fault conditions.

The situation is worsened by the continued aging of the power equipment. The number of equipment, buildings and structures that are worn out and need replacement, reconstruction or modernization is continually increasing.

Significant events/factors that may improve the performance of the issuer, and the probability of their occurrence and their duration:

- the growth of energy consumption in the regions of the Company's presence,
- implementation of the investment programme, which allows to increase operational efficiency,
- the solution of public authorities in setting tariffs for electricity transmission and to ensure non-discriminatory access of consumers to power grids,
- decrease in interest charged by banks on credit contracts due to changes in financial market conditions,
- reduction of operational costs of controlled will allow the Company to reduce the cost of servicing the unit of electrical equipment in 2019 by 15.0% compared to 2012.

Implementation of developed by Kubanenergo investment programmes that ensure the development, modernization and reconstruction of electric grid facilities of the Company, will provide reliable power supply of existing and prospective consumers of electricity in the coming years.

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

4.8. Issuer's Competitors

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

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

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

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

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

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

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

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

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

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

- 1) Introduction of amendments and additions to the Charter or approval of restated Charter;
- 2) The Company reorganization;
- 3) The Company liquidation, appointment of a liquidation commission and approval of the provisional and final liquidation balance-sheets;
- 4) Determination of the quantity, nominal value and category (type) of declared shares and rights granted under such shares;
- 5) Increase of the authorized capital of the Company by way of increase of the nominal value of shares or by way of placement of additional shares;
- 6) Decrease of the authorized capital of the Company by way of decrease of the nominal value of shares, by way of partial acquisition of shares by the Company in view of their total quantity reduction as well as by way of redemption of shares having been acquired or bought out by the Company;
- 7) The Company's shares stock split or consolidation;
- 8) Taking decision on the Company's placement of bonds convertible into shares or other issue-grade securities convertible to shares;
- 9) Election of members of the Board of Directors of the Company and early termination of their powers;
- 10) Election of members of the Auditing Commission of the Company and early termination of their powers;
- 11) Approval of Auditor of the Company;
- 12) Taking decision on transfer of powers of Sole Management Body of the Company to a management organization (general manager);
- 13) Approval of annual reports, annual accounting statements including profit and loss statements (profit and loss account) of the Company as well as allocation of profit (including dividend payment (announcement, except for profit allocated as dividend following the results of the first quarter, half or nine months of a financial year) and loss of the Company following the results of financial year;

- 13.1) Payment (announcement) of dividend following the results of the first quarter, half or nine months of a financial year;
- 14) Determination of the arrangement procedure the General Meeting of Shareholders of the Company;
- 15) Taking decision on approval of transactions in cases stipulated by Article 83 of Federal Law “On Joint-Stock Companies”;
- 16) Taking decision on approval of major transactions in cases stipulated by Article 79 of Federal Law “On Joint-Stock Companies”;
- 17) Taking decision on participation in financial-and-industrial groups, associations or other unions of commercial organizations;
- 18) Approval of in-house documents regulating activity of the Company’s bodies;
- 19) Taking decision on payment of rewards and/or compensations to the members of the Auditing Commission of the Company;
- 20) Taking decision on payment of rewards and/or compensations to the members of the Board of Directors of the Company;
- 21) Decisions on making a statement to delist Company’s shares and (or) securities convertible into shares
- 22) Resolution of other issuers stipulated by Federal Law “On Joint-Stock Companies”.

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

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

- 1) Identification of priority aspects of the Company's activities and the Company development strategy;
- 2) Convention of the annual and extraordinary General Meetings of Shareholders of the Company except for cases stipulated by Clause 14.8 Article 14 of the Charter as well as announcement of the date of the General Meeting of Shareholders newly arranged in place of a meeting having failed to take place due to absence of quorum;
- 3) Approval of the agenda of General Meeting of Shareholders of the Company;
- 4) Election of Secretary of the General Meeting of Shareholders;
- 5) Determination of the date of generation of the list of persons having the right to participate in the General Meeting of Shareholders, approval of the estimate of costs of arrangement of the General Meeting of Shareholders of the Company and resolution of other issues related to preparation for and arrangement of the General Meeting of Shareholders of the Company;
- 6) Submittal of issues stipulated by sub-clauses 2, 5, 7, 8, 12-20 Clause 10.2 Article 10 of the Charter for decision by the General Meeting of Shareholders of the Company as well as decrease of the authorized capital by way of decrease of the nominal value of shares;
- 7) Placement of bonds and other issue-grade securities by the Company except for cases stipulated by Federal Law “On Joint-Stock Companies” and the Charter of the Company;
- 8) Approval of decision on issue (additional issue) of securities, a securities prospectus and a report on results of issue (additional issue) of securities, approval of reports on results of acquisition of shares from shareholders of the Company, reports on results of redemption of shares and reports on results of claims having been launched by shareholders of the Company for buyout of shares as

may be held by them;

9) Determination of the price (monetary estimate) of property, price of placement and buyout of issue-grade securities in cases stipulated by Federal Law "On Joint-Stock Companies" as well as during resolution of issue specified in sub-clauses 21 and 38 Clause 15.1 of the Charter;

10) Acquisition of shares, bonds and other securities placed by the Company in cases stipulated by Federal Law "On Joint-Stock Companies";

11) Alienation (marketing) of shares of the Company which have come into the disposal of the Company as a result of their acquisition or buyout from shareholders of the Company as well as in other cases stipulated by Federal Law "On Joint-Stock Companies";

12) Election of General Director of the Company and early termination of one's powers including taking decision on early termination of a labour contract with General Director;

13) Determination of the number of members of the Management Board of the Company, election of members of the Management Board of the Company, establishment of the amounts of rewards and compensations payable to them and early termination of their powers;

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

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

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

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

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

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

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

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

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

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

22) Determination of the credit policy of the Company to the extent of the Company providing accommodations, concluding credit and loan contracts, granting sureties, assuming liabilities under a promissory note (issue of simple or exchangeable promissory notes), pledging property

and taking decisions on the Company effecting the mentioned transactions in cases when the procedure for taking decisions thereon is not determined by credit policy of the Company as well as taking decisions on bringing the Company debt position in accordance with the limits established by credit policy of the Company in compliance with the procedure determined by credit policy of the Company;

23) Approval of major transactions in cases stipulated by Chapter X of Federal Law “On Joint-Stock Companies”;

24) Approval of transactions stipulated by Chapter XI of Federal Law “On Joint-Stock Companies”;

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

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

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

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

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

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

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

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

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

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

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

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

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

b) On reorganization or liquidation of SDC;

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

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

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

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

organizations wherein the Company participates as approved by the Board of Directors of the Company;

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

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

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

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

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

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

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

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

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

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

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

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

46) Determination of the procurement policy of the Company including approval of the Regulation on the Procedure for Carrying Out Scheduled Procurement of Commodities, Works and Services, approval of Chief and members of the Central Procurement Body as well as

approval of the Annual Integrated Procurement Program and taking other decisions in accordance with the approved documents of the Company regulating procurement activity of the Company;

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

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

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

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

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

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

53) Coordination of candidacies for particular positions within the Company's Executive Staff determined by the Board of Directors of the Company;

54) Decisions on making a statement to delist Company's shares and (or) securities convertible into shares;

55) Decisions on joining the branch and inter-branch standards, regulations and other documents from the sphere of power industry, including technical regulation;

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

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

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

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

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

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

- 4) Preparation of business plan (corrected business plan) and report on the results of its fulfillment, as well as approval and correction of cash flows movement in compliance with the list and control values for Company cash flows movement adopted by the Board of Directors (with mandatory further forwarding to Company Board of Directors);
- 5) preparation of the report on financial and business performance of the Company and the report on execution by the Management Board of the decisions of the General Shareholders Meeting and of the Board of Directors of the Company;
- 6) Adoption of plans and steps for organization of training and professional development of Company personnel;
- 7) Establishment of social privileges and guarantees for Company personnel;
- 8) Decision making on effecting transactions with assets, works and services the value of which makes up from 1 to 25 percent of the balance sheet value of the Company's assets estimated as of the date of decision on making the transaction (excluding the cases provided by sub-clause 38 of Clause 15.1 of this Charter);
- 9) Analysis of the reports of Deputy Directors General of the Company and of the heads of business subdivisions of the Company on the results of execution of the approved plans, programs and orders; analysis of reports, documents and other information on the activity of the Company and its affiliated and dependent companies;
- 10) Decision making on other matters related to the management of day-to-day activity of the Company in accordance with the decisions of the General Shareholders Meeting, meetings of the Board of Directors of the Company, as well as matters brought for consideration of the Management Board by the General Director of the Company.

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

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

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

- Ensures fulfillment of Company's plans of activity necessary for achievement of the goals of the Company;
- Organizes accounting and statements recording in the Company;
- Disposes Company's property, makes transactions on behalf of the Company, issues powers of attorney, opens settlement accounts and other accounts in banks and other credit institutions (as well as in organizations of securities market professionals, in cases stipulated in laws);
- Issues orders, approves (adopts) instructions, local normative acts and other internal documents of the Company related to the matters assigned to his competence, and gives instructions binding upon all employees of the Company;
- Approves Regulation on branches and representative offices of the Company;
- Adopts general structure of Company executive mechanism;
- Approves staff schedule and official salaries of Company employees, in accordance with the general structure of executive mechanism of the Company;

- Exercises rights and bears duties of the employer in respect of Company's employees in accordance with the labour legislation;
- Performs the functions of the Chairman of the Management Board of the Company;
- Assigns responsibilities among Deputy Directors General;
- Submits to the Board of Directors reports on financial and business activity of affiliated and dependent companies, which shares (participation interest) are owned by the Company, as well as information on other organizations wherein the Company participates, excluding the cases provided in sub-clause 2) of Clause 22.2 of Article 22 of this Charter;
- Submits Annual Report, Balance Sheet, Profit and Loss Account, Report on Distribution of Profit and Losses of the Company to the Board of Directors not later than Forty Five (45) days prior to the date of annual General Shareholders Meeting of the Company;
- Resolves other questions concerning current activities of the Company, excluding the matters assigned to the competence of the General Shareholders Meeting, of the Board of Directors and of the Management Board of the Company;
- Is personally liable for ensuring secrecy order in the Company, including in case of organization of cipher communications;
- Is personally liable for selection of persons having access to the information representing state secret, as well as for organization of conditions in which Company employees get acquainted only with such information representing state secret, and in such amounts which, in compliance with the legislation of the Russian Federation on state secret, are necessary for execution of their job content (functions).

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

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

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

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: **Varvarin Alexandr Viktorovich**

Year of birth: **1975** Education:

Higher. Institute of International Law and Economics named after Griboedov A.S. (1998), "Legal studies"

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

Period	Company	Position

from	to		
2005	Now	the Russian Union of Industrialists and Entrepreneurs	Head of Legal department, director of department of corporate relationships, after – managing director on corporate relationships and legal groundwork.
2006	Now	“Central checkup committee of distribution zone” Non-profit organization	Director General, member of Board
2006	now	Russian union of self-regulatory organization of arbitration managers	Deputy chairperson of Board
2008	now	“MSOPAU” Non-profit partnership	Chairperson of Board
2009	now	“VTsiOm” JSC	Board of Directors Member
2009	now	“VNIPINeft” JSC	Board of Directors Member
2009	2012	“Rosdorleasing” JSC	Board of Directors Member
2011	now	“TNITI” JSC	Chairperson of Board of Directors s
2011	now	“IDGC of Volga” JSC	Board of Directors Member
2012	2013	“TransTeleCom Company” CJSC	Board of Directors Member
2012	now	“Russian Railway” JSC	Deputy Chairperson of Revision Committee
2013	Now	“Production and scientific centre” JSC, “TsNIIMashdetal” JSC, “TsNIKP” JSC, “TsNIILKA” JSC, “TsNIPIK” JSC	Chairperson of Board of Directors
2013	2014	“GTLK” JSC	Board of Directors Member
2013	now	“IDGC of North Caucasus” JSC, “Kubanenergo” JSC	Board of Directors Member
2014	now	“Kubanenergo” JSC	Chairperson of the committee for technological connection, member of the personnel and remuneration committee

Information on participation in the committees’ activities:

Committee	Chairperson
Committee for technological connection	yes

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

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

The person does not hold such stake.

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

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

Full name: **Gavrilov Aleksandr Ilich**

Year of birth: **1973**

Education:

Higher:

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

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

Conferred a degree on Doctor of Economics (2010)

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

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

2013	2013	FGC UES, JSC	Chief Advisor to the Chairman of Board
2013	Present day	Kubanenergo JSC	Acting Director General, then Director General, chairperson of Management Board
2014	Present day	Kubanenergo JSC	Member of Board of Directors

Information on participation in the committees' activities:

Member of the BoD (supervisory body) does not participate in committees' activities.

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

The person did not hold such offices

NAME: **Kobleyan Ashot Mikhailovich**

Year of birth: **1980**

Education:

Higher education. Graduated:

- **Military aviation university, specialization "Operation of aircraft and engines" (2002),**
- **The Russian Presidential Academy of National Economy and Public Administration, specialization "Company management" (2012)**

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		
2007	2013	FGC UES JSC	Head of section for organizing procedures of picking the contractors, inventory and equipment for department of methodology and organization of procurement
2013	now	Rosseti JSC	Head of directorate for planning, regulation and organization of procurement at department of procurement
2014	now	Kubanenergo JSC	Member of Board of Directors
2015	now	Kubanenergo JSC	Member of Audit committee

Information on participation in the committees' activities:

Committee	Chairperson
Audit committee	no

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **The person did not hold such offices**

Name: **Lavrova Marina Aleksandrovna**

Year of birth: **1982**

Education:

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

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

Period		Company	Position
from	to		
2008	Now	“Rosseti” JSC	Head of economical board of department of economic planning and allocation of funds
2009	Now	Energy selling company of Dagestan JSC	Board of Directors Member
2013	Now	Kubanenergo JSC, “YeESK” JSC	Board of Directors Member
2014	Now	IDGC of North-West JSC	Board of Directors Member
2014	Now	Kubanenergo JSC	Chairperson of the Audit committee

Information on participation in the committees’ activities:

Committee	Chairperson
Audit committee	yes

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

NAME: Mezhevich Valentin Yefimovich

Year of birth: **1947**

Education:

Higher education. Irkutsk Polytechnic institute, specialization “Thermal stations” (1970)

Doctor of Science

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

Period		Company	Position
from	to		
2001	2013	The Council of Federation of the Federal Assembly of the Russian Federation	Member of The Council of Federation of the Federal Assembly of the Russian Federation; first deputy chairperson of Committee for economic policy
2013	now	Rosseti JSC	Deputy Director General in charge of Strategic Communications
2014	now	IDGC of Siberia JSC, “North Caucasus” JSC, Kubanenergo JSC	Member of Board of Directors

Information on participation in the committees' activities:

Member of the BoD (supervisory body) does not participate in committees' activities.

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

NAME: **Sergeyev Sergey Vladimirovich**

(chairperson)

Year of birth: **1976**

Education:

Higher education. Graduated:

- 1. Novocherkassk state technical university, specialization "Industrial civil construction".**
- 2. Institution of advanced training for managers and specialists in Fuel and Energy Complex.**
- 3. Inter-industry regional centre for advanced training IrGTU.**
- 4. Professional retraining at Academy of National Economy under the Government of the Russian Federation, specialization "Economics, management, finances and legal concepts of joint stock companies".**

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		
2009	2013	FGC UES JSC	Deputy chairperson of Management Board; Company's management
2013	now	Rosseti JSC	Deputy Director General in charge of Capital Construction
2012	2013	FGC UES JSC	Member of Management Board
2012	2014	ESSK UES JSC; Centre of Engineering and Construction Management UES JSC	Member of Board of Directors
2014	now	IDGC of Urals JSC, Tyumenenergo JSC	Member of Board of Directors
2014	now	Kubanenergo JSC, Scientific and Research Centre IDGC JSC	Chairperson of the BoD

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

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

The person does not hold such stake.

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

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: **Sukhov Oleg Alexandrovich**

Year of birth: **1974**

Education:

Higher education.

North-Caucasian state technological university, specialization “Electric motor drive and automation of production plants and technological complexes”

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		
2008	now	Rosseti JSC	Head of Situation Management and Analytical Centre, then deputy head of department for operative and technological management – head of situation management centre
2014	now	Kubanenergo JSC	Member of Board of Directors

Information on participation in the committees’ activities:

Member of the BoD (supervisory body) does not participate in committees’ activities.

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

NAME: **Kharin Anndrey Nikolayevich**

Year of birth:

Education:

Information was not provided

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		
	now	RF Ministry of Energy	Deputy Head of Department of Corporate Governance, Price Environment and Auditing Activity in spheres of Fuel & Energy Complex
	now	IDGC of Centre and Volga region JSC	Member of Board of Directors
2014	now	Kubanenergo JSC	Member of Board of Directors

Information on participation in the committees' activities:

Member of the BoD (supervisory body) does not participate in committees' activities.

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

NAME: **Khokholkova Kseniya Valerievna**

Year of birth: **1970**

Education:

Higher education.

State academy of management named after Sergo Ordzhonikidze, specialization “Organization of management in the sphere of fuel and energy complex” (1993).

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

Period		Company	Position
from	till		
2008	2013	Rosseti JSC	Head of sector at Department of Corporate Governance and Interaction with Shareholders
2013	now	Rosseti JSC	Deputy Head of Directorate of Share Capital Issues, Head of Division of Shareholders' Rights Protection at Department of Corporate Governance and Interaction with Shareholders, Rosseti JSC
2012	2013	SZEUK JSC	Member of Board of Directors
2013	2014	Ingushenergo JSC	Member of Board of Directors
2013	2014	IDGC of Volga JSC	Member of the Auditing Committee
2013	2014	IDGC of Siberia JSC	Member of the Committee for Strategy, Development, Investments and Reforming attached to the BoD
2014	now	Lenenergospetsremont JSC, ITsE Povolzhye JSC, Recreation centre “Energetik” JSC, Energoservis JSC, Nits PovolzhyeKubanenergo JSC	Member of Board of Directors
2014	now	Kubanenergo JSC	Member of the Audit committee, Committee for strategy, investments, reform and development attached to the BoD

Information on participation in the committees' activities:

Committee	Chairperson
Audit committee	no

Committee for strategy, investments, reform and development	no
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The person holds no participatory stake in the Issuer's authorized capital or the Issuer's ordinary shares.

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

The person does not hold such stake.

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

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: **Chermentieva Yuliya Petrovna**

Year of birth: **1972**

Education:

Higher education. Moscow state legal academy, specialization "Jurisprudence"

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

Period		Company	Position
from	to		
2009	now	Rosseti JSC	Head of Directorate of Laws and Regulations Issues at Legal Department
2013	2014	IDGC of North-West JSC	Member of Board of Directors
2014	now	Sevkavkazenergo JSC, Kubanenergo JSC	Member of Board of Directors

Information on participation in the committees' activities:

Member of the BoD (supervisory body) does not participate in committees' activities.

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

NAME: **Shatokhin Arseniy Grigorievich**

Year of birth: **1976**

Education:

Higher education.

- **Kuban state technological University, specialization "Management",**
- **Russian Academy of Civil Service , specialization "State and municipal management, ecology and environmental management".**

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

Period		Company	Position
from	to		
2007	2010	Rostorg LLC	Executive director
2010	2011	Assosiation Ekospezobrazovaniye	Deputy director general
2011	2013	Nortgaz JSC	Deputy director general по сбыту, Member of Management Board
2013	now	Rosseti JSC	Head of Directorate for Special Projects

			Implementation
2014	now	Kubanenergo JSC	Member of Board of Directors
2014	2015	Kubanenergo JSC	Member of the Audit committee

Information on participation in the committees' activities:

Member of the BoD (supervisory body) does not participate in committees' activities.

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

Additional information:

All members of the Board of Directors are citizens of Russian Federation

Information on transactions between the issuer and members of the Board of Directors: such transactions were not concluded during 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.

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.

The composition of Reliability Committee of "Kubanenergo" JSC as of the reporting period:

	Name	Position
1	Magadeyev Ruslan Raisovich (chairperson)	Deputy director of Situational and Analytical centre of Russian Grids JSC
2	Ryazantsev Dmitry Yurievich	Deputy General Director for Technical Issues – Chief Engineer of Kubanenergo JSC
3	Chebakov Andrey Vasilievich	Deputy chief engineer in charge of operation – head of Department of operation and technical servicing and repair, Kubanenergo JSC
4	Kovtun Sergey Vladimirovich	Chief expert of sector for core equipment at Departmentn of production assets management, Rosseti JSC

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

The main objective of establishment of the Audit Committee consists in provision for efficient work of the Board of Directors of the Company in resolution of issues referred to its competence. The task of the Committee consists in elaboration of recommendations (conclusions) on the Company audit and reporting and their submittal to the Board of Directors, in particular – on the following issues:

- the process and procedures for the preparation of financial (accounting) statements, including consideration of the financial (accounting) statements;
- effectiveness of internal control and risk management systems;

- choice of the independent external auditor and the evaluation of its activity;
- the activities of the department responsible for internal control /audit of the Company;
- Company's compliance with the legislation of the Russian Federation, industry standards, internal regulations 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	Position
1	Lavrova Marina Alexandrovna (Chairperson)	Head of Directorate of Economy of Affiliates at Department for economic planning and budgeting of Russian Grids JSC
2	Khokholkova Kseniya Valerievna	Deputy Head of Directorate of Share Capital Issues, Head of Division of Shareholders' Rights Protection at Department of Corporate Governance and Interaction with Shareholders, Rosseti JSC
3	Shatokhin Arseniy Grigorievich	Head of Department for implementation of target projects, Russian Grids JSC

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

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

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

	Name	Position
1.	Krasnikov Valiriy Nikolaevich (Chairperson of the Committee)	Head of Corporate finances department, Rosseti JSC
2	Seleznyov Viktor Yurievich	Head of Directorate for scientific and technical development, organization and control of implementation of R&D works, Rosseti JSC

3.	Sedykh Nadezhda Vitalievna	Leading expert at Directorate of economics in affiliated and dependent companies at department of strategic development, Russian Grids JSC
4.	Khokholkova Kseniya Valerievna	Deputy Head of Directorate of Share Capital Issues, Head of Division of Shareholders' Rights Protection at Department of Corporate Governance and Interaction with Shareholders, Rosseti JSC
5.	Podlutskiy Sergey Vasilievich	Head of sector of consolidated planning and reporting at Investment activity department, Russian Grids JSC
6.	Antimenko Yuriy Leonidovich	Head of directorate of advanced development, Russian Grids JSC
7.	Iordanindi Kirill Alexandrovich	Leading expert of sector for strategic planning at Department of economic planning and budgeting at Russian Grids JSC
8.	Kosteskiy Vyacheslav Yurievich	Deputy director general in charge of development and selling of services of Kubanenergo JSC

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

- Amount of reward payable to members of Board of Directors of the Company;
- Elaboration of principles and criteria for determination of the amount of reward payable to members of the Board of Directors, members of the Collegial Executive Body and the person discharging the functions of Sole Executive Body of the Company including a management organization or general manager;
- Working out of proposals on determination of substantial conditions of contracts with the members of the Board of Directors, members of the Collegial Executive Body and the person discharging the functions of Sole Executive Body of the Company;
- Determination of criteria for selection of candidates for membership in the Board of Directors, in the Collegial Executive Body and for the office of Sole Executive Body of the Company as well as preliminary evaluation of such candidates;
- Regular evaluation of activity of the person discharging the functions of Sole Executive Body of the Company (management organization, general manager) and members of the Company’s the Collegial Executive Body and preparation of proposals on the possibility of their reappointment for the Board of Directors.

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

	Name	Office⁴
1	Mangarov Yuriy Nikolaevich (Chairperson of the Committee)	Deputy acting director-chief of staff of IDGC Holding JSC, deputy of chairperson of Board – chief of staff of “FGC UES” JSC
2	Chevkin Dmitriy	HP Director of “FGC UES” JSC

	Name	Office ⁴
	Aleksandrovich	
3	Kolyada Andrey Sergeevich	Head of equity management office at Corporate governance and shareholders relations department "Russian Grids" JSC

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

- sophistication of legal base of antimonopoly control and provision of non-discriminatory access to services on technological connection of consumers to electric grids;
- sophistication of internal regulations and proprietary standards on provision of non-discriminatory access to services on technological connection of consumers to electric grids
- elaboration of principles and criteria of evaluation of Company’s activity in technological connection of consumers to electric grids
- evaluation of efficiency of Company’s activity in technological connection of consumers to electric grids
- analysis of current situation in the Company and preparation of propositions to the BoD on technological connection of consumers to electric grids

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

Personnel composition of the Committee for Technological Connection

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

5.2.3. Information on the Sole Executive Body of the Issuer

Full name: **Gavrilov Aleksandr Ilich**

Year of birth: **1973**

Education:

Higher:

State Kuban University, specialty – “Accounting and audit”. State Kuban Polytechnic University, specialty – “Exploitation and operation of oil-and-gas-field”.

Conferred a degree on Doctor of Economics

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

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

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

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

The person did not hold such offices

5.2.3. Composition of the Collegial Executive Body of the Issuer

Information on Management Board members

Full name: **Gavrilov Aleksandr Ilich**

(chairperson)

Year of birth: **1973**

Education:

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

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

Conferred a degree on Doctor of Economics (2010)

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

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

2014	now	Kubanenergo JSC	Member of 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.

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: **Armaganian Edgar Garriyevich**

Year of birth: **1984**

Education:

Higher, graduated from Kuban State Agrarian University in 2008, speciality – “Electrification and Automation”, conferred qualification “engineer”.

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

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

Period	Organization	Position
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from	till		
2009	now	Kubanenergo JSC	Kubanenergo branch Sochi electrical grids: head of sector for selling of services on energy transmission; head of sector for technological connection; head of sector for electricity transport; deputy director in charge of development and selling of services; advisor to director general of Kubanenergo JSC, acting first deputy director general of the Company ; head of Kubanenergo branch Sochi electrical grids (main job), acting first deputy director general (part-time job); after – director of branch Sochi power grids
2014	now	Kubanenergo JSC	Member of Management Board

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

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

The person does not hold such stake.

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

Such family relations are absent.

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

The person has not been brought to responsibility as specified.

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

Name: **Golov Andrei Valerievich**

Year of birth: **1980**

Education:

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

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

Period		Organization	Position
from	till		
2007	2010	“Moscow United Electric Grid Company” JSC (Moscow region)	Director of Department in charge of logistics and purchasing; after – deputy Director of Department in charge of logistics and purchasing; after – Director of Department in charge of logistics and purchasing; after - deputy Director of Department in charge of logistics and purchasing; deputy Director in charge of economics and finances of branch “Northern power grids”
2010	2011	“InterPress” LLC	Financial Director
2011	2012	“AGRIUS XXI” LLC	Financial Director
2012	2012	“Prompostavka” CJSC	Business Director
2012	Now	“Kubanenergo” JSC	Adviser of Director General; after – acting deputy Director General in charge of logistics and inventory without discharge from the main job; after – deputy Director General in charge of logistics and inventory; acting deputy Director General on investment activity (part time job)
2013	now	“Kubanenergo” JSC	Member of Management Board

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

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

The person does not hold such stake.

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

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

Such family relations are absent.

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

The person has not been brought to responsibility as specified.

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

The person did not hold such offices

Name: **Golovakha Dmitriy Nikolaevich**

Year of birth: **1977**

Education:

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

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

Period		Organization	Position
from	till		
2008	2012	“IDGC of the South” JSC	Head of department of perspective development
2012	2013	Department on issues of fuel and energy complex of Krasnodar region (from 01.07.2012 – Industry and	First deputy head of department, after – deputy Minister

		Energy Ministry of Krasnodar region)	
2013	Now	“Kubanenergo” JSC	Director of branch South-Western power grids, member of Management Board

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

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

The person does not hold such stake.

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

Son Member of Management Board - Golovakha Lyudmila Alekseevna.

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

The person has not been brought to responsibility as specified.

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

The person did not hold such offices

Name: **Golovakha Lyudmila Alekseevna**

Year of birth: **1955**

Education:

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

– “Electrical equipment of industrial enterprises and facilities”. Graduated in 2007 from Kuban State University, specialization “Law” and “State and municipal management”.

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

Period		Organization	Position
from	till		
2006	2010	“Kubanenergo” JSC	Head of service of administrative support; after – Director in charge of general issues, after - office manager
2006	2010	“Kubanenergo” JSC	member of Management Board
2007	2010	“Recreation centre “Energetik” JSC, “Recreation centre “Plamya” JSC	Member of BoD, then chairman of BoD
2007	2010	“IDGC of the South” JSC	Office manager , after – deputy Director General in charge of administrative Issues
2007	2010	“IDGC of the South” JSC	member of Management Board
2011	2012	“NESK-electric grids” JSC	Director in charge of general issues
2013	Now	“Kubanenergo” JSC	Director General Adviser, after – deputy Director General –chief of staff; member of Management Board

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

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

The person does not hold such stake.

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

Mother of Member of Management Board – Golovakha Dmitriy Nikolaevich.

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

The person has not been brought to responsibility as specified.

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

The person did not hold such offices

Name: **Konevets Kirill Sergeevich**

Year of birth: **1983**

Education:

Higher. Graduated in 2005 from Kuban agrarian state university, specialization – “Jurisprudence”.

Advanced retraining at BMSTU, specialization “Management” in the sphere “Control of organization”, Moscow, 2008

Candidate of legal science

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

Period		Company	Position
2005	now	Kubanenergo JSC	In-house lawyer, leading in-house lawyer at legal department, Chief specialist at legal support directorate, Deputy head of legal support directorate, Head of legal support directorate, Head of legal department, Deputy director general in charge of corporate governance
2007	2008	IDGC of the South JSC	Chief specialist at division for claim-related work at legal department (external secondary job)
2011	Now	Energoservis Kubani JSC	Member of Board of Directors
2012	now	Recreation Centre	Acting director general, director general

		“Plamya”	(part-time)
2013	now	Recreation Centre “Plamya, Recreation Centre “Energetik”	Member of Board of Directors
2014	now	Kubanenergo JSC	Member of Management Board, member of Committee for Technological Connection

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

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

The person does not hold such stake.

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

Such family relations are absent.

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

The person has not been brought to responsibility as specified.

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

The person sole executive body and member of the BoD of Recreation Centre “Plamya” during the initiation of a bankruptcy case in relation to the company in accordance with Commercial court of Krasnodar region dated 23.01.2013. By resolution of Commercial court of Krasnodar region on 16.12.2013 the bankruptcy case was terminated due to meeting of requirement of the creditor.

The person was sole executive body and member of the BoD of Recreation centre “Plamya” when bankruptcy case was initiated in relation to the company, in accordance with order of Commercial court of Krasnodar region on 03.03.2015.

Name: **Kostetskiy Vyacheslav Yurievich**

Year of birth: **1974**

Education:

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

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

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

Period		Organization	Position
from	till		
2007	2010	“IDGC of the South” JSC	Deputy Director General in charge of services development and selling
2010	2011	“Krasniy Proletariy” JSC	Executive director
2011	2012	Territorial board of Federal Agency for the Administration of State Property in Krasnodar region	Head of division of commercial organization and privatization, after – deputy head
2013	now	“Kubanenergo” JSC	Adviser of Director General, after – deputy Director General in charge of development and realization of services; member of Management Board
2013	now	Energoservis of Kuban JSC	Chairperson of Board of Directors
2013	now	Kubanenergo JSC	Member of Committee for Strategy, Development, Investments and Reforming under the BoD, Member of Committee for Technological Connection under the BoD

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: **Ocheredko Olga Vyacheslavovna**

Year of birth: 1972 Education:

Higher, graduated from Kuban state university, specialization “Economic and social planning”, qualification “economist”.

Advanced retraining at BMSTU on the basis of “Training centre “Kubanenergo”, speciality “Management of organization”

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

Period		Organization	Position
from	till		
2008	now	“Kubanenergo” JSC	Head of financial department under financial directorate, head of directorate – head of division at financial department, head of financial division on construction of Olympic facilities, deputy head of department – head of financial division at financial department, head of financial department,

			head of division for construction of Olympic facilities at department of property and legal support of construction of Olympic facilities, deputy director general in charge of economics and finances
2014	now	“Recreation centre “Plamya” JSC	Member of Board of Directors
2014	now	“Kubanenergo” JSC	Member of Management Board

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

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

The person does not hold such stake.

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

Such family relations are absent.

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

The person has not been brought to responsibility as specified.

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

The person did not hold such offices

The person was member of the BoD of Recreation centre “Plamya” when bankruptcy case was initiated in relation to the company, in accordance with order of Commercial court of Krasnodar region on 03.03.2015.

Name: **Rud Evgeniy Viktorovich**

Year of birth: **1967**

Education:

Higher, graduated from Kuban state university, specialization “Geography”, qualification “teacher of geography” (1995)

Kuban state technological university, specialization “energy supply”, qualification “electrical engineer” (2000)

Advanced retraining at BMSTU on the basis of “Training centre “Kubanenergo”, speciality “Management of organization” (2003)

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

Period		Company	Position
2007	now	Kubanenergo JSC	Deputy director in charge of general issues at Krasnodar electric grids, Head of department for electricity transmission at Kubanenergo branch Slavyanskiye electric grids, Head of Kubanenergo branch Slavyanskiye electric grids, Head of Kubanenergo branch Krasnodarskiye electric grids
2014	now	Kubanenergo JSC	Member of the Management Board

Participatory interest of the person in the authorized capital of the Issuer, %: **0.0**

Portion of the Issuer’s ordinary shares held by the person, %: **0.0**

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: **Ryazantsev Dmitriy Yuriyevich**

Year of birth: **1973**

Education:

Secondary technical school. In 1992 graduated from Krasnodar sugar industry training college, specialization “Electrical equipment of industrial enterprises and installations”, qualification “electrical technician”.

Higher in 1997 graduated from Kuban state Technological University, specialization “Energy supply”, qualification “electrical engineer”.

2007 - Kuban state Technological University, specialization “Economy and management of organization”, qualification “manager 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		Orgnaization	Position
from	till		
2007	2010	FGC UES JSC	Federal grid Company of Unified Energy System – Kuban main power transmission lines
2010	now	Kubanenergo JSC	Deputy chief engineer in charge of operation and maintenance control – head of grid control center; deputy chief engineer – head of department of operation and maintenance control; acting director of South-Western electric grids, head of Timashevskiye electric grids, deputy director general in charge of technical issues – chief engineer
2012	2013	Kubanenergo JSC	Member of Reliability Committee under the BoD
2014	now	Kubanenergo JSC	Member of Management Board
2014	now	Energoservis Kubani JSC	Member of Board of Directors

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

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

The person does not hold such stake.

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

Such family relations are absent.

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

The person has not been brought to responsibility as specified.

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

The person did not hold such offices

Name: **Statuyev Vladislav Andreyevich**

Year of birth: **1956**

Education:

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

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

Period		Company	Position
2006	2009	YuTK, JSC	Deputy director general – director in charge of property management and general issues
2009	2013	Federal state unitary enterprise "FT-Centre"	Director of Krasnodar branch
2013	Now	Kubanenergo JSC	Advisor of director general with duties of deputy director general in charge of security, without

			discharge from primary employment, then deputy director general in charge of security
2013	Now	Kubanenergo JSC	Member of Management Board

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

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

The person does not hold such stake.

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

Such family relations are absent.

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

The person has not been brought to responsibility as specified.

All members of Management Board are citizens of Russian Federation. Information on transactions concluded in the reporting quarter between the Company and Member of the Management Board: during the reporting quarter 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	2013	3 months of 2015
Reward	4 030	580
Wages		
Bonuses		
Commission fees		
Benefits		
Compensation for expenses		
Other pecuniary awards		

Other	4 030	580
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Details on current agreements on such payments in the current financial year:

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

- For participation in a session of the Board of Directors arranged in the form of absentee voting, a reward is payable to a member of the Board of Directors of the Company in an amount of the sum equivalent to three minimum monthly tariff rates of Grade 1 worker established by the branch tariff agreement in the electric power sector of the Russian Federation as of the arrangement date of the session of the Board of Directors of the Company with account for indexation established by the Agreement, within one month upon arrangement of the session of the Board of Directors of the Company;

- For participation in a session of the Board of Directors arranged in the form of joint attendance, a reward is payable to a member of the Board of Directors of the Company in an amount of the sum equivalent to five minimum monthly tariff rates of Grade 1 worker established by the branch tariff agreement in the electric power sector of the Russian Federation as of the arrangement date of the session of the Board of Directors of the Company with account for indexation established by the Agreement, within one month upon arrangement of the session of the Board of Directors of the Company;

- An additional reward is payable to members of the Board of Directors per the Company net profit index based on data of annual accounting statement approved by General Meeting of Shareholders of the Company;- An additional reward is payable to members of the Board of Directors in case of increase of the amount of the Company market capitalization during the period of the Board of Directors work.

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

Collegiate executive body

Unit of measurement: thousand rubles

Indicator	2013	3 months of 2015
Reward	1 679	483
Wages	33 352	8 393
Bonuses	10 160	4 303
Commission fees	0	0
Benefits	0	0
Compensation for expenses	949	790
Other pecuniary awards	46 140	13 969
Other	1 679	483

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

In accordance with decision adopted by the Company's BoD on 29.07.2011 (minutes of meeting No. 115/2011 dd01.08.2011) with changes dd. 27.12.2012 (Minutes of meeting No. 150

dd. 29.12.2012) on approval of list of positions regarded as top-managers of Kubanenergo, Members of the Management Board of considered as top-managers of first rate.

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

Compensations

Unit of measurement: **thousand rubles.**

Management body	2014	3 months of 2015
The Board of Directors	0	0
Collegiate executive body	1 774	321

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

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

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

The number of members of the Auditing Commission of the Issuer is 5 (Five) persons. Referred to the competence of the Auditing Commission of the Issuer are the following issues:

- validation of consistency of data contained in the annual report, accounting balance sheet, profit and loss account of the Issuer;
- analysis of the Issuer's financial status, discovery of reserves for improvement of the Issuer's financial status and elaboration of recommendations for the Issuer's Management Bodies;
- organization and performance of review (revision) of the Issuer's financial and business activity, in particular:
 - review (revision) of the Issuer's financial, accounting, payment-and-settlement and other documentation related to the Issuer carrying out financial and business activity for such documentation compliance with the Russian Federation legislation, the Charter, in-house and other documents of the Issuer;
 - control of integrity and use of fixed assets;
 - control of compliance of the established procedure for charging insolvent borrowers' indebtedness to the Issuer's loss;
 - control of spending the Issuer's cash in accordance with the approved Business Plan and budget of the Issuer;
 - control of accumulation and use of the reserve and other special funds of the Issuer;
 - review of correctness and timeliness accrual and payment of dividend on the Issuer's shares, interest on bonds, income from other securities;
 - review of fulfilment of previously issued prescriptions for elimination of violations and inconsistencies detected in the course of previous reviews (revisions);
 - recommendations for Company's management bodies
 - other actions (arrangements) related to review of the Issuer's financial and business activity.

For review and validation of the Company's annual financial statements, the General Meeting of Shareholders annually approves of Auditor of the Company.

The Issuer's Auditor carries out an audit of the Issuer's financial and business activities in accordance with the requirements of the Russian Federation legislation and under the contract concluded with one.

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

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

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

The Issuer has established an internal control service.

The Board of Directors' competence:

- control of the annual independent audit of the accounting and financial statements of the Company,
- selection of candidates for auditors of the Company, evaluation of their qualifications, performance and compliance with the requirements of independence, nominations of auditors to the Board of Directors, drawing conclusions about the candidature of an auditor submitted by third parties,
- assessment of the effectiveness of internal control procedures and preparation of proposals for their improvement,
- other issues on behalf of the Board of Directors.

The members of the Audit Committee of the Board of Directors

Name	chairperson
Lavrova Marina Alexandrovna	+
Khokholkova Kseniya Valerievna	-
Kobelyan Ashot Mkhailovich	-

Information on the availability of a separate structural unit(s) for the risk management and internal control (other than the Audit Commission (Auditor), body (structural unit) in charge of internal control of financial and economic activities of the issuer), its tasks and functions:

The Audit Committee of the Board of Directors (Minutes No.25/2015 dated 27.02.2015) agreed the establishment of directorate for internal audit and risks as a unit of the Department of Internal Audit and Control, Regulations on the Department of Internal Audit and Control were approved by the General Director on 24.03.2015.

The main tasks of the internal control and risks include:

- arrangement of effective interaction and support of the Audit Committee of the Company;
- organization of the system of internal control and risk management;
- implementation of preventive procedures and monitoring;
- interaction with state regulatory authorities on internal control.

The main functions of the internal control and risks include:

- arrangement of the system of internal control and risk management;
- arrangement of activities for the implementation, improvement and development of common approaches to risk-oriented internal control system in the Company;
- interaction with the external auditor on the evaluation of the effectiveness of internal control and risk management;
- assessment of the efficiency of internal control, risk management and corporate governance;
- ensuring awareness of the Company's management on the results of risk management, trends and status of the risk management system;
- interaction with the Audit Committee of the Board of Directors on the issues related to internal control, risk management and corporate governance;
- organization of the development of corrective actions based on the results of audits of the Company, aimed at eliminating deficiencies and implement the recommendations issued by the Audit Committee of the Company, control over their execution;
- keeping records of inspections conducted by external bodies control (supervision), and their results.

Information on the Issuer's separate structural unit of internal audit, its tasks and functions:

The Audit Committee of the Board of Directors (Minutes No.25/2015 dated 27.02.2015) agreed to the establishment of the directorate of internal audit as a part of the Department of Internal Audit and Control, the Regulations on the Department of Internal Audit and Control were approved by the Director general on 23.04.2015.

Information on the Issuer's separate structural unit of internal audit, its tasks and functions:

The main tasks of the Internal Audit are:

- arrangement, planning and implementation of procedures for follow-up activities of the Company and its subsidiaries;
- arrangement of activities of the Audit Commission of Company's subsidiaries and affiliates;
- cooperation with the Audit Committee of the Board of Directors of the Company within the functional subordination.

The main functions of the Internal Audit are:

- planning, arrangement and conducting of internal audits;
- evaluation of the reliability and efficiency of the internal control and risk management, detection of drawbacks in internal control system;
- preparation of proposals and recommendations by the results of the internal audits and evaluations;
- monitoring the elimination of violations and deficiencies detected by the results of internal audits;
- preparation of reports to inform authorities on the results of the Company's internal audit

function;

- preparation of plan and programmes for audits of subsidiaries and affiliates;
- organization of record keeping of audit commissions of subsidiaries and affiliates (including preparation of notifications, reports, etc.);
- conducting the audits of financial and economic activities of subsidiaries and affiliates preparing opinions (acts);
- implementation of post-control and control of subsidiaries and affiliates for elimination of violations and implementation of recommendations and instructions given by the Audit Commission;
- interaction with the Audit Committee of the Board of Directors on internal audit.

The Issuer's policy in the sphere of risk management and internal control systems is described in paragraph 2.4 of this quarterly report

The issuer has ratified (approved) an internal document of the issuer which establishes the rules for preventing the misuse of confidential and insider information.

Data on the issuer's internal document establishing rules aimed at preventing the misuse of confidential and insider information:

The Issuer approved an internal document establishing the rules for prevention of use of service (insider) information.

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

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

In accordance with requirements of Federal law No. 224-Φ3 dated 27.07.2010 "On prevention of illegal usage of insider information and market manipulation and on introduction of changes to particular legislative acts of Russian Federation" the Issuer has accomplished the following activities:

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

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

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

The body controlling business activity of the issuer – Auditing Commission

Name: **Shmakov Igor Vladimirovich**

Year of birth: **1974**

Education:

Higher. Kuban State University (1996), 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		Company	Position
from	till		
2008	2012	IDGC of the South JSC	Head of department for internal audit and risks management
2012	2013	Federal Grid Company of Unified Energy System JSC	Head of department for internal control
2013	Now	Russian Grids JSC	Head of division for control and risks department for internal audit and control
2013	2014	“MUS Energetiki” JSC	Member of Auditing Committee
2013	now	Kubanenergo JSC, IDGC of the South JSC, Yantarenergo JSC, MUS Energetika JSC, Scientific and Research Centre of the South JSC	Member of Auditing Committee

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

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

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

NAME: **Bunyaeva Mariya Viktorovna**

Year of birth:

Education:

Kuban State Technological University, specialization “Accounting, analysis, 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		Company	Position
from	to		
2010	2010	Administration of Krasnodar region	Chief expert and specialist of expertise and analytical sector for construction of Olympic venues
2010	2012	Kubanenergo JSC	Chief specialist of sector for economic security at security department
2012	now	Rosseti JSC	Leading expert for economic security at security department, then leading expert of sector for general audit and expertise at department of internal audit and risks management, then leading expert of sector for general audit and auditing inspections at directorate of auditing activity and internal audit
	now	IDGC of Centre and Volga region, IDGC of North Caucasus, Sevkavenergo JSC	Member of Auditing Commission
2014	now	Kubanenergo JSC	Member of Auditing Commission

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

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

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **no information on this matter.**

NAME: **Guseva Yelea Yurievna**

Year of birth: **1970**

Education:

Higher economic education

Academy of Labor and Social Relations (Moscow).

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

Period		Company	Position
from	to		
2009	2013	IDGC of the South JSC	Leading expert of department of internal audit and risks management
2013	now	Rosseti JSC	Leading expert of division for investments audit at directorate of auditing activity and internal audit at department of internal audit and control
	now	IDGC of Volga JSC, Tyumenenergo JSC, IDGC of the South JSC, IDGC of Centre JSC, IDGC of Siberia JSC, IDGC of North-West JSC, IDGC of North Caucasus JSC, MOESK SJC, Sevkavenergo JSC	Member of Auditing Commission
2014	now	Kubanenergo JSC	Member of Auditing

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

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

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

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: **Malyshev Sergey Vladimirovich**

Year of birth: **1965**

Education:

Higher, Yaroslavskoye higher military financial college (1986)

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		
2009	2011	Ministry of Defence of the Russian Federation	Contract military service, then chief consultant of financial inspection
2011	2012	Gazpromneft-Aero CJSC	Chief expert
2013	2013	FGC UES JSC	Head of department from investments audit
2013	now	Rosseti JSC	Chief expert

	now	IDGC of Volga JSC, Tyumenenergo JSC, IDGC of the South JSC, IDGC of Centre JSC, IDGC of Siberia JSC, IDGC of North-West JSC, IDGC of North Caucasus JSC, MOESK SJC, Sevkavenergo JSC, IDGC of Centre, Lenenergo JSC	Member of Auditing Commission
2014	now	Kubanenergo JSC	Member of Auditing Commission

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

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

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

NAME: **Udod Alexandr Nikolaevich**

Year of birth: **1975**

Education:

Higher.

Saint-Petersburg military institute of Internal Troops of the Ministry for Internal Affairs (1997).

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		
1997	2009	Service at Ministry of Internal Affairs of the Russian Federation	
2011	now	Federal Agency for State Property Management (Rosimushchestvo), Krasnodar region	Head of division, deputy head of division
2014	now	Kubanenergo JSC	Member of Auditing Commission

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

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

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

Information was not provided.

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

Information was not provided.

Details of the person having held offices with management bodies of commercial organizations in a period when bankruptcy procedures were instigated and/or a bankruptcy procedure as stipulated by the Russian Federation bankruptcy (insolvency) legislation initiated against such organizations: **no information on this matter.**

Internal control and risks management department

Name: **Ivanova Irina Viktorovna**

Year of birth: **1973**

Education:

Higher. Kuban State University; specializations:

- "Accounting and audit" - in 1995,

- "Law" - in 2010.

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

Period		Company	Position
From	To		
2003	2015	Ministry of Internal Affairs of the Russian Federation in the Krasnodar region	Deputy head of sector for desk audit and examination of economic security management and corruption control
2015	now	Kubanenergo JSC	Head of Department of Internal audit and control

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

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

The person does not hold such stake.

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

There are no such family relations.

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

The person has not been brought to responsibility as specified.

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

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

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

Details of the amount of reward per each body for control of the Issuer's financial and business activity. Indication of all types of rewards including wages, bonuses, commission fees, benefits and/or compensations for expenses as well as other pecuniary rewards paid by the Issuer for the last completed financial year:

Unit: **rubles**

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

Indicator	2014	3 months of 2015
Remuneration for participation in activity of the managing body	1 598	0
Salary		
Bonuses		
Commission		
Benefits		
Reimbursement of expenses		
Other remunerations		
Total	1 598	0

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

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

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

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

Remuneration for participation in the work of the inspection body

unit of measure: **thousand rubles**

indicator	2013	3 months of 2015
Reward for participation in control body		
Salary	9 801	1 780
Bonuses	1 336	539
Commission fees		0
Benefits		0
Other remunerations	1 107	0
Total	12 244	2 319

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

Payments to the employees of the Department of internal audit and control were carried

out in accordance with the “Regulation on material incentives for the top managers of Kubanenergo” approved by Order of the Company dated 29.12.2012 # 1166 and the Collective Agreement of Kubanenergo for the 2013-2015, introduced by the Order of the Company dated 29.12.2012 #1161.

Compensations

Unit of measurement: **thousand rubles.**

Control body	2014	3 months of 2015
Auditing Committee	0	0
Department of internal audit and control	0	40

Additional information:

Help in improving the living conditions of employees of the Department of internal audit and control of the Issuer, was provided by giving financial assistance in real estate loan (p.6.2.4 of the Collective Agreement).

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	2014	3 months of 2015
Average number of employees	8 364	8 205
Volume of cash allocated for payment of wages	3 895 804.2	878 620
Volume of cash allocated for social welfare	41 489.3	5 007

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: **1 809**

Total number of the Issuer’s nominal shareholders: **2**

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): **2 828**

Date of making the list of persons include the last in the list of those entitled to participate in general meeting of shareholders: **19.05.2014**

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

Information on the number of own shares possessed by the issuer as at the reporting quarter

Own shares possessed by the issuer: no

Information on the number of shares belonging to the organizations controlled by the issuer
акций эмитента, принадлежащих подконтрольным ему организациям

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

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, %: **7.36**

Portion of the Issuer's ordinary shares held by the person, %: **7.36**

Persons who control member (shareholder) of the Issuer

No such persons

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

No such persons

Nominal Shareholder

Information on nominal shareholder:

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

Abbreviated business name: **NSD CJSC**

Location

12 Spartakovskaya street, Moscow, Russia 125009

TIN: 7702165310

PSRN: 1027739132563

Telephone: (495) 234-4827

Fax: (495) 232-0275

e-mail: info@nsd.ru

Details on license of securities market professional participant

No.: 177-12042-000100

Date of issue: 19.02.2009

Expiry date:

Perpetual

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

Quantity of the Issuer's ordinary shares registered in the Issuer's Shareholder Register in the name of the nominal shareholder: **261 683 913**

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): **7.36**

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): **0.0002**

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: **19.05.2014**

List of Shareholders (Participants):

Full business name: **Russian Federation represented by Federal Agency for the Administration of State Property**

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

Address: 9, Nikolskiy lane, Moscow 109012

TIN: 7710723134

PSRN: 1087746829994

Participatory interest of the person in the authorized capital of the Issuer, %: **14.57**

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

Full business name: **Open Joint-Stock Company "Russian Grids"**

Abbreviated business name: **"Rosseti" JSC**

Address: 26, Ulanskiy lane, Moscow

TIN: **7728662669**

PSRN: **1087760000019**

Participatory interest of the person in the authorized capital of the Issuer, %: **92.24**

Portion of the Issuer's ordinary shares held by the person, %: **6392.24**

Additional information:

No.

6.6. Details of interested-party transactions concluded 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	4	14 746 021
Transactions of interest concluded by the issuer during the reporting period which have been approved by the general meeting of members (shareholders) of the Issuer	0	0
Transactions of interest concluded by the issuer during the reporting period which have been approved by the board of directors (supervisory board of the issuer)	4	14 746 021
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:

6.7. Details on the amount of accounts receivable

31.12.2014

Unit of measurement: thousand rubles

Indicators	Indicator value
Accounts receivable from buyers and customers	3 267 641
including overdue	1 500 026
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	562 654
including overdue	412 122
Total	3 830 295
including overdue	1 912 149

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

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

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

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

TIN: **2308119595**

PSRN: **1062309019794**

Sum of accounts receivable: **2 402 595.94**

Unit of measurement: thousand rubles

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

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

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

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

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

TIN: **7707321795**

PSRN: **1047707041909**

Sum of accounts receivable: **806 311.35**

Unit of measurement: thousand rubles

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

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

31.03.2015

Unit of measure: **thousand rubles**

Indicator	Amount of indicator
Accounts receivable from buyers and customers	4 078 814
including overdue	1 298 313
Accounts receivable under promissory notes receivable	0
including overdue	0
Accounts receivable from participants (founders) by way of contributions	0

to the authorized capital	
including overdue	0
Other accounts receivable	616 593
including overdue	468 234
Total	4 695 407
including overdue	1 766 547

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 region, Krasnodar, Gimnazicheskaya str., 55**

TIN: **2308119595**

PSRN: **1062309019794**

Sum of accounts receivable: **226 255.81**

Unit of measurement: thousand rubles

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

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

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

Abbreviated business name: **“NESK” JSC**

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

TIN: **2308091759**

PSRN: **1032304155102**

Sum of accounts receivable: **1 044 374.49**

Unit of measurement: thousand rubles

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

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

VII. Issuer’s accounting statements and other financial information

7.1. Issuer’s annual accounting statements

2013

Accounting balance for 31.12.2014

Form No. 1 as per OKUD [Russian National Classifier of Management Documentation]

Codes
0710001

Organization: Kuban Open-End Joint-Stock Company of Power Industry and Electrification	As per OKPO [Russian National Classifier of Businesses and Organizations]	Date 31.12.2014
Taxpayer Identification Number	TIN	00104604
Type of activity	as per OKVED [Russian National Classifier of Types of Economic Activity]	2309001660
Organizational legal form/ownership form Open-End Joint-Stock Company	As per OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	40.10.2/40.10.3
Unit: thousand RUR	As per OKEI [Russian National Classifier of Measurement Units]	1 22 47 / 16
		384

notes	ASSETS	Line code	as of 31.12.2014	as of 31.12.2013	as of 31.12.2012
1	2	3	4	5	6
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	13 473	16 110	19 715
	Results of researches and developments	1120	28 687	25 059	17 091
	Intangible development assets	1130			
	Intangible development assets	1140			
	Fixed assets	1150	47 499 351	42 610 826	31 207 441
	Income-bearing investments in tangible valuables	1160			
	Financial investments	1170	45 588	45 588	45 688
	Deferred tax assets	1180	1 110 920	1 032 232	1 006 530
	Other non-current assets	1190	85 276	283 045	269 657
	TOTAL Section I	1100	48 783 295	44 012 860	32 566 122
	II. CURRENT ASSETS				
	Stock	1210	1 467 262	2 050 130	1 914 210
	Value added tax on valuables acquired	1220	7 896	21 337	10 232
	Accounts receivable	1230	3 830 295	5 123 537	3 218 957
	Financial investments	1240			

	Cash and equivalents	1250	7 070 974	12 622 500	4 292 452
	Other current assets	1260	554 863	706 815	972 097
	TOTAL Section II	1200	12 931 290	20 524 319	10 407 948
	BALANCE	1600	61 714 585	64 537 179	42 974 070

	LIABILITIES	Line	as of 31.12.2014	as of 31.12.2013	as of 31.12.2012
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
	Authorized capital (reserve capital, statutory find and partners' contributions)	1310	28 286 813	28 286 813	14 294 283
	Treasury stock bought out at from the shareholders	1320			
	Revaluation of non-current assets	1340	9 642 200	9 755 180	8 250 871
	Additional capital (without revaluation)	1350	6 481 916	6 481 916	3 428 746
	Reserve capital	1360	89 347	89 347	89 347
	Unallocated profit (uncovered loss)	1370	-14 879 177	-11 359 824	-9 481 984
	TOTAL Section III	1300	29 621 099	33 253 432	16 581 263
	IV. LONG-TERM LIABILITIES				
	Borrowed funds	1410	14 900 000	17 237 000	5 917 000
	Deferred tax liabilities	1420	124 789	126 441	138 702
	Reserve for contingent liabilities	1430			
	Other liabilities	1450	1 021 770	595 374	265 752
	TOTAL Section IV	1400	16 046 559	17 958 815	6 321 454
	V. SHORT-TERM LIABILITIES				
	Borrowed funds	1510	2 517 000	400 000	10 027 267
	Payables	1520	10 619 876	11 651 767	8 278 698
	Reserves for future expenses	1530	122 763	11 474	12 598
	Estimated liabilities	1540	2 787 288	1 261 691	1 752 790
	Other liabilities	1550			
	TOTAL Section V	1500	16 046 927	13 324 932	20 071 353
	BALANCE (assets)	1700	61 714 585	64 537 179	42 974 070

Profit and loss statement for 2014

Codes

Form No. 2 as per OKUD [Russian National Classifier of Management Documentation]	0710002
Date	31.12.2014
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] 40.10.2/40.10.3
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] 1 22 47 / 16
Unit: thousand RUR	As per OKEI [Russian National Classifier of Measurement Units] 384

	Indicator	Line	2014	2013
1	2	3	4	5
	Proceeds	2110	29 393 384	33 903 758
	Cost of sales	2120	-29 918 777	-32 201 425
	Gross profit (loss)	2100	-525 393	1 702 333
	Commercial expenses	2210		
	Administrative expenses	2220		
	Sales profit (loss)	2200	-525 393	1 702 333
	Participation incomes	2310	5	3
	Interest receivable	2320	634 424	475 329
	Interest payable	2330	-1 801 081	-1 535 351
	Other incomes	2340	3 039 425	1 601 414
	Other expenses	2350	-5 083 520	-4 753 161
	Profit (loss) before tax	2300	-3 736 140	-2 509 433
	Current profit tax	2410		
	Including constant tax liabilities (assets)	2421	791 058	616 030
	Changes in deferred tax liabilities	2430	1 289	11 891

Changes in deferred tax assets	2450	-45 119	-126 034
Other	2460	147 637	143 440
Net profit (loss)	2400	-3 632 333	-2 480 136
FOR REFERENCE:			
Results of revaluation of non-current assets not included into net profit (loss) of the period	2510		2 106 605
Results of other operations not included into net profit (loss) of the period	2520		
Aggregate financial result of the period	2500	-3 632 333	-373 531
Basis profit (loss) per share	2900	-12.8411	-12.069
Diluted profit (loss) per share	2910	-12.8411	-12.069

Report on changes in equity for 20134

Form No. 3 as per OKUD [Russian National Classifier of Management Documentation]		Codes
		0710003
Date		31.12.2014
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]	12247 / 16
Unit: thousand RUR	As per OKEI [Russian National Classifier of Measurement Units]	384

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

I. Cash flow							
Indicator	Line code	Chartered capital	Treasury stock	Reserve capital	Unallocated profit (uncover)	Total	Reserve capital

					ed loss)		
1	2	3	4	5	6	7	8
Balance as of December 31 of the year preceding the previous period	3100	14 294 283		11 679 617	89 347	-9 481 984	16 581 263
Reporting period of the year preceding the previous period:							
Increase of capital - total:	3210	13 992 530		5 159 775			19 152 305
including:							
Net profit	3211						
Revaluation of property	3212			2 106 605			2 106 605
Incomes directly related to increase of capital	3213						
additional share issue	3214	13 992 530		3 053 170			17 045 700
increase of share nominal value	3215						
legal entity reorganization	3216						
Capital amount reduction – total:	3220					-2 480 136	-2 480 136
<i>including:</i>							
loss	3221					-2 480 136	-2 480 136
Revaluation of property	3222						
expenditures directly related to decrease of capital	3223						
reduction of share nominal value	3224						
reduction of number of shares	3225						
legal entity reorganization	3226						
dividends	3227						
Additional fund changing	3230			-602 296		602 296	
Reserve fund changing	3240						

Value of capital at the 31 December of previous year	3200	28 286 813		16 237 096	89 347	-11 359 824	33 253 432
During reporting year:							
Capital provision – total:	3310						
Including:							
Net profit	3311						
Revaluation of assets	3312						
Capital provision income	3313						
Additional share issue	3314						
Increasing of share denomination	3315						
Re-organization of legal entity	3316						
Capital reduction – total:	3320					-3 632 333	-3 632 333
Including:							
Loss	3321					-3 632 333	-3 632 333
Revaluation of assets	3322						
Expense related to reduction of capital	3323						
Reduction of share par value	3324						
Reduction of amount of shares	3325						
Re-organization of legal entity	3326						
dividends	3327						
Additional fund changing	3330			-112 980		112 980	
Reserve fund changing	3340						
Value of capital at the 31 December of previous year	3300	28 286 813		16 124 116	89 347	-14 879 177	29 621 099

2. Amendments with regard of changes in accounting policy and correction of mistakes.

Indicator description	Line code	As of 31.12.2012	Capital changing in 2013		As of 31.12.2012
			At the expense of net profit	Due to other factors	
1	2	3	4	5	6
Capital – total					
Before correcting	3400	16 581 263	-2 480 136	19 152 305	33 253 432
Correcting due to the fact of:					
Accounting policy changing	3410				
Correction of mistakes	3420				
After correcting	3500	16 581 263	-2 480 136	19 152 305	33 253 432
Including:					
Undistributed profit (unrecovered loss):					
Before correcting	3401	-9 481 984	-1 877 840		-11 359 824
Correcting due to the fact of:					
Accounting policy changing	3411				
Correction of mistakes	3421				
After correcting	3501	-9 481 984	-1 877 840		-11 359 824
Other corrected capital articles:					
(under the article)					
Before correcting	3402	26 063 247	-602 296	19 152 305	44 613 256
Correcting due to the fact of:					
Accounting policy changing	3412				
Correction of mistakes	3422				
After correcting	3502	26 063 247	-602 296	19 152 305	44 613 256

Inquiries				
Indicator description	Line code	As of 31.12.2014	As of 31.12.2013	As of 31.12.2012

1	2	3	4	5
Net assets	3600	29 743 862	33 264 906	16 593 861

Statement on cash flow for 2014

		Codes
Form No.4 as per OKUD [Russian National Classifier of Management Documentation]		0710004
	Date	31.12.2014
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]	12247 / 16
Unit: thousand RUR	As per OKEI [Russian National Classifier of Measurement Units]	384

Indicator	Line code	as of 12 months 2014	as of 12 months 2013
1	2		3
Money flows from currents operations			
Income - total	4110	31 825 504	28 960 527
Including:			
From sales of products, goods, work and services	4111	30 312 495	28 439 749
Lease rents, license fee, royalties, commission and other payments	4112	20 948	20 845
From resale of financial assets	4113		
Other incomes	4119	1 492 061	499 933

Payments - total	4120	-30 820 258	-27 917 690
including:			
to suppliers (contractors) for materials, stuff, work, services	4121	-23 152 824	-20 775 671
Due to the fact of payment for the labour of an employee	4122	-3 983 308	-3 746 977
Interest on debenture	4123	-1 796 740	-1 535 351
Tax on the profit of organizations	4124	-31	
Other payments	4125	-1 887 355	-1 859 691
Balance of money flows from current operations	4100	1 005 246	1 042 837
Flow of investment activity funds			
Income – total	4210	727 100	655 505
Including:			
From sale of non-current assets (except financial assets)	4211	6 513	49 830
From sale of shares of other organizations (equity share)	4212		
From returning of granted loans, from sale of debt securities (claim of monetary funds to others)	4213		
From dividends, percent from debt financial placements and similar incomes from share participation in other organizations	4214	619 144	457 075
Other incomes	4219	101 443	148 600
Payments – total	4220	-7 063 702	-12 078 963
Including:			
Due to the fact of purchasing, creating, modernization, reconstruction and preparing for use of non-current assets	4221	-6 907 866	-11 364 571
Due to the fact of purchasing shares of other companies (equity share)	4222		
Due to the fact of purchasing debt securities (claim of monetary funds to others), lending procuration to others	4223		
Interest of debenture, included to value of investment asset	4224		
Other payments	4229	-155 836	-714 392
Balance of money flows from current operations	4200	-6 336 602	-11 423 458
Money flows from financial operations			
Income – total	4310	400 000	28 765 700

Including:			
Receiving the credits and loans	4311	400 000	11 720 000
From owners' lodgment (participants)	4312		
From shares release, increasing share of participation	4313		17 045 700
From issue of bonds, bills and other debt securities and other	4314		
Other incomes	4319		
Payments - total	4320	-620 000	-10 054 557
Including:			
To owners (participants) due to the fact of their shares purchasing (equity share) or their cessation of membership	4321		
To dividends and other payments under appropriation of profit in favor of owners (participants)	4322		
Due to the fact of payment of promissory notes (purchasing) and other debt securities, repayment of credits and loans	4323	-620 000	-10 027 267
Other payments	4329		-27 290
Balance of money flows from current operations	4300	-220 000	18 711 143
Balance of money flows in the accounting period	4400	-5 551 356	8 330 522
Cash balance and money equivalent at the beginning of reporting period	4450	12 622 276	4 291 754
Cash balance and money equivalent at the end of reporting period	4500	7 070 920	12 622 276
Effect of exchange rate changes of rubles	4490		

Appendix to accounting balance

Explanatory note

The information contained in the annex to this quarterly report

Audit report

The information contained in the annex to this quarterly report

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

Balance sheet

31.03.2015

Form No. 1 as per OKUD [Russian National Classifier of Management Documentation]		Codes
		0710001
		Date
		31.03.2015
Organization: Kuban Open-End Joint-Stock Company of Power Industry and Electrification	As per OKPO [Russian National Classifier of Businesses and Organizations]	00104604
Taxpayer Identification Number	TIN	2309001660
Type of activity	as per OKVED [Russian National Classifier of Types of Economic Activity]	40.10.2
Organizational legal form/ownership form Open-End Joint-Stock Company	As per OKOPF [Russian National Classifier of Organizational Legal Forms]/OKFS [Russian National Classifier of Forms of Ownership]	12247 / 16
Unit: thousand RUR	As per OKEI [Russian National Classifier of Measurement Units]	384

notes	ASSETS	Line code	as of 31.03.2015	as of 31.12.2014	as of 31.12.2013
1	2	3			4
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	11 339	13 473	16 110
	Results of researches and developments	1120	28 440	28 687	25 059
	Intangible development assets	1130			
	Tangible development assets	1140			
	Fixed assets	1150	47 419 448	47 499 351	43 293 640
	Income-bearing investments in tangible valuables	1160			
	Financial investments	1170	45 588	45 588	45 588
	Deferred tax assets	1180	1 114 960	1 110 920	1 032 232
	Other non-current assets	1190	77 407	85 276	283 045
	TOTAL Section I	1100	48 697 182	48 783 295	44 695 674
	II. CURRENT ASSETS				
	Stock	1210	1 523 330	1 467 262	1 367 316
	Value added tax on valuables acquired	1220	6 466	7 896	21 337
	Accounts receivable	1230	4 695 407	3 830 295	5 123 537
	Financial investments	1240			

	Cash and equivalents	1250	6 318 358	7 070 974	12 622 500
	Other current assets	1260	544 996	554 863	706 815
	TOTAL Section II	1200	13 088 557	12 931 290	19 841 505
	BALANCE	1600	61 785 739	61 714 585	64 537 179

	LIABILITIES	Line	as of 31.03.2015	as of 31.12.2014	as of 31.12.2013
1	2	3		4	5
	III. CAPITAL AND RESERVES				
	Authorized capital (reserve capital, statutory find and partners' contributions)	1310	28 286 813	28 286 813	28 286 813
	Treasury stock bought out at from the shareholders	1320			
	Revaluation of non-current assets	1340	9 638 795	9 642 200	9 755 180
	Additional capital (without revaluation)	1350	6 481 916	6 481 916	6 481 916
	Reserve capital	1360	89 347	89 347	89 347
	Unallocated profit (uncovered loss)	1370	-15 130 582	-14 879 177	-11 359 824
	TOTAL Section III	1300	29 366 289	29 621 099	33 253 432
	IV. LONG-TERM LIABILITIES				
	Borrowed funds	1410	14 900 000	14 900 000	17 237 000
	Deferred tax liabilities	1420	123 598	124 789	126 441
	Contingent liabilities	1430			
	Other liabilities	1450	303 894	1 021 770	595 374
	TOTAL Section IV	1400	15 327 492	16 046 559	17 958 815
	V. SHORT-TERM LIABILITIES				
	Borrowed funds	1510	2 517 000	2 517 000	400 000
	Payables	1520	11 578 454	10 619 876	11 651 767
	Income of future periods	1530	121 156	122 763	11 474
	Estimated liabilities	1540	2 875 348	2 787 288	1 261 691
	Other liabilities	1550			
	TOTAL Section V	1500	17 091 958	16 046 927	13 324 932
	BALANCE (assets)	1700	61 785 739	61 714 585	64 537 179

Profit and loss statement for 3 months of 2015

Codes

Form No. 2 as per OKUD [Russian National Classifier of Management Documentation]		0710002
	Date	31.03.2015
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]	12247 / 16
Unit: thousand RUR	As per OKEI [Russian National Classifier of Measurement Units]	384

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

	Indicator	Line	3 months of 2015	3 months of 2014
1	2	3	4	5
	Proceeds	2110	7 922 453	7 269 775
	Cost of sales	2120	-7 742 965	-7 336 301
	Gross profit (loss)	2100	179 488	-66 526
	Commercial expenses	2210		
	Administrative expenses	2220		
	Sales profit (loss)	2200	179 488	-66 526
	Participation incomes	2310		
	Interest receivable	2320	182 495	170 380
	Interest payable	2330	-566 865	-417 849
	Other incomes	2340	212 958	171 611
	Other expenses	2350	-268 081	-621 879
	Profit (loss) before tax	2300	-260 005	-764 263
	Current profit tax	2410		

	Including constant tax liabilities (assets)	2421	46 419	92 159
	Changes in deferred tax liabilities	2430	1 178	1 221
	Changes in deferred tax assets	2450	4 403	59 472
	Other	2460	-386	4 730
	Net profit (loss)	2400	-254 810	-698 840
	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	-254 810	-698 840
	Basis profit (loss) per share	2900	-0.901	-2.4706
	Diluted profit (loss) per share	2910	-0.901	-2.4706

7.3. Consolidated accounting statements of the Issuer

Consolidated accounting statements of the Issuer is not specified in this quarter

7.4. Information on the accounting policy of the Issuer

Regulations on the accounting policy for the purposes of accounting and taxation of "Kubanenergo" for 2014, approved by order of 27.12.2013 No.1578 (hereinafter the Regulations on the accounting policy of "Kubanenergo") were extended to 31.12.2015 with amendments:

1) Delete paragraph 3.11.11 from the section 3.11 "Accounting for intangible assets and amortization" item.

2) Paragraph 3.13.19 of the section 3.13 "Accounting for inventories" in the following wording:

"On actually spent materials the division - recipient of materials – shall prepare the Act for the writ-off of the spent material assets, which shall include the name, quantity, price and amount of each item, the name of the type of work (maintenance, repair, commissioning, etc.), for implementation of which materials are provided, the amount of consumption standards and in fact, the amount of expenditure in excess of the norms and their causes (form No.M-37). Write-off of spent of office supplies and consumables produced on demand, the invoice (form No.M-11).

3). Section 3.17, "Accounting for Revenue, current costs and expenses. Common approaches accounting expenses and income" item 3.17.14 paragraph 2 shall be read as follows:

"When the implementation costs cannot be directly correlated with any income or it becomes apparent that the alleged relevant cost income will not be received. Then the recognized other expenses (payment of interest on loans, the costs of conservation, plant and equipment, and so on. D.) Or losses. Expenses are also recognized in the event of an obligation without the fact of receipt of the property. Penalties and interest on taxes, fees and contributions are reflected in the account 99 "Gains and losses".

4). In Section 5 "Tax Accounting for Income Taxes"

- 1.1. Paragraph 5.3.2 Paragraph 11 shall read as follows:

"Exchange rate differences (item 5 of Art. 265 of the Tax Code);

- 1.2. paragraph 5.3.4 supplemented by the phrase:

"In order to write-off the inventories which service life exceeds 12 months, material costs as the cost of such assets are recognized based on its useful life."

5). Section 6 "Value Added Tax" 2.1. paragraph 6.14 paragraph 1 shall read as follows:

"Invoices are stored directly in the field of accounting and presented to buyers of vendor invoices - invoices, that is, at the location of the executive office and branches of the Company"

The information is contained in the annex to this quarterly report

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

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

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

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

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV "Dagomys 220 kV – substation Rodnikovaya" (cable line section support No. 14a – support No. 46a)**

Ground for changing: **putting into operation**

Date of occurrence of changes: **30.09.2014**

Balance cost of alienated property: **560 143.69**

Unit of measurement: **thousand rubles**

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV Substation "Bocharov ruchi – substation Sochi" (Section: cable line of substation "Bocharov ruchi" - support No. 46a)**

Ground for changing: **putting into operation**

Date of occurrence of changes: **30.09.2014**

Balance cost of alienated property: **374 238.04**

Unit of measurement: **thousand rubles**

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV "Dagomys 220 kV – substation Vereschagibskaya" (Section of cable line of substation "Vereschaginskaya" support No. 3a)**

Ground for changing: **putting into operation**

Date of occurrence of changes: **30.09.2014**

Balance cost of alienated property: **307 762.69**

Unit of measurement: **thousand rubles**

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV "Adlerskaya thermal electric power station – substation "Adler" (section: support No. 26a – substation "Adler")**

Ground for changing: **putting into operation**

Date of occurrence of changes: **30.09.2014**

Balance cost of alienated property: **375 321.206**

Unit of measurement: **thousand rubles**

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV "Khosta-Adler"**

Ground for changing: **putting into operation**

Date of occurrence of changes: **30.09.2014**

Balance cost of alienated property: **445 371.929**

Unit of measurement: **thousand rubles**

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV "Adler-Psou"**

Ground for changing: **putting into operation**

Date of occurrence of changes: **30.09.2014**

Balance cost of alienated property: **627 591.402**

Unit of measurement: **thousand rubles**

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV "Volkonka – Magri" Section of cable line 110 kV from substation "Magri" to long-span support No. 54 (included supports No. 102/1 – step down substation No. 54)**

Ground for changing: **putting into operation**

Date of occurrence of changes: **30.09.2014**

Balance cost of alienated property: **339 069.048**

Unit of measurement: **thousand rubles**

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV "Volkonka – Golovinka" (support 4g – Substation Volkonka)**

Ground for changing: **putting into operation**

Date of occurrence of changes: **30.09.2014**

Balance cost of alienated property: **316 458.542**

Unit of measurement: **thousand rubles**

Changes: **Purchasing of property**

Type of property (immovable property) that was alienated (purchased) from Issuer's property: **Transmitting facilities**

Brief description of alienated (purchased) property: **power line 110 kV "Volkonka – Yakornaya schel"**

Ground for changing: **putting into operation**

Date of occurrence of changes: **30.09.2014**

Balance cost of alienated property: **438 159.484**

Unit of measurement: **thousand rubles**

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

12 months of 2014: Company participated in 17 cases:

- The claim of "Kubanenergo" JSC to "Kubanenergosbyt" JSC to recover of the debt in the amount of 41 211 490 rubles under a service contract for the transfer of electrical energy. By the resolution of the Commercial Court of Krasnodar region on 09.04.2014 claim was left undecided.
- The claim of "Kubanenergo" JSC to "Kubanenergosbyt" JSC to recover of the debt in the amount of 73 533 580 rubles under a service contract for the transfer of electrical energy. By the resolution of the Commercial Court of Krasnodar region on 08.04.2014 claim was left undecided.
- The claim of "Kubanenergo" JSC to "Kubanenergosbyt" JSC to recover of the debt in the amount of 197 693 350 rubles under a service contract for the transfer of electrical energy.
- The claim of "Kubanenergo" JSC to "Kubanenergosbyt" JSC to recover of the debt in the amount of 314 107 240 rubles under a service contract for the transfer of electrical energy. By the resolution of the Commercial Court of Krasnodar region on 08.04.2014 claim was left undecided.
- The claim of "Kubanenergo" JSC to "Kubanenergosbyt" JSC to recover of the debt in the amount of 24 308 850 rubles under a service contract for the transfer of electrical energy.
- The claim of "Kubanenergo" JSC to "Kubanenergosbyt" JSC to recover of the debt in the amount of 32 851 270 rubles under a service contract for the transfer of electrical energy.
- The claim of "Kubanenergo" JSC to "Oboronenergosbyt" JSC to recover of the debt in the amount of 18 592 430 rubles under a service contract for the transfer of electrical energy. By the decision of the Commercial Court of Krasnodar region dd.19.03.2014 the claims were satisfied in amount of 14 188 280 rubles.
- The claim of "Kubanenergosbyt" JSC to "Kubanenergo" JSC to recover of the debt in the amount of 1 253 596 260 rubles under a service contract for the transfer of electrical energy. By the resolution of the Court on 28.03.2014 claim was left undecided.
- The claim of "Kubanenergo" JSC to "Maikop CHP" LLC to recover of the debt in the amount

of 69 087 050 rubles under a service contract for the transfer of electrical energy. By decision of Commercial court of Republic of Adyghea claims were satisfied on 18.03.2014.

- The claim of “Kubanenergo” JSC to “Maikop CHP” LLC to recover of the debt in the amount of 94 008 618 rubles 07 kopecks under a service contract for the transfer of electrical energy.

- The claims of “Kubanenergo” JSC to “Maikop CHP” LLC on recover of the debt in the amount of 57 067 550 rubles under a service contract for the transfer of electrical energy. By decision of Commercial court of Republic of Adyghea claims were satisfied on 23.09.2014.

- The claims of “FGC UES” JSC to “Kubanenergo” JSC on recover of the debt in the amount of 4 152 055 411 rubles 68 kopecks under a service contract for the transfer of electrical energy.

- Application of “Kubanenergo” JSC to include in list of creditors of “Nizhnovatomenergoby” JSC in the amount of 390 828 652 rubles 40 kopecks. By decision of Commercial court of Moscow stated claims were included in list of creditors of “Nizhnovatomenergoby” JSC on 23.09.2014

- The claims of “INTER RAO – Electric Power Plants” to “Kubanenergo” JSC on recover of the debt in the amount of 19 566 956 rubles 27 kopecks. By the Decision of Commercial Court of Moscow claims were satisfied on 26.09.2014.

- The claims of “Kubanenergo” JSC to “Oboronenergoby” JSC on recover of the debt in the amount of 101 335 700 rubles 30 kopecks under a service contract for the transfer of electrical energy. By the decision of the Commercial Court of Krasnodar region dd. 30.09.2014 the claims were satisfied in amount of 56 335 706 rubles 30 kopecks due to partial ex gratia payment.

- The claims of “Kubanenergo” JSC to MK “EnergoSeti” LLC on recover of the debt in the amount of 178 270 237 rubles 56 kopecks under a service contract for the transfer of electrical energy.

- The claims of “FGC UES” JSC to “Kubanenergo” JSC on collection of penalty interest for failure to pay on time under contract on technological connection in the amount of 143 434 395 rubles 21 kopecks.

The 1st quarter of 2015: Company participated in 6 cases:

- The claims of “FGC UES” JSC to “Kubanenergo” JSC on recovery of debt in the amount of 4 152 055 411 rubles 68 kopecks under the service contract for the transfer of electrical energy.

- The claim of “Kubanenergo” JSC to “Maikop CHP” LLC to recover of the debt in the amount of 51 523 840 rubles under a service contract for the transfer of electrical energy. By decision of Commercial court of Republic of Adyghea dated 17.02.2015 claims were satisfied, monetary assets were collected in the amount of 1 213 840 rubles 00 kopecks from “Maikop CHP” LLC.

-- The claim of “Kubanenergo” JSC to “Maikop CHP” LLC to recover of the debt in the amount of 68 193 190 rubles under a service contract for the transfer of electrical energy. By decision of Commercial court of Republic of Adyghea dated 04.03.2015 claims were satisfied c monetary assets were collected in the amount of 68 193 190 rubles 00 kopecks from “Maikop CHP” LLC.

- The claims of MK “EnergoSeti” LLC to “Kubanenergo” JSC on recover of the debt in the amount of 178 270 237 rubles 56 kopecks under a service contract for the transfer of electrical energy. By the resolution of the Commercial court of Krasnodar region dated 26.02.2015 the claims were satisfied, monetary assets in the amount of 178 270 237 rubles 56 kopecks were collected from Kubanenergo.

- The claims of “FGC UES” JSC to “Kubanenergo” JSC on collection of penalty interest for failure to pay on time under contract on technological connection in the amount of 143 434 395 rubles 21 kopecks.

- The claims of “Kubanenergo” JSC to “Oboronenergosbyt” JSC on recover of the debt in the amount of 76 299 013 rubles 28 kopecks under a service contract for the transfer of electrical energy. By the resolution of the Commercial court of Krasnodar region dated 16.03.2015 the claims were satisfied, monetary assets in the amount of 76 299 013 rubles 28 kopecks were collected from “Oboronenergosbyt” JSC .

- The claims of “Kubanenergo” JSC to “Oboronenergosbyt” JSC on recover of the debt in the amount of 76 299 013 rubles 28 kopecks under a service contract for the transfer of electrical energy. By the decision of the Commercial Court of Krasnodar region dd. 16.03.2015 the claims were satisfied in amount of 76 299 013 rubles 30 kopecks.

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: **28 286 813 000**

Ordinary shares

Total nominal cost: **28 286 813 000**

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

Privileged:

Total nominal cost: **0**

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

The information is specified on correspondence of the sum authorized capital mentioned in this document to constituent documents of the issuer:

The sum authorized capital mentioned in this paragraph corresponds to issuer’s Charter.

8.1.2. Information on changes in the authorized (reserve) capital (share fund) of the Issuer

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

Date of changes of the AC: **17.01.2014**

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

Structure of the AC before changes

Ordinary shares

Total nominal cost: **14 294 283 000**

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): **28 286 813 000**

Structure of the AC after changes

Ordinary shares

Total nominal cost: **28 286 813 000**

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

Privileged:

Total nominal cost: **0**

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

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

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

20.03.2013

Minutes No.: **33**

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 village, 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 village, Ghelendjik, Krasnodar Territory, 353490

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

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

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

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

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

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

8.1.5. Information on material deals effected by the Issuer

The specified transaction were not concluded during the reporting quarter

8.1.6. Information about credit ratings of the Issuer

During the last completed financial year as well as from the beginning of the current year till the end of the reporting period the issuer did not obtain any credit ratings.

8.2. Details on each category (type) of the Issuer's shares

Shares category: **Ordinary**

Nominal value of each share (RUR): **100**

Amount of shares in circulation (shares that were not cancelled or discharged): **282 868 130**

Quantity of additional shares placement whereof is in progress (quantity of additional issue shares in respect of which the state registration of the report on their issue has not been carried out or the notification on the results of additional issue was not provided, if in accordance with

federal law “On securities market” the state registration of report is not necessary): **0**

Quantity of declared shares: **194 439 107**

Quantity of shares on the Issuer’s balance sheet: **0**

Quantity of additional shares that may be placed as a result of conversion of placed securities convertible into shares or as a result of fulfilment of liabilities under the Issuer’s options: **0**

Issues of shares of the said category (type):

State registration date:	Registration number
08.07.2003	1-02-00063-A

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: no.

8.3. Data on previous issues of the Issuer’s issuable securities, except Issuer’s shares

8.3.1. Details of issues all securities that have been redeemed

Type of securities: **bonds**

Form of securities: **documentary bearer bonds**

Series: **02**

Nonconvertible interest bearing documentary bonds subject to mandatory deposit with maturity at 1 820th (one thousand eight hundred twentieth) day from the date of placement

State registration number of the issue: **4-002-00063-A**

State registration date of the issue: **18.09.2008**

Public registrar: **FFMS of Russia**

Additional issues of securities: **no**

Number of securities in issue: **4 000 000**

Nominal value of each security, in rubles: **1 000**

Volume of issue at nominal value: **4 000 000 000**

Date of maturity: **29.10.2009**

Basis for redemption of securities: **acknowledgment of the issue as void**

Type of securities: **bonds**

Form of securities: **documentary bearer bonds**

Series: **01**

Nonconvertible interest bearing documentary bonds subject to mandatory deposit with maturity at 21.07.2010

State registration number of the issue: **4-01-00063-A**

State registration date of the issue: **05.06.2007**

Public registrar: **FFMS of Russia**

Additional issues of securities: **no**

Number of securities in issue: **3 000 000**

Nominal value of each security, in rubles: **1 000**

Volume of issue at nominal value: **3 000 000 000**

Date of maturity: **21.07.2010**

Basis for redemption of securities: **fulfillment of obligations on securities**

8.3.2 Information on issues of securities that were not redeemed

Such issues do not exist

8.4. Information of persons that provided security on bonds of the issue

The issuer did not register the prospectus of bonds with security, admission to trading at stock exchange was not stipulated

8.4.1. Conditions of implementation obligations on mortgage-backed securities

The issuer did not distributed mortgage-backed securities, obligations for which were not implemented

8.5. Information on organizations controlling the implementation of rights on issuer's securities

Entity in charge of keeping the register of issuer's securities holders: **registrar**

Information on the Registrar

Full business name: **Open Joint-Stock Company "Registrar R.O.S.T."**

Abbreviated business name: **"Registrar R.O.S.T." JSC**

Location: Block 13, 18, Stromynka str., Moscow

TIN: **7726030449**

PSRN: **1027739216757**

Details of license for engagement in activity for maintenance of a register of securities holders

No.: **10-000-1-00264**

Date of issue **03.12.2002**

Expiry date:

Unlimited

Body issuing the license: **Russian Federal Securities and Exchange Commission**

Date of starting the registry keeping: **16.12.2010**

8.6. Information on legislative instruments regulating the issues of capital import and export that may affect payment of dividend, interests and other charges due to non-residents

1. Tax Code of the Russian Federation, Part 1, No. 146-FZ dated July 31, 1998.
2. Tax Code of the Russian Federation, Part 2, No. 117-FZ dated August 05, 2000.
3. Law of the Russian Soviet Federal Socialist Republic (RSFSR) "On investment activity in the RSFSR" dated June 26, 1991.
4. Federal Law No. 160-FZ "On foreign investments in the Russian Federation" dated July 9, 1999.
5. Federal Law No. 39-FZ "On securities market" dated April 22, 1996.
6. Federal Law No. 173-FZ "On exchange regulation and exchange control" dated December 10, 2003 .
7. Federal Law No. 86-FZ "On the Central Bank of the Russian Federation (Bank of Russia)" dated July 10, 2002.
8. Federal Law No. 115-FZ "On countermeasures against legalization (laundering) of incomes received in a criminal way and against terrorism funding" dated August 07, 2001.
9. Federal Law No. 39-FZ "On investment activity in the Russian Federation carried out in the form of foreign capital investments" dated February 25, 1999.
10. International treaties of the Russian Federation on avoidance of double taxation.

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

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

Dividend period

Year: **2005**

Period: **Full year**

Name of the Issuer's management body having taken decision on (announced) payment of dividend on the Issuer's shares: **General Meeting of Shareholders (Participants)**

Arrangement date of the meeting (session) of the Issuer's management body whereat decision was taken on payment (announcement) of dividend: **29.05.2006**

Date as whereof the list of persons having the right to receive dividend for the specific dividend period was generated: **12.04.2006**

Minutes generation date: **11.06.2009**

Minutes No.: **18**

Shares category (type): **Ordinary**

Amount of announced (accrued) dividend on shares of the specific category (type) per one share, RUR: **4.476917**

Aggregate amount of announced (accrued) dividend on all the shares of the specific category (type), RUR: **80,000,000**

Total amount of dividend paid on all the shares of the specific category (type), rubles: **79 662 676.97**

Source of payment of declared dividends: **net profit**

Share of declared dividends in net revenue of reporting year, %: **17.51**

Share of paid out dividends from total volume of declared dividends on shares of the type (category), %: **99.58**

Term assigned for payment of announced dividend on the Issuer's shares: **60 days**

Form and other conditions of payment of announced dividend on the Issuer's shares: **Cash**

Announced dividend on the Issuer's shares was not paid in full

Causes of non-payment of announced dividend:

Causes of non-payment of announced dividend: if persons registered as Company's shareholders did not provide information on changes in their personal data

In accordance with legislation of Russian Federation, as well as with paragraph 8.6 of dividend policy of Kubanenergo, declared and unclaimed within three years upon the end of payout dividends will be included in accounting line 84 "Undistributed profit (uncovered loss)".

Dividend period

Year: **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: **26.04.2007**

Minutes generation date: **05.06.2007**

Minutes No.: **20**

Shares category (type): **Ordinary**

Amount of announced (accrued) dividend on shares of the specific category (type) per one share, RUR: **1.253593**

Aggregate amount of announced (accrued) dividend on all the shares of the specific category (type), RUR: **22,401,000**

Total amount of dividend paid on all the shares of the specific category (type), rubles: **22 303 192.2**

Source of payment of declared dividends: **net profit**

Share of declared dividends in net revenue of reporting year, %: **37.77**

Share of paid out dividends from total volume of declared dividends on shares of the type (category), %: **99.56**

Term assigned for payment of announced dividend on the Issuer's shares:
60 days

Form and other conditions of payment of announced dividend on the Issuer's shares:
Cash

Announced dividend on the Issuer's shares was not paid in full

Causes of non-payment of announced dividend:

Causes of non-payment of announced dividend: if persons registered as Company's shareholders did not provide information on changes in their personal data

In accordance with legislation of Russian Federation, as well as with paragraph 8.6 of dividend policy of Kubanenergo, declared and unclaimed within three years upon the end of payout dividends will be included in accounting line 84 "Undistributed profit (uncovered loss)".

Dividend period

Year: **2007**

Period: **Full year**

Name of the Issuer's management body having taken decision on (announced) payment of dividend on the Issuer's shares: **General Meeting of Shareholders (Participants)**

Arrangement date of the meeting (session) of the Issuer's management body whereat decision was taken on payment (announcement) of dividend: **29.05.2008**

Date as whereof the list of persons having the right to receive dividend for the specific

dividend period was generated: **17.04.2008**

Minutes generation date: **06.06.2008**

Minutes No.: **23**

Shares category (type): **Ordinary**

Amount of announced (accrued) dividend on shares of the specific category (type) per one share, RUR: **1.678844**

Aggregate amount of announced (accrued) dividend on all the shares of the specific category (type), RUR: **30,000,000**

Total amount of dividend paid on all the shares of the specific category (type), rubles: **29 873 068.07**

Source of payment of declared dividends: **net profit**

Share of declared dividends in net revenue of reporting year, %: **8.2**

Share of paid out dividends from total volume of declared dividends on shares of the type (category), %: **99.58**

Term assigned for payment of announced dividend on the Issuer's shares:
15 days

Form and other conditions of payment of announced dividend on the Issuer's shares:
Cash

Announced dividend on the Issuer's shares was not paid in full

Causes of non-payment of announced dividend:

Causes of non-payment of announced dividend: if persons registered as Company's shareholders did not provide information on changes in their personal data

In accordance with legislation of Russian Federation, as well as with paragraph 8.6 of dividend policy of Kubanenergo, declared and unclaimed within three years upon the end of payout dividends will be included in accounting line 84 "Undistributed profit (uncovered loss)".

According to the Regulations on the Information Policy of the Company, information on announced and paid dividend is indicated for the last 10 completed financial years.

For 2003, 2004, 2008-2011, 2012, 2013 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.

8.7.2. Information on accrued and paid income on Bonds

Contains information on each bond issue, which for the last 5 completed financial years, if the issuer carries out its activity for less than 5 years - for each completed fiscal year, and for the period from the date of the beginning of the year to the end of the reporting quarter, the income was paid.

Kind of securities: **Bonds**

Form of securities: **Documentary pay-to bearer**

Series: **01**

Inconvertible interest-bearing securities with mandatory centralized storage

State registration number of the issue: **4-01-00063-A**

Date of state registration of the issue: **05.06.2007**

Body having carried out issue state registration: **Federal Financial Markets Service of Russia**

Date of state registration of the report on the results of issue: **28.08.2007**

Body having carried out issue state registration of the report on the results of issue: **Federal Financial Markets Service of Russia**

Quantity of bonds in the issue: **3 000 000**

Nominal value of each bond in the issue, RUR: **1 000**

Volume of issue at nominal value: **3 000 000 000**

Basic details on incomes from the issue bonds:

Type of income paid on the bonds: coupon

Amount of interest (coupon) income from the bonds, its payment procedure and conditions:

Coupon period: 1

Coupon period commencement date: 25.07.2007

Coupon period expiry date: 23.01.2008

Coupon period duration (days): 182

Amount of income per a single bond coupon (in % and in rubles): 7.85% annual, 39 rubles 14 kopecks.

Amount of income per a coupon payable on all the bonds in the issue/paid on all the bonds in the issue (rubles): 117,420,000/117,420,000

Date of payment on the coupon: 23.01.2008

Holders list record date: 14.01.2008

Coupon period: 2

Coupon period commencement date: 23.01.2008

Coupon period expiry date: 23.07.2008

Coupon period duration (days): 182

Amount of income per a single bond coupon (in % and in rubles): 7.85% annual, 39 rubles 14 kopecks.

Amount of income per a coupon payable on all the bonds in the issue/paid on all the bonds in the issue (rubles): 2,355,366.92/2,355,366,92

Date of payment on the coupon: 23.07.2008

Holders list record date: 14.07.2008

Coupon period: 3

Coupon period commencement date: 23.07.2008

Coupon period expiry date: 21.01.2009

Coupon period duration (days): 182

Amount of income per a single bond coupon (in % and in rubles): 7.85% annual, 39 rubles 14 kopecks.

Amount of income per a coupon payable on all the bonds in the issue/paid on all the bonds in the issue (rubles): 2,355,366.92/2,355,366,92

Date of payment on the coupon: 21.01.2009

Holders list record date: 21.01.2009

Coupon period: 4

Coupon period commencement date: 21.01.2009

Coupon period expiry date: 22.07.2009

Coupon period duration (days): 182

Amount of income per a single bond coupon (in % and in rubles): 7.85% annual, 19 rubles 57 kopecks.

Amount of income per a coupon payable on all the bonds in the issue/paid on all the bonds in the issue (rubles): 35,476,887.40/35,476,887.40

Date of payment on the coupon: 22.07.2009

Holders list record date: 17.07.2009

Coupon period: 5

Coupon period commencement date: 22.07.2009

Coupon period expiry date: 20.01.2010

Coupon period duration (days): 182

Amount of income per a single bond coupon (in % and in rubles): 7.85% annual, 19 rubles 57 kopecks.

Amount of income per a coupon payable on all the bonds in the issue/paid on all the bonds in

the issue (rubles): 58,687,416.41/58,687,416,41
Date of payment on the coupon: 20.01.2010
Holders list record date: 14.01.2010

Coupon period: 6

Coupon period commencement date: 20.01.2010
Coupon period expiry date: 21.07.2010
Coupon period duration (days): 182
Amount of income per a single bond coupon (in % and in rubles): 7.85% annual, 19 rubles 57 kopecks.
Amount of income per a coupon payable on all the bonds in the issue/paid on all the bonds in the issue (rubles): 275,027,621.24/275,027,621.24
Date of payment on the coupon: 21.07.2010
Holders list record date: 15.07.2010

Payment of coupon income from the Bonds was effected in terms of Russian Federation rubles in non-cash form for the benefit of the Bonds holders. Payment of coupon income from the Bonds was effected for the benefit of the Bonds holders thus qualified as of expiry of the operational day of CJSC “NDC”(carrying out centralized storage of the issue securities) preceding the 6th (sixth) working day from the date of payment of coupon income from the Bonds.

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

8.8. Other details

8.8.1. 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 206 transactions with state and municipal companies for a total sum of 25.6 million rubles.

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

- lease of land plots;
- technical inventory of real property;
- employees’ training
- medical examination of the Company employees;
- formalization of legal land and town planning documents;
- information and advertisement servicing;

- subscription for printed periodicals and post services;
- state expert valuation of design and cost estimate documentation for construction and reconstruction of energy facilities;
- security;
- public and other services.

The Company provided to the state and municipal companies services for transmission and distribution of electric energy, repair and maintenance of energy facilities, technological connection of electrical units to electric power grids of “Kubanenergo” JSC.

8.8.1.2 Intragroup transactions

Transactions of the Company and its affiliates with owners of at least 5% of issuer’s shares were not concluded

Transactions concluded with Company’s affiliate:

Contractor	Subject of the contract	Price, in rubles
Recreation centre “Energetik” JSC	Purchase of trips	10 934 000.00
“Energoservis Kuban” JSC	Registration of land and legal and planning documentation, development of design documents	3 376 330.79
“Energoservis Kuban” JSC	Design and research works at facilities of consumers related to privileged category of consumers	435 689.79

In the reporting quarter, transactions between

- members of management bodies of subsidiary and dependent companies
- subsidiary and dependent companies of the issuer

were not concluded

8.8.1.3 Interested party transactions

#	Contractor	Contract	Sum of the contract, in rubles
1	Recreation centre “Energetik” JSC	Purchase of trips	10 934 000,00
2	“Energoservis Kuban” JSC	Registration of land and legal and planning documentation, development of design documents	3 376 330,79
3	“Energoservis Kuban” JSC	Design and research works at facilities of consumers related to privileged category of consumers	435 689.79
4	Scientific and Research centre of IDGC	Termination of the contract for performance of technological	-

	development	
Total:		14 746 020.58

8.8.1.4 Material transactions concluded by Company's affiliates

In the reporting period subsidiaries and affiliates entered into the transaction with liabilities of more than 10% of the net value of their assets only with the issuer

Subsidiaries and affiliates	Contract	Sum of the contract, in rubles
Recreation centre "Energetik" JSC	Purchase of trips	10 934 000,00
"Energoservis Kuban" JSC	Registration of land and legal and planning documentation, development of design documents	3 376 330,79

8.8.2. Business results of subsidiaries and affiliates

Business results of "Recreation Centre "Energetik" JSC

#	Indicator	2014	3 months of 2015
1	Revenue, thousand rub	63 921	876
2	Gross profit, thousand rub	1 263	-6 925
3	Net profit (uncovered profit (loss), thousand rub	223	-8 003
4	ROE (return on equity),%	0,6	-25,8
5	Return on Total Assets ROTA, %	0,5	-17,8
6	Profitability ratio, %	0,3	-913,6
7	Capital turnover	2,0	-790,5
8	Sum of uncovered loss as of the reporting date, the reporting date, %	1 287,0	9 291,0
9	Uncovered loss and monetary assets balance ratio as of the reporting date, %	3,0	20,8

Business results of "Energoservis Kuban" JSC

#	Indicator	2014	3 months of 2015.
1	Revenue, thousand rub	7 461	648,0
2	Gross profit, thousand rub	-757	-540,0
3	Net profit (uncovered profit (loss), thousand rub	-4 722	-1 640,0
4	ROE (return on equity),%	459,4	61,5
5	Return on Total Assets ROTA, %	-46,7	-18,0

6	Profitability ratio, %	-63,3	-253,1
7	Capital turnover	-78,5	-314,7
8	Sum of uncovered loss as of the reporting date, the reporting date ,%	1 133,0	-2 773,0
9	Uncovered loss and monetary assets balance ratio as of the reporting date ,%	11,2	-30,5

Business results of “Recreation Centre Plamya” JSC

#	Indicator	2014	3 months of 2015
1	Revenue, thousand rub	1 226	16
2	Gross profit, thousand rub	-881	-521
3	Net profit (uncovered profit (loss), thousand rub	-1 302	-845
4	ROE (return on equity),%	-16,2	-11,8
5	Return on Total Assets ROTA, %	-6,9	-4,5
6	Profitability ratio, %	-106,2	-5 281,3
7	Capital turnover	-71,9	-3 256,3
8	Sum of uncovered loss as of the reporting date, the reporting date ,%	-	-
9	Uncovered loss and monetary assets balance ratio as of the reporting date ,%	-	-

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

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