

QUARTERLY REPORT

Joint Stock Company Russian Grids

Issuer Code: 55385-E

Quarter 1 of 2014

Registered address of the issuer: **Russia, 107996, Moscow, Ulansky pereulok, 26**

The information contained in this Quarterly Report is subject to disclosure in accordance with the securities laws of the Russian Federation

Director General
Date: May 15, 2014

_____ O. M. Budargin
signature

Director of the Accounting and Reporting Department and Chief
Accountant
Date: May 15, 2014

_____ V. V. Shchukin
signature

Contact person: **Kseniya Valerievna Khokholkova, Deputy Head of the Shareholders' Equity Division and Head of the Unit for Support for Shareholder Rights of the Department for Corporate Governance and Shareholder and Investor Relations**

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The information contained in this Quarterly Report is available on the Internet at **www.rosseti.ru and <http://www.e-disclosure.ru/portal/company.aspx?id=13806>**

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Introduction

Grounds for the assumption by the issuer of the obligation to disclose information in the form of a quarterly report

Securities prospectus with respect to the issuer's securities was registered.

On November 18, 2008, the Federal Financial Markets Service of the Russian Federation registered the securities prospectus of JSC Interregional Distribution Grid Companies Holding.

In accordance with paragraph 5.1 of the Regulations for the Disclosure of Information by Issue-Grade Securities Issuers, approved by Order of the Federal Financial Markets Service of the Russian Federation No. 11-46/pz-n of October 4, 2011, the issuers that have at least one securities prospectus registered with respect to their securities are obliged to disclose information in the form of a quarterly report.

Since, as of the last date of the reporting quarter, the additional securities issue reports applicable to the current issues of shares in JSC LENENERGO and Chechenenergo, JSC were not registered, this Quarterly Report specifies stakes in the authorized capital without any placed shares of the additional issues of these companies (see paragraph 3.5, paragraph 6.7, and paragraph 8.1.4).

In this Quarterly Report, Joint Stock Company Russian Grids is also referred to as JSC Russian Grids, JSC IDGC Holding (the former company name), the Issuer, and the Company.

This quarterly report contains the estimates and forecasts of the duly authorized management bodies of the issuer pertaining to future events and/or actions, prospects for development within the branch of economy in which the issuer conducts its core business and the performance of the issuer, including the issuer's plans, the likelihood of occurrence of certain events and performance of certain actions. Investors should not fully rely on the estimates and forecasts of the issuer's management bodies, since the future actual performance of the issuer may differ from the forecast performance for a variety of reasons. The acquisition of the issuer's securities is associated with the risks described in this quarterly report.

I. Brief Information Concerning Individual Members of the Issuer's Management Bodies, Details of the Issuer's Bank Accounts, Auditor, Appraiser and Financial Advisor and Other Individuals Who Signed This Quarterly Report

1.1. Individual Members of the Issuer's Management Bodies

Members of the Board of Directors (Supervisory Board) of the issuer

Full Name	Year of Birth
Oleg Mikhailovich Budargin	1960
Ernesto Ferlenghi	1968
Elena Borisovna Titova	1967
Georgy Valentinovich Boos	1963
Vyacheslav Mikhailovich Kravchenko	1967
Sergey Ivanovich Shmatko (Chairman)	1966
Andrey Yevgenyevich Murov	1970
Boris Ilyich Ayuyev	1957
Denis Stanislavovich Morozov	1973
Stanislav Olegovich Ashirov	1973
Pavel Olegovich Shatsky	1972
Andrey Nikolayevich Shishkin	1959
Vasily Vladislavovich Nikonov	1972
Seppo Juha Remes	1955
Maria Valerievna Ochirova	1971

Sole executive body of the issuer

Full Name	Year of Birth
Oleg Mikhailovich Budargin	1960

Members of the collegial executive body of the issuer

Full Name	Year of Birth
Oleg Mikhailovich Budargin (Chairman)	1960
Andrey Aleksandrovich Dyomin	1974
Roman Nikolaevich Berdnikov	1973
Valentin Yefimovich Mezhevich	1947
Dan Mikhailovich Belenky	1972

1.2. Bank Account Details of the Issuer

Credit institution details

Full corporate name: **JOINT STOCK COMMERCIAL BANK EVROFINANCE MOSNARBANK (open joint stock company)**

Short corporate name: ***EVROFINANCE MOSNARBANK***
Location: ***121099, Moscow, ul. Novy Arbat, d. 29***
INN (Taxpayer Identification Number): ***7703115760***
BIC (Bank Identification Code): ***044525204***
Account number: ***40702810200004077190***
Correspondent account: ***30101810900000000204***
Account type: ***settlement account***

Credit institution details

Full corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank of Russia***
Short corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank***
Location: ***109544, Moscow, ulitsa B. Andronyevskaya, dom 6***
INN (Taxpayer Identification Number): ***7707083893***
BIC (Bank Identification Code): ***044525225***
Account number: ***40702810138360026758***
Correspondent account: ***30101810400000000225***
Account type: ***settlement account***

Credit institution details

Full corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank of Russia***
Short corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank***
Location: ***109544, Moscow, ulitsa B. Andronyevskaya, dom 6***
INN (Taxpayer Identification Number): ***7707083893***
BIC (Bank Identification Code): ***044525225***
Account number: ***40702840438360026758***
Correspondent account: ***30101810400000000225***
Account type: ***US dollar settlement account***

Credit institution details

Full corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank of Russia***
Short corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank***
Location: ***109544, Moscow, ulitsa B. Andronyevskaya, dom 6***
INN (Taxpayer Identification Number): ***7707083893***
BIC (Bank Identification Code): ***044525225***
Account number: ***40702978038360026758***
Correspondent account: ***30101810400000000225***
Account type: ***Euro settlement account***

Credit institution details

Full corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank of Russia***
Short corporate name: ***Specialized Additional Office No. 01793, Moscow Head Office of Sberbank***
Location: ***109544, Moscow, ulitsa B. Andronyevskaya, dom 6***

INN (Taxpayer Identification Number): **7707083893**
BIC (Bank Identification Code): **044525225**
Account number: **40702810838000026758**
Correspondent account: **3010181040000000225**
Account type: settlement account

Credit institution details

Full corporate name: **Additional Office of Open Joint-Stock Company ALFA-BANK**
Short corporate name: **Pokrovka Additional Office of ALFA-BANK OJSC**
Location: **101000, Moscow, ul. Pokrovka, d. 3/7**
INN (Taxpayer Identification Number): **7728168971**
BIC (Bank Identification Code): **044525593**
Account number: **40702810301200002926**
Correspondent account: **3010181020000000593**
Account type: **settlement account**

Credit institution details

Full corporate name: **Krasnye Vorota Additional Office of Gazprombank (Open Joint-Stock Company)**
Short corporate name: **Krasnye Vorota Additional Office of GPB (OJSC)**
Location: **101000, Moscow, ul. Myasnitskaya, d. 48**
INN (Taxpayer Identification Number): **7744001497**
BIC (Bank Identification Code): **044525823**
Account number: **40702810392000002063**
Correspondent account: **3010181020000000823**
Account type: **settlement account**

Credit institution details

Full corporate name: **Public Joint Stock Company Russian Regional Development Bank**
Short corporate name: **PJSC RRDB**
Location: **129594, Moscow, Sushchyovsky Val, d. 65, korp. 1**
INN (Taxpayer Identification Number): **7736153344**
BIC (Bank Identification Code): **044525880**
Account number: **40702810900000005455**
Correspondent account: **3010181090000000880**
Account type: **settlement account**

Credit institution details

Full corporate name: **Joint-Stock Bank ROSSIYA (Open Joint-Stock Company)**
Short corporate name: **BANK ROSSIYA**
Location: **191124, Saint Petersburg, pl. Rastrelli, d. 2, lit. A**
INN (Taxpayer Identification Number): **7831000122**
BIC (Bank Identification Code): **044030861**
Account number: **40702810100000005432**
Correspondent account: **3010181080000000861**
Account type: **settlement account**

1.3. Information Concerning the Issuer's Auditor(s)

Information concerning the auditor(s) that independently audit (audited) the accounting (financial) statements of the issuer and the consolidated accounting (financial) statements of the issuer and/or the group of organizations controlling and controlled by one another or obliged to prepare such statements for other reasons and in accordance with the procedure provided for in federal laws if at least one of such organizations is the issuer (hereinafter, the "consolidated accounting (financial) statements of the issuer"), which statements are included in the quarterly report, under the agreement with the auditor, and information concerning the auditor(s) approved (elected) for auditing the annual accounting (financial) statements of the issuer, including its consolidated accounting (financial) statements, for the present or closed fiscal year:

Full corporate name: ***KPMG Closed Joint-Stock Company***
Short corporate name: ***ZAO KPMG***
Location: ***129110, Moscow, Olimpiysky prospekt, dom 18/1, office 3035***
INN (Taxpayer Identification Number): ***7702019950***
OGRN (Principal State Registration Number): ***1027700125628***
Telephone: ***(495) 937-4477***
Fax: ***(495) 937-4499***
E-mail: ***Moscow@kpmg.ru***

Data concerning the auditor's membership in self-regulatory audit organizations:

Full name: ***Auditor Chamber of Russia Non-profit Partnership***

Location

Russia, 105120, Moscow, 3-i Syromyatnichesky pereulok 3/9 str. 3

Additional information:

Principal Registration Number on the Register of Auditors and Audit Organizations of the self-regulatory organization of auditors, the Auditor Chamber of Russia: 10301000804

Fiscal year(s) from among the five most recently closed fiscal years and the present fiscal year for which the auditor conducted (will conduct) an independent audit of the annual accounting (financial) statements of the issuer

Accounting (Financial) Statements, Year	Consolidated Accounting Statements, Year	Consolidated Financial Statements, Year
		2008
		2009
		2010
		2011
2012		2012
2013		2013

Period(s) from among the five most recently closed fiscal years and the present fiscal year for which the auditor conducted (will conduct) an independent audit of the interim accounting (financial) statements of the issuer

Accounting (Financial) Statements, Reporting Date	Consolidated Accounting Statements, Reporting Date	Consolidated Financial Statements, Reporting Date
		June 30, 2011
		June 30, 2012
		June 30, 2013

Factors which may affect the auditor's independence from the issuer, including information about significant interests connecting the auditor (the auditor's executives) and the issuer (the issuer's executives)

Factors which may affect the auditor's independence from the issuer, including information about significant interests connecting the auditor (the auditor's executives) and the issuer (the issuer's executives): none

Procedure for selecting the issuer's auditor

Bidding process related to auditor selection and its key terms:

Audit of the consolidated financial statements.

Pursuant to Federal Law No. 208-FZ of July 27, 2010, "On Consolidated Financial Statements," under the Regulations for the Procedure for Regulated Procurements of Goods, Work, Services for the Needs of JSC IDGC Holding, approved by the Board of Directors of JSC IDGC Holding (Minutes of the Meeting No. 72 of December 29, 2011), and in accordance with Order of JSC IDGC Holding No. 138a/140 of March 1, 2013, "On the Public Bidding for the Right to Enter into the Agreement for the Mandatory Annual Audit of the Financial (Accounting) Statements of JSC IDGC Holding for 2013 in Accordance with Russian Accounting Standards and International Financial Reporting Standards," a public bidding procedure was conducted to select the auditing firm.

The principal requirements applicable to auditing firms are as follows:

- *not being liquidated;*
- *no resolution on the suspension of operation adopted in accordance with the procedure provided for by the Code of Administrative Offences of the Russian Federation as of the day of consideration of the Tendering Participation Request;*
- *no overdue accrued taxes, dues and other compulsory payments to the budgets of any level or extra-budgetary public funds for the previous calendar year whose amount exceeds twenty-five percent of the book value of the member's assets based on data from the accounting statements for the most recently closed reporting period;*
- *non-applicability of the conditions listed in paragraph 1 of Article 8 of the Federal Law "On Auditing."*

Audit of the accounting (financial) statements.

Under Federal Law No. 307-FZ "On Auditing" of December 30, 2008; Federal Law No. 94-FZ "On the Placement of Orders for the Supply of Goods, Performance of Work, Provision of Services for Governmental and Municipal Needs" of July 21, 2005; the Federal Auditing Rules (Standards) approved by Resolution of the Government of the Russian Federation No. 696 of September 23, 2002; and Order of the Ministry of Finance of the Russian Federation No. 46n of May 20, 2010; and pursuant to Order of JSC IDGC Holding No. 138a/140 of March 1, 2013, "On the Public Bidding for the Right to Enter into the Agreement for the Mandatory Annual Audit of the Financial (Accounting) Statements of JSC IDGC Holding for 2013 in Accordance with Russian Accounting Standards and International Financial Reporting Standards"; a public bidding procedure was conducted to select the auditing firm.

The principal requirements applicable to auditing firms are as follows:

- *membership in any self-regulatory organization for auditors;*
- *not to be liquidated; no arbitration court decisions on insolvency and the initiation of bankruptcy proceedings;*
- *no resolutions on the suspension of operation adopted in accordance with the procedure provided for by the Code of Administrative Offences of the Russian Federation as of the day of consideration of the Tendering Participation Request;*
- *no overdue accrued taxes, dues and other compulsory payments to the budgets of any level or extra-budgetary public funds for the previous calendar year accounting for more than twenty-five percent of the book value of the member's assets based on data from the accounting statements for the most recently closed reporting period;*
- *no details in the register of mala fide suppliers.*

Procedure for submitting the auditor candidate for approval by the meeting of shareholders (members), including the management body adopting the relevant decision:

Audit of the consolidated financial statements.

The auditor candidate retained for auditing the consolidated financial statements of the Russian Grids Group in accordance with International Financial Reporting Standards is not submitted for consideration by the Company's management bodies.

Audit of the accounting (financial) statements.

As specified in Article 15.2 of the Articles of Association of JSC Russian Grids, the Company's auditor (auditing organization) shall be recommended to the General Meeting of Shareholders by the Board of Directors of the Company according to the results of a competitive selection of the auditing organization for the mandatory audit of the Company, which selection is conducted in accordance with the procedure prescribed by the Board of Directors of the Company. The General Meeting of Shareholders shall approve the auditor (auditing organization) of the Company.

The Annual General Meeting of Shareholders of JSC Russian Grids held on June 28, 2013, decided to approve ZAO KPMG as the Company's auditor.

Information concerning work performed by the auditor as part of special engagements:

Not applicable.

Procedure for determining the amount of the auditor's fee, the actual amount of fee paid by the issuer to the auditor for the most recently closed fiscal year for which the auditor conducted an independent audit of the accounting (financial) statements of the issuer, information concerning deferred and overdue payments for the services provided by the auditor:

The amount of the auditor's fee is determined by the Board of Directors.

The Company's Board of Directors (Minutes of the Meeting No. 119 of May 23, 2013) resolved that the auditor's fee for the mandatory annual audit of the statements of JSC Russian Grids for 2013 would be 10,994 thousand rubles.

Audit of the consolidated financial statements.

In February 2012, an agreement was entered into for the audit of the consolidated financial statements of the Company and its subsidiaries and dependent companies in accordance with International Financial Reporting Standards for 2011. Under the agreements, a fee of 6,962 thousand rubles and a fee of 13,924 thousand rubles were paid in the 4th quarter of 2011 and the 1st half of 2012 respectively.

In August 2012, an agreement was entered into for the review and audit of the IFRS consolidated financial (accounting) statements of the IDGC Holding Group for 2012. Under the agreement, a fee of 2,832 thousand rubles was paid in the 4th quarter of 2012. The final payment of 3,540 thousand rubles took place in the 2nd quarter of 2013.

In August 2013, an agreement was entered into for audit services, including:

a) the review of the IFRS consolidated interim financial statements of the Russian Grids Group for the six months ended June 30, 2013;

b) the audit of the IFRS consolidated financial statements of the Russian Grids Group for the year ended December 31, 2013.

Under the agreement, a fee of 2,832 thousand rubles and a fee of 660 thousand rubles were paid in the 3rd quarter of 2013 and the 1st quarter of 2014 respectively.

Audit of the accounting (financial) statements.

In July 2012, an agreement was entered into for the audit of the accounting (financial) statements in accordance with Russian Accounting Standards for 2012. Under the agreement, a fee of 720 thousand rubles was paid in the 4th quarter of 2012 and a fee of 480 thousand rubles was paid in the 1st quarter of 2013.

In August 2013, an agreement was entered into for audit services, including: the mandatory audit of the accounting (financial) statements of JSC Russian Grids for 2013 in accordance with Russian Accounting Standards. Under the agreement, a fee of 540 thousand rubles was paid in the 4th quarter of 2013.

Information concerning deferred and overdue payments for the services provided by the auditor:

Not applicable.

1.4. Information Concerning the Issuer's Appraiser

Full name: ***Hakob Gurgenovich Sarkissian***

The appraiser works under an employment contract with a corporate entity

Telephone: +7 (495) 705-9700; +7 (495) 755-9700

Fax: +7 (495) 755-9701

E-mail: ***Hakob.Sarkissian@ru.ey.com***

Details of the corporate entity having the employment contract with the appraiser

Full corporate name: ***Ernst & Young Valuation and Advisory Services Limited Liability Company***

Short corporate name: ***Ernst & Young Valuation and Advisory Services LLC***

Location: ***Russia, 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, str. 1***

INN (Taxpayer Identification Number): ***7705637264***

OGRN (Principal State Registration Number): ***1047797042171***

Data concerning the appraiser's membership in self-regulatory appraisal organizations

Full name: ***Russian Society of Appraisers***

Location

Russia, 105066, Moscow, 1-y Basmanny pereulok, 2A, office 5

Date of registration of the appraiser on the register of the self-regulatory appraisal organization: ***July 9, 2007***

Registration number: ***000010***

Information concerning the appraisal services provided by the appraiser:

With the aim of carrying out the measures to ensure the implementation of Decree of the President of the Russian Federation No. 1567 of November 22, 2012, "On Joint Stock Company Russian Grids," in order for the Board of Directors of JSC IDGC Holding to decide on the issue related to determining the offering price of additional shares in the Company, Ernst & Young Valuation and Advisory Services LLC completed the market value appraisal of one (1) ordinary share in JSC IDGC Holding in direct proportion to the value of a 100% stake as at December 31, 2012, including the actually placed shares of JSC IDGC Holding's additional issue (State Registration Number 1-01-55385-E-003D of December 3, 2012).

Full name: ***Maria Lvovna Lafer***

The appraiser works under an employment contract with a corporate entity

Telephone: +7 (495) 705-9700; +7 (495) 755-9700

Fax: +7 (495) 755-9701

E-mail: ***Maria.Lafer@ru.ey.com***

Details of the corporate entity having the employment contract with the appraiser

Full corporate name: ***Ernst & Young Valuation and Advisory Services Limited Liability Company***

Short corporate name: ***Ernst & Young Valuation and Advisory Services LLC***

Location: ***Russia, 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, str. 1***

INN (Taxpayer Identification Number): ***7705637264***

OGRN (Principal State Registration Number): ***1047797042171***

Data concerning the appraiser's membership in self-regulatory appraisal organizations

Full name: ***Russian Society of Appraisers***

Location

Russia, 105066, Moscow, 1-y Basmanny pereulok, 2A, office 5

Date of registration of the appraiser on the register of the self-regulatory appraisal organization: **August 15, 2007**

Registration number: **000678**

Information concerning the appraisal services provided by the appraiser:

With the aim of carrying out the measures to ensure the implementation of Decree of the President of the Russian Federation No. 1567 of November 22, 2012, "On Joint Stock Company Russian Grids," in order for the Board of Directors of JSC IDGC Holding to decide on the issue related to determining the offering price of additional shares in the Company, Ernst & Young Valuation and Advisory Services LLC completed the market value appraisal of one (1) ordinary share in JSC IDGC Holding in direct proportion to the value of a 100% stake as at December 31, 2012, including the actually placed shares of JSC IDGC Holding's additional issue (State Registration Number 1-01-55385-E-003D of December 3, 2012).

Full name: **Olga Yurievna Arkhangelskaya**

The appraiser works under an employment contract with a corporate entity

Telephone: **+7 (495) 705-9700; +7 (495) 755-9700**

Fax: **+7 (495) 755-9701**

E-mail: **Olga.Arkhangelskaya@ru.ey.com**

Details of the corporate entity having the employment contract with the appraiser

Full corporate name: **Ernst & Young Valuation and Advisory Services Limited Liability Company**

Short corporate name: **Ernst & Young Valuation and Advisory Services LLC**

Location: **Russia, 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, str. 1**

INN (Taxpayer Identification Number): **7705637264**

OGRN (Principal State Registration Number): **1047797042171**

Data concerning the appraiser's membership in self-regulatory appraisal organizations

Full name: **Russian Society of Appraisers**

Location

Russia, 105066, Moscow, 1-y Basmanny pereulok, 2A, office 5

Date of registration of the appraiser on the register of the self-regulatory appraisal organization: **January 1, 2008**

Registration number: **002517**

Information concerning the appraisal services provided by the appraiser:

With the aim of carrying out the measures to ensure the implementation of Decree of the President of the Russian Federation No. 1567 of November 22, 2012, "On Joint Stock Company Russian Grids," in order for the Board of Directors of JSC IDGC Holding to decide on the issue related to determining the offering price of additional shares in the Company, Ernst & Young Valuation and Advisory Services LLC completed the market value appraisal of one (1) ordinary share in JSC IDGC Holding in direct proportion to the value of a 100% stake as at December 31, 2012, including the actually placed shares of JSC IDGC Holding's additional issue (State Registration Number 1-01-55385-E-003D of December 3, 2012).

Full name: **Alexander Vofovich Kopylov**

The appraiser works under an employment contract with a corporate entity

Telephone: **+7 (495) 705-9700; +7 (495) 755-9700**

Fax: **+7 (495) 755-9701**

E-mail: *Alexander.Kopylov@ru.ey.com*

Details of the corporate entity having the employment contract with the appraiser

Full corporate name: *Ernst & Young Valuation and Advisory Services Limited Liability Company*

Short corporate name: *Ernst & Young Valuation and Advisory Services LLC*

Location: *Russia, 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, str. 1*

INN (Taxpayer Identification Number): *7705637264*

OGRN (Principal State Registration Number): *1047797042171*

Data concerning the appraiser's membership in self-regulatory appraisal organizations

Full name: *Russian Society of Appraisers*

Location

Russia, 105066, Moscow, 1-y Basmanny pereulok, 2A, office 5

Date of registration of the appraiser on the register of the self-regulatory appraisal organization: *February 25, 2009*

Registration number: *005428*

Information concerning the appraisal services provided by the appraiser:

With the aim of carrying out the measures to ensure the implementation of Decree of the President of the Russian Federation No. 1567 of November 22, 2012, "On Joint Stock Company Russian Grids," in order for the Board of Directors of JSC IDGC Holding to decide on the issue related to determining the offering price of additional shares in the Company, Ernst & Young Valuation and Advisory Services LLC completed the market value appraisal of one (1) ordinary share in JSC IDGC Holding in direct proportion to the value of a 100% stake as at December 31, 2012, including the actually placed shares of JSC IDGC Holding's additional issue (State Registration Number 1-01-55385-E-003D of December 3, 2012).

1.5. Information Concerning the Issuer's Advisors

In relation to the reasons listed in this paragraph, the issuer did not engage any financial advisor within 12 month prior to the end of the reporting quarter.

1.6. Information Concerning Other Individuals Who Signed This Quarterly Report

Full name: *Vladimir Vasilyevich Shchukin*

Year of birth: *1955*

Primary employer details:

Entity: *Joint Stock Company Russian Grids*

Title: *Director of the Accounting and Reporting Department and Chief Accountant*

II. Basic Information Concerning the Financial and Economic Condition of the Issuer

2.1. Financial and Economic Performance Indicators of the Issuer

Changes in the issuer's financial and economic performance indicators calculated on the basis of its accounting (financial) statements

Standard (rules) applicable to the accounting (financial) statements used for calculating such indicators: *Russian Accounting Standards*

Unit of measurement for calculations of workforce productivity: *thousand rubles/employee*

Indicator	2013	3 months of 2014
Workforce productivity	15,323	9,525
Debt to equity ratio	0.44	0.41
Long-term debt to long-term debt plus equity	0.003	0.003
Debt covered by current income (profit)	-407	-449
Share of overdue debt, %	1.19	1.3
Net asset value, thousand rubles	194,949,651	195,016,111

** Note:*

For the purposes of analyzing comparable values, the calculation of the indicator “Workforce productivity” for the 1st quarter of 2014 used the annualized data of the indicator “Revenue”; in the same manner, the calculation of the indicator “Debt covered by current income (profit)” for the 1st quarter of 2014 used the annualized data of the indicators “Revenue” and “Cost value”.

Analysis of the issuer’s financial and economic activities based on an economic analysis of changes in the shown indicators:

Indicator	2011	2012	2013	Q1 2014
Net asset value, thousand rubles	125,634,634	137,505,226	194,949,651	195,016,111
Workforce productivity, thousand rubles/employee*	12,199	12,791	15,323	9,525
Debt to equity ratio	8.11%	14.83%	0.44%	0.41%
Long-term debt to long-term debt plus equity	0.08%	0.003%	0.003%	0.003%
Debt covered by current income (profit)*	-513%	-689%	-407%	-449%
Share of overdue debt, %	0.16%	0.05%	1.19%	1.3%

** Note:*

For the purposes of analyzing comparable values, the calculation of the indicator “Workforce productivity” for the 1st quarter of 2014 used the annualized data of the indicator “Revenue”; in the same manner, the calculation of the indicator “Debt covered by current income (profit)” for the 1st quarter of 2014 used the annualized data of the indicators “Revenue” and “Cost value”.

In 2013, the Company’s net asset value is 1.2 times the value of its authorized capital. The fact that the Company’s net asset value exceeds its authorized capital proves the Company’s sufficient financial soundness. The increase in the indicator on 2012 is due to the Company’s restructuring and to the formation of the additional paid-in capital of 212.9 billion rubles, notwithstanding that the depreciation of shares (financial investments in subsidiaries and dependent companies) in connection with the recognition of the adjustment at current market value in the financial statements resulted in a substantial decrease in net assets.

The analysis of indicators such as “Debt to equity ratio,” “Long-term debt to long-term debt plus equity,” and “Debt covered by current income (profit)” shows extremely low dependence of the Company on borrowings, implying low credit risk.

A decrease in the indicator “Debt to equity ratio” in 2013 and the 1st quarter of 2014 is due to decreased short-term accounts payable.

The indicator “Long-term debt to long-term debt plus equity” remained almost unchanged.

The major changes in accounts payable in 2012 are due to the clearing of the advance payment of 9,381,790 thousand rubles received in 2011 and due to the clearing of the advance payment of 5,733,703 thousand rubles received in the 1st quarter of 2012 for the purchase of the Company’s additionally issued shares (the share issue was registered on November 10, 2011). In addition, the Company received the advance payment of 19,751,090 thousand rubles in December 2012 for the Company’s additionally issued shares. The registration of the share issue resulted in a substantial decrease in accounts payable in 2013 to 432.8 million rubles.

The share of overdue accounts payable is extremely low and, in 2013, was not in excess of 2.4%.

The Company has neither loans nor advances.

The values of the indicator “Debt covered by current income (profit)” are negative throughout the period under review. This means that all of the Company’s current liabilities are fully covered by its available cash and short-term financial investments.

Overall, the financial and economic performance indicators of the Company for 2013 compared with 2012 were impacted by the following factors:

- an increase of 57.4 billion rubles in equity value (41.8%);
- a decrease of 19.5 billion rubles in the Company’s short-term liabilities (95.8%);
- a decrease of 21.9 billion rubles in cash and short-term financial investments (63.3%);
- a decrease of 0.8 billion rubles in the Company’s accounts receivable (20.4%).
- a decrease in the Company’s operating profitability (the Company made a loss of 250.6 billion rubles in 2013 against a loss of 3.1 billion rubles in 2012).

2.2. Market Capitalization of the Issuer

Market capitalization is calculated as the product of quantity of shares of the category (type) concerned and market price per share disclosed by the securities trading institutor and determined in accordance with the Procedure for Measuring the Market Value of Securities, the Calculated Price of Securities, and the Margin of Fluctuations in the Market Value of Securities for the Purposes of Chapter 23 of the Tax Code of the Russian Federation approved by Order of the Federal Financial Markets Service of the Russian Federation No. 10-65/pz-n of November 9, 2010.

Unit of measurement: *rubles in thousands*

Indicator	2013	Q1 2014
Market capitalization	126,696,577	85,699,750

Information concerning the securities trading institutor that serves as a basis for calculating market capitalization and, at the issuer’s sole discretion, other additional information concerning public securities trading:

The market capitalization of shares in JSC Russian Grids is calculated according to the securities trading institutor, namely Closed Joint-Stock Company MICEX Stock Exchange (MICEX Stock Exchange).

Location of the securities trading institutor:

125009, Moscow, Bolshoy Kislovsky pereulok, 13

Telephone: +7 (495) 363-3232
 Fax: +7 (495) 705-9622
<http://moex.com/>

2.3. Liabilities of the Issuer

2.3.1. Borrowings and Accounts Payable

For 2013

Breakdown of borrowings

Unit of measurement: *rubles in thousands*

Indicator Description	Indicator Value
Long-term borrowings	0
including:	
credit facilities	0
loans, excluding bond loans	0
bond loans	0
Short-term borrowings	0
including:	
credit facilities	0
loans, excluding bond loans	0
bond loans	0
Total overdue debt in relation to borrowings	0
including:	
credit facilities	0
loans, excluding bond loans	0
bond loans	0

Breakdown of accounts payable

Unit of measurement: *rubles in thousands*

Indicator Description	Indicator Value
Total accounts payable	432,776
including overdue accounts payable	10,276
including	
payable to the budget and public extrabudgetary funds	151,036
including overdue accounts payable	0
payable to suppliers and contractors	109,408
including overdue accounts payable	2,360
payable to the entity's personnel	43,709
including overdue accounts payable	0
other accounts payable	128,623
including overdue accounts payable	7,916

If there are overdue accounts payable, including debt in relation to borrowings, the reasons for nonperformance and past or future effects of the failure to perform the relevant obligations on the issuer, including penalties imposed on the issuer and the (expected) time limits for the settlement of overdue accounts

payable or overdue debt in relation to borrowings:

Overdue accounts payable belong to current debt and will be settled in 2014.

Creditors accounting for at least 10 percent of total accounts payable or at least 10 percent of total (long-term and short-term) borrowings

Full corporate name: ***Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 8***

Short corporate name: ***Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 8***

Location: ***Moscow, B. Pereyaslavskaya, 16***

INN (Taxpayer Identification Number): ***7708034472***

OGRN (Principal State Registration Number): ***1047708061752***

Value of debt: ***132,586 thousand rubles***

Value of and terms applicable to overdue debt (interest rate, fines, penalties): ***no overdue debt***

Whether or not the creditor is an affiliate of the issuer: ***No***

For the 3 months of 2014

Breakdown of borrowings

Unit of measurement: ***rubles in thousands***

Indicator Description	Indicator Value
Long-term borrowings	0
including:	
credit facilities	0
loans, excluding bond loans	0
bond loans	0
Short-term borrowings	0
including:	
credit facilities	0
loans, excluding bond loans	0
bond loans	0
Total overdue debt in relation to borrowings	0
including:	
credit facilities	0
loans, excluding bond loans	0
bond loans	0

Breakdown of accounts payable

Unit of measurement: ***rubles in thousands***

Indicator Description	Indicator Value
Total accounts payable	335,242
including overdue accounts payable	10,276
including	
payable to the budget and public extrabudgetary funds	122,842
including overdue accounts payable	0
payable to suppliers and contractors	95,608
including overdue accounts payable	2,360

payable to the entity's personnel	84,421
including overdue accounts payable	0
other accounts payable	32,371
including overdue accounts payable	7,916

If there are overdue accounts payable, including debt in relation to borrowings, the reasons for nonperformance and past or future effects of the failure to perform the relevant obligations on the issuer, including penalties imposed on the issuer and the (expected) time limits for the settlement of overdue accounts payable or overdue debt in relation to borrowings:

Overdue accounts payable belong to current debt and will be settled in 2014.

Creditors accounting for at least 10 percent of total accounts payable or at least 10 percent of total (long-term and short-term) borrowings

Full corporate name: ***Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 8***

Short corporate name: ***Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 8***

Location: ***Moscow, B. Pereyaslavskaya, 16***

INN (Taxpayer Identification Number): ***7708034472***

OGRN (Principal State Registration Number): ***1047708061752***

Value of debt: ***92,312 thousand rubles***

Value of and terms applicable to overdue debt (interest rate, fines, penalties): ***no overdue debt***

Whether or not the creditor is an affiliate of the issuer: ***No***

2.3.2. Credit History of the Issuer

Description of the fulfillment by the issuer of its obligations under any loan agreements and/or credit facility agreements, including agreements involving the issue and sale of bonds, in force within the most recently closed financial year and the current financial year if their principal amount accounted for 5 percent or more of the book value of the issuer's assets as of the last date of the most recently closed reporting period (quarter, year) preceding the time of entering into the relevant agreements with respect to which the period prescribed for submitting accounting (financial) statements expired, and under any other loan agreements and/or credit facility agreements considered by the issuer to be material for itself.

The issuer did not assume any of the above-mentioned liabilities.

2.3.3. Obligations of the Issuer with Regard to Collateral Furnished to Third Parties

Not applicable.

2.3.4. Other Obligations of the Issuer

Other obligations that are not accounted for in the accounting (financial) statements and may materially affect the issuer's financial standing, liquidity, sources of funding and terms of its use, performance and expenses: none

2.4. Risks Associated with the Acquisition of Issue-Grade Securities (Being) Placed

Risk management policy of the issuer:

JSC Russian Grids's performance is affected by a number of external factors and risks which are under the limited control of the Company. Although these are mostly macroeconomic factors impacting the Russian economy in its entirety, certain areas of the Company's activities can be especially "sensitive" to certain risk factors. The list provided below is incomplete since there are other risk factors which are currently negligible, but later can have an adverse impact on the Company's activities, thus affecting its profit, assets, capital, liquidity, and solvency.

The Company's risk management is in accordance with the Internal Control Policy and the Risk Management Policy approved by the Company's Board of Directors and specifying the fundamental principles of the organization, implementation, and control of JSC Russian Grids's preventive control (risk management) processes.

In February 2014, the Company's Board of Directors approved the Strategy for Developing and Improving the Internal Control System of JSC Russian Grids and Subsidiaries and Dependent Companies of JSC Russian Grids, stating the current and targeted condition of the Russian Grids Group's internal control and risk management system.

2.4.1. Industry-Specific Risks

The Company carries out corporate management of its subsidiaries and dependent companies. As a result, the Company's risks derive from the risks incurred by JSC Russian Grids subsidiaries and dependent companies ("SDCs"). The Company's SDCs are primarily interregional distribution grid companies ("IDGCs") and Open Joint-Stock Company Federal Grid Company of Unified Energy System (JSC FGC UES).

Tariff risks

The core activities of the Company's SDCs, the provision of electricity distribution and transmission services and network connection services, are subject to regulation by the government. Taking account of these special features of JSC Russian Grids's operations, the principal industry-specific risks of the Company are tariff risks.

The government's tariff regulation policy is aimed at limiting an increase in tariffs of electricity distribution and transmission services, which may lead to a shortage of the tariff-based sources of financing SDCs' investing and operating activities.

According to the Forecast of the Socioeconomic Development of the Russian Federation for 2014 and the Planning Period of 2015 and 2016 developed by the Ministry of Economic Development of the Russian Federation, the regulated tariffs for grid organizations will grow as follows: 0% from July 1, 2014; 2.5% from July 1, 2015; and 4.8% from July 1, 2016.

To minimize these risk factors, the Company and SDCs pursue a balanced policy on improving the efficiency of investing and operating activities, aimed at reducing costs and optimally planning the structure of the financing sources.

There are also risks associated with the possibility that tariff decisions (in 2014) will take account of cross-subsidies at a level equal to or lower than the 2013 level and with the fact that, at present, no procedure is applied to determining, distributing, or taking account of cross-subsidies among customer categories in tariffs of electricity distribution and transmission services. This may lead to grid organizations' additional lost income resulting from interrupted electricity consumption.

Since last mile agreements ceased to be effective in most Russian regions on January 1, 2014, grid organizations continue to run a high risk that their lost income resulting from interrupted electricity consumption may not be compensated for for the following reasons:

- the Pricing Fundamentals in the Area of Regulated Prices (Tariffs) in the Electric Power Industry approved by Resolution of the Government of the Russian Federation No. 1178 of December 29, 2011, do not specify any mechanism for compensating for lost income incurred by grid organizations due to interrupted electricity consumption;
- the Pricing Fundamentals in the Area of Regulated Prices (Tariffs) in the Electric Power Industry approved by Resolution of the Government of the Russian Federation No. 1178 of December 29, 2011, do not allow regional regulators to raise the tariff ceilings by an additional 7% or less for other customers (excluding households) on top of the parameters contained in the Forecast of the Socioeconomic Development of the Russian Federation.

Additionally, since the draft of the Resolution of the Government of the Russian Federation "On Amendments to Certain Acts of the Government of the Russian Federation for the Purposes of Reducing the Cross-Subsidy Level in the Electric Grid Sector" fixes cross-subsidies at the 2013 level, there is a risk that lost income incurred by SDCs due to interrupted electricity consumption and not compensated for may become higher.

With a view to minimizing these risk, Russian Grids works to develop the mechanisms agreed upon with federal executive authorities for receiving compensation for lost income resulting from abolished cross-subsidies, including by obtaining subsidies from the federal budget.

In addition, there is a risk of economic losses associated with an incorrectly forecasted breakdown by voltage and related to overestimated requested capacity taken into consideration in making tariff and balancing decisions against the actual figures used for payments for services provided.

Tariff risks also include risks associated with the provision of network connection services for electricity consumers, specifically a risk of a decrease in the volume of connected capacity in network connection requests,

including due to switching over to local generation. The major factor of this risk is that the technical specifications issued to a requesting entity may include additional measures necessary to receive network connection, which will result in higher costs (including costs that are not reimbursable by network connection fees) and extended deadlines of network connections. In order to reduce this risk, work continues on monitoring changes in the maximum capacity requested in network connection requests and on causing SDCs of JSC Russian Grids to assume the correct scope of obligations under network connection contracts.

Additionally, there is a risk that financing sources may be insufficient for work under network connection contracts because a regulator may approve network connection fees lower than an economically feasible level. To minimize the risk, SDCs develop project documents specifying the scope of obligations under network connection contracts and submit to regulatory authorities additional documents to justify the price of an individual connection. In the absence of guidelines on accounting for lost income from network connections and on restricting the tariff growth for electricity distribution services, the enactment of Federal Law No. 83-FZ of April 20, 2014, providing for a reduced network connection fee for customers that request a maximum of 150 kW or below, carries the risk that SDCs of JSC Russian Grids may incur higher nonreimbursable expenses associated with the creation and maintenance of network connections.

In order to mitigate this risk, JSC Russian Grids works to develop the mechanisms agreed upon with federal executive authorities for receiving compensation for lost income from network connections, including by introducing payment for reserved capacity and implementing the system of agreements governing the conditions of regulated activities (individual tariff-setting agreements) for the purposes of carrying out major capital investment projects.

Due to a great number of network connection requests, SDCs are not always able to fully satisfy them, which may adversely affect revenues because of the loss of potential customers and carries risks of a violation of antimonopoly laws as related to electricity distribution and network connection services and to litigation initiated by requesting entities. To facilitate new energy network connections, the Government of the Russian Federation developed the Action Plan (Road Map) “Enhancing the Affordability of the Power Infrastructure” (Ordinance of the Government of the Russian Federation No. 1144-r of June 30, 2012). In accordance with the Road Map, SDCs improve the process of processing customers’ network connection requests, including by means of using information technology and template solutions in improving the Business Process “Performance of Electricity Network Connection Services.” Simultaneously, the process of providing network connection services is explained to customers, including by using the Customer Relations Portal on the Company’s website and customer service centers and publishing information on the provision of services.

There is also a risk of lost profits resulting from the failure to perform network connection contracts. The risk stems from the nonfulfillment by requesting entities of their obligations, including from their abandonment of network connections. This leads to the nonutilization of new equipment and to lost profits from electricity distribution services. In order to mitigate this risk, SDCs file claims against requesting entities for damages in relation to abandoned network connections, including third party damages (in favor of generators, allied grid organizations, and superior grid organizations). Obligations under network connection contracts, together with the implications of their nonperformance (penalties, extended deadlines of network connections), are explained to requesting entities.

Risks associated with taking on the supplier of last resort status and functions

Due to the enactment of regulatory documents in late 2012 to simplify the procedure for depriving retail companies of the supplier of last resort (SOLR) status, SDCs of JSC Russian Grids were granted the SOLR status on a temporary basis, and the Ministry of Energy of the Russian Federation subsequently conducted bidding procedures to assign the SOLR status:

No.	Company	IDGC	Date of Taking up the SOLR Status	Winning Bidder Selected for the SOLR Status	Date of Transferring the SOLR Status	Order to Assign the SOLR Status to the Winning Bidder
1	Bryanskenergosbyt	IDGC of Centre, JSC	February 1, 2013	OOO TEK-Energo	no date determined*	
2	Kurskregionenergosbyt		February 1, 2013	JSC AtomEnergoSbyt	April 1, 2014	No. 117 of March 19, 2014
3	Oryolenergosbyt		February 1, 2013	JSC Inter RAO – Orlovsky Energosbyt	February 1, 2014	No. 15 of January 22, 2014
4	Tverenergosbyt		May 1, 2013	JSC AtomEnergoSbyt	April 1, 2014	No. 116 of March 19, 2014
5	Tveroblenergosbyt		February 1, 2014	No winner bidder selected		
6	Smolenskenergosbyt		October 1, 2013	JSC AtomEnergoSbyt	no date determined*	
7	Ivenergosbyt	IDGC of	February 1, 2013	No winner bidder selected		

8	Tulaenergosbyt	Center and Volga Region, JSC	March 1, 2013	OAO Tula Power Sales Company	January 1, 2014	No. 911 of December 23, 2013
9	Omskenergosbyt	IDGC of Siberia, JSC	February 1, 2013	OAO Saint-Petersburg Sale Company	March 1, 2014	No. 76 of February 19, 2014
10	Buryatenergosbyt		May 1, 2013	OAO Chitaenergosbyt	no date determined*	
11	Penzaenergosbyt	IDGC of Volga, JSC	February 1, 2013	OOO Energotrading	January 1, 2014	No. 910 of December 23, 2013
12	Novgorodoblenergosbyt	IDGC of North-West	April 1, 2013	OOO Garantenergoservis	January 1, 2014	No. 912 of December 23, 2013
13	Novgorodenergosbyt		October 1, 2013	No winner bidder selected		
14	Kolenergosbyt		March 1, 2013	No winner bidder selected		

* pending payment by winning bidders under the assignment agreements signed as part of obligations arising out of the bidding procedures

As a result, the Company's SDCs taking up the SOLR status incur the risks associated with the necessity of assuming the powers and duties of suppliers of last resort that are lost by retail companies. These risks include as follows:

- risks associated with a rise in receivables of ultimate customers and the writing-off of accumulated receivables under electricity distribution services agreements between retail companies and distribution grid companies;
- risks associated with the performance of the supplier of last resort functions in the wholesale electricity and capacity market;
- risks involved in an increase in SDCs' expenses related to the performance of the supplier of last resort functions in excess of the minimum regulated revenue used for the calculation of retail markups;
- organizational risks associated with the loss of competencies and customer databases and with erroneous payments for consumed electricity.

With a view to minimizing these risks, the Company and SDCs take measures to cooperate with federal and regional governmental authorities, the mass media, infrastructural organizations of the wholesale electricity market, law enforcement agencies, and organizations deprived of the supplier of last resort status in the performance of the supplier of last resort functions and the settlement of debts. Additionally, the Company formulates legislative initiatives to streamline the procedure for changing the supplier of last resort.

The following risks arise out of the transfer of the SOLR status to winning bidders:

- the risk that a winning bidder may refuse to hire transferred employees.

The measures related to the transfer of the SOLR functions include dismissing all employees involved in energy retail operations and transferring them to a winning bidder with the same pay and conditions.

There is a risk that winning bidders may refuse to hire any or all of such transferred employees, which will make it necessary to dismiss them by virtue of downsizing and, consequently, will necessitate the pay stated in Article 178 of the Labor Code of the Russian Federation.

In order to minimize this risk and prevent social tension from rising in the regions where suppliers of last resort have lost their SOLR status; in its negotiations both with winning bidders and with the Ministry of Energy of the Russian Federation, JSC Russian Grids works to cause winning bidders to hire all of such employees.

- the risk that no measures may be promptly taken to influence nonpayers if an energy supply contract is terminated.

The following measures are carried out to mitigate the risk:

- Contributing to the initiatives to:
 - cause SDCs of JSC Russian Grids to gain competence in collecting problem receivables and effectively participating in bankruptcy proceedings against debtors;
 - ensure interaction with law enforcement agencies in initiating criminal proceedings against and ceasing the operation of unscrupulous providers of public utility services that unreasonably avoid fulfilling the terms and conditions of energy supply contracts with SDCs of JSC Russian Grids.
 - Working hard to have success in claims against nonpayers.

The risk that contested and overdue receivables may arise is associated with both taking on the SOLR functions and transferring such functions to winning bidders.

One of the industry-specific risk factors is imperfect operation mechanisms of the retail electricity market, which entails disagreements between electric grid companies and retail companies over the volume of consumed electricity and capacity used in tariff calculations. This leads to contested and overdue receivables related to

electricity distribution services provided by SDCs, impairing the liquidity and financial stability of the Company's SDCs. The Company and SDCs take measures to eliminate the causes of disagreements with customers, reduce contested and overdue receivables for their services provided, cooperate with federal governmental authorities in preparing amendments to the rules for the operation of the retail market, form judicial practice, and set positive precedents. In addition, the Company's SDCs implement the Long-Term Development Programs for Electricity Metering Systems in the Retail Electricity Market in Distribution Grids of JSC Russian Grids's SDCs approved by their boards of directors.

With the aim of minimizing these risks, the Program of JSC Russian Grids for Improving the Efficiency of Measures to Reduce Receivables for Electricity Distribution Services was developed and approved by the Board of Directors on February 12, 2014 (Minutes of the Meeting No. 144).

Since the Company does not perform any direct operating activities and its core business is corporate management of SDCs, there are no risks associated with possible changes in any prices of raw materials and services used by the Company or associated with possible changes in any prices of the Company's products and/or services, which risks may affect the Company's activities and the performance of its securities-related obligations.

2.4.2. Country and Regional Risks

Since JSC Russian Grids does not perform any operating activities and is only in charge of corporate management of IDGCs, country and regional risks are primarily incurred by the Company's SDCs.

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

Country and regional risks incurred by the Company and SDCs are determined primarily by macroeconomic factors existing globally, nationwide, and at regional level. These factors may impair the Company's and SDCs' possibilities for borrowing and adversely impact their liquidity, investment and operating efficiency, and, eventually, shareholder value. Additionally, the global economic crisis has a harmful effect on industrial production and electricity consumption, which reduces revenues of the Company and SDCs.

The primary factors of macroeconomic risks are the continuing global financial crisis affecting the key indicators of commodity and financial markets: prices of crude oil and other commodities, the cost of capital, world currency exchange rates, and inflation.

As is the case with the other BRICS countries, Russia is a leading emerging economy and is sensitive to global recessionary pressures. This is due to the economy's dependence on energy prices, the immaturity and volatility of the Russian financial market, and the transitional state of the national banking system.

With the aim of mitigating the macroeconomic risk, the Company and SDCs take comprehensive measures to optimize the share of borrowings in their total capital, take out fixed interest rate loans, and enhance the efficiency of operating and investment expenses of the Company and SDCs.

Risks associated with possible military conflicts, imposition of the state of emergency and strikes in the country(ies) and region:

The Russian Federation is a multinational state including regions with varying levels of social and economic development. In this regard, the likelihood of internal conflicts in Russia, including military ones, cannot be entirely ruled out. Moreover, the Company cannot fully rule out risks associated with possible imposition of the state of emergency in the regions in which the Company's SDCs are located and in Russia in general.

The operations of Russian companies, including JSC Russian Grids, can be damaged by both domestic and international acts of terrorism, which can also adversely affect investments and the value of the Company's securities.

However, internal conflicts and the imposition of the state of emergency in the country and regions in which the Company operates are unlikely to happen. In the event of possible military conflicts or acts of terrorism, the Company's SDCs can incur the risks of failure of their fixed assets.

Risks associated with the geographical characteristics of the country(ies) and region, including high likelihood of natural disasters, possible interruption of transportation due to remoteness and/or inaccessibility, etc.:

The Company's SDCs operate in many regions with diverse climatic conditions. Emergencies may be caused by natural calamities (hurricanes, heavy rains, high water and floods, snow drifts, etc.) resulting in interruptions to the region's electricity supply and transportation. Detailed information concerning the

management of operational and technological risks is contained in the Industry-Specific Risks.

Risks associated with high likelihood of natural disasters are assessed by the Company as minimal.

Risks associated with the possible interruption of transportation due to remoteness and/or inaccessibility are assessed by the Company as minimal.

2.4.3. Financial Risks

In the event of one or more of the below-listed risks, JSC Russian Grids will take all possible measures to minimize its negative effects. To partly neutralize risks, the issuer has taken a number of protective measures and developed possible actions for the issuer in case of any given risk. However, it should be noted that preliminary development of adequate measures is complicated by the uncertainty of the situation and the parameters of activities to be performed will to a great extent depend on the characteristics of each particular situation. JSC Russian Grids cannot guarantee that the actions aimed at overcoming negative changes will improve the situation since the factors described above are beyond the control of JSC Russian Grids.

Risks associated with the monetary policy of the Central Bank of the Russian Federation

When pursuing its monetary policy, the Central Bank of the Russian Federation indirectly affects financial markets and money stock. Recently, top priority has been to maintain stable ruble exchange rate and increase its actual purchasing power. The achievement of these goals using various tools which the Central Bank of the Russian Federation has in place influences companies both directly and indirectly. Any actions of the Central Bank of the Russian Federation can both decrease and increase the Company's risks, thus affecting its financial indicators.

Risks associated with exchange rate changes

Currently, the revenue of JSC Russian Grids is entirely denominated in rubles. Virtually all expenses are denominated in rubles, too. In this regard, inflation and exchange rate changes do not considerably impact the financial and business performance of the Company.

JSC Russian Grids does not have any investments in foreign companies whose net asset value is subject to the risk of exchange rate change.

However, the Company is exposed to the risk associated with a decrease in its dividend yield on the shares owned by the Company due to increased Russian ruble exchange rates, because this may lead to higher costs incurred by the companies whose shares are held by the Company, ultimately resulting in lower net profits used for paying dividends to the Company.

Risks associated with interest rate changes

Currently, the Company does not borrow to finance its expenses.

The Company is exposed to the risk associated with a decrease in its dividend yield on the shares owned by the Company due to increased interest rates, because this may lead to higher costs incurred by the companies whose shares are held by the Company, ultimately resulting in lower net profits used for paying dividends to the Company.

Risks associated with the effects of inflation

Changes in the consumer price index have certain effects on the profitability of JSC Russian Grids and, consequently, its financial condition and its ability to perform obligations. However, these effects are not a factor of direct dependence.

It is not possible to predict the critical inflation rate for JSC Russian Grids since consideration should be given not only to consumer price level but also to changes in the actual purchasing power of the ruble, situation in the electricity markets and future government policy in respect of electricity tariffs.

Effect of financial risks on the indicators of financial statements

Inflation processes, leading to the growing prices of materials, raw materials and services used by the Company in its activities, can affect balance sheet total.

Inflation processes in the economy of the Russian Federation can impact the Company's net profit due to the fact that the opportunities of the companies whose shares are owned by the Company to raise the prices of

electricity distribution services are restricted by government regulation, i.e. cannot be changed by companies depending on changes in inflation rates and at the same time the costs of the companies whose shares are owned by the Company (which are mostly denominated in rubles) change in line with inflation rates. Therefore, inflation processes can cause drop in net profit of the companies whose shares are owned by the Company, resulting, in its turn, in lower net profit which is used for paying dividends collected by the Company.

2.4.4. Legal Risks

The Company builds its activities on compliance with the applicable legal regulations of the Russian Federation, including currency, tax, and customs laws, and monitors amendments thereto on an ongoing basis.

The Company does not expect any short-term major risk in its financial and economic activities associated with changes in tax law and currency control or changes in the rules of customs control and duties.

The Company's legal risks can be caused by the characteristics of the applicable laws and court system, manifesting itself, in particular, in different court practices on the same issues and the interpretation of laws in general, the collision of legal norms, resulting in the risk of subjective and arbitrary assessment by court authorities of the Company's business facts and tax payments made by the Issuer.

In general, to minimize various legal risks the Company, on a mandatory basis, conducts preliminary legal review of planned corporate procedures, conducted transactions and other aspects of financial and economic activities provided for by the applicable laws and/or Articles of Association of the Company.

Compliance risk:

Frequent changes in the laws of the Russian Federation under conditions where the industry is subject to governmental regulation, together with a wide range of regulatory requirements and restrictions, are sources of the risk associated with the failure by the Company and SDCs to comply with laws and other legal regulations, or the requirements established by regulators and supervisors and set forth in internal documents of the Company and its SDCs that determine internal policies, rules, and procedures (compliance risk).

Activities of the Company and SDCs are governed and overseen by Russian authorities and agencies, such as the Federal Antimonopoly Service, Federal Tariff Service, Federal Taxation Service, Ministry of Energy, Ministry of Regional Development, Bank of Russia Financial Markets Service, and Federal Service for Environmental, Technological and Nuclear Supervision. Furthermore, as government-linked companies, the Company and SDCs implement ordinances and instructions issued by the Government of the Russian Federation, and their proper use of budgetary funds allocated for significant capital investment projects is supervised by the Accounts Chamber of the Russian Federation.

The Federal Antimonopoly Service supervises activities of the Russian Grids Group, whose SDCs are natural monopoly entities, in relation to compliance with antimonopoly laws applicable to procurement, network connection services, and information disclosed about services provided by SDCs.

Legal regulation and control of the Company's SDCs in the application of tariffs and network connection fees come within the purview of the Federal Tariff Service.

The Federal Taxation Service oversees whether the Russian Grids Group complies with taxation laws and makes correct tax calculations and payments.

The Ministry of Energy regulates and supervises activities of the Russian Grids Group in relation to energy conservation, energy efficiency enhancement, and the implementation of ordinances and instructions issued by the Government of the Russian Federation.

The Ministry of Regional Development regulates and supervises activities of the Company's SDCs in relation to the construction and rehabilitation of electric grid facilities.

The Bank of Russia's divisions regulate and supervise activities of the Company and SDCs in relation to compliance with Russian laws on joint-stock companies, the securities market, the protection of investors' rights and legitimate interests in the securities market, combating insider information misuse and market manipulation, and insolvency (bankruptcy).

The Federal Service for Environmental, Technological and Nuclear Supervision oversees activities of the Company and SDCs in relation to compliance with electrical safety requirements.

Due to the placement of the Company's financial instruments on Russian and UK trading floors, the Company satisfies the requirements laid down in Federal Law No. 224-FZ of July 27, 2010, "On Combating Insider Information Misuse and Market Manipulation and on Amendments to Certain Legislative Acts of the Russian Federation," Federal Law No. 39-FZ of April 22, 1996, "On the Securities Market," Federal Law No. 208-FZ of December 26, 1995, "On Joint-Stock Companies," regulations of the Bank of Russia, and Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse) as incorporated into English law.

In order to minimize compliance risks and risks associated with insider information misuse, the Company and SDCs approved local documents aiming to improve the efficiency and transparency of the financial and economic activities of the Company and SDCs and combat corruption. In 2012, the Board of Directors of the Company approved the Regulations for Insider Information (Minutes of the Meeting No. 103 of December 29, 2012) and the Code of Corporate Ethics of JSC IDGC Holding (Minutes of the Meeting No. 101 of November 30, 2012). On December 27, 2013, the Board of Directors also approved the Anti-Corruption Policy of JSC Russian Grids (Minutes of the Meeting No. 142).

In accordance with the approved documents, the Company takes internal compliance control measures, monitors changes in the regulatory environment, and controls insider information.

2.4.5. Risks Associated with the Issuer's Activities

Risks associated with pending legal proceedings in which the issuer participates:

The Company was not a party in the 1st quarter of 2014 to any legal proceedings that could have a material effect on its activities; therefore, there are no risks that may have any substantial effect on its financial and economic performance.

Risks associated with the impossibility of extending the issuer's license to perform a certain type of activity or use constrained assets (including natural resources):

The above-mentioned risks do not exist, since the Company neither performs nor plans to perform any licensable activities specified in the laws of the Russian Federation or use constrained assets (including natural resources).

Risks associated with the possible liability of the issuer for third-party debts, including the issuer's subsidiaries:

Currently, the Company is not liable for any third-party debts since the Company did not collateralize their obligations.

Risks associated with the possible liability of the issuer for third-party debts are assessed by the Company as negligible.

The Company can assume liability for the debts owed by its SDCs if the Company's instructions binding upon SDCs cause losses or bankruptcy to such SDCs. However, the Company uses its best efforts to prevent such situation since this will contradict one of the principal business goals of the Company, i.e. profit generation. The above-mentioned risks are unlikely to occur.

Risks associated with the possible loss of customers accounting for at least 10 percent of total revenue from the sale of the Company's products (work, services):

Since the Company's core business is the corporate management of SDCs, the Company does not incur the risk of customer loss.

The Company does not conduct direct operating activities, and its core business is the corporate management of SDCs. The principal risks associated with SDCs' activities are as follows:

- operational and technological risk;
- investment (project) risk.

Operational and technological risk:

Activities of the Company's SDCs cover the major part of the Russian Federation with different climates. There is likelihood of emergencies caused by natural disasters (hurricanes, heavy and freezing rain, freshets and floods, snowdrifts, etc.), which may result in system-wide failures of the operability and performance of electricity distribution equipment and in power outages suffered by customers of the Company's SDCs.

Operational and technological risks affecting power supply reliability are associated with the impact of the following factors:

- natural and anthropogenic emergencies;

- the high physical deterioration and obsolescence of electric grid assets;
- failure to implement the required repair program;
- a less efficient management system of assets of JSC Russian Grids's SDCs (changed priorities in ensuring the reliability of network operation, incorrect prioritizing of facilities that should be repaired);
- factors related to equipment operation, including nonfulfillment of regulatory and technical requirements, failure to conform to the permissible values of the process parameters of electric grid equipment's operation, mistakes made by operating personnel, and failure to comply with operational discipline.

If these risks materialize, this may have material economic and reputational consequences. In addition, these risk factors affect the volume of electricity network losses, increasing expenses incurred by SDCs in relation to the purchase of electricity to compensate for losses.

In order to reduce the probability that operational and technological risks occur, the Company and SDCs take measures to make the power supply more reliable and prevent process failure risks. These measures include:

- clearing and expanding the pathways of overhead lines rated 0.4 kV and above;
- rehabilitating electric grid facilities;
- expanding the stock of reserve power supply equipment and the stock of vehicles and special equipment for accident recovery work;
- modernizing switching equipment;
- modernizing and creating automated process control systems;
- improving data exchange systems, analyzing process failures, and forecasting the consequences of process failures, including the implementation of the Automated Management System for Distributed Resources for Accident Recovery Work;
- improving the emergency reserve management system;
- increasing the number of mobile accident recovery crews and improving the quality of their personnel;
- building up cooperation with regional authorities, large customers, and other energy companies, including as part of preparations for reliable operation during the heat deficit period;
- carrying out the program to reduce injury risks of electric grid facilities;
- ensuring the training, control, and certification of personnel operating process equipment;
- carrying out the insurance program;
- implementing the energy conservation and energy efficiency enhancement program.

For the first time, the Company issued an order in 2014 with scenarios enabling the primary production programs and work in special periods to be planned systematically over many years, namely Ordinance of JSC Russian Grids No. 17r of January 28, 2014, "On Measures to Ensure the Reliability of Electric Grids."

The main particularities of formulating the 2014 repair program as specified in the ordinance are as follows:

- procurement procedures are conducted and contracts for the supply of materials, goods, and services are entered into to implement the repair program in the 1st quarter and the 2nd quarter on or prior to December 31 in the year immediately preceding the planning year and in the 3rd quarter and the 4th quarter on or prior to January 15 in the current planning period;
- long-term contracts (for 3–5 years) with contractors are introduced for work under SDCs' repair programs;
- multiyear repair programs and programs to bring the pathways of overhead lines into compliance with standards, replace equipment, and provide flood and mudslide protection for electric grid facilities are formulated (adjusted).

In spite of the zero growth of electricity distribution tariffs related to electric grids, the Company managed to retain and even increase the physical volume of work on clearing and expanding the pathways of overhead lines. Overall, JSC Russian Grids's clearing plan was up by 9,170 hectares (from 122,437 hectares to 131,607 hectares), or 7.5%. Work on expanding the pathways increased by 44%, or 9,650 hectares (from 21,847 hectares to 31,497 hectares).

In the 1st quarter of 2014, 10% and 8% of the annual plan were completed in the case of clearing and expanding respectively.

With the purpose of mitigating operational and technological risks and the risk of using inefficient technologies, the Board of Directors of the Company resolved (Minutes of the Meeting No. 64 of October 7, 2011) to approve the Regulations for the Uniform Technical Policy of JSC IDGC Holding (currently, JSC Russian Grids) in the Distribution Grid Sector. Furthermore, SDCs are in the process of implementing the production asset administration system based on the actual condition index for equipment.

Additionally, in order to improve the efficiency of managerial decision making related to accident recovery work for electric grid facilities of JSC Russian Grids's SDCs, monitor the implementation of such decisions, and inform management of the Company and SDCs, federal and regional executive authorities, and other relevant organizations and agencies about progress in these efforts, the Company developed the terms of reference and worked out plans to expand the functionality of the automated Management System for

Distributed Resources for Accident Recovery Work (MSDRARW) implemented by SDCs and JSC Russian Grids. The project is chiefly aimed at:

- preventing accidents and contingencies at electric grid facilities,
- reducing the number and duration of power outages,
- accelerating accident management,
- improving distributed resource management.

As part of their efforts to update information concerning process failures at electric grid facilities of JSC Russian Grids's SDCs, detect power outages on a real-time basis, and synchronize outage log data with the Company's special purpose software system, SDCs began in the 3rd quarter of 2013 to organize and carry out measures to verify process failure data transmitted to JSC Russian Grids and implement a special-purpose software system (Avariynost) for recording process failures (accidents) at electric grid facilities of JSC Russian Grids's SDCs and consolidating these data at JSC Russian Grids.

With due consideration to the functionality of the Avariynost software system, the Organization Standard "Procedure for Investigating into and Recording Process Failures (Accidents) at Electric Grid Facilities" was developed and approved.

To optimize information flows, improve interaction, increase the efficiency of transmitting operational information on process failures, emergency situations, and other contingencies at electric grid facilities of JSC Russian Grids's SDCs, and ensure prompt response and managerial decision making with respect to the coordination of measures to prevent and remedy process failures and emergency situations, the Company approved the Procedure for Conveying Operational Information on Process Failures, Operating Troubles of Electric Grid Elements, Operational Scheme Status Changes, and Accidents at Electric Grid Facilities of the United Power System of Russia.

As part of measures to develop and streamline the operational process and situation control system for electric grid facilities of subsidiaries and dependent companies of JSC Russian Grids, the Situation Analysis Center works to formulate the Concept of Developing the Operational Process and Situation Control System for Electric Grid Facilities of JSC Russian Grids and set a series of the Organization Standards establishing uniform requirements for the principal aspects of activities conducted by SDCs of JSC Russian Grids in the area of operational process control and situation management. For instance, the Company developed and approved the Organization Standard "Rules for Conducting Operational Negotiations and Sending Operational Communications," works to develop the Organization Standard "Standard Functional Requirements for Automated Operational Process Control and Situation Management Systems," and takes other measures. Plans for 2014 include formulating the Concept of Developing Relay Protection Systems.

Investment (project) risk:

The implementation of SDCs' capital investment programs makes it necessary to mobilize both internal and borrowed considerable financial resources conforming to the RAB regulation parameters, which is an investment risk factor. Additionally, some SDCs carry out socially important investment projects that are often unprofitable.

Even if financial resources are sufficient for investment program implementation, there is some likelihood of the delayed commissioning of facilities covered by SDCs' investment programs, including due to nonperformance or delayed performance by our contractors and suppliers of their obligations.

Resolution of the Government of the Russian Federation No. 159 of February 27, 2013, "On Amendments to the Rules for Approving the Investment Programs of Electric Power Industry Entities Whose Stakes Are Held by the Government and of Grid Organizations" specifies that the facilities not included in territorial planning documents should be excluded from the investment program of the Company's SDCs. There is a risk that construction in progress may grow due to excluding such construction-in-progress facilities from the capital investment program as not included in territorial planning documents.

In order to mitigate the investment risk, the Company and SDCs plan their capital investment programs taking account of the following key efficiency criteria: raising the reliability and affordability of the grid infrastructure, reducing the physical deterioration of electric grid facilities and modernizing them, and achieving a high utilization rate of commissioned facilities. A precondition for including investment projects in the capital investment program is that they should be linked to territorial and regional development plans. In addition, the Company and SDCs monitor the implementation of SDCs' investment programs and their financing and analyze the reasons behind any deviations of the actual results of investment program implementation from the plans. SDCs' capital investment is governed by the Regulations for Investing Activities based on the Model Regulations for the Investing Activities of Subsidiaries and Dependent Companies approved by the Management Board of JSC IDGC Holding (Minutes No. 161pr of November 9, 2012) and Order of JSC IDGC Holding No. 554 of October 29, 2012. Priorities in planning capital investment programs are set in accordance with regularly updated scenarios (approved by the Management Board of JSC Russian Grids (No. 198pr of October 4, 2013) in accordance with the Forecast of the Socioeconomic Development of the Russian Federation for 2014 and 2015–2016).

Pursuant to the Strategy for Development of the Electric Grid Sector of the Russian Federation approved

by Ordinance of the Government of the Russian Federation No. 511-r of April 3, 2013, as related to achieving the target of reducing investment costs by 30 percent against 2012 (in rubles per physical unit (kilometer, MVA)), and in accordance with the Strategy for Development of JSC Russian Grids approved by the Board of Directors of JSC Russian Grids (Minutes of the Meeting No. 122 of June 7, 2013), the Technique for Planning the Reduction of Investment Costs by 30 Percent Against 2012 in Formulating Investment Programs for Subsidiaries and Dependent Companies of JSC Russian Grids was approved (Ordinance No. 69r of September 12, 2013). As part of measures to reduce unit investment costs, JSC Russian Grids issued Order No. 504 of August 16, 2013, "On the Annual Monitoring of Unit Construction Costs of Investment Projects as Part of the Benchmarking and Comparative Analysis of Unit Construction Cost Indicators of Subsidiaries and Dependent Companies of Subsidiaries/Subsidiary Subsidiaries and Dependent Companies of JSC Russian Grids and Their Branches."

The Company takes measures to improve the quality of project implementation, raise the effectiveness of investments in the existing grid, cut specific construction costs, achieve high utilization rates of new facilities, develop and implement a benchmarking system for specific costs of construction and installation and materials, build an innovation management system, and automate the investment management system.

III. Detailed Information Concerning the Issuer

3.1. Establishment History and Development of the Issuer

3.1.1. Data Concerning the Issuer's Corporate Name

Full corporate name of the issuer: *Открытое акционерное общество «Российские сети», Joint Stock Company Russian Grids*

Effective from: *April 4, 2013*

Short corporate names of the issuer

Short corporate name: *ОАО «Россети»*

Effective from: *April 4, 2013*

Short corporate name: *JSC Russian Grids*

Effective from: *April 4, 2013*

The issuer's Articles of Association specify several short corporate names

The issuer's corporate name (in the case of a nonprofit organization, name) is registered as a trademark or service mark.

Registration details of the above-mentioned trademarks:

On July 31, 2013, the Federal Service for Intellectual Property, Patents and Trademarks of the Russian Federation registered the application for the state registration of a trademark (service mark) in the name of JSC Russian Grids in Russian (РОССЕТИ) and English (ROSSETI).

As of the date of this Quarterly Report, the trademark (service mark) was not registered.

All previous names of the issuer since its establishment

Full corporate name: *Открытое акционерное общество «Холдинг МРСК», Joint Stock Company Holding MRSK*

Short corporate name: *ОАО «Холдинг МРСК», JSC Holding MRSK*

Name introduction date: *July 1, 2008*

Name introduction grounds:

On July 1, 2008, the establishment of Joint Stock Company Holding MRSK as a result of reorganization through a spin-off was registered on the Uniform State Register of Juridical Persons.

Full corporate name: *Открытое акционерное общество «Холдинг межрегиональных распределительных сетевых компаний», JSC Interregional Distribution Grid Companies Holding*

Short corporate name: **ОАО «Холдинг МРСК», JSC IDGC Holding**

Name introduction date: **June 30, 2009**

Name introduction grounds:

On December 30, 2008, pursuant to the resolution of the Extraordinary General Meeting of Shareholders of JSC IDGC Holding, a restated version of the Articles of Association of the Company was approved renaming the Company JSC Interregional Distribution Grid Companies Holding. The restated version of the Articles of Association was registered by Interdistrict Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 46 on June 30, 2009.

Full corporate name: **Открытое акционерное общество «Российские сети», Joint Stock Company Russian Grids**

Short corporate name: **ОАО «Россети», JSC Russian Grids**

Name introduction date: **April 4, 2013**

Name introduction grounds:

On March 23, 2013, the Extraordinary General Meeting of Shareholders of JSC IDGC Holding resolved to approve amendments to the Company's Articles of Association, renaming JSC IDGC Holding Joint Stock Company Russian Grids (JSC Russian Grids). The corresponding amendments to the Articles of Association were registered by Interdistrict Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 46 on April 4, 2013.

3.1.2. Information Concerning the Issuer's State Registration

Principal State Registration Number of the Corporate Entity: **1087760000019**

State registration date: **July 1, 2008**

Registration authority: **Interdistrict Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 46.**

3.1.3. Information Concerning the Issuer's Establishment and Development

The period of the Issuer's duration is perpetual

Overview of establishment and development of the issuer. Goals of the issuer's establishment, mission of the issuer (if applicable) and other information about the issuer's activities which is of importance for the adoption of decision on purchasing the issuer's securities:

On July 1, 2008, the incorporation of Joint Stock Company Holding MRSK was registered on the Uniform State Register of Juridical Persons.

JSC Holding MRSK (later, JSC IDGC Holding) was established as part of the reorganization of RAO UES of Russia (the resolution of the Extraordinary General Meeting of Shareholders of RAO UES of Russia of October 26, 2007) on completion of one of the stages of electric power industry reform with the Russian Federation holding a 52.68% stake in the new company's authorized capital.

On December 30, 2008, the Company was renamed JSC Interregional Distribution Grid Companies Holding (JSC IDGC Holding).

Pursuant to Directive of the Government of the Russian Federation No. 2111p-P13 of May 8, 2012, the powers of JSC IDGC Holding's sole executive body were transferred to a management organization, namely Open Joint-Stock Company Federal Grid Company of Unified Energy System (JSC FGC UES) on July 10, 2012.

In order to improve the efficiency and further the development of the Russian electric grid sector, coordinate work on the management of the electric grid sector, and keep down tariffs for ultimate electricity consumers, Decree of President of the Russian Federation Vladimir Putin No. 1567 of November 22, 2012, specifies the principal goals of reforming the sector, including establishing JSC Russian Grids.

On April 4, 2013, the information that JSC IDGC Holding was renamed Joint Stock Company Russian Grids (JSC Russian Grids) was registered on the Uniform State Register of Juridical Persons.

On June 14, 2013, a stake in JSC FGC UES was contributed by the Russian Federation, represented by the Federal Agency for State Property Management, to the authorized capital of JSC Russian Grids. As decided by the Extraordinary General Meeting of Shareholders on May 6, 2013, the fact that a stake is contributed to the

authorized capital is grounds for terminating the powers of and the agreement with the management organization, Open Joint-Stock Company Federal Grid Company of Unified Energy System (JSC FGC UES).

On September 11, 2013, the Board of Directors of the Company resolved to establish Technical Supervision Center, a branch of Joint Stock Company Russian Grids (TSC, a branch of JSC Russian Grids).

At present, JSC Russian Grids holds controlling interests in the federal grid company (JSC FGC UES), 11 interregional distribution grid companies (IDGC of North-West, IDGC of Center and Volga Region, JSC, IDGC of Centre, JSC, IDGC of South, JSC, IDGC of Northern Caucasus, JSC, IDGC of Siberia, JSC, IDGC of Volga, JSC, IDGC of Urals, JSC, JSC LENENERGO, JSC MOESK, and JSC Tyumenenergo), and four distribution grid companies (JSC Yantarenergo, Kubanenergo, JSC TDC, and NURENERGO, JSC) operating in specific regions.

Additionally, the Company holds controlling interests in entities engaged in power retail, R&D, and construction.

As specified in the Articles of Association (paragraph 3.1), the principal purposes of the Company's activities are as follows:

- earn profit for the Company;
- manage the electric grid sector;
- ensure the Russian Federation's control over the activities of the territorial grid organizations established in the course of reorganizing joint-stock companies for energy and electrification and over the activities of the organization managing the Unified National (All-Russian) Electric Grid;
- ensure the reliable functioning and development of the electric grid sector;
- create the necessary conditions for attracting investment with the aim of developing and enhancing the efficiency of the electric grid sector's activities;
- organize work on introducing advanced research results and innovative solutions into the electric grid sector.

3.1.4. Contact Details

Location of the issuer:

Russia, 107996, Moscow, Ulansky pereulok, 26

Telephone: *(495) 995-5333*

Fax: *(495) 664-81-33*

E-mail: *info@rosseti.ru*

Information about the issuer and the securities (being) placed by the issuer is available on the Internet at *www.rosseti.ru* and *http://www.e-disclosure.ru/portal/company.aspx?id=13806*

Special function of the issuer interacting with its shareholders and investors: *Shareholder and Investor Relations Division of the Department for Corporate Governance and Shareholder and Investor Relations*

Location of the function: *Russia, 121353, Moscow, ul. Belovezhskaya, 4*

Telephone: *(495) 995-5333 (ext. 39-43), (495) 974-87-40 (hot line for the shareholders of JSC Russian Grids)*

Fax: *(495) 664-81-33*

E-mail: *ir@rosseti.ru*

Webpage: *www.rosseti.ru/investors/*

3.1.5. Taxpayer Identification Number

7728662669

3.1.6. Branches and Representative Offices of the Issuer

Branches and representative offices of the issuer in accordance with its articles of association (constitutive documents):

Name: *Technical Supervision Center, a branch of Joint Stock Company Russian Grids (TSC, a branch of JSC Russian Grids)*

Location: *Russia, 121353, Moscow, ul. Belovezhskaya, 4*

Date of opening: *September 25, 2013*

Head of the branch (representative office):

Full name: *Vitaly Pavlovich Bobrov*

Term of the power of attorney: *valid until January 30, 2017.*

3.2. Core Business Activities of the Issuer

3.2.1. Industry in Which the Issuer Operates

Industry-specific core business of the issuer as per the Russian Classification of Economic Activities (OKVED): *74.15.2*

OKVED Codes
29.24.9
40.10.1
40.10.11
40.10.2
40.10.3
40.10.5
40.30.11
40.30.2
40.30.3
40.30.5
45.21.53
51.56.4
63.40
64.20
65.23
73.10
74.14
80.30.3

3.2.2. Core Business Activities of the Issuer

Types of business activities (types of activities, types of products (work, services)) accounting for at least 10 percent of the issuer's sales (revenue) in the reporting period

Unit of measurement: *rubles in thousands*

Type of business activity: *income from interests in other entities*

Indicator Description	2012	2013
Revenues (sales) from this type of business activity, rubles in thousands	1,635,520	3,646,331
Share of revenues (sales) from this type of business activity in total	35.4	59.8

revenues (sales) of the issuer, %		
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Indicator Description	3 months of 2013	3 months of 2014
Revenues (sales) from this type of business activity, rubles in thousands	0	0
Share of revenues (sales) from this type of business activity in total revenues (sales) of the issuer, %	0	0

Changes in revenues (sales) of the issuer from core business activities by 10 percent or more year-on-year and reasons for such changes:

The increase in dividends payable to JSC Russian Grids in 2013 compared with the corresponding reporting period in the previous year is due to the implementation of Ordinance of the Government of the Russian Federation No. 774-r of May 29, 2006, concerning the allocation of at least 25 percent of a joint-stock company's net profit to dividend payment (less income from the revaluation of financial investments) except where otherwise provided for in acts of the Government of the Russian Federation.

Type of business activity: *services in relation to organizing the operation of and to developing electricity distribution grid facilities*

Indicator Description	2012	2013
Revenues (sales) from this type of business activity, rubles in thousands	2,771,186	2,324,502
Share of revenues (sales) from this type of business activity in total revenues (sales) of the issuer, %	60	38.1

Indicator Description	3 months of 2013	3 months of 2014
Revenues (sales) from this type of business activity, rubles in thousands	405,405	581,126
Share of revenues (sales) from this type of business activity in total revenues (sales) of the issuer, %	88.5	90

Changes in revenues (sales) of the issuer from core business activities by 10 percent or more year-on-year and reasons for such changes:

Revenues from services in relation to organizing the operation of and to developing electricity distribution grid facilities include amounts received under the agreements that have actually been entered into since January 1, 2013.

Seasonal nature of the issuer's core business activities

The issuer's core business activities were not seasonal.

General breakdown of the issuer's production costs

Cost Item Description	2013	3 months of 2014
Raw materials and materials, %	0.9	0.5
Component parts and intermediate products purchased, %	0	0
Production-related work and services performed by outside organizations, %	28.4	9.7

Fuel, %	0	0
Power, %	0	0
Labor costs, %	49.9	59.5
Loan interest, %	0	0
Rent, %	8.8	9
Allocations for social needs, %	7.2	14.2
Fixed asset depreciation, %	0.5	0.6
Taxes included in production costs, %	1.3	0
Other costs (to be itemized)		
intangible asset amortization, %		
remuneration for improvement suggestions, %	0	0
compulsory insurance payments, %	0	0
official entertainment expenses, %	0.2	0.2
other, %	2.8	6.3
including travel expenses	2.8	6.3
Total: Expenses related to production and sale of products (work, services) (production costs), %	100	100
For reference: Revenue from sale of products (work, services) as a percentage of production costs	190.4	86.4

Significant new types of products (work, services) offered by the issuer in the market for its core business to the extent that they correspond to public information about such products (work, services). Development status of such products (work, services).

With the aim of carrying out the uniform technical policy to ensure a reliable electricity supply, the operation and development of electric grid facilities, and the implementation of a unified approach to technical supervision at electric grid facilities of its subsidiaries and dependent companies, the Company established TSC, a branch of JSC Russian Grids, responsible for technical supervision.

Standards (rules) applicable to the preparation of accounting (financial) statements and calculations reflected in this paragraph of the quarterly report:

1. *Regulations for Accounting 1/2008 "Accounting Policy of Organizations" approved by Order of the Ministry of Finance of the Russian Federation No. 106n of October 6, 2008;*

2. *Regulations for Accounting 9/99 "Income of Organizations" approved by Order of the Ministry of Finance of the Russian Federation No. 32n of May 6, 1999;*

3. *Regulations for Accounting 10/99 "Expense of Organizations" approved by Order of the Ministry of Finance of the Russian Federation No. 33n of May 6, 1999;*

4. *Regulations for Accounting 4/99 "Accounting Statements of Organizations" approved by Order of the Ministry of Finance of the Russian Federation No. 43n of July 6, 1999.*

In accordance with the Company's accounting policy for 2014, income from ordinary activities is:

- *revenues from interests in other entities;*
- *revenues from the provision of services in relation to organizing the operation of and to developing electricity distribution grid facilities;*
- *revenues from the fee-based provision of assets for temporary use (temporary possession and use) under lease agreements (lease payments);*
- *revenues from technical supervision services.*

3.2.3. Materials, Goods (Raw Materials) and Suppliers of the Issuer

In 2013

The issuer's suppliers accounting for at least 10 percent of total raw materials and materials supplies

The suppliers of raw materials (materials) accounting for at least 10 percent of total raw materials and materials supplies: none

Information about changes in the prices of principal materials and goods (raw materials) by more than 10% during the reporting period concerned year-on-year

Changes in the prices of principal materials and goods (raw materials) by more than 10% during the reporting period concerned: none

Import as a percentage of supplies of materials and goods, forecast of future availability of import sources and possible alternative sources

Import supplies: none

In the 3 months of 2014

The issuer's suppliers accounting for at least 10 percent of total raw materials and materials supplies

The suppliers of raw materials (materials) accounting for at least 10 percent of total raw materials and materials supplies: none

Information about changes in the prices of principal materials and goods (raw materials) by more than 10% during the reporting period concerned year-on-year

Changes in the prices of principal materials and goods (raw materials) by more than 10% during the reporting period concerned: none

Import as a percentage of supplies of materials and goods, forecast of future availability of import sources and possible alternative sources

Import supplies: none

3.2.4. Target Markets for the Issuer's Products (Work, Services)

Principal markets in which the issuer operates:

The Company operates in the Russian Federation.

The core business of the Russian Grids Group is the provision of electricity distribution services.

The principal target markets for the Company's products are the regions of its operations. The Company operates in natural monopoly conditions.

Electricity distribution services are provided to the persons that, by virtue of ownership or otherwise by operation of law, own power receiving devices and/or electric power facilities connected in accordance with the prescribed procedure to electricity networks (including indirectly) and energy retailers and suppliers of last resort that service electricity consumers.

Electricity distribution services are provided by electric grid organizations under contracts for paid electricity distribution services. In this connection, electric grid companies of the Russian Grids Group temporarily perform the supplier of last resort functions in several regions.

Factors which can adversely affect the sales of the issuer's products (work, services) and possible actions of the issuer aimed at mitigating such effect:

The main factors that materially affect the Company's core business are a high cross-subsidy level and the government's restrictions on tariff growth rates.

3.2.5. Information Concerning the Issuer's Permits (Licenses) or Authorizations for Specific Work Types

The issuer does not hold any permits (licenses) that should be stated in the quarterly report.

3.2.6. Information Concerning Activities of Certain Categories of Issuers of Issue-Grade Securities

The issuer is not an equity investment fund, insurance undertaking, credit institution, or mortgage agent.

3.2.7. Additional Requirements Applicable to Issuers Whose Core Activities Are Mining Operations

The issuer's core activities are not mining operations.

3.2.8. Additional Requirements Applicable to Issuers Whose Core Activities Are Telecommunications Services

The issuer's core activities are not telecommunications services

3.3. Plans for Future Activities of the Issuer

The Company owns controlling stakes in the federal grid company and interregional and regional distribution grid companies (subsidiaries and dependent companies of JSC Russian Grids) and is therefore in charge of their corporate management. The Company's principal sources of income are dividends on shares in JSC FGC UES and the interregional and regional distribution grid companies and payments for services provided by its subsidiaries and dependent companies.

Plans for future activities of JSC Russian Grids are contained in the Strategy for Development of the Electric Grid Sector of the Russian Federation approved by Ordinance of the Government of the Russian Federation No. 511-r of April 3, 2013.

The Strategy for Development of the Electric Grid Sector of the Russian Federation provides for the formation of a single electric grid management company based on JSC Russian Grids to coordinate the activities of Russian grid organizations in the areas of tariffs, technical policy, investment planning, transparent financial and economic operations, and anti-corruption policy.

In order to achieve the goals, it is planned that JSC Russian Grids will perform the following principal functions:

- strategic functions (planning, methodology, etc.);*
- coordinating functions (coordination of investment, technical, financial, and procurement policies; coordination of capital investment programs; etc.);*
- controlling functions (financial reporting, benchmarking, audit, setting of key performance indicators, monitoring of KPI attainment, etc.);*
- accomplishment of institutional goals faced by the entire industry;*
- participation in the consolidation of territorial grid organizations with the aim of ensuring the necessary reliability and quality of the power supply for customers.*

3.4. Membership of the Issuer in Banking Groups, Banking Holding Companies, Holding Companies and Associations

The issuer is not a member of any banking groups, banking holding companies or associations.

3.5. Issuer-Controlled Entities of Material Importance to the Issuer

1.

Full corporate name: *Open Joint-Stock Company Federal Grid Company of Unified Energy System*

Short corporate name: *JSC FGC UES*

Location

117630 Russia, Moscow, ul. Akademika Chelomeya, 5A

INN (Taxpayer Identification Number): *4716016979*

OGRN (Principal State Registration Number): *1024701893336*

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: *the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity*

Type of control: *direct control*

Stake held by the issuer in the authorized capital of the controlled entity (%): *80.13*

Percentage of ordinary shares held by the issuer (%): *80.13*

Stake held by the controlled entity in the authorized capital of the issuer (%): *0*

Percentage of ordinary shares held by the controlled entity in the issuer (%): 0

Description of the company's core business:

Provision of electricity transmission services via the Unified National (All-Russian) Electric Grid (UNEG).

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Georgy Valentinovich Boos	0	0
Oleg Mikhailovich Budargin (Chairman)	0	0
Pavel Sergeyeovich Grachev	0	0
Boris Yurievich Kovalchuk	0	0
Vyacheslav Mikhailovich Kravchenko	0	0
Andrey Yevgenyevich Murov	0	0
Sergey Vladimirovich Serebryannikov	0	0
Denis Vladimirovich Fedorov	0	0
Ernesto Ferlenghi	0	0
Sergey Ivanovich Shmatko	0	0
Nikolay Grigoryevich Shulginov	0.000620	0.000628

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Andrey Yevgenyevich Murov	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Andrey Yevgenyevich Murov (Chairman)	0	0
Andrey Valentinovich Kazachenkov	0	0
Valery Nikolayevich Sedunov	0	0
Vladimir Semyonovich Shukshin	0	0
Valery Anatolyevich Goncharov	0	0
Maria Gennadyevna Tikhonova	0	0
Leonid Vladimirovich Mazo	0	0
Vladimir Petrovich Dikoy	0	0

Additional company information:**Type of the control right: direct control.****Attribute of the control right: joint control shared with other persons.****Full corporate name, registered address, Taxpayer Identification Number (INN), and Principal State Registration Number (OGRN) of the corporate entity with which the issuer acquired the right to jointly control a certain number of votes attaching to the voting shares (stakes) in the authorized capital of the organization:****Russian Federation represented by the Federal Agency for State Property Management.****Registered address: 109012, Russia, Moscow, Nikolsky per., 9.****Taxpayer Identification Number (INN): 7710723134.****Principal State Registration Number (OGRN): 1087746829994.****Grounds: entering into the shareholders' agreement for the procedure for controlling and voting shares in JSC FGC UES.****Stake held by the issuer in the authorized capital of JSC FGC UES, including the indirect control right (%): 80.13.****Percentage of ordinary shares in JSC FGC UES, including the indirect control right (%): 80.13.**

2.

Full corporate name: **Joint-Stock Company Moscow United Electric Grid Company**Short corporate name: **JSC MOESK**

Location

115114 Russia, Moscow, 2-y Paveletsky proezd, 3, str. 2INN (Taxpayer Identification Number): **5036065113**OGRN (Principal State Registration Number): **1057746555811**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.Criterion for the issuer's control of the issuer-controlled entity: **the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity**Type of control: **direct control**Stake held by the issuer in the authorized capital of the controlled entity (%): **50.90**Percentage of ordinary shares held by the issuer (%): **50.90**Stake held by the controlled entity in the authorized capital of the issuer (%): **0**Percentage of ordinary shares held by the controlled entity in the issuer (%): **0**

Description of the company's core business:

Fee-based provision of electricity distribution services in Moscow and the Moscow Region by means of a package of organizationally and technologically interrelated operations ensuring electricity distribution via engineering devices of the company's own electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Oleg Mikhailovich Budargin (Chairman)	0	0
Andrey Aleksandrovich Dyomin	0	0
Anatoly Anatolievich Gavrilenko	0	0
Vladimir Vladimirovich Sofyin	0	0
Sergey Yurievich Lebedev	0	0
Pavel Anatolievich Livinsky	0	0
Sergey Aleksandrovich Nikitin	0	0
Aleksey Viktorovich Nuzhdov	0	0
Vyacheslav Mikhailovich Kravchenko	0	0
Andrey Anatolyevich Kokin	0	0
Pyotr Alekseyevich Sinyutin	0	0
Wolfgang Skribot	0	0
Oksana Vladimirovna Shatokhina	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Pyotr Alekseyevich Sinyutin	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Pyotr Alekseyevich Sinyutin (Chairman)	0	0
Olga Leonidovna Bulanova	0	0
Anatoly Vasilyevich Chegodaev	0	0
Sergey Petrovich Romanovsky	0.000042	0.000042
Mark Leonidovich Budyko	0	0
Roman Vladimirovich Voynov	0	0
Alexander Valeryevich Inozemtsev	0	0
Valery Leonidovich Kadatsky	0	0
Nadezhda Anatolyevna Kreneva	0.000363	0.000368
Alexander Aleksandrovich Panin	0	0
Aleksey Sergeevich Starostin	0	0

Stanislav Feliksovich Khatskevich	0	0
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3.

Full corporate name: **JOINT-STOCK COMPANY LENENERGO ***

Short corporate name: **JSC LENENERGO**

Location

196247 Russia, Saint Petersburg, Ploshchad Konstitutsii 1

INN (Taxpayer Identification Number): **7803002209**

OGRN (Principal State Registration Number): **1027809170300**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: **the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity**

Type of control: **direct control**

Stake held by the issuer in the authorized capital of the controlled entity (%): **49.36**

Percentage of ordinary shares held by the issuer (%): **53.41**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0**

Description of the company's core business:

Provision of electricity distribution services and other services directly related to supplying electricity to customers, connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Yegor Vyacheslavovich Prokhorov (Chairman)	0	0
Sergey Yurievich Lebedev	0	0
Andrey Mikhailovich Yepifanov	0	0
Yuri Kazbekovich Zafesov	0	0
Svetlana Semyonovna Zholnerchik	0	0
Andrey Valentinovich Sorochinsky	0	0
Andrey Sergeyevich Kolyada	0	0
Leonid Yurievich Akimov	0	0
Valentin Mikhailovich Komarov	0	0
Tatiana Alexandrovna Ivanova	0	0
Yevgenia Yevgenyevna Rozova	0	0
Oleg Yurievich Zotov	0	0
Dmitry Viktorovich Koptin	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Andrey Valentinovich Sorochinsky	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Andrey Valentinovich Sorochinsky (Chairman)	0	0
Maksim Sergeyeovich Artemyev	0	0
Andrey Vladimirovich Zыkov	0	0
Ilya Georgyevich Meshcheryakov	0	0
Yevgeny Ivanovich Melnichenko	0	0
Alexander Dmitryevich Nikonov	0	0

** The stake in the authorized capital of/percentage of ordinary shares in JSC LENENERGO does not include the actually placed shares of the company's current securities issue.*

Additional company information:

Type of control: direct and indirect control through an entity controlled by the issuer.

All entities controlled by the issuer (the chain of the entities directly or indirectly controlled by the issuer) through which the issuer acquired the right to indirectly control a certain number of votes attaching to the voting shares (stakes) in the authorized capital of the entity:

Interregional Distribution Grid Company of Urals, Joint Stock Company (IDGC of Urals, JSC).

Registered address: Russia, 620026, Yekaterinburg, ul. Mamina-Sibiryaka, 140.

Taxpayer Identification Number (INN): 6671163413.

Principal State Registration Number (OGRN): 1056604000970.

Stake held by the issuer in the authorized capital of JSC LENENERGO, including the indirect control right (%): 57.81.

Percentage of ordinary shares held by the issuer in JSC LENENERGO, including the indirect control right (%): 60.56.

4.

Full corporate name: **Joint Stock Company Tyumenenergo**

Short corporate name: **JSC Tyumenenergo**

Location

628412 Russia, Surgut, Tyumen Region, Khanty-Mansijsk Autonomous District – Yugra, ul. Universitetskaya 4

INN (Taxpayer Identification Number): **8602060185**

OGRN (Principal State Registration Number): **1028600587399**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: ***the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity***

Type of control: ***direct control***

Stake held by the issuer in the authorized capital of the controlled entity (%): **100**

Percentage of ordinary shares held by the issuer (%): **100**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0.003061**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0**

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Andrey Aleksandrovich Dyomin (Chairman)	0	0
Leonid Yurievich Akimov	0	0
Artur Magometovich Aushev	0	0
Yuri Kazbekovich Zafesov	0	0
Anna Yurievna Katina	0	0
Sergey Yurievich Lebedev	0	0
Aleksey Aleksandrovich Maltsev	0	0
Pavel Alexandrovich Mikheyev	0	0
Leonid Valeryevich Neganov	0	0
Ruslan Kimovich Tsiku	0	0
Dmitry Aleksandrovich Chevkin	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Pavel Alexandrovich Mikheyev	0	0

Members of the collegial executive body of the company

The collegial executive body does not exist.

5.

Full corporate name: *Interregional Distribution Grid Company of Urals, Joint Stock Company*

Short corporate name: *IDGC of Urals, JSC*

Location

620026 Russia, Yekaterinburg, ul. Mamina-Sibiryaka 140

INN (Taxpayer Identification Number): *6671163413*

OGRN (Principal State Registration Number): *1056604000970*

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: ***the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity***

Type of control: ***direct control***

Stake held by the issuer in the authorized capital of the controlled entity (%): ***51.52***

Percentage of ordinary shares held by the issuer (%): ***51.52***

Stake held by the controlled entity in the authorized capital of the issuer (%): ***0***

Percentage of ordinary shares held by the controlled entity in the issuer (%): ***0***

Description of the company's core business:

Provision of electricity distribution services; operational process control; provision of services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks; performance of functions in relation to collection, transmission, and processing of process information, including measuring and metering data; supervision over safe operation of electrical installations by customers connected to the company's electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Dmitry Igorevich Gotlib	0	0
Valery Nikolayevich Rodin	0	0
Seppo Juha Remes	0	0
Natalia Aleksandrovna Ozhe	0	0
Yevgeny Rudolfovich Villevald	0	0
Eugeny Nikolayevich Zhuykov	0	0
Mikhail Viktorovich Azotsev	0	0
Madina Valeryevna Kaloeva	0	0
Anton Mikhailovich Kislyakov	0.000273	0.000277
Ruslan Raisovich Magadeev (Chairman)	0	0
Alexander Nikolayevich Fadeyev	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Valery Nikolayevich Rodin	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Valery Nikolayevich Rodin (Chairman)	0	0
Olga Mikhailovna Abrosimova	0	0
Sergei Mikhailovich Zolotarev	0	0
Sergei Alexandrovich Semerikov	0	0
Yury Vyacheslavovich Lebedev	0	0
Alexei Alexeyevich Krasnikov	0	0
Yevgeny Gennadievich Popov	0	0
Oleg Borisovich Moshinsky	0	0
Igor Vladimirovich Butakov	0	0
Oleg Mikhailovich Zhdanov	0	0
Yuri Petrovich Shevelyov	0	0

6.

Full corporate name: ***Interregional Distribution Grid Company of Centre, Joint-Stock Company***

Short corporate name: ***IDGC of Centre, JSC***

Location

127018 Russia, Moscow, 2-ya Yamskaya 4

INN (Taxpayer Identification Number): ***6901067107***

OGRN (Principal State Registration Number): ***1046900099498***

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: ***the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity***

Type of control: ***direct control***

Stake held by the issuer in the authorized capital of the controlled entity (%): ***50.23***

Percentage of ordinary shares held by the issuer (%): ***50.23***

Stake held by the controlled entity in the authorized capital of the issuer (%): ***0***

Percentage of ordinary shares held by the controlled entity in the issuer (%): ***0***

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Sergey Aleksandrovich Arkhipov (Chairman)	0	0
Alexander Markovich Branis	0	0
Valery Anatolyevich Goncharov	0	0
Sergey Aleksandrovich Dyomin	0	0
Oleg Yurievich Isaev	0	0
Madina Valeryevna Kaloeva	0	0
Aleksey Valeryevich Molsky	0	0
Maxim Mikhailovich Saukh	0	0
Roman Alexeyevich Filkin	0	0
Oksana Vladimirovna Shatokhina	0	0
Alexander Viktorovich Shevchuk	0.000368	0.000372

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Oleg Yurievich Isaev	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Oleg Yurievich Isaev (Chairman)	0	0
Ivan Petrovich Kleymenov	0	0
Igor Viktorovich Maksimov	0	0
Sergey Yurievich Rumyantsev	0	0
Artyom Yevgenyevich Kuranov	0	0
Yuri Vladimirovich Minchenko	0	0
Alexander Viktorovich Pilyugin	0	0

7.

Full corporate name: **Interregional Distribution Grid Company of Center and Volga Region, Joint Stock Company**

Short corporate name: **IDGC of Center and Volga Region, JSC**

Location

603950 Russia, Nizhni Novgorod, ul. Rozhdestvenskaya 33

INN (Taxpayer Identification Number): **5260200603**

OGRN (Principal State Registration Number): **1075260020043**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: **the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity**

Type of control: **direct control**

Stake held by the issuer in the authorized capital of the controlled entity (%): **50.40**

Percentage of ordinary shares held by the issuer (%): **50.40**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0.001275**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0.001292**

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Alexander Markovich Branis	0	0
Dmitry Mikhailovich Gurevitch	0	0
Nikolay Nikolayevich Varlamov (Chairman)	0	0
Sergey Aleksandrovich Dyomin	0	0
Madina Valeryevna Kaloeva	0	0
Denis Viktorovich Kulikov	0.000215	0.000217
Yegor Vyacheslavovich Prokhorov	0	0
Yulia Petrovna Chermenteyeva	0	0
Evgeny Viktorovich Ushakov	0.00008	0.000081
Roman Alexeyevich Filkin	0	0
Vladimir Sergeyeovich Chistyakov	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the	Percentage of ordinary shares held by the
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	authorized capital of the issuer (%)	individual in the issuer (%)
Evgeny Viktorovich Ushakov	0.00008	0.000081

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Evgeny Viktorovich Ushakov (Chairman)	0.00008	0.000081
Sergei Timofeyevich Andrus	0	0
Evgeny Vladimirovich Nikitushkin	0	0
Olga Vladimirovna Tikhomirova	0.000035	0.000035
Alexander Vasilievich Prepodobny	0	0
Lada Alexandrovna Podolskaya	0.000077	0.000078
Vladimir Viktorovich Shits	0	0
Irina Viktorovna Yashanina	0	0
Andrei Yurievich Vedernikov	0	0

8.

Full corporate name: ***Interregional Distribution Grid Company of Siberia, Joint Stock Company***

Short corporate name: ***IDGC of Siberia, JSC***

Location

660021 Russia, Krasnoyarsk, ul. Bograda 144 a

INN (Taxpayer Identification Number): ***2460069527***

OGRN (Principal State Registration Number): ***1052460054327***

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: ***the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity***

Type of control: ***direct control***

Stake held by the issuer in the authorized capital of the controlled entity (%): ***55.59***

Percentage of ordinary shares held by the issuer (%): ***55.59***

Stake held by the controlled entity in the authorized capital of the issuer (%): ***0.000323***

Percentage of ordinary shares held by the controlled entity in the issuer (%): ***0.000327***

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Roman Nikolaevich Berdnikov (Chairman)	0	0
Samuil Moiseyevich Zilberman	0.000221	0.000224
Leonid Valeryevich Neganov	0	0
Sergey Vasilyevich Podlutsky	0	0
Konstantin Yurievich Petukhov	0	0
Anton Mikhailovich Kislyakov	0.000273	0.000277
Vladimir Valerievich Rashevsky	0	0
Oksana Vladimirovna Shatokhina	0	0
Sergei Nikolaevich Mironosetsky	0	0
Igor Yurievich Sorokin	0	0
Alexei Yevgenievich Bai	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Konstantin Yurievich Petukhov	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Konstantin Yurievich Petukhov (Chairman)	0	0
Ruslan Anatolyevich Yakovlev	0	0
Andrey Valeryevich Abramov	0	0
Yevgeny Vladimirovich Mitkin	0	0
Aleksey Vasilyevich Petukhov	0	0
Aleksey Vladimirovich Leontyev	0	0
Vladimir Alekseyevich Leontyev	0	0

9.

Full corporate name: *Interregional Distribution Grid Company of North-West, Joint Stock Company*

Short corporate name: *IDGC of North-West*

Location

188300 Russia, Leningrad Region, Gatchina, ul. Sobornaya 31

INN (Taxpayer Identification Number): **7802312751**

OGRN (Principal State Registration Number): **1047855175785**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: **the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity**

Type of control: **direct control**

Stake held by the issuer in the authorized capital of the controlled entity (%): **55.38**

Percentage of ordinary shares held by the issuer (%): **55.38**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0**

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks. Support for the efficient management of distribution grid facilities in seven regions of the Northwestern Federal District of Russia.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Tatiana Petrovna Dronova	0	0
Aleksey Nikolayevich Zharikov	0	0
Svetlana Semyonovna Zholnerchik	0	0
Marina Alexandrovna Lavrova	0	0
Sergey Vadimovich Pokrovsky	0	0
Maxim Mikhailovich Saukh	0	0
Vladimir Vladimirovich Sofyin	0	0
Sergey Gennadyevich Titov	0	0
Roman Alexeyevich Filkin	0	0
Dmitry Aleksandrovich Chevkin	0	0
Yulia Petrovna Chermenteyeva	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Sergey Gennadyevich Titov	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Sergey Gennadyevich Titov (Chairman)	0	0
Alexander Vladimirovich Mikhalkov	0	0
Dmitry Andreyevich Bukata	0	0
Dmitry Lvovich Matrosov	0	0
Dmitry Petrovich Tiron	0	0
Andrey Yurievich Gorokhov	0	0
Dmitry Olegovich Guba	0	0
Mikhail Vasilyevich Koshelev	0	0
Natalia Valeryevna Melnikova	0	0

As of the date of this Quarterly Report, the Chairman of the Board of Directors of IDGC of North-West was not elected.

10.

Full corporate name: *Interregional Distribution Grid Company of Volga, Joint-Stock Company*

Short corporate name: *IDGC of Volga, JSC*

Location

410031 Russia, Saratov, ul. Pervomaiskaya 42/44

INN (Taxpayer Identification Number): *6450925977*

OGRN (Principal State Registration Number): *1076450006280*

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: ***the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity***

Type of control: ***direct control***

Stake held by the issuer in the authorized capital of the controlled entity (%): ***67.63***

Percentage of ordinary shares held by the issuer (%): ***67.63***

Stake held by the controlled entity in the authorized capital of the issuer (%): ***0.000006***

Percentage of ordinary shares held by the controlled entity in the issuer (%): ***0.000006***

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Yegor Vyacheslavovich Prokhorov (Chairman)	0	0
Vladimir Anatolievich Ryabikin	0	0
Yury Veniaminovich Adler	0	0
Astkhik Artashesovna Bashindzhagyan	0	0
Alexander Viktorovich Varvarin	0	0
Tatiana Vladimirovna Gavrilova	0	0
Denis Lvovich Guryanov	0	0
Natalia Klimentyevna Ozhegina	0	0
Yury Nikolaevich Pankstianov	0	0
Seppo Juha Remes	0	0
Sergei Viktorovich Streltsov	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Vladimir Anatolievich Ryabikin	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Vladimir Anatolievich Ryabikin (Chairman)	0	0
Vladimir Ivanovich Kucherenko	0	0
Vladimir Borisovich Ponomarev	0	0
Irina Yurievna Puchkova	0	0
Natalia Leonidovna Rebrova	0.0000004	0.0000004
Irina Alekseyevna Tamlenova	0	0
Sergei Petrovich Frolov	0	0
Dmitry Lvovich Zaretsky	0	0
Vyacheslav Igorevich Kuliev	0	0

11.

Full corporate name: **Interregional Distribution Grid Company of South, Joint Stock Company**

Short corporate name: **IDGC of South, JSC**

Location

344002 Russia, Rostov-on-Don, ul. Bolshaya Sadovaya 49

INN (Taxpayer Identification Number): **6164266561**

OGRN (Principal State Registration Number): **1076164009096**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: **the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity**

Type of control: **direct control**

Stake held by the issuer in the authorized capital of the controlled entity (%): **51.66**

Percentage of ordinary shares held by the issuer (%): **51.66**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0**

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Dan Mikhailovich Belenky (Chairman)	0	0
Vladimir Frantishkovich Vashkevich	0	0
Alexander Markovich Branis	0	0
Arman Mushegovich Airapetyan	0	0
Vitaly Valeryevich Ivanov	0	0
Konstantin Sergeyeovich Serebryakov	0	0
Igor Nikolayevich Repin	0	0
Dmitry Yurievich Terekhov	0	0
Roman Alexeyevich Filkin	0	0
Farit Gabdulfatovich Shaydullin	0	0
Alexander Viktorovich Shevchuk	0.000368	0.000372

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
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Vladimir Frantishkovich Vashkevich	0	0
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Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Vladimir Frantishkovich Vashkevich (Chairman)	0	0
Timur Ulyumdzhievich Alayev	0	0
Yegor Vladimirovich Kalenyuk	0	0
Pavel Viktorovich Goncharov	0	0
Grigory Grigorievich Savin	0	0
Oleg Petrovich Kiyok	0	0
Aleksey Aleksandrovich Rybin	0	0
Denis Vladimirovich Khramtsev	0	0
Mikhail Aleksandrovich Korolyov	0	0
Sergey Alekseyevich Chekmarev	0	0

12.

Full corporate name: ***Kuban Power and Electrification Open Joint Stock Company***

Short corporate name: ***Kubanenergo***

Location

350033 Russia, Krasnodar, ul. Stavropolskaya 2

INN (Taxpayer Identification Number): ***2309001660***

OGRN (Principal State Registration Number): ***1022301427268***

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: ***the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity***

Type of control: ***direct control***

Stake held by the issuer in the authorized capital of the controlled entity (%): ***92.24***

Percentage of ordinary shares held by the issuer (%): ***92.24***

Stake held by the controlled entity in the authorized capital of the issuer (%): ***0***

Percentage of ordinary shares held by the controlled entity in the issuer (%): ***0***

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Suleyman Gelanievich Vagapov	0	0
Alexander Viktorovich Varvarin	0	0
Ivan Alekseyevich Gaychenya	0	0
Anna Yurievna Katina	0	0
Andrey Sergeevich Kolyada	0	0
Marina Alexandrovna Lavrova	0	0
Khasan Mushtafaevich Likhov	0	0
Ruslan Raisovich Magadeev (Chairman)	0	0
Leonid Valeryevich Neganov	0	0
Alexander Viktorovich Solod	0	0
Andrey Vladimirovich Cherezov	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Alexander Ilyich Gavrilov	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Alexander Ilyich Gavrilov (Chairman)	0	0
Vitaly Alexandrovich Kocherga	0	0
Inver Yusufovich Natkho	0	0
Pavel Vasilyevich Zinchenko	0	0
Vyacheslav Aleksandrovich Belik	0	0
Andrey Leonidovich Gerasko	0	0
Andrey Valeryevich Golov	0	0
Vyacheslav Yurievich Kostetsky	0	0
Lyudmila Alexeyevna Golovakha	0	0
Inna Viktorovna Skiba	0	0
Dmitry Nikolayevich Golovakha	0	0
Vladislav Andreyevich Statuev	0	0
Denis Vladimirovich Negreba	0	0

13.

Full corporate name: **Interregional Distribution Grid Company of Northern Caucasus, Joint-Stock Company**

Short corporate name: **IDGC of Northern Caucasus, JSC**

Location

357506 Russia, Stavropol Territory, Pyatigorsk, village of Energetik, ul. Podstantsionnaya 18

INN (Taxpayer Identification Number): **2632082033**

OGRN (Principal State Registration Number): **1062632029778**

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: **the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity**

Type of control: **direct control**

Stake held by the issuer in the authorized capital of the controlled entity (%): **92.00**

Percentage of ordinary shares held by the issuer (%): **92.00**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0**

Description of the company's core business:

Support for electricity distribution via networks rated 0.4–110 kV; connection of customers to the network infrastructure in the North Caucasian Federal District.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Vladimir Semyonovich Shukshin	0	0
Khasan Mushtafaevich Likhov	0	0
Arman Mushegovich Airapetyan	0	0
Nikolay Nikolayevich Varlamov	0	0
Alexander Viktorovich Varvarin	0	0
Aleksey Vladimirovich Demidov	0	0
Denis Lvovich Guryanov	0	0
Alina Afakoevna Levitskaya	0	0
Yury Nikolayevich Mangarov (Chairman)	0	0
Pyotr Andreyevich Seltsovsky	0	0
Andrey Vladimirovich Cherezov	0	0

Sole executive body of the company

Full Name	Stake held by	Percentage of
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	the individual in the authorized capital of the issuer (%)	ordinary shares held by the individual in the issuer (%)
Sergey Aleksandrovich Arkhipov	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Sergey Aleksandrovich Arkhipov (Chairman)	0	0
Boris Khyzyrovich Misirov	0	0
Yuri Viktorovich Zaytsev	0	0

14.

Full corporate name: *Yantarenergo Joint-Stock Company for Energy and Electrification*

Short corporate name: *JSC Yantarenergo*

Location

236000 Russia, Kaliningrad, ul. Teatralnaya 34

INN (Taxpayer Identification Number): *3903007130*

OGRN (Principal State Registration Number): *1023900764832*

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: ***the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity***

Type of control: ***direct control***

Stake held by the issuer in the authorized capital of the controlled entity (%): ***100***

Percentage of ordinary shares held by the issuer (%): ***100***

Stake held by the controlled entity in the authorized capital of the issuer (%): ***0***

Percentage of ordinary shares held by the controlled entity in the issuer (%): ***0***

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the	Percentage of ordinary shares held by the individual in the issuer
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	issuer (%)	(%)
Yuri Nikolayevich Mangarov (Chairman)	0	0
Gayane Albertovna Kizaryants	0	0
Yuri Vladimirovich Goncharov	0	0
Igor Vladimirovich Makovsky	0	0
Astkhik Artashesovna Bashindzhagyan	0	0
Sergey Aleksandrovich Arkhipov	0	0
Yegor Vyacheslavovich Prokhorov	0	0

Sole executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Igor Vladimirovich Makovsky	0	0

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Igor Vladimirovich Makovsky (Chairman)	0	0
Natalia Aleksandrovna Danilova	0	0
Vladimir Anatolyevich Kopylov	0	0
Gennady Aleksandrovich Zimin	0	0
Irina Veniaminovna Redko	0	0

15.

Full corporate name: *Joint-Stock Company Tomsk Distribution Company*

Short corporate name: *JSC TDC*

Location

634041 Russia, Tomsk, pr. Kirova 36

INN (Taxpayer Identification Number): *7017114672*

OGRN (Principal State Registration Number): *1057000127931*

Grounds for the issuer's control of the controlled entity (interest in the issuer-controlled entity, asset management agreement, ordinary partnership agreement, agency agreement, shareholder agreement, any other agreement to exercise the rights attaching to shares (interests) in the issuer-controlled entity):

Interest in the controlled entity.

Criterion for the issuer's control of the issuer-controlled entity: ***the right to control over 50 percent of votes in the highest management body of the issuer-controlled entity***

Type of control: **direct control**

Stake held by the issuer in the authorized capital of the controlled entity (%): **85.77**

Percentage of ordinary shares held by the issuer (%): **94.58**

Stake held by the controlled entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the controlled entity in the issuer (%): **0**

Description of the company's core business:

Provision of electricity distribution services and services in relation to connection of power receiving devices (power installations) of corporate entities and individuals to electricity networks.

Members of the Board of Directors (Supervisory Board) of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Aleksey Vladimirovich Demidov	0	0
Maxim Mikhailovich Saukh	0	0
Eric Pierre Beaugent	0	0
Pascal Maurice Borel	0	0
Andrey Aleksandrovich Dyomin (Chairman)	0	0
Dmitry Igorevich Gotlib	0	0
Pavel Yurievich Korsunov	0	0

Sole executive body of the company

The powers of the company's sole executive body were transferred to a management organization.

Information concerning the management organization that exercises the powers of the company's sole executive body

Full corporate name: ***ERDF VOSTOK Limited Liability Company***

Short corporate name: ***ERDF VOSTOK LLC***

Location: ***Russia, 105120, Moscow, 2-i Syromyatnichesky pereulok, 1***

INN (Taxpayer Identification Number): ***7709894784***

OGRN (Principal State Registration Number): ***1127746015088***

Stake held by the issuer in the authorized capital of the management organization (%): **0**

Percentage of ordinary shares held by the issuer in the management organization (%): **0**

Stake held by the management organization (manager) in the authorized (share) capital (unit trust) of the issuer (%): **0**

Percentage of ordinary shares held by the management organization in the issuer (%): **0**

Members of the collegial executive body of the company

Full Name	Stake held by the individual in the authorized capital of the issuer (%)	Percentage of ordinary shares held by the individual in the issuer (%)
Eric Pierre Beaugent (Chairman)	0	0

Oleg Valentinovich Petrov	0	0
Pascal Maurice Borel	0	0
Alexander Valeryevich Cherpinsky	0	0
Marina Aleksandrovna Lysykh	0	0
Irina Nikolayevna Razmanova	0	0

3.6. Composition, Breakdown and Value of the Issuer's Fixed Assets, Information Concerning Plans for the Acquisition, Replacement, Retirement of Fixed Assets and All Evidence of Encumbrance of the Issuer's Fixed Assets

3.6.1. Fixed Assets

For 2013

Unit of measurement: *rubles in thousands*

Group of Fixed Assets	Initial (Replacement) Value	Amount of Accumulated Depreciation
office equipment	75,311	44,228
building	5,069	832
other	60,560	13,596
TOTAL	140,940	58,656

Information concerning the method of depreciation accrual by fixed asset group:

Fixed assets are depreciated using the straight-line method.

Reporting date: *December 31, 2013*

As of the last date of the reporting quarter

Unit of measurement: *rubles in thousands*

Group of Fixed Assets	Initial (Replacement) Value	Amount of Accumulated Depreciation
office equipment	73,359	42,742
building	5,069	870
other	60,229	16,194
TOTAL	138,657	59,806

Information concerning the method of depreciation accrual by fixed asset group:

Fixed assets are depreciated using the straight-line method.

Reporting date: *March 31, 2014*

Results of the latest revaluation of fixed assets and fixed assets held under long-term lease completed within the most recently closed fiscal year, specifying the revaluation date, the gross book value and residual book value (net of depreciation) of fixed assets before revaluation and the gross book value and residual book value (net of depreciation) of fixed assets adjusted for revaluation. The information shown is by group of fixed assets. Information concerning the depreciation method for each group of fixed assets.

Fixed assets for the above-mentioned period were not revalued.

Details of plans for the acquisition, replacement and retirement of fixed assets whose value accounts for 10 percent or more of the issuer's fixed asset value and other fixed assets at the issuer's sole discretion, as well details of all facts of encumbrance of the issuer's fixed assets (specifying the nature of encumbrance, the start date of encumbrance, its duration and other conditions at the issuer's sole discretion):

IV. Information Concerning the Issuer's Financing and Economic Activities

4.1. Financial and Economic Performance of the Issuer

Changes in indicators describing the issuer's financial and economic performance, including making a profit/loss, and calculated on the basis of its accounting (financial) statements

Standard (rules) applicable to the accounting (financial) statements used for calculating such indicators:
Russian Accounting Standards

Unit of measurement for uncovered loss amounts: *rubles in thousands*

Indicator Description	2013	3 months of 2014
Net profit margin, %	72.81	10.29
Asset turnover ratio, times	0.03	0.03
Return on assets, %	2.27	0.03
Return on equity, %	2.28	0.034
Uncovered loss at balance sheet date	0	0
Ratio of uncovered loss at balance sheet date to book value of assets, %	0	0

** The amount of uncovered loss is for the entire period of duration of the Company (i.e. this is the balance of the current profit and loss and the previous period's accumulated profit and loss).*

Economic analysis of the issuer's profit/loss based on changes in the above-mentioned indicators; the reasons that are believed by the issuer's management bodies to have brought about the issuer's profit/loss recognized in its accounting (financial) statements:

Financial and Economic Performance

Indicator Description	2011	2012	2013	2013* (adjusted)	Q1 2014
Net profit margin, %	-1,648.2%	-67.13%	-4,108.26%	72.81%	10.29%
Asset turnover ratio, times	0.03	0.03	0.03	0.03	0.03
Return on assets, %	-53.88%	-1.96%	-127.95%	2.27%	0.03%
Return on equity, %	-58.25%	-2.25%	-128.52%	2.28%	0.034%
Uncovered loss at balance sheet date, thousand rubles	-	-	-181,559,166	-	-
Ratio of uncovered loss at balance sheet date to book value of assets, %	-	-	93%	-	-

* The adjustment includes the net profit adjustment less the revaluation of financial investments and reserves.

The Company's financial and economic operations in 2013 resulted in a loss of 250.6 billion rubles.

The Company's return on assets and return on equity in 2013 decreased on 2012 to (-127.95%) and (-128.52%) respectively.

This result is significantly due to the revaluation of shares at current market value. Their value adjustment is shown in the Statement of Financial Performance as 250,773.9 million rubles in the Other Expense entry.

The Company's net profit margin decreased to (-4,108.3%).

With a rise of 1,481 million rubles in the Company's revenue (1.3-fold) in 2013 compared with 2012, its gross profit increased by 844.2 million rubles; income from other activities in 2013, including interest receivable, was (-253,154.8 million rubles) while this indicator in 2012 was (-4,694.4 million rubles); the Company's losses went up by 247,452.1 million rubles. Therefore, the decrease in the net profit margin is mainly due to a decrease in income from other activities (revaluation of financial investments).

In the 1st quarter of 2014, the Company made a net profit of 66.5 million rubles. Its return on assets and return on equity were 0.03% and 0.03% respectively, which is lower than the Company's results in the 1st quarter of 2013 (0.46% and 0.53% respectively).

At the same time, return on sales fell to 53.9%. The decrease in this indicator was largely due to an increase of 570.6 million rubles in the cost value of work and services performed (1.4-fold).

In the 1st quarter of 2011, the Company's return on sales was 46.3%; net return, 114.7%. The rise in net return was mainly affected by other income of the Company, which totaled 708 million rubles with interest received taken into account.

Factors Which Affected the Amount of Revenue from the Sale of Goods, Products, Work, Services by the Issuer and the Issuer's Profit (Loss) from Operating Activities

Income from ordinary activities for the Company is proceeds under agreements for services in relation to organizing the operation of and to developing the United Power System (UPS), revenues from income from interests in other entities, income from leases, and other income.

In 2013, the Company made a loss of 250.6 billion rubles. However, the Company's return on sales was quite high, 44.47%.

Indicator Description	2012	2013
Revenues (rubles in thousands)	4,617,705	6,098,726
<i>Including - services in relation to organizing operation of and to developing UPS</i>	2,771,186	2,324,502
<i>- income from interests in other entities</i>	1,635,520	3,646,331
<i>- income from leases</i>	210,999	125,909
Production costs (rubles in thousands)	(2,567,030)	(3,203,837)
<i>Including - services in relation to organizing operation of and to developing UPS</i>	(2,091,474)	(2,831,525)
<i>- expense from interests in other entities</i>	(316,169)	(241,597)
<i>- expense from leases</i>	(159,387)	(128,724)
Gross profit (rubles in thousands)	2,050,675	2,894,889
Selling and administrative expenses (rubles in thousands)	0.00	0.00
Sales profit/loss (rubles in thousands)	2,050,675	2,894,889
Sales profit as percentage of revenues (%)	44.41	47.47
Other income (rubles in thousands)	10,808,287	2,488,191
<i>Including - interest receivable</i>	1,620,461	2,188,309
<i>- adjustment of current market value of shares</i>	8,263,566	,
<i>- income from sale of securities</i>		205,000
Other expense (rubles in thousands)	(15,502,700)	(255,642,967)
<i>Including - expense from maintenance of securities</i>		
<i>- assessed value of shares adjusted at current market value</i>	(15,097,166)	(250,773,963)
<i>- other expense</i>	(405,534)	(4,869,004)
Profit/loss before tax (rubles in thousands)	-2,643,738	-250,259,887
Profit tax and other dues	(455,903)	(291,876)
Net profit/loss (rubles in thousands)	-3,099,641	-250,551,763

The analysis of factors showed that the Company's performance result was mainly affected by other expense, including a decreased value of financial investments in subsidiaries and dependent companies.

Factors Affecting the Amount of the Company's Profit (for 2013)

Indicator	Level of Factor (%)
Balance of income/expense from operating activities	-1.16%
Including:	
- balance of services in relation to organizing operation of and to developing UPS	0.2%
- balance of income from interests in other entities	-1.36%
- balance of income from leases	0.0%
- balance of income from other activities	0.0%
Balance of other income/expense	101.04%
Tax factor effects	0.12%

Assessment of Factors Affecting the Change in Net Profit

Indicator	Indicator Deviation (2013 Actuals from 2012 Actuals) (rubles in millions)	Level of Factor Affecting Change in Net Profit (%)
Revenues	1,481.0	-0.6%
Production costs	636.8	-0.26%
Selling and administrative expenses	0.0	0.0%
Other income	-8,320.1	3.36%
Other expense	240,140.3	-97.05%
Profit tax and other similar dues	-164.0	0.07%
Net profit	-247,452.1	100%

In the 1st quarter of 2013, the Company made a profit of 728.9 million rubles. The Company's return on sales was 17.2%

Indicator Description	Q1 2013	Q1 2014
Revenues (rubles in thousands)	458,130	645,920
<i>Including - services in relation to organizing operation of and to developing UPS</i>	405,405	581,126
<i>- income from interests in other entities</i>	0	0
<i>- income from leases</i>	52,725	2,777
<i>- income from technical supervision services</i>		62,017
Production costs (rubles in thousands)	(379,334)	(747,890)
<i>Including - services in relation to organizing operation of and to developing UPS</i>	(335,640)	(673,549)
<i>- expense from interests in other entities</i>	(4)	(4,009)
<i>- expense from leases</i>	(43,690)	(3,257)
<i>- expense from technical supervision services</i>		(67,075)
Gross profit (rubles in thousands)	78,796	(101,970)
Selling and administrative expenses (rubles in thousands)	0.00	0.0
Sales profit/loss (rubles in thousands)	78,796	(101,970)
Sales profit as percentage of revenues (%)	17.20	-15.79
Other income (rubles in thousands)	856,060	299,015
<i>Including - interest receivable</i>	852,105	288,219
<i>- income from sale of securities</i>		

Indicator Description	Q1 2013	Q1 2014
- other income		
Other expense (rubles in thousands)	(18,177)	(54,188)
Including - expense from maintenance of securities		(2,428)
- other expense	(18,177)	(51,760)
Profit/loss before tax (rubles in thousands)	916,679	142,857
Profit tax and other dues	(187,798)	(76,397)
Net profit/loss (rubles in thousands)	728,881	66,460

The analysis of factors showed that the Company's performance result was mainly affected by services in relation to organizing the operation of and to developing the United Power System (UPS) and by the Company's operations related to earning other income.

Factors Affecting the Amount of the Company's Profit (for Q1 2014)

Indicator	Level of Factor (%)
Balance of income/expense from operating activities	-153.4%
Including:	
- balance of services in relation to organizing operation of and to developing UPS	-139.07%
- balance of income from interests in other entities	-6.03%
- balance of income from leases	-0.72%
- balance of income from other activities	-7.6%
Balance of other income/expense	368.38%
Tax factor effects	-114.95%

Assessment of Factors Affecting the Change in Net Profit

Indicator	Indicator Deviation (Q1 2014 Actuals from Q1 2013 Actuals) (rubles in millions)	Level of Factor Affecting Change in Net Profit (%)
Revenues	187.8	-28.35%
Production costs	368.6	-55.64%
Selling and administrative expenses	0.0	0%
Other income	-557.05	84.09%
Other expense	36.01	-5.4%
Profit tax and other similar dues	-111.4	16.82%
Net profit	-662.4	100%

The issuer's management bodies have different opinions about reasons or the degree of their influence on the issuer's financial and economic performance: *No*

A member of the issuer's Board of Directors (Supervisory Board) or a member of the issuer's collegial executive body has a dissenting opinion about the above-mentioned reasons and/or the degree of their influence on the issuer's financial and economic performance, which opinion is contained in the minutes of a meeting of the issuer's Board of Directors (Supervisory Board) or the issuer's collegial executive body that dealt with the relevant issues, and insists that this opinion be included in the quarterly report: *No*

4.2. Liquidity of the Issuer, Capital and Current Asset Adequacy

Changes in indicators describing the issuer's liquidity calculated on the basis of its accounting (financial) statements

Standard (rules) applicable to the accounting (financial) statements used for calculating such indicators:
Russian Accounting Standards

Unit of measurement for calculations of net working capital: *rubles in thousands*

Indicator Description	2013	3 months of 2014
Net working capital	15,047,572	15,110,628
Current ratio	18.56	20.25
Quick ratio	18.53	20.22
Equity to total assets ratio	0.996	0.996

At the issuer's sole discretion, additional information concerning changes in indicators describing the issuer's liquidity and calculated on the basis of its consolidated accounting (financial) statements included in the quarterly report: *No*

To describe the issuer's liquidity in a better way, the equity to total assets ratio is shown.

All indicators are calculated in accordance with recommended calculation methods: *No*

Economic analysis of the issuer's liquidity and solvency and the adequacy of the issuer's equity for settling short-term liabilities and covering current operating expenses based on the economic analysis of changes in the above-mentioned indicators, describing the factors that are believed by the issuer's management bodies to have had the greatest effect on the issuer's liquidity and solvency:

Liquidity of the Issuer and the Adequacy of Equity and Working Capital

Indicator Description	2011	2012	2013	Q1 2014
Net working capital, thousand rubles	11,457,165	17,612,468	15,047,572	15,110,628
Current ratio	2.13	1.86	18.56	20.25
Quick ratio	2.08	1.85	18.53	20.22
Equity to total assets ratio	0.925	0.871	0.996	0.996

Liquidity indicators are intended to demonstrate the degree of the Company's solvency with regard to its short-term debt.

The Company's net working capital in 2013 is equal to 15.05 billion rubles. The positive value of this indicator means that the Company actually used its own resources to finance part of its working capital (with its net working capital representing almost 100% of its working capital), which proves the Company's sufficient financial soundness and solvency.

Overall, the liquidity indicators of 2013 and the 1st quarter of 2014 show a satisfactory structure of the Company's balance sheet. The Company's financial condition is stable.

The Company's liquidity indicators in 2013 compared with 2012 were affected by the following events in its financial and economic activities:

- A decrease of 19.5 billion rubles in short-term liabilities (23.8-fold) due to a decrease in accounts payable (including payables to founders with respect to contributions to authorized (share) capital). A decrease of 19.75 billion rubles in accounts payable largely due to the completed registration of the Company's additionally issued shares.
- A decrease of 22.9 billion rubles in current assets (2.4-fold) largely due to a decrease of 21.9 billion rubles in cash and short-term financial investments.

The Company's liquidity indicators in the 1st quarter of 2014 compared with 2013 were affected by the following events in its financial and economic activities:

- A slight decrease of 71.9 million rubles in short-term liabilities (9.2%) largely due to a decrease of 97.5 million rubles in current accounts payable and a growth in other and estimated liabilities.
- A slight decrease of 8.9 million rubles in current assets (0.06%) largely due to a decrease of 335.4 million rubles in accounts receivable and a rise of 331.5 million rubles in cash and short-term financial investments.

The issuer's management bodies have different opinions about reasons or the degree of their influence on the issuer's financial and economic performance: **No**

A member of the issuer's Board of Directors (Supervisory Board) or a member of the issuer's collegial executive body has a dissenting opinion about the above-mentioned reasons and/or the degree of their influence on the issuer's financial and economic performance, which opinion is contained in the minutes of a meeting of the issuer's Board of Directors (Supervisory Board) or the issuer's collegial executive body that dealt with the relevant issues, and insists that this opinion be included in the quarterly report: **No**

4.3. Financial Investments of the Issuer

For 2013

List of financial investments of the issuer accounting for 5 percent or more of its total financial investments as of the last date of the reporting period

Investments in issue-grade securities

Type of securities: **shares**

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

Short company name of the issuer: **JSC FGC UES**

Location of the issuer: **117630, Moscow, ul. Akademika Chelomeya, 5A**

INN (Taxpayer Identification Number): **5036065113**

OGRN (Principal State Registration Number): **1057746555811**

Date of state registration of issue(s)	Registration number	Registration authority
September 10, 2002	1-01-65018-D	Federal Commission for the Securities Market of the Russian Federation

Number of securities owned by the issuer: **1,021,359,045,392**

Total par value of securities owned by the issuer: **510,679,522.696 rubles x 1,000**

Total book value of securities owned by the issuer: **92,371,712**

Unit of measurement: **rubles in thousands**

The issuer of securities is a subsidiary and/or dependent company of the issuer that prepared this quarterly report.

The Annual General Meeting of Shareholders of JSC FGC UES (Minutes No. 13 of July 2, 2013) decided to pay no dividends on ordinary shares in the company based on performance results in 2012.

Additional information:

Type of securities: **shares**

Full company name of the issuer: **Joint-Stock Company Moscow United Electric Grid Company**

Short company name of the issuer: **JSC MOESK**

Location of the issuer: **115114, Moscow, 2-y Paveletsky proezd, d. 3, str. 2**

INN (Taxpayer Identification Number): **5036065113**

OGRN (Principal State Registration Number): **1057746555811**

Date of state registration of	Registration number	Registration authority
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issue(s)		
May 31, 2005	1-01-65116-D	Federal Financial Markets Service of the Russian Federation

Number of securities owned by the issuer: **24,794,187,558**

Total par value of securities owned by the issuer: **12,397,093.779 rubles x 1,000**

Total book value of securities owned by the issuer: **36,025,954**

Unit of measurement: **rubles in thousands**

The issuer of securities is a subsidiary and/or dependent company of the issuer that prepared this quarterly report.

The Annual General Meeting of Shareholders of JSC MOESK (Minutes No. 14 of July 1, 2013) decided to pay dividends on ordinary shares in JSC MOESK based on performance results in 2012 in the amount of 0.088201 ruble per ordinary share in the company in cash within 60 days after the date when the decision to pay such dividends is adopted.

Additional information:

Type of securities: **shares**

Full company name of the issuer: **Kuban Power and Electrification Open Joint Stock Company**

Short company name of the issuer: **Kubanenergo**

Location of the issuer: **350033, Krasnodar, ul. Stavropolskaya, d. 2**

INN (Taxpayer Identification Number): **2309001660**

OGRN (Principal State Registration Number): **1022301427268**

Date of state registration of issue(s)	Registration number	Registration authority
July 8, 2003	1-02-00063-A	Federal Commission for the Securities Market of the Russian Federation
May 6, 2013	1-02-00063-A-004D	Federal Financial Markets Service of the Russian Federation

Number of securities owned by the issuer: **260,921,912**

Total par value of securities owned by the issuer: **26,092,191.200 rubles x 1,000**

Total book value of securities owned by the issuer: **19,858,767**

Unit of measurement: **rubles in thousands**

The issuer of securities is a subsidiary and/or dependent company of the issuer that prepared this quarterly report.

The Annual General Meeting of Shareholders of Kubanenergo (Minutes No. 34 of June 18, 2013) decided to pay no dividends on ordinary shares in the company based on performance results in 2012.

Additional information:

Investments in non-issue-grade securities

Investments in non-issue-grade securities accounting for 5 percent or more of total financial investments: none

The issuer established a reserve for impairment of financial investments in securities.

Value of the reserve for impairment of financial investments in securities as of the beginning and end of the most recently closed fiscal year prior to the last date of the most recent reporting quarter:

Reserves for impairment of financial investments in shares were as follows:

798,043 thousand rubles as of January 1, 2012;

975,152 thousand rubles as of December 31, 2012;

3,465,909 thousand rubles as of December 31, 2013.

Other financial investments

Other financial investments accounting for 5 percent or more of total financial investments: none

Information concerning the value of potential losses associated with the bankruptcy of entities (enterprises) in which investments were made by type of the above-mentioned investment:

None

Information about losses is provided according to the issuer's estimate of the financial investments recorded in the issuer's accounting statements for the period from the beginning of the reporting year to the last date of the most recent reporting quarter.

Accounting standards (rules) in accordance with which the issuer made calculations recognized in this paragraph of the quarterly report:

Accounting records of financial investments are kept in accordance with Regulations for Accounting 19/02 "Financial Investment Accounting" approved by Order of the Ministry of Finance of the Russian Federation No. 126n of December 10, 2002 (as amended and supplemented).

As of the last date of the reporting quarter

List of financial investments of the issuer accounting for 5 percent or more of its total financial investments as of the last date of the reporting period

Investments in issue-grade securities

Type of securities: *shares*

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

Short company name of the issuer: **JSC FGC UES**

Location of the issuer: **117630, Moscow, ul. Akademika Chelomeya, 5A**

INN (Taxpayer Identification Number): **5036065113**

OGRN (Principal State Registration Number): **1057746555811**

Date of state registration of issue(s)	Registration number	Registration authority
September 10, 2002	1-01-65018-D	Federal Commission for the Securities Market of the Russian Federation

Number of securities owned by the issuer: **1,021,359,045,392**

Total par value of securities owned by the issuer: **510,679,522.696 rubles x 1,000**

Total book value of securities owned by the issuer: **289,657,425**

Unit of measurement: **rubles in thousands**

The issuer of securities is a subsidiary and/or dependent company of the issuer that prepared this quarterly report.

The Annual General Meeting of Shareholders of JSC FGC UES (Minutes No. 13 of July 2, 2013) decided to pay no dividends on ordinary shares in the company based on performance results in 2012.

Additional information:

Type of securities: *shares*

Full company name of the issuer: *Joint-Stock Company Moscow United Electric Grid Company*

Short company name of the issuer: *JSC MOESK*

Location of the issuer: *115114, Moscow, 2-y Paveletsky proezd, d. 3, str. 2*

INN (Taxpayer Identification Number): *5036065113*

OGRN (Principal State Registration Number): *1057746555811*

Date of state registration of issue(s)	Registration number	Registration authority
May 31, 2005	1-01-65116-D	Federal Financial Markets Service of the Russian Federation

Number of securities owned by the issuer: *24,794,187,558*

Total par value of securities owned by the issuer: *12,397,093.779 rubles x 1,000*

Total book value of securities owned by the issuer: *36,025,954*

Unit of measurement: *rubles in thousands*

The issuer of securities is a subsidiary and/or dependent company of the issuer that prepared this quarterly report.

The Annual General Meeting of Shareholders of JSC MOESK (Minutes No. 14 of July 1, 2013) decided to pay dividends on ordinary shares in JSC MOESK based on performance results in 2012 in the amount of 0.088201 ruble per ordinary share in the company in cash within 60 days after the date when the decision to pay such dividends is adopted.

Additional information:

Type of securities: *shares*

Full company name of the issuer: *Kuban Power and Electrification Open Joint Stock Company*

Short company name of the issuer: *Kubanenergo*

Location of the issuer: *350033, Krasnodar, ul. Stavropolskaya, d. 2*

INN (Taxpayer Identification Number): *2309001660*

OGRN (Principal State Registration Number): *1022301427268*

Date of state registration of issue(s)	Registration number	Registration authority
July 8, 2003	1-02-00063-A	Federal Commission for the Securities Market of the Russian Federation
May 6, 2013	1-02-00063-A-004D	Federal Financial Markets Service of the Russian Federation

Number of securities owned by the issuer: *260,921,912*

Total par value of securities owned by the issuer: *26,092,191.200 rubles x 1,000*

Total book value of securities owned by the issuer: *19,858,767*

Unit of measurement: *rubles in thousands*

The issuer of securities is a subsidiary and/or dependent company of the issuer that prepared this quarterly report.

The Annual General Meeting of Shareholders of Kubanenergo (Minutes No. 34 of June 18, 2013) decided to pay no dividends on ordinary shares in the company based on performance results in 2012.

Additional information:

Investments in non-issue-grade securities

Investments in non-issue-grade securities accounting for 5 percent or more of total financial investments: none

The issuer established a reserve for impairment of financial investments in securities.

Value of the reserve for impairment of financial investments in securities as of the beginning and end of the most recently closed fiscal year prior to the last date of the most recent reporting quarter:

Reserves for impairment of financial investments in shares were as follows:

798,043 thousand rubles as of January 1, 2012;

975,152 thousand rubles as of December 31, 2012;

3,465,909 thousand rubles as of December 31, 2013.

Other financial investments

Other financial investments accounting for 5 percent or more of total financial investments: none

Information concerning the value of potential losses associated with the bankruptcy of entities (enterprises) in which investments were made by type of the above-mentioned investment:

None

Information about losses is provided according to the issuer's estimate of the financial investments recorded in the issuer's accounting statements for the period from the beginning of the reporting year to the last date of the most recent reporting quarter.

Accounting standards (rules) in accordance with which the issuer made calculations recognized in this paragraph of the quarterly report:

Accounting records of financial investments are kept in accordance with Regulations for Accounting 19/02 "Financial Investment Accounting" approved by Order of the Ministry of Finance of the Russian Federation No. 126n of December 10, 2002 (as amended and supplemented).

4.4. Intangible Assets of the Issuer

For 2013

Unit of measurement: *rubles in thousands*

Group of Intangible Assets	Initial (Replacement) Value	Amount of Accumulated Depreciation
www.rosseti.ru domain name	1,600	
Avariynost software	657	44
Trademark development	2,894	
TOTAL	5,151	44

Accounting standards (rules) in accordance with which the issuer provides information about its intangible assets:

Regulations for Accounting 14/2007 approved by Order of the Ministry of Finance of the Russian Federation No. 153n of December 27, 2007.

Reporting date: *December 31, 2013*

As of the last date of the reporting quarter

Unit of measurement: *rubles in thousands*

Group of Intangible Assets	Initial (Replacement) Value	Amount of Accumulated Depreciation
www.rosseti.ru domain name	1,600	
Avariynost software	657	77
Trademark development	2,894	
Customer relations website development	9,567	
TOTAL	14,718	77

Accounting standards (rules) in accordance with which the issuer provides information about its intangible assets:

Regulations for Accounting 14/2007 approved by Order of the Ministry of Finance of the Russian Federation No. 153n of December 27, 2007.

Reporting date: *March 31, 2014*

4.5. Information Concerning the Policy and Expenses Incurred by the Issuer in the Area of Scientific and Technological Development, in Respect of Licenses and Patents, New Developments and Research

In the period under review, the Company neither carried out any research and development (R&D) nor entered into any license agreements for the right to use R&D deliverables.

No documents securing the rights to intellectual property obtained as a result of R&D conducted upon requests from JSC Russian Grids were issued as of March 31, 2014.

4.6. Analysis of Trends in the Issuer's Core Business

The core business of JSC Russian Grids is corporate management of interregional and regional distribution grid companies. In this regard, it is correct to view development trends from the standpoint of the Company's SDCs.

A moderate growth in electricity demand (up to 2 percent a year) is a major trend in the electric power industry, determining how the electric grid sector develops. During the following 10–15 years, Russia will have to introduce technologies that have already come into use in developed countries' grid sectors. Specifically, this concerns the introduction of smart grid technologies that make it possible to raise the transmission capacity and power supply stability and reduce losses and expenses related to customers' electricity metering and billing.

Russian electricity demand differs in different regions and localities. With a decrease in electricity consumption in rural areas in many regions, there is a considerable rise in consumption in large cities. In turn, a decrease in electricity consumption in industrial areas in cities is offset by a rise in consumption in areas where office and commercial properties or residential buildings are constructed. Changes in the electricity demand geography bring about the following problems:

it is necessary to maintain underutilized electric grids;

it is necessary to make new investments in electric grids on new sites;

it is necessary to raise tariffs because new investments are required while, overall, demand fails to grow.

A special area of the Russian modern electricity industry's development should be the construction of distributed generation facilities.

Insufficient investments in the electric grid sector have led to the considerable physical and technological obsolescence of electric grids. Electricity distribution networks with an expired standard operating life account for 50 percent; 7 percent of electricity networks exceeded a double operating life. The overall physical deterioration of electric grids is 70 percent. The deterioration of transmission grids operated by Federal Grid Company of Unified Energy System is about 50 percent.

Overall, the deterioration of electric grids in Russia is much higher than in other large countries. Additionally, up-to-date equipment that ensures high reliability and reduced operating expenses is insufficiently used in the electric grid sector. This fact makes it necessary to modernize and upgrade capital assets.

4.6.1. Analysis of Factors and Conditions Affecting the Issuer's Activities

The principal factors and conditions affecting the performance of JSC Russian Grids are currently determined by:

1. the Forecast of the Socioeconomic Development of the Russian Federation for 2014–2016 developed by the Ministry of Economic Development of the Russian Federation, scenarios, the key forecast parameters for Russia's socioeconomic development, and the ceiling prices (tariffs) of services provided by the infrastructure sector's companies for 2014 and the planning period of 2015 and 2016 with due consideration to the goals contained in the Russian President's Addresses to the Federal Assembly of the Russian Federation;
2. the economic activity of customers in general and the socioeconomic development of specific Russian regions;
3. the General Layout of Electric Power Facilities and the development schemes and programs for the electric power industry in constituent entities of the Russian Federation that determine the main amount of companies' capital investment programs;
4. payment discipline both in the sector in general and in specific Russian regions;
5. institutional issues in the sector, including the problem of cross-subsidies;
6. major governmental initiatives, including the Action Plan (Road Map) "Enhancing the Affordability of the Power Infrastructure" approved by Ordinance of the Government of the Russian Federation No. 1144-r of June 30, 2012;
7. the condition of companies' productive assets and the necessity for their modernization and renewal;
8. the application of advanced tariff-setting methods (RAB) facilitating long-term borrowings.

4.6.2. Competitors of the Issuer

JSC FGC UES and the interregional and regional distribution grid companies of JSC Russian Grids are natural monopolies in accordance with the applicable laws and have no direct competitors.

The principles set forth in the Strategy for Development of the Electric Grid Sector of the Russian Federation approved by Ordinance of the Government of the Russian Federation No. 511-r of April 3, 2013, concerning the encouragement of operating efficiency based on benchmarking create conditions for adequately reflecting the regional performance of all grid companies in tariffs.

V. Detailed Information Concerning Individual Members of the Issuer's Management Bodies, the Issuer's Bodies Controlling Its Financing and Economic Activities and Brief Information Concerning the Issuer's Employees (Personnel)

5.1. Details of the Structure and Jurisdiction of the Issuer's Management Bodies

Full description of the structure of the issuer's management bodies and their jurisdiction as specified in the Articles of Association (constitutive documents) of the issuer:

In accordance with the Articles of Association, the management bodies of the Company are as follows:

- General Meeting of Shareholders;
- Board of Directors of the Company;
- Management Board of the Company (collegial executive body);
- Director General of the Company (sole executive body).

The General Meeting of Shareholders is supreme management body of the Company.

The following issues as specified in Article 10 of the Articles of Association fall within the competence of the General Meeting of Shareholders:

- 1) amendment of the Articles of Association of the Company or approval of the restated version of the Articles of Association of the Company;
- 2) reorganization of the Company in accordance with the procedure set forth in the federal laws and the Articles of Association;
- 3) liquidation of the Company, appointment of the liquidation committee and approval of the interim and final liquidation balance sheets;
- 4) election of members to the Board of Directors of the Company and early termination of their authority, establishment of the amount of remuneration or compensation payable to members of the Board of Directors of the Company;
- 5) determination of the quantity, par value, category (type) of authorized shares and the rights carried by such shares;
- 6) expansion of the authorized capital of the Company through an increase in the par value of shares or follow-on offering conducted by the Company as provided for by the Articles of Association;
- 7) reduction of the authorized capital of the Company by decreasing the par value of shares, through the acquisition of a portion of shares by the Company for the purposes of reducing their total number and by means of redemption of shares acquired or repurchased by the Company;
- 8) election of members of the Internal Audit Commission of the Company and early termination of their authority, establishment of the amount of remuneration or compensation payable to members of the Internal Audit Commission of the Company;
- 9) approval of the Company's auditor;
- 10) approval of annual reports, annual financial statements, including profit and loss statements (income statements) of the Company, as well as appropriation of profit, including payment (declaration) of dividends, with the exception of profit distributed as dividends for the first quarter, six months, nine months of the fiscal year), and loss of the Company based on the fiscal year performance;
- 11) determination of the procedure for holding the General Meeting of Shareholders;
- 12) stock split and reverse stock split;
- 13) adoption of the resolution on the approval of transactions as provided for by Article 83 of the Federal Law "On Joint-Stock Companies";
- 14) adoption of resolutions on the approval of material transactions as provided for by Article 79 of this Federal Law "On Joint-Stock Companies";
- 15) adoption of the resolution on participation of the Company in financial and industrial groups, associations and other groups of business entities;
- 16) approval of internal documents governing the activities of the Company's bodies;
- 17) payment (declaration) of dividends for the first quarter, six months, nine months of the fiscal year;
- 18) resolution of other issues provided for by the Federal Law "On Joint-Stock Companies."

The resolution of issues falling within the jurisdiction of the General Meeting of Shareholders may not be delegated to the Board of Directors, Chairman of the Management Board of the Company or the Management Board of the Company.

The General Meeting of Shareholders is not entitled to consider or resolve the issues which fall outside its jurisdiction as specified in the Federal Law "On Joint-Stock Companies."

The competence of the Company's Board of Directors includes the general management of the Company's activities except for any issues that, in accordance with the Articles of Association of the Company, fall within the competence of the General Meeting of Shareholders.

The competence of the Board of Directors of the Company covers the following issues (Article 11 of the Articles of Association):

1. determination of high-priority activities of the Company;
2. convening of the annual and Extraordinary General Meeting of Shareholders of the Company except as provided for by paragraph 10.7.8 of the Articles of Association;
3. approval of the agenda of the General Meeting of Shareholders;
4. determination of the date of preparation of the list of individuals entitled to participate in the General Meeting of Shareholders and any other issues falling within the jurisdiction of the Board of Directors of the Company as provided for by Chapter VII of the Federal Law "On Joint-Stock Companies" and related to the preparation and holding of the General Meeting of Shareholders;
5. submission of the issues provided for by subparagraphs 2, 6 and 12-16 of paragraph 10.2 of the Articles of Association and the issue of reduction of the authorized capital of the Company by decreasing the

par value of shares for consideration by the General Meeting of Shareholders;

6. expansion of the authorized capital of the Company through the follow-on offering conducted by the Company as provided for by the Articles of Association;

7. approval of resolutions on the issue (additional issue) of securities, securities prospectuses, securities issuance reports, approval of the report on the purchase of shares from the shareholders of the Company, share redemption reports, reports on the submission of share redemption requests by the shareholders of the Company owning such shares;

8. placement by the Company of bonds or any other issue-grade securities as provided for by the Federal Law "On Joint-Stock Companies" and the Articles of Association;

9. determination of the price (monetary value) of the property, the offering and repurchase price of issue-grade securities as provided for by the Federal Law "On Joint-Stock Companies";

10. acquisition of shares, bonds or any other issue-grade securities placed by the Company as provided for by the Federal Law "On Joint-Stock Companies";

11. appointment of the individual authorized to determine terms and conditions and sign employment agreements with the Director General of the Company and members of the Management Board of the Company;

12. recommendations concerning the amount of remuneration and compensation payable to members of the Internal Audit Commission of the Company; determination of the amount of auditor's fee;

13. recommendations concerning the amount of dividends on shares and its payment procedure;

14. determination of the procedure for the establishment and use of the Company's funds;

15. approval of the internal documents of the Company, with the exception of internal documents whose approval falls within the jurisdiction of the General Meeting of Shareholders or the jurisdiction of the executive bodies of the Company as specified in the Articles of Association; approval of the expense budget for the executive arm of the Company, including costs required to maintain the office of the Board of Directors of the Company;

16. establishment (liquidation) of branches and opening (liquidation) of representative offices of the Company; respective amendment of the Articles of Association of the Company;

17. adoption of resolutions on participation of the Company in entities other than those specified in subparagraph 10.2.15 of the Articles of Association (admission to the existing entity or establishment of a new entity), acquisition, disposition and encumbrance of their shares and stakes, change in the stake in the authorized capital of the above-mentioned entities;

18. approval of material transactions as provided for by Charter X of the Federal Law "On Joint-Stock Companies";

19. approval of transactions provided for by Chapter XI of the Federal Law "On Joint-Stock Companies";

20. determination of the policy and adoption of resolutions related to the obtainment and extension (provision) of advances, loans, credits, guarantees, pledge and warranties in accordance with the procedure specified by the Board of Directors of the Company;

21. approval of the procedure for interaction of the Company with the economic entities whose shares (equities) are owned by the Company; adoption of resolutions falling within its jurisdiction in accordance therewith;

22. determination of position of the Company (representatives of the Company), including instructions to take or not to take part in the voting on agenda items, vote "For", "Against" or "Abstain", while voting on draft resolutions on the following agendas of general meetings of shareholders (members) of the subsidiaries and dependent business entities (hereinafter "SDCs") (except when the functions of general meetings of shareholders of SDCs are performed by the Board of Directors of the Company) and meetings of the Boards of Directors of SDCs (with the exception of the issue of approval of the agenda of general meetings of shareholders of SDCs when the functions of general meetings of shareholders of SDCs are performed by the Board of Directors of the Company), specifically for the Company to exercise control of the resolutions adopted by the subsidiaries and dependent companies of SDCs:

a) determination of agenda of the General Meeting of Shareholders (Members) of SDCs;

b) reorganization or liquidation of SDCs;

c) determination of the number of members of the Board of Directors of SDCs, nomination and election of its members and early termination of their authority;

d) determination of the quantity, par value, category (type) of authorized shares in SDCs and the rights carried by such shares;

e) expansion of the authorized capital of SDCs through an increase in the par value of shares or follow-

on offering;

- f) placement of securities of SDCs convertible into ordinary shares;
- g) split and reverse split of stock of SDCs;
- h) approval of material transactions conducted by SDCs;
- i) participation of SDCs in any other entities (admission to the existing entity or establishment of a new entity) and (with due account for the provisions of subparagraphs “j” and “k”) acquisition, disposition and encumbrance of shares and stakes in the authorized capitals of entities in which SDCs participate; change in the stake in the authorized capital of the entity concerned;
- j) conduct by SDCs of transactions (including acquisition, disposition, pledge or any other encumbrance through the conduct of one or more associated transactions) in shares and stakes in the subsidiaries and dependent companies of SDCs which produce, transmit, dispatch, distribute and sell electricity and heat irrespective of the number of shares (amount of stakes in authorized capital) in such entities;
- k) conduct by SDCs of transactions (including acquisition, disposition, pledge or any other encumbrance through the conduct of one or more associated transactions) in shares and stakes in the subsidiaries and dependent companies of SDCs which neither produce, transmit, dispatch, distribute nor sell electricity or heat;
- l) conduct by SDCs of transactions (including several associated transactions) concerning the disposal or possibility of disposal of property which constitutes fixed assets, intangible assets, construction-in-progress assets used for the purposes of production, transmission, dispatch and distribution of electricity and heat;
- m) conduct by SDCs of any transactions (including several associated transactions) concerning the disposal or possibility of disposal of property which constitutes fixed assets, intangible assets, construction-in-progress assets not used for the purposes of production, transmission, dispatch or distribution of electricity or heat;
- n) determination of positions of the representatives of SDCs for issues on the agendas of general meetings of shareholders (members) and meetings of the Boards of Directors of the subsidiaries and dependent companies of SDCs regarding the conduct (approval) of transactions (including several associated transactions) concerning the disposal or possibility of disposal of property which constitutes fixed assets, intangible assets, construction-in-progress assets used for the purposes of production, transmission, dispatch and distribution of electricity and heat;
- o) determination of positions of the representatives of SDCs for issues on the agendas of general meetings of shareholders (members) and meetings of the Boards of Directors of the subsidiaries and dependent companies of SDCs which produce, transmit, dispatch, distribute and sell electricity and heat with respect to the reorganization, liquidation, expansion of the authorized capital of such entities through an increase in the par value of shares or follow-on offering, placement of securities convertible into ordinary shares.

The Board of Directors of the Company adopts resolutions on the issues provided for by clauses “j”, “k”, “l”, “m”, “n” in the instances (amounts) provided for by the procedure for interaction of the Company with the economic entities whose shares (equities) are owned by the Company as approved by the Board of Directors of the Company in accordance with subparagraph 11.1.21 of the Company’s Articles of Association.

23. prior approval of resolutions on the conduct of transactions in the non-current assets of the Company worth ten (10) to twenty-five (25) percent of the book value of such assets according to the accounting statements as of the latest reporting date;

24. prior approval of resolutions on the conduct by the Company of transactions (including several associated transactions) concerning the disposal or possibility of disposal of property which constitutes fixed assets, intangible assets, construction-in-progress assets used for the purposes of production, transmission, dispatch and distribution of electricity and heat in such instances (amounts) as specified in the individual resolutions of the Board of Directors of the Company;

25. prior approval of resolutions on the conduct by the Company of transactions (including several associated transactions) concerning the disposal or possibility of disposal of property which constitutes fixed assets, intangible assets, construction-in-progress assets not used for the purposes of production, transmission, dispatch or distribution of electricity or heat in such instances (amounts) as specified in the individual resolutions of the Board of Directors of the Company;

26. approval of the Registrar of the Company and the terms and conditions of the agreement with the Registrar; termination of such agreement;

27. election (appointment) of the Director General of the Company and early termination of his/her authority;

28. adoption of resolutions on the purchase of treasury shares in the Company as provided for by law and disposal of the Company’s treasury shares recorded on the balance sheet of the Company;

29. consideration of the consolidated investment program of the Holding Company;

30. consideration of the consolidated income and expense budget of the Holding Company;
31. approval of the list of Key Performance Indicators for the Director General of the Company;
32. other issues provided for by the Federal Law “On Joint-Stock Companies” and the Articles of Association of the Company.

Executive bodies are not entitled to resolve any issues falling within the competence of the Board of Directors of the Company.

The collegial executive body and the sole executive body are in charge of the Company’s day-to-day activities.

The collegial executive body of the Company is the Management Board of the Company. The competence of the Management Board covers the following issues (Article 13 of the Articles of Association):

- 1) development and submission of high-priority activities of the Company and prospective implementation plans to the Board of Directors for approval;
- 2) preparation of the Company’s financial and economic performance plan;
- 3) exercising the authority of general meetings of shareholders (members) of the wholly owned subsidiaries of the Company;
- 4) nomination of candidates for the positions of Chairmen of the Boards of Directors, sole executive bodies, representatives of the Company on the Boards of Directors and Internal Audit Commissions of entities of any form of incorporation in which the Company participates (except when the functions of the general meetings of shareholders of SDCs are performed by the Management Board of the Company);
- 5) determination of position of the Company (representatives of the Company), including instructions to take or not to take part in the voting on issues on the agendas of the general meetings of shareholders and meetings of the Boards of Directors of SDCs unless the Board of Directors of the Company adopts a resolution on the above-mentioned issues in accordance with the Interaction Procedure.
- 6) resolution of other issues of the Company’s activities pursuant to the resolutions of the General Meetings of Shareholders or the Board of Directors and additional issues submitted by the Director General of the Company for its consideration.

The jurisdiction of the Director General of the Company covers the following issues (Article 14 of the Articles of Association):

The Director General of the Company manages the daily operations of the Company pursuant to the resolutions of the General Meeting of Shareholders and the Board of Directors of the Company adopted within their respective jurisdiction.

The jurisdiction of the Director General of the Company covers all issues related to the management of the Company’s daily operations other than those falling within the jurisdiction of the General Meeting of Shareholders or the Board of Directors of the Company.

The Director General of the Company acts on behalf of the Company without a power of attorney, specifically within the restrictions provided for by the applicable laws, these Articles of Association and the resolutions of the Board of Directors of the Company:

- 1) ensures the implementation of the Company’s action plans necessary to accomplish its objectives;
- 2) organizes the maintenance of accounting records and reports by the Company;
- 3) manages the Company’s property, conducts transactions on behalf of the Company, issues powers of attorney, opens settlement and other accounts of the Company with banks and other credit institutions (and professional corporate participants in the securities market as provided for by laws) except when the resolution is adopted by the Management Board, Board of Directors or General Meeting of Shareholders of the Company;
- 4) issues orders, approves (adopts) instructions, local regulations and other internal documents of the Company on issues falling within its jurisdiction, gives directions binding upon all employees of the Company;
- 5) approves the Regulations for branches and representative offices of the Company;
- 6) approves manning table and basic salaries of the Company’s employees in accordance with the organizational structure of the Company’s executive arm;
- 7) acts as the Chairman of the Management Board of the Company;
- 8) exercises the rights and performs the obligations of the employer in respect of the Company’s employees provided for by the employment laws;
- 9) organizes the functioning of the Management Board of the Company and chairs its meetings;
- 10) submits proposals for the appointment and dismissal of members of the Management Board for consideration by the Board of Directors;
- 11) allocates responsibilities among Deputy Directors General of the Company;

12) submits reports on the financial and economic activities of the Company for consideration by the Board of Directors of the Company;

13) not later than 45 (forty-five) days prior to the date of annual General Meeting of Shareholders submit for consideration by the Board of Directors of the Company the annual report, balance sheet, profit and loss statement of the Company, distribution of the Company's profit and loss;

14) appoints individuals acting on behalf of the Company at the meetings of members of the economic entities whose shares and equities are owned by the Company;

15) develops target key performance indicators (KPIs) for the divisions (executives) of the Company;

16) resolves other issues related to the daily operations of the Company other than those falling within the jurisdiction of the General Meeting of Shareholders and the Board of Directors of the Company.

The issuer approved (adopted) the code of corporate conduct or another similar document.

Details of the code of corporate conduct or another similar document:

A restated version of the Corporate Governance Code of the Company was approved by the Board of Directors on November 29, 2012, Minutes of the Meeting No. 101.

The primary objectives of the Corporate Governance Code are to improve and systemize corporate governance, ensure more transparent Company governance and confirm the Company's ongoing willingness to follow the standards of good corporate governance.

The articles of association (constitutive documents) of the issuer or the internal documents governing the activities of the issuer's bodies were amended in the most recent reporting period

Information concerning amendments made to the articles of association of the issuer and the internal documents governing the activities of the issuer's bodies in the most recent reporting period:

On February 10, 2014, the Board of Directors of the Company resolved (Minutes of the Meeting No. 143 of February 13, 2014) to approve the Regulations for Disclosing Material Information of JSC Russian Grids Under Shareholder Laws and Securities Market Laws (Information Policy).

The Regulations specified above are publicly available on the Company's website at

<http://www.rosseti.ru/about/documents/>,

<http://www.e-disclosure.ru/portal/company.aspx?id=13806>

5.2. Information Concerning Individual Members of the Issuer's Management Bodies

5.2.1. Members of the Board of Directors (Supervisory Board) of the Issuer

Full Name: *Oleg Mikhailovich Budargin*

Year of Birth: *1960*

Education:

higher education, Candidate of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2009	Siberian Federal District	Assistant Plenipotentiary of the President of the Russian Federation in the Siberian Federal District
2009	2009	JSC FGC UES	Acting Chairman of the Management Board
2009	2013	JSC FGC UES	Chairman of the Management Board
2010	2011	Energy Forecasting Agency	Member of the Board of Directors

2010	present	JSC FGC UES	Member of the Board of Directors
2011	present	Russian Regional Development Bank	Member of the Supervisory Board
2011	present	JSC Inter RAO	Member of the Board of Directors
2012	present	Association of Solar Energy Enterprises Nonprofit Partnership	Chairman of the Supervisory Board
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Chairman of the Management Board
2012	2013	Kubanenergo	Chairman of the Board of Directors
2012	present	JSC MOESK	Chairman of the Board of Directors
2012	present	IDGC of Siberia, JSC	Chairman of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Director General
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): ***4716016979***

OGRN (Principal State Registration Number): ***1024701893336***

Stake held by the individual in the authorized capital of the entity (%): ***0.00064***

Percentage of ordinary shares held by the individual in the entity (%): ***0.00064***

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Ernesto Ferlenghi***

Year of Birth: **1966**

Education:
higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2014	Eni Representative Office in the Russian Federation and the CIS	Head of the Representative Office
2008	present	OOO Eni Energy	Member of the Board of Directors
2008	present	JSC FGC UES	Member of the Board of Directors
2009	2014	Eni S.p.A., Italy	Vice President
2010	2014	OOO Severenergiya	Member of the Board of Directors, Deputy Director General
2011	2013	JSC FGC UES	Chairman of the Board of Directors
2012	2013	OOO Cyrus	Chairman of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors
2014	present	SO UPS, JSC	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Elena Borisovna Titova***

Year of Birth: **1967**

Education:
higher education, MBA

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2006	2009	OOO Morgan Stanley Bank	Head of the Investment Banking Department, First Deputy Chairperson of the Executive Board
2009	2012	OOO Morgan Stanley Bank	President, Chairperson of the Executive Board
2007	2010	City Mortgage Bank OOO	Member of the Board of Directors
2006	2012	OOO Morgan Stanley Bank	Member of the Board of Directors
2008	2012	Sovcomflot	Member of the Board of Directors
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Board of Directors
2012	2013	JSC FGC UES	Member of the Board of Directors
2012	2013	Russian Regional Development Bank	Managing Director, President
2012	2013	Rosneft	Advisor to the President
2014	present	OOO UBS Bank	Advisor to the Chairman of the Management Board on Government Relations

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: **Georgy Valentinovich Boos**

Year of Birth: **1963**

Education:

higher education, Candidate of Science (Engineering)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2010	Government of the Kaliningrad Region	Governor
2010	present	Boos Lighting Group Management Company	President
2011	2012	State Joint-Stock Company All-Russian Exhibition Center, Open Joint Stock Company	Chairman of the Board of Directors, member of the Board of Directors
2012	2013	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Chairman of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors
2013	present	JSC FGC UES	Member of the Board of Directors
2013	present	Sheremetyevo International Airport	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: **Vyacheslav Mikhailovich Kravchenko**

Year of Birth: **1967**

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2004	2008	Ministry of Industry and Energy of the Russian Federation	Deputy Director of the Department for Structural and Investment Policy and Energy, Director of the Electricity Industry Department
2008	December 2012	OOO RN-Energo	Chief Executive Officer
August 2008	December 2008	JSC IDGC Holding	Chairman of the Board of Directors
2009	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Board of Directors
2008	2009	OAO Energosetproekt Institute	Member of the Board of Directors
2008	2009	OAO Rosgazifikatsiya	Member of the Board of Directors
2008	2009	OAO Rostopprom	Member of the Board of Directors
2008	2011	OAO Irkutskenergo	Member of the Board of Directors
2008	present	NP Market Council	Member of the Supervisory Board
2007	present	JSC TSA	Member of the Board of Directors
2009	2010	OAO TGK-11	Member of the Board of Directors
2008	present	JSC Inter RAO	Member of the Board of Directors
2008	2011	Kubanenergo	Member of the Board of Directors
2008	2011	JSC TDC	Member of the Board of Directors
2008	present	Financial Settling Center	Member of the Board of Directors
2010	2011	Russian Regional Development Bank	Member of the Board of Directors
2010	2012	OAO United Energy Sales Company	Chief Executive Officer
2011	2012	OAO United Energy Sales Company	Member of the Board of Directors
2009	2011	Kubanenergobyt	Member of the Board of Directors
2009	2011	OAO Kuban Transmission Networks	Member of the Board of Directors
2009	2011	OAO Kuban Generation Company	Member of the Board of Directors
2009	2011	OAO Tomskenergosbyt	Member of the Board of Directors
2009	2011	OAO Tomsk Transmission Networks	Member of the Board of Directors

2009	2011	ОАО Томскэнергоремонт	Member of the Board of Directors
2009	2011	ОАО Томскелектросетремонт	Member of the Board of Directors
2009	2012	ОАО Окха CHPP	Member of the Board of Directors
2011	2012	ОАО Алтайенергосбыт	Member of the Board of Directors
2011	2012	ОАО Saint-Petersburg Sale Company	Member of the Board of Directors
2011	2012	ОАО Саратовенерго	Member of the Board of Directors
2011	2012	ОАО Мосенергосбыт	Member of the Board of Directors
2011	2012	ОАО Тамбов Power Sales Company	Member of the Board of Directors
2012	2013	NP Market Council	Chairman of the Management Board
2012	present	JSC FGC UES	Member of the Board of Directors
2012	present	SO UPS, JSC	Member of the Board of Directors, Chairman of the Board of Directors
2013	present	Russian Regional Development Bank	Member of the Supervisory Board
2013	present	Ministry of Energy of the Russian Federation	Deputy Minister of Energy
2014	present	JSC MOESK	Member of the Supervisory Board

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Sergey Ivanovich Shmatko (Chairman)***

Year of Birth: **1966**

Education:

higher education, Candidate of Science (Engineering)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2008	ZAO Atomstroyexport	President
2008	2012	Ministry of Energy of the Russian Federation	Minister
2008	2011	JSC IDGC Holding	Chairman of the Board of Directors
2008	2011	JSC RusHydro	Chairman of the Board of Directors
2008	2011	JSC FGC UES	Chairman of the Board of Directors
2008	2011	JSC Inter RAO	Member of the Board of Directors
2008	2010	OJSC ROSNEFTEGAZ	Member of the Board of Directors
2008	2011	JSC Transneft	Chairman of the Board of Directors
2008	2011	Zarubezhneft	Chairman of the Board of Directors
2009	2011	SO UPS, JSC	Chairman of the Board of Directors
2009	2011	OAO Gazprom	Member of the Board of Directors
2009	2012	ROSATOM	Member of the Supervisory Board
2012	present	Presidential Commission for Strategic Development of the Fuel and Energy Sector and Environmental Security of the Russian Federation	Member of the Commission
2013	present	Joint Stock Company Russian Grids	Chairman of the Board of Directors
2013	present	JSC FGC UES	Member of the Board of Directors
2013	present	Scientific and Technical Council of Unified Energy System Non-profit Partnership	Chairman of the Supervisory Board
2013	present	Presidential Executive Office of the Russian Federation	Special Representative of the President of the Russian Federation on International Cooperation in the Electric Power Industry
2013	present	JSC Transneft	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: **Andrey Yevgenyevich Murov**

Year of Birth: **1970**

Education:

higher education, Doctor of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2012	Pulkovo Airport	Director General
2012	2012	JSC IDGC Holding	Deputy Director General
July 2012	July 2012	JSC IDGC Holding	Acting Director General
2012	2013	JSC FGC UES	First Deputy Chairman of the Management Board
2012	2013	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Executive Director
2012	2012	IDGC of Urals, JSC	Member of the Board of Directors
2012	2013	IDGC of Volga, JSC	Chairman of the Board of Directors
2012	2014	IDGC of North-West	Chairman of the Board of Directors
2012	2013	IDGC of Centre, JSC	Chairman of the Board of Directors
2012	2013	Kubanenergo	Member of the Board of Directors
2012	2013	JSC LENENERGO	Chairman of the Board of Directors
2012	2013	JSC MOESK	Member of the Board of Directors
2012	2013	JSC FGC UES	Member of the Management Board
2012	2013	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Management Board
2013	present	Joint Stock Company Russian Grids	Member of the Board of

			Directors
2013	present	JSC FGC UES	Member of the Board of Directors
2013	present	JSC FGC UES	Chairman of the Management Board

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Boris Ilyich Ayuyev***

Year of Birth: ***1957***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2004	present	SO UPS, JSC	Chairman of the Management Board, member of the Board of Directors
2004	2008	RAO UES of Russia	Member of the Management Board
2004	2008	JSC RusHydro	Member of the Board of Directors
2004	2013	JSC FGC UES	Member of the Board of Directors
2005	2011	Energy Forecasting Agency	Member of the Board of Directors
2008	2008	JSC RAO Energy System of East	Member of the Board of Directors
2008	2013	JSC TSA	Member of the Board of Directors

2008	2013	Financial Settling Center	Member of the Board of Directors
2009	2010	GruzRosenergo	Member of the Supervisory Board
2009	present	Russian National Committee of the Council on Large Electric Systems (CIGRE)	Chairman
2012	present	JSC RusHydro	Member of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors

Stake held by the individual in the authorized capital of the issuer (%): **0.005501**

Percentage of ordinary shares held by the individual in the issuer (%): **0.005572**

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): **4716016979**

OGRN (Principal State Registration Number): **1024701893336**

Stake held by the individual in the authorized capital of the entity (%): **0.007115**

Percentage of ordinary shares held by the individual in the entity (%): **0.007115**

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Denis Stanislavovich Morozov***

Year of Birth: **1973**

Education:

higher education, Candidate of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2008	MMC Norilsk Nickel	President and General Director

2009	2010	Uralkali	President and CEO
2011	present	European Bank for Reconstruction and Development (EBRD)	Representative of the Russian Federation on the EBRD Board of Directors, Executive Director for the Russian Federation, Belarus and Tajikistan
2011	present	Russian Agency for Export Credit and Investment Insurance	Member of the Board of Directors
2012	present	OJSC ALROSA	Member of the Board of Directors
2013	present	JSC RusHydro	Member of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Stanislav Olegovich Ashirov***

Year of Birth: ***1973***

Education:

higher education, Candidate of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2006	2008	OAo Mezregionenergosbyt	First Deputy Director General
2008	present	OAo Mezregionenergosbyt	Director General
2008	present	OAo Tyumen Power Sales Company	Deputy Director General for Strategic Development (part-time)

2013	present	OAO Tyumen Power Sales Company	Member of the Board of Directors
2013	present	OAO Siburenergomanagement	Member of the Board of Directors
2013	present	OOO TEK-Energo	Member of the Board of Directors
2013	present	UAB Fortis Energy	Member of the Management Board
2013	present	OOO Teplosbyt	Member of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Pavel Olegovich Shatsky***

Year of Birth: ***1972***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2008	OAO SUEK	Director of the Department for Energy Sector Strategy; from 2006, Deputy Director for Energy, Mergers and Acquisitions
2008	present	OOO Gazprom Energoholding	First Deputy Director General
2009	2011	JSC IDGC Holding	Member of the Board of Directors

2009	present	OAO OGK-2	Member of the Board of Directors
2009	2011	OAO OGK-6	Member of the Board of Directors
2009	2010	OAO Volzhskaya TGK	Member of the Board of Directors
2009	present	OAO Tsentrenergokholding	Member of the Board of Directors
2011	2012	OAO Mosenergo Thermal Power Company	Member of the Board of Directors
2010	2013	JSC RAO Energy System of East	Member of the Board of Directors
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Board of Directors
2012	present	ZAO Mezhtregion-energostroy	Member of the Board of Directors
2012	present	OOO Mezhtregionenergostroy Shtokman	Chairman of the Board of Directors

Stake held by the individual in the authorized capital of the issuer (%): **0.000007**

Percentage of ordinary shares held by the individual in the issuer (%): **0.000001**

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: **Andrey Nikolayevich Shishkin**

Year of Birth: **1959**

Education:

higher education, Candidate of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		

2008	2009	Integrated Energy Systems	First Vice President
2009	2010	OA0 Tyumen Power Sales Company	Director General
2010	2012	Ministry of Energy of the Russian Federation	Deputy Minister
2012	present	Rosneft	Vice President for Energy, Industrial Safety and Environmental Affairs
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Vasily Vladislavovich Nikonov***

Year of Birth: ***1972***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2008	OA0 Volga TGK (TGK-7)	Director General
2008	2010	AVTOVAZ	Advisor to the President
2010	2012	Ministry of Energy of the Russian Federation	Director of the Electric Power Industry Development Department
2011	present	OA0 Volzhskaya TGK	Member of the Board of Directors
2012	present	Rosneft	Director of the Energy Department
2013	present	Association of Energy Consumers Nonprofit Partnership	Member of the Supervisory Board

2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors
2013	present	NP Market Council	Member of the Disputes Committee of the Supervisory Board

Stake held by the individual in the authorized capital of the issuer (%): **0.007049**

Percentage of ordinary shares held by the individual in the issuer (%): **0.007139**

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): **4716016979**

OGRN (Principal State Registration Number): **1024701893336**

Stake held by the individual in the authorized capital of the entity (%): **0.00914**

Percentage of ordinary shares held by the individual in the entity (%): **0.00914**

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Seppo Juha Remes***

Year of Birth: **1955**

Education:

higher education, Ph.D. in Economics

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2001	2008	RAO UES of Russia	Member of the Strategy Committee of the Board of Directors
2002	2011	OAO OMZ	Member of the Board of Directors, Chairman of the Audit Committee
2002	2008	RAO UES of Russia	Member of the Valuation

			Committee of the Board of Directors
2003	2004	RAO UES of Russia	Member of the Board of Directors
2003	2008	RAO UES of Russia	Chairman of the Audit Committee of the Board of Directors
2004	2010	PONSSE Oyj	Member of the Board of Directors
2004	present	OAo Sollers	Member of the Board of Directors, Chairman of the Audit Committee
2005	2008	RAO UES of Russia	Member of the Board of Directors
2005	2008	OAo OGK-6	Member of the Board of Directors, Chairman of the Audit Committee
2005	2006	ZAO FIM Financial Services Russia	Advisor
2006	present	EOS Russia	Chairman of the Board of Directors
2007	2008	JSC RusHydro	Member of the Board of Directors, Chairman of the Nomination and Remuneration Committee
2008	present	OOO Kiuru	Director General
2007	2008	IDGC of Center and Volga Region, JSC	Member of the Board of Directors
2007	present	OJSC SIBUR Holding	Member of the Board of Directors, Chairman of the Audit Committee, member of the Nomination and Remuneration Committee, member of the Finance Committee
2007	2008	SO UPS, JSC	Member of the Board of Directors
2007	2009	IDGC of Volga, JSC	Member of the Board of Directors, Chairman of the Audit Committee
June 2008	December 2008	JSC FGC UES	Member of the Board of Directors
2008	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Board of Directors
2009	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Audit Committee, member of the Strategy Committee, member of the Valuation Committee
2008	2013	IDGC of North-West	Member of the Board of Directors, Chairman of the Audit Committee
2008	2012	Russian Corporation of Nanotechnologies (since March 2011, RUSNANO)	Member of the Investment Policy Committee of the Supervisory Board
2012	present	RUSNANO	Member of the Board of Directors, Chairman of the

			Audit Committee
2009	2013	JSC LENENERGO	Member of the Board of Directors, Chairman of the Audit Committee, member of the Strategy and Development Committee
2009	2012	OAO Energosetproekt Institute	Member of the Board of Directors
2011	2013	JSC RAO Energy System of East	Member of the Board of Directors
2012	present	IDGC of Volga, JSC	Member of the Board of Directors
2013	present	IDGC of Urals, JSC	Member of the Board of Directors
2013	present	Rusnano Management Company	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Maria Valerievna Ochirova***

Year of Birth: ***1971***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2002	2008	MMC Norilsk Nickel	Head of the Division for Contracts and Corporate and Legal Affairs of the Corporate Department

2008	2012	MMC Norilsk Nickel	Deputy Director and Head of the Division for Contracts and Corporate and Legal Affairs of the Corporate Department
2012	present	MMC Norilsk Nickel	Director of the Corporate Department
2011	2012	ОАО ОГК-3	Member of the Board of Directors
2012	present	CJSC NORMETIMPEX	Member of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

The Company received from all persons included in this report their consent to processing of personal information.

Information about committees established under the Board of Directors of JSC Russian Grids

The following committees were established under the Board of Directors of JSC Russian Grids:

- Audit Committee;
- Valuation Committee;
- Strategy Committee;
- Nomination and Remuneration Committee;
- Investment, Technical Policy, Reliability, Energy Efficiency, and Innovation Committee;
- Society, Customer, and Government Relations and Information Policy Committee.

The Committees of the Board of Directors are established to preliminarily consider the most important issues falling within its competence and are accountable to the Board of Directors of the Company. The Committees act in accordance with the Regulations for the Committees of the Board of Directors approved by the Board of Directors. Performance reports of the Committees are annually reviewed by meetings of the Board

of Directors.

The Committees are composed of people with extensive experience and knowledge in the relevant areas, which raises the efficiency and quality of work of the Board of Directors. Each Committee has the sufficient number of members to comprehensively discuss the issues under consideration with due regard to different opinions.

Therefore, the formation and work of the Committees of the Board of Directors follow global best practices in corporate governance, contribute to the higher quality of decisions, and make it possible to balance the interests of all shareholders of the Company in the course of decision making, improving the Company's operating efficiency and appeal for investors.

Information about the Committees of the Board of Directors and the Committee Regulations are publicly available on the Company's website at

- <http://www.rosseti.ru/about/management/directors/>

- <http://www.rosseti.ru/about/documents/>

5.2.2. Information Concerning the Sole Executive Body of the Issuer

Full Name: *Oleg Mikhailovich Budargin*

Year of Birth: *1960*

Education:

higher education, Candidate of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2009	Siberian Federal District	Assistant Plenipotentiary of the President of the Russian Federation in the Siberian Federal District
2009	2009	JSC FGC UES	Acting Chairman of the Management Board
2009	2013	JSC FGC UES	Chairman of the Management Board
2010	2011	Energy Forecasting Agency	Member of the Board of Directors
2010	present	JSC FGC UES	Member of the Board of Directors
2011	present	Russian Regional Development Bank	Member of the Supervisory Board
2011	present	JSC Inter RAO	Member of the Board of Directors
2012	present	Association of Solar Energy Enterprises Nonprofit Partnership	Chairman of the Supervisory Board
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Chairman of the Management Board
2012	2013	Kubanenergo	Chairman of the Board of Directors
2012	present	JSC MOESK	Chairman of the Board of Directors
2012	present	IDGC of Siberia, JSC	Chairman of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Director General

2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors
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No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): ***4716016979***

OGRN (Principal State Registration Number): ***1024701893336***

Stake held by the individual in the authorized capital of the entity (%): ***0.00064***

Percentage of ordinary shares held by the individual in the entity (%): ***0.00064***

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

5.2.3. Members of the Collegial Executive Body of the Issuer

Full Name: ***Oleg Mikhailovich Budargin (Chairman)***

Year of Birth: ***1960***

Education:

higher education, Candidate of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2009	Siberian Federal District	Assistant Plenipotentiary of the President of the Russian Federation in the Siberian Federal District
2009	2009	JSC FGC UES	Acting Chairman of the Management Board
2009	2013	JSC FGC UES	Chairman of the Management

			Board
2010	2011	Energy Forecasting Agency	Member of the Board of Directors
2010	present	JSC FGC UES	Member of the Board of Directors
2011	present	Russian Regional Development Bank	Member of the Supervisory Board
2011	present	JSC Inter RAO	Member of the Board of Directors
2012	present	Association of Solar Energy Enterprises Nonprofit Partnership	Chairman of the Supervisory Board
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Chairman of the Management Board
2012	2013	Kubanenergo	Chairman of the Board of Directors
2012	present	JSC MOESK	Chairman of the Board of Directors
2012	present	IDGC of Siberia, JSC	Chairman of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Director General
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): ***4716016979***

OGRN (Principal State Registration Number): ***1024701893336***

Stake held by the individual in the authorized capital of the entity (%): ***0.00064***

Percentage of ordinary shares held by the individual in the entity (%): ***0.00064***

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: **Andrey Aleksandrovich Dyomin**

Year of Birth: **1974**

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2007	JSC FGC UES	Head of the Center for Interregional Distribution Grid Facilities Management
2007	2009	JSC FGC UES	Deputy Chairman of the Management Board, member of the Management Board
2009	2010	JSC FGC UES	Member of the Management Board
2010	2012	OOO Mezhhregionsbyt	Advisor to the Director General
2012	2013	JSC FGC UES	Advisor to the Chairman of the Management Board
2013	present	Joint Stock Company Russian Grids	First Deputy Director General for Economic Affairs and Finance
2013	present	Joint Stock Company Russian Grids	Member of the Management Board
2013	present	JSC Tyumenenergo	Chairman of the Board of Directors
2013	present	JSC TDC	Member of the Board of Directors
2013	present	FEEMC, JSC	Member of the Board of Directors
2014	present	JSC MOESK	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the

bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: **Roman Nikolaevich Berdnikov**

Year of Birth: **1973**

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2003	2010	JSC FGC UES	Deputy Head of the Strategic Planning Department, Head of the Strategic Planning Department, Head of the Customer and Market Relations Department, Development and Customer Relations Director
2009	2013	JSC FGC UES	Member of the Management Board
2010	2012	JSC FGC UES	Deputy Chairman of the Management Board
2012	2013	JSC FGC UES	First Deputy Chairman of the Management Board
2010	present	GruzRosenergo	Chairman of the Supervisory Board
2010	2012	JSC ENIN	Member of the Board of Directors
2011	present	Nonprofit Partnership Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market (Market Council)	Member of the Supervisory Board
2012	present	ZAO EnergoRynok	Member of the Board of Directors
2012	2013	JSC Tyumenenergo	Member of the Board of Directors
2012	2013	IDGC of Urals, JSC	Member of the Board of Directors
2012	2013	IDGC of Northern Caucasus, JSC	Member of the Board of Directors
July 2012	October 2012	JSC IDGC Holding	First Deputy Executive Director
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Management Board
2013	present	Joint Stock Company Russian Grids	First Deputy Director General for Technical Policy
2013	present	IDGC of Siberia, JSC	Member of the Board of Directors

2013	present	Scientific and Technical Council of Unified Energy System Non-profit Partnership	Member of the Supervisory Board
2013	present	Nonprofit Partnership of Territorial Grid Organizations	Chairman of the Supervisory Board

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): ***4716016979***

OGRN (Principal State Registration Number): ***1024701893336***

Stake held by the individual in the authorized capital of the entity (%): ***0.000000195***

Percentage of ordinary shares held by the individual in the entity (%): ***0.000000195***

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Valentin Yefimovich Mezhevich***

Year of Birth: ***1947***

Education:

higher education, Candidate of Science (Engineering)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	present	Nonprofit Partnership Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market (Market Council)	Deputy Chairman of the Supervisory Board
2013	present	Joint Stock Company Russian Grids	Deputy Director General for Strategic Communications
2012	present	Joint Stock Company Russian Grids	Member of the Management Board

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Dan Mikhailovich Belenky***

Year of Birth: ***1972***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2008	ZAO Atomstroyexport	Vice President, Division Head
2008	2008	ZAO Atomstroyexport	First Vice President
2008	2008	ZAO Atomstroyexport	Executive Director
2008	2010	ZAO Atomstroyexport	President
2010	2012	Ministry of Energy of the Russian Federation	Deputy Minister of Energy
2012	2013	OOO Plastindustriya	Director for Economic Development
2013	2013	JSC EC UES	Director General
2013	present	Joint Stock Company Russian Grids	First Deputy Director General for Investment
2012	present	Joint Stock Company Russian Grids	Member of the Management Board

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

5.3. Information Concerning the Amount of Remuneration, Benefits and/or Reimbursement of Expenses for Each Management Body of the Issuer

Information concerning the amount of remuneration by management body (with the exception of the individual acting as the issuer's sole executive body), specifying all types of remuneration, including salary, bonuses, commissions, benefits and/or reimbursement for expenses and other perquisites:

Board of Directors

Unit of measurement: *rubles in thousands*

Indicator Description	2013	3 months of 2014
Remuneration for participation in the work of the management body	7,329	0
Salary	0	0
Bonuses	0	0
Commission fees	0	0
Benefits	0	0
Expense reimbursement	0	0
Other remuneration	0	0
TOTAL	7,329	0

Information concerning the existing agreements for such payments in the present fiscal year:

On June 23, 2010, the Annual General Meeting of JSC IDGC Holding approved the amended Regulations for Remuneration and Compensation for Members of the Board of Directors of JSC IDGC Holding (hereinafter, the "Regulations").

In accordance with the Regulations:

- “1. Remuneration and compensation shall be paid by the Company in cash.
2. These Regulations shall not apply to any members of the Board of Directors of the Company who are simultaneously members of the Company's collegial executive body or the Company's sole executive body (Director General).
3. No remuneration shall be accrued or paid to the Chairman or members of the Board of Directors of the Company who are persons falling within the purview of such restriction or ban on the receipt of any payments from business entities as imposed by federal law.
4. Payment of remuneration.
 - 4.1. Remuneration shall be paid to members of the Board of Directors of the Company for their work for the period from their election to the Board of Directors of the Company until the election of new members of the Board of Directors of the Company.

Remuneration shall be paid to members of the Board of Directors of the Company as a lump sum in Russian rubles.

4.2. Each member of the Board of Directors of the Company shall be paid remuneration in the amount calculated by the following formula taking account of the total number of meetings of the Board of Directors of the Company in the previous corporate year and taking account of the number of meetings in which such member of the Board of Directors takes part:

$$S(1) = R_{base} \times 100/130 \left(\frac{n}{m} \right), \text{ where}$$

$S(1)$ is the amount of remuneration payable for serving on the Board of Directors of the Company;

R_{base} is the remuneration base amount determined in accordance with the procedure set forth in paragraph 4.3 of these Regulations;

n is the number of meetings of the Board of Directors (irrespective of the form of such meetings) in which the member of the Board of Directors takes part within the period between the Annual General Meetings of Shareholders;

m is the total number of meetings of the Board of Directors (irrespective of the form of such meetings) within the period between the Annual General Meetings of Shareholders.

4.3. The remuneration base amount (R_{base}) shall be based on the revenues calculated in accordance with Russian Accounting Standards and received by the Company in the financial year and is as follows:

Revenues	R_{base}
above 200 billion rubles	1,000,000 rubles
above 30 billion rubles	900,000 rubles
above 10 billion rubles	800,000 rubles
above 1 billion rubles	700,000 rubles
above 600 million rubles	600,000 rubles
below 600 million rubles	on a case-by-case basis

4.4. The remuneration specified in paragraph 4.2 of these Regulations shall be paid from net profit within 60 days after the Annual General Meeting of Shareholders of the Company that decides to pay remuneration to members of the Board of Directors of the Company.

4.5. On top of the remuneration specified in paragraph 4.2 of these Regulations, the following premiums shall apply:

4.5.1 - 30% of $S(1)$ payable to the Chairman of the Board of Directors of the Company;

4.5.2 - 20% of $S(1)$ payable to the chairman of a specialized committee of the Board of Directors of the Company;

4.5.3 - 10% of $S(1)$ payable to a member of a specialized committee of the Board of Directors of the Company.

No premium for holding office as chairman or and/or a member of a specialized committee shall be paid if such committee of the Board of Directors holds less than three meetings in the corporate year.

4.6. The total amount of the remuneration specified in paragraph 4.2 of these Regulations, including the premiums specified in paragraph 4.5 of these Regulations, may not be in excess of R_{base} .

4.7. No remuneration shall be paid to any member of the Board of Directors of the Company if such member fails to participate in more than 50% of the meetings held (from the election of such member until the termination of such member's powers).

4.8. Any member of the Board of Directors of the Company may decline to receive the remuneration provided for in these Regulations, in full or in part, by notice thereof to the sole executive body (Director General) of the Company.

5. No other compensation (reimbursement for travel expenses, accommodations, etc.) shall be paid to any member of the Board of Directors of the Company in connection with serving on the Board of Directors of the Company.”

Additionally, the members of the Board of Directors on the staff of the joint-stock company are paid salaries in accordance with the payroll plan and can be eligible for bonuses, commission fees, benefits and/or reimbursement for expenses, and other perquisites.

Information concerning these payments to members of the Board of Directors of the Company is specified in payment documents related to remuneration for the collegial executive body.

The Annual General Meeting of Shareholders of JSC Russian Grids held on June 28, 2013, decided to pay remuneration for serving on the Company’s Board of Directors to members of the Company’s Board of Directors other than those who hold public office in the amount specified in the Regulations for Remuneration and Compensation for Members of the Board of Directors of JSC IDGC Holding.

Collegial executive body

Unit of measurement: *rubles in thousands*

Indicator Description	2013	3 months of 2014
Remuneration for participation in the work of the management body	2,788	2,140
Salary	50,437	25,419
Bonuses	26,956	5,818
Commission fees	0	0
Benefits	0	0
Expense reimbursement	74	0
Other remuneration	5,790	2
TOTAL	86,045	33,379

Information concerning the existing agreements for such payments in the present fiscal year:

Members of the Management Board as the Company’s staff members receive pay according to their job positions under employment contracts; additionally, members of the Management Board can be eligible for bonuses, commission fees, benefits and/or reimbursement for expenses, and other perquisites.

5.4. Information Concerning the Structure and Jurisdiction of Bodies Exercising Control of the Issuer’s Financing and Economic Activities

Full description of the structure of bodies exercising control of the issuer’s financing and economic activities and their authority as specified in the Articles of Association (constitutive documents) and internal documents of the issuer:

In accordance with Article 15 of the Articles of Association of the Company, the General Meeting of Shareholders elects the Internal Audit Commission of the Company to exercise control of the financing and economic activities of the Company.

The Internal Audit Commission of the Company is elected at the General Meeting of Shareholders of the Company on an annual basis and is composed of 5 members. The Internal Audit Commission of the Company adopts decisions by a majority of votes of its members.

The authority of the Internal Audit Commission of the Company is specified in the Federal Law “On Joint-Stock Companies,” the Articles of Association of the Company and the Regulations for the Internal Audit Commission of JSC IDGC Holding approved by the decision of the Extraordinary General Meeting of Shareholders of JSC IDGC Holding on December 30, 2008.

Audits (inspections) of the financial and economic activities of the Company shall be carried out after the end of the Company’s annual performance, and at any time on the initiative of the Company’s Internal Audit Commission, pursuant to a decision adopted by the General Meeting of Shareholders or the Company’s Board of Directors, or at the request of the Company’s shareholder(s) holding an aggregate of at least ten (10)

percent of the Company's voting shares.

At the request of the Company's Internal Audit Commission, officers of the Company's management bodies shall provide documents about the Company's financial and economic activities. The Company's Internal Audit Commission shall be entitled to request the convocation of the Extraordinary General Meeting of Shareholders.

The principal objectives of the Internal Audit Commission of the Company are as follows:

- a) exercising control of the Company's financial and economic activities;
- b) ensuring compliance of the financial and economic operations conducted by the Company with the laws of the Russian Federation and the Articles of Association of the Company;
- c) making an independent assessment of information about the Company's financial condition;
- d) assuring the reliability, completeness, and objectivity of the Company's accounting statements and annual report.

Members of the Company's Internal Audit Commission may not be members of the Company's Board of Directors or hold other positions in the Company's management bodies at the same time. Shares held by members of the Company's Board of Directors or officers of the Company's management bodies may not participate in voting on the election of members of the Company's Internal Audit Commission.

Pursuant to a decision adopted by the General Meeting of Shareholders, remuneration and/or reimbursement for expenses associated with the performance of their duties may be paid to members of the Company's Internal Audit Commission during their office. The size of such remuneration and reimbursement shall be determined by the General Meeting of Shareholders.

The reliability of the Company's accounting statements is confirmed by the auditor (auditing organization) under a contract with the auditor.

The Auditor of the Company shall be recommended to the General Meeting of Shareholders by the Board of Directors of the Company according to the results of a competitive selection of the auditing organization for the mandatory audit of the Company, which selection is conducted in accordance with the procedure prescribed in the Board of Directors of the Company.

The General Meeting of Shareholders shall approve the Auditor (auditing organization) of the Company. The size of the Auditor's fee shall be defined by the Company's Board of Directors.

Information about the Auditor of JSC Russian Grids is contained in paragraph 1.3 of this Quarterly Report.

The Audit Committee of the Board of Directors was established in accordance with the Regulations for the Board of Directors of the Company for the purposes of rendering assistance to the Board of Directors of the Company in the accomplishment of its objectives.

The goal of the Audit Committee is to ensure effective participation of the Board of Directors in exercising control of the financial and economic activities of the Company.

The principal objective of the Audit Committee is to prepare and submit recommendations to the Board of Directors concerning control over:

- the preparation process and procedures for financial (accounting) statements, including reviewing financial (accounting) statements;
- the efficiency of the internal control and risk management systems;
- the selection of the independent external auditor and the evaluation of its performance;
- the activities of the Company's internal control/audit function;
- the Company's compliance with Russian laws, industry standards, and its internal regulatory documents.

In order to provide members of the Company's Board of Directors with objective and independent information, the following powers are vested in the Audit Committee to ensure that it achieves its goals:

- Review the Company's financial (accounting) statements.
- Oversee the functioning of the Company's internal control and risk management systems.
- Supervise the selection of an independent external auditor and the evaluation of its work.
- Ensure compliance by the Company with the requirements set forth in laws of the Russian Federation, industry-specific standards, and internal regulatory documents, including the requirements applicable to preventing insider information misuse and market manipulation and the insider information control requirements contained in Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse) ("EU Directive") as incorporated into English law.

In order for the Audit Committee to exercise its powers, it has the following functions:

- Interact with the division performing the Company's internal control/audit functions.
- Interact with the Company's Internal Audit Commission.

- Interact with the Company's Auditor.
- Interact with the Company's Director General and officers.
- Interact with audit committees, executive bodies, and divisions of subsidiaries and dependent companies.

The issuer established an internal audit function (a function different from the internal audit commission (internal auditor) and responsible for the internal control of the issuer's financial and economic activities).

Information concerning the existence of the internal audit function (a function different from the internal audit commission (internal auditor) and responsible for the internal control of the issuer's financial and economic activities), the number of its employees, and the term of their appointment:

The Company's internal audit function has existed since July 1, 2008.

The internal audit functions are imposed by the Company on the **Internal Audit and Control Department** (hereinafter, the "Department"), which is part of the organizational structure of JSC Russian Grids.

The Internal Audit and Control Department is currently composed of the following units:

Control and Risk Division:

- Unit for Consolidated Analysis, Planning and Control;
- Unit for Methodology;

Internal Inspection and Audit Division:

- Unit for Investment Audits;
- Unit for General Audits and Inspections.

Key roles of the internal audit function (a function different from the internal audit commission (internal auditor)); its subordination and interaction with the issuer's executive management bodies and the issuer's Board of Directors (Supervisory Board):

The Internal Audit and Control Department is a function of JSC Russian Grids which reports to the Deputy Director General for Control and Audit Inspections of the Company in accordance with the Company's organizational structure and the functional duties specified in the Order of the Company. The Internal Audit and Control Department reports to the Audit Committee of the Board of Directors of JSC Russian Grids.

The Department relies in its activities on the laws of the Russian Federation, the Articles of Association of the Company, the resolutions of the General Meetings of Shareholders, the Board of Directors, the Audit Committee, the orders and directives of the Company, the Department Regulations.

The Department Regulations set forth the following functions of the Department:

1. Pursuing the objective to develop and implement the Company's and SDCs' common approaches to building the internal control and risk management system, the Department performs the following functions:

- formulate the Strategy for Developing and Improving the Internal Control and Risk Management System of the Electric Grid Sector, ensure its implementation within the Company, and control the activities of SDCs in relation to implementing the Strategy;

- develop methodology and regulations for the Company's and SDCs' activities in relation to building and improving a risk-based internal control system;

- assist management of the Company and SDCs in building a control environment and formulate recommendations for describing control procedures and introducing them into business processes and for prescribing responsibilities for officers;

- coordinate the Company's and SDCs' activities in relation to maintaining and monitoring the target state of the internal control and risk management system;

- develop and ensure the implementation of basic and methodological documents on risk management;

- develop and ensure the implementation of the Company's and SDCs' basic and methodological documents on the organization and effective functioning of the control environment of business processes;

- disclose information about the state of the internal control and risk management system to external users.

2. Pursuing the objective to organize preventive, routine, and follow-up control over the Company's and SDCs' activities, the Department performs the following functions:

As part of preventive control:

In the area of risk management:

- organize and coordinate measures to identify, assess, and manage risks in the Company and SDCs;

- assess the adequacy and effectiveness of the Company's and SDCs' measures related to risk management and the monitoring of carrying out risk management plans;

- issue recommendations to risk owners and management of the Company and SDCs regarding the management of cross-functional risks and the effectiveness of measures;

- organize the review and approval by the Company's executive management bodies of measures related to the management of strategic and the most significant risks in the electric grid sector, the risk appetite, and the strategy for responding to external threats in the Company's and SDCs' activities;

- keep the Company's management bodies informed of the Company's and SDCs' risk management results, trends, and the state of the risk management system.

In the area of building efficient business processes:

- organize the constant monitoring and approval of drafts of the Company's local regulations in order to ensure compliance with internal control requirements and the availability, effectiveness, adequacy, and correctness of the wording of control procedures and prevent any overlapping or incompatibility of functions.

As part of routine control over the Company's and SDCs' activities:

- monitor the implementation of measures and procedures related to the Company's internal control;

- apply additional routine control procedures in key and high-risk business processes (finance, investment, procurement, electricity transportation, network connection, etc.) through participation in working groups, commissions, and collegial bodies and ensure analysis, the issue of opinions, and the preparation of expert opinions;

- coordinate SDCs' measures related to planning and plan implementation in internal audit, internal control, and risk management.

As part of follow-up control over the Company's and SDCs' activities:

As related to ensuring the effective functioning of internal audit:

- carry out the standardization of the Company's internal audit;

- provide methodological support for SDCs' internal audit;

- coordinate the Company's and SDCs' measures to implement a unified internal audit system, assist management of SDCs in implementing a unified internal audit system in SDCs;

- assess the reliability and effectiveness of internal control and risk management in the Company and SDCs;

- plan, organize, and conduct internal audits of the Company's and SDCs' divisions, business processes, projects, and activities with respect to:

effectiveness of building a process and achieving its goals,

implementation of internal control policies and the effectiveness of internal controls contained in a process,

implementation of risk management policies and the evaluation and analysis of risks in processes,

compliance with legal requirements, the industry's regulations, internal procedures, standards, and other regulatory documents, except for any technical regulations, standards, and rules governing the operation of electric grid facilities (compliance audit),

formulation and implementation of plans and budgets and the achievement of targets,

identification of the causes of deviations from plans and targets and of concealed losses in the use of resources,

proper, reasonable, and efficient use of resources,

organization of measures to keep assets safe,

reliability, accuracy, and completeness of financial and management reporting,

implementation of the decisions adopted by management bodies and the directives (instructions) issued by the sole executive body;

- plan, organize, and audit the implementation by the Company and SDCs of the instructions issued by Russian governmental authorities in relation to the functioning and development of the electric grid sector;

- prepare reports and opinions on internal audits;

- formulate recommendations to improve the efficiency and effectiveness of the Company's and SDCs' activities, improve corporate governance, ensure the effectiveness of internal controls and risk management processes in the electric grid sector according to the results of internal audits and evaluations;

- participate in special (internal) investigations into irregularities (fraud), damage caused to the Company and SDCs, and improper or inefficient use of resources;

- carry out expert and analytical measures as instructed by the Director General of the Company;

- make a summary analysis of the results of the Company's and SDCs' internal audit:

preparation and holding of meetings dealing with the audit results;

- organization of the issue of regulations and orders, the preparation and distribution of reviews and information materials concerning the results of internal audit;
- exercise post-control and monitor the implementation of corrective actions according to the results of the Company's and SDCs' internal audit:
 - monitoring of the implementation of orders (decisions, directives) issued by the General Director of the Company and the Management Board and orders and opinions of the Deputy Director General for Control and Audit Inspections to correct violations and shortcomings found by internal audits,
 - monitoring of the implementation of action plans to correct violations and shortcomings found by internal audits;
 - verification checks with respect to the implementation of corrective actions planned according to the results of previous audits,
 - analysis of completed corrective actions according to the results of the Company's and SDCs' internal audit;
 - inform the Company's and SDCs' management bodies of the audit results and the state of the internal control and risk management system and major trends and changes in the Company's and SDCs' activities and submit proposals to improve the efficiency of the electric grid sector.
- 3. As related to ensuring the effective work of SDCs' internal audit commissions:
 - make a list of candidates for SDCs' internal audit commissions;
 - organize the unification of SDCs' internal audit commissions and provide methodological support for their work;
 - organize and coordinate SDCs' internal audits:
 - planning of SDCs' internal audits,
 - arrangement of audits in accordance with the regulations for SDCs' internal audit commissions and audit regulations, including with the participation of experts or employees of other divisions of the Company if necessary,
 - auditing of financial and economic activities (some business areas) of SDCs, their separate divisions, officers of management bodies and divisions of the executive arm of SDCs with respect to:
 - compliance with legal requirements, the industry's regulations, internal procedures, standards, and other regulatory documents, except for any technical regulations, standards, and rules governing the operation of electric grid facilities (compliance audit),
 - formulation and implementation of plans, budgets, and programs and the achievement of SDCs' targets,
 - identification of the causes of deviations from plans and targets and of concealed losses in the use of resources,
 - proper, reasonable, and efficient use of resources,
 - organization of measures to keep assets safe,
 - evaluation of information concerning SDCs' financial condition,
 - reliability, accuracy, and completeness of SDCs' financial and management reporting,
 - implementation of the decisions adopted by the Company's и SDCs' management bodies and the evaluation of the effectiveness of SDCs' internal control and risk management system;
 - prepare opinions (reports) and directives for management of SDCs;
 - analyze the audit results, inform the Company's management bodies of major trends and changes in SDCs' activities, and submit proposals to improve the efficiency of the electric grid sector;
 - exercise post-control and monitor the correction by SDCs of violations and shortcomings found by internal audits and the implementation of recommendations and directives issued by internal audit commissions:
 - monitoring of the implementation of action plans to correct violations and shortcomings found by internal audits and the implementation of recommendations and directives issued according to the audit results,
 - verification checks with respect to the implementation of corrective actions planned according to the results of previous audits;
 - monitor compliance by SDCs' internal audit commissions with the requirements of internal documents.
- 4. Pursuing the objective to interact with governmental regulatory and supervisory authorities in relation to internal control, the Department performs the following functions:
 - ensure compliance with the internal control requirements set by governmental regulators and supervisors;
 - ensure interaction with governmental regulatory and supervisory authorities in their control measures related to the Company and SDCs:

- preparation of analytical, information, reference, and other materials regarding the organization and functioning of the Company's and SDCs' internal control and risk management system,
- coordination of information exchange between governmental regulators and supervisors and the Company's divisions and the provision of organizational support for their control measures related to the Company;
- coordinate the Company's and SDCs' activities related to the development of corrective actions aimed at correcting shortcomings and implementing recommendations and directives issued by governmental regulatory and supervisory authorities and monitor their implementation:
 - methodological support for the Company's and SDCs' activities related to taking into consideration the inspections carried out by external control bodies, developing corrective actions aimed at correcting shortcomings and implementing recommendations and directives issued by governmental regulatory and supervisory authorities, and monitoring their implementation;
 - consideration given to the inspections carried out by external control bodies with respect to the Company and the inspection results;
 - organization of the development of the Company's corrective actions aimed at correcting shortcomings and implementing recommendations and directives issued by governmental regulatory and supervisory authorities;
 - monitoring of the implementation by the Company of action plans to correct violations and shortcomings found by external inspections of regulators and supervisors and implement recommendations and directives issued according to the inspection results,
 - collection and analysis of SDCs reports regarding consideration given to external inspections conducted by regulators and supervisors, the inspection results, and the implementation of corrective actions,
 - verification checks with respect to the implementation by the Company and SDCs of corrective actions planned according to the results of previous audits.

5. Pursuing the objective to organize effective interaction and provide support for activities of the Company's Internal Audit Commission, the Department performs the following functions:

- organize interaction with the Company's Internal Audit Commission;
- provide organizational support for activities of the Company's Internal Audit Commission;
- organize the development of corrective actions according to the results of the Company's internal audits, aimed at correcting shortcomings and implementing recommendations issued by the Company's Internal Audit Commission and monitor their implementation.

6. Pursuing the objective to organize interaction with the external auditor of the Company and SDCs with respect to assessing the effectiveness of the internal control and risk management system, the Department performs the following functions:

- render assistance and provide information about the state of the Company's and SDCs' internal control system;
- approve the external auditor's conclusions about the state of the internal control and risk management system;
- evaluate the quality of the external auditor's services, prepare opinions on such quality evaluation, and make such opinions available to the persons concerned.

7. Pursuing the objective to interact with the Audit Committee of the Company's Board of Directors and coordinate activities of the audit committees of SDCs' boards of directors, the Department performs the following functions:

- interact with the Audit Committee of the Company's Board of Directors with respect to internal control and risk management and internal audits;
- give preliminary consideration to materials submitted to meetings of the Audit Committee of the Company's Board of Directors with respect to other issues falling within the competence of the Audit Committee of the Company's Board of Directors;
- make lists of candidates for the audit committees of SDCs' boards of directors;
- provide support for the work of the audit committees of SDCs' boards of directors;
- participate as experts in the work of the audit committees of SDCs' boards of directors.

Interaction between the internal audit function (a function different from the internal audit commission (internal auditor)) and the issuer's external auditor:

The activities of the Internal Audit and Control Department include its interaction with the Company's external auditor by exchanging information for assessing the company's performance (in accordance with Rule (Standard) No. 29 "Examination of Internal Audit Functions" approved by Resolution of the Government of the Russian Federation No. 523 of August 25, 2006) by means of:

- rendering assistance and providing information about the state of the Company's and SDCs' internal control system;

- approving the external auditor's conclusions about the state of the internal control and risk management system.

The Department also evaluates the quality of the external auditor's services, prepares opinions on such quality evaluation, and makes such opinions available to the persons concerned.

The Company's internal documents governing the operation of bodies that control the financing and economic activities of JSC Russian Grids are publicly available on the Company's website at

<http://www.rosseti.ru/about/documents/>

<http://www.e-disclosure.ru/portal/company.aspx?id=13806>

In June 2013, the Company set up a function responsible for implementing corporate and anti-corruption compliance procedures.

The Department for Corporate and Anti-Corruption Compliance Procedures was established on June 14, 2013.

The Department for Corporate and Anti-Corruption Compliance Procedures is a function of JSC Russian Grids which reports to the Director General of the Company in accordance with the Company's organizational structure and the specified functional duties.

A part of the Department for Corporate and Anti-Corruption Compliance Procedures is the Corporate and Anti-Corruption Compliance Division, composed of three units:

- Unit for Anti-Corruption Compliance;
- Unit for Corporate Compliance;
- Unit for Controlling and Reporting.

The Department for Corporate and Anti-Corruption Compliance Procedures relies in its activities on the laws of the Russian Federation, the Articles of Association of the Company, the resolutions adopted by the General Meetings of Shareholders and the Board of Directors, the orders and directives of the Company, and the Department Regulations.

The principal functions of the Department for Corporate and Anti-Corruption Compliance Procedures, its subordination, and interaction with the issuer's executive management bodies and the issuer's Board of Directors (Supervisory Board) are as follows:

- organize and implement into the Company and SDCs a unified system of corporate and anti-corruption compliance procedures aimed at preventing, detecting, and combating corruption, minimizing reputation and corruption risks and prevent insider information misuse and market manipulation leading to a conflict of interest.

The issuer approved (adopted) the internal document specifying the rules for preventing the misuse of confidential and insider information.

Information concerning the availability of an internal document that lays down the rules for preventing the misuse of confidential and insider information:

The Board of Directors of the Company approved a restated version of the Regulations for Insider Information of JSC IDGC Holding (Minutes of the Meeting No. 103) on December 27, 2012, satisfying the requirements laid down in Federal Law No. 224-FZ of July 27, 2010, "On Combating Insider Information Misuse and Market Manipulation and on Amendments to Certain Legislative Acts of the Russian Federation," Federal Law No. 39-FZ of April 22, 1996, "On the Securities Market," Federal Law No. 208-FZ of December 26, 1995, "On Joint-Stock Companies," and Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse) as incorporated into English law and applicable to the Company in connection with admitting the global depository receipts issued for the Company's shares to trading in the regulated market of the London Stock Exchange.

Information for JSC Russian Grids insiders is available on the Company's website at

<http://www.rosseti.ru/investors/info/insider/>.

5.5. Information Concerning Individual Members of Bodies Exercising Control of the Issuer's Financing and Economic Activities

Body exercising control of the issuer's financing and economic activities:

Internal Audit Commission

Full Name: *Anna Valeryevna Drokova*

Year of Birth: *1985*

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2008	Quality Pack Ltd.	Sales Department Specialist
2008	2009	OJSC AlfaStrakhovanie	Sales Assistant
2009	present	Federal Agency for State Property Management of the Russian Federation	Lead Specialist (Expert), Chief Specialist (Expert), Advisor, Deputy Head of the Unit for Fuel and Energy and Coal Industry Entities, Deputy Head of the Unit for Problem Assets of the Legal Enforceability and Judicial Protection Division, Head of the Unit for Fuel and Energy Industry Entities of the Division for Property Relations and Privatization of Major Entities
2011	2012	OAO Mosenergomontazh	Member of the Board of Directors
2011	2012	OAO SPK Mosenergostroy	Member of the Board of Directors
2011	2012	OAO Sibneftegeofizika	Member of the Board of Directors
2011	2012	OAO Stavropolneftegeofizika	Member of the Board of Directors
2011	2012	Krasny Yakor OJSC	Member of the Board of Directors
2011	2012	OAO TGK-5	Member of the Board of Directors
2012	2013	OAO Kamsky Research Institute for Complex Studies of Deep and Super-Deep Wells	Member of the Board of Directors
2012	2013	OAO Tulskeye NIIGP	Member of the Board of Directors
2012	2013	OAO Gravimetricheskaya Ekspeditsiya No. 3	Member of the Board of Directors
2012	2013	OAO Poligon	Member of the Board of Directors
2012	2013	OAO Severkvartssamotsvety	Member of the Board of Directors
2012	2013	OAO NPTs Nedra	Member of the Board of Directors
2012	2013	OAO Sevzapelektrosetstroy	Member of the Board of Directors
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Internal Audit Commission
2012	2013	JSC FGC UES	Member of the Internal Audit Commission

June 2012	present	Joint-Stock Company Dalnevostochnaja Energy External Manager Company	Member of the Internal Audit Commission
June 2012	present	JSC RusHydro	Member of the Internal Audit Commission
June 2012	present	JSC Inter RAO	Member of the Internal Audit Commission

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Karim Karimovich Samakhuzhin***

Year of Birth: ***1988***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2011	2012	Joint-Stock Company Dalnevostochnaja Energy External Manager Company	Chief Expert
2012	2013	Ministry of Energy of the Russian Federation	Chief Specialist (Expert), Lead Advisor, Unit for the Implementation of the Federal Targeted Investment Program, Department for Corporate Governance, Price Conditions and Auditing in Fuel and Energy Industry Branches
2013	present	Joint Stock Company Russian Grids	Member of the Internal Audit Commission
2013	present	Joint Stock Company Russian Grids	Deputy Head of the Secretariat of the Chairman of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: *Alan Fyodorovich Khadziev (Chairman)*

Year of Birth: *1981*

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2008	OOO Board of Tax Consultants	Legal Advisor
2008	2008	OOO Sameta – Corporate Consulting	Legal Advisor
2008	2009	OOO Sameta – Tax and Legal Consulting	Legal Advisor
2009	2010	OAo Mosenergoemont	Deputy Director General
2011	present	Ministry of Energy of the Russian Federation	Head of the Auditing Unit, Department for Corporate Governance, Price Conditions and Auditing in Fuel and Energy Industry Branches
2013	present	Joint Stock Company Russian Grids	Chairman of the Internal Audit Commission
2013	present	Joint-Stock Company Dalnevostochnaja Energy External Manager Company	Member of the Internal Audit Commission
2013	present	JSC RusHydro	Member of the Internal Audit Commission

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer’s management bodies and/or bodies exercising control of the issuer’s financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Vladimir Vasilyevich Khvorov***

Year of Birth: ***1947***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2008	Ministry of Economic Development and Trade of the Russian Federation	Administrative Assistant, Unit for Energy Industry Restructuring and Utility Services, Department for Governmental Tariff Regulation and Infrastructural Reforms
2008	2008	Ministry of Economic Development and Trade of the Russian Federation	Administrative Assistant, Unit for Energy Industry Restructuring, Department for Governmental Tariff Regulation, Infrastructural Reforms and Economic Management of Natural Resources
2008	2012	Ministry of Economic Development of the Russian Federation	Administrative Assistant, Unit for Electricity Industry Development, Department for Governmental Tariff Regulation, Infrastructural Reforms and Energy Efficiency
2012	present	Ministry of Economic Development of the Russian Federation	Lead Expert, Unit for Electricity Industry Development, Department for Governmental Tariff Regulation, Infrastructural

			Reforms and Energy Efficiency
2013	present	Joint Stock Company Russian Grids	Member of the Internal Audit Commission
2013	present	JSC RusHydro	Member of the Internal Audit Commission

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Nikolay Grigoryevich Shulginov***

Year of Birth: ***1951***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2004	2009	SO UPS, JSC	Deputy Chairman of the Management Board
2009	present	SO UPS, JSC	First Deputy Chairman of the Management Board
2008	2012	OAo Mosenergo	Member of the Board of Directors
2008	2011	OAo OGK-1	Member of the Board of Directors
2008	2011	JSC MOESK	Member of the Board of Directors
2009	2011	JSC LENENERGO	Member of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Member of the Internal Audit Commission

2013	present	JSC FGC UES	Member of the Board of Directors
2013	present	Scientific and Technical Council of Unified Energy System Non-profit Partnership	Member of the Supervisory Board

Stake held by the individual in the authorized capital of the issuer (%): **0.000620**

Percentage of ordinary shares held by the individual in the issuer (%): **0.000628**

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): **4716016979**

OGRN (Principal State Registration Number): **1024701893336**

Stake held by the individual in the authorized capital of the entity (%): **0.000804**

Percentage of ordinary shares held by the individual in the entity (%): **0.000804**

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Body exercising control of the issuer's financing and economic activities:

Audit Committee of the Board of Directors

Full Name: ***Seppo Juha Remes (Chairman)***

Year of Birth: **1955**

Education:

higher education, Ph.D. in Economics

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2001	2008	RAO UES of Russia	Member of the Strategy Committee of the Board of Directors
2002	2011	OA O OMZ	Member of the Board of

			Directors, Chairman of the Audit Committee
2002	2008	RAO UES of Russia	Member of the Valuation Committee of the Board of Directors
2003	2004	RAO UES of Russia	Member of the Board of Directors
2003	2008	RAO UES of Russia	Chairman of the Audit Committee of the Board of Directors
2004	2010	PONSSE Oyj	Member of the Board of Directors
2004	present	OAO Sollers	Member of the Board of Directors, Chairman of the Audit Committee
2005	2008	RAO UES of Russia	Member of the Board of Directors
2005	2008	OAO OGK-6	Member of the Board of Directors, Chairman of the Audit Committee
2005	2006	ZAO FIM Financial Services Russia	Advisor
2006	present	EOS Russia	Chairman of the Board of Directors
2007	2008	JSC RusHydro	Member of the Board of Directors, Chairman of the Nomination and Remuneration Committee
2008	present	OOO Kiuru	Director General
2007	2008	IDGC of Center and Volga Region, JSC	Member of the Board of Directors
2007	present	OJSC SIBUR Holding	Member of the Board of Directors, Chairman of the Audit Committee, member of the Nomination and Remuneration Committee, member of the Finance Committee
2007	2008	SO UPS, JSC	Member of the Board of Directors
2007	2009	IDGC of Volga, JSC	Member of the Board of Directors, Chairman of the Audit Committee
June 2008	December 2008	JSC FGC UES	Member of the Board of Directors
2008	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Board of Directors
2009	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Audit Committee, member of the Strategy Committee, member of the Valuation Committee
2008	2013	IDGC of North-West	Member of the Board of Directors, Chairman of the Audit Committee
2008	2012	Russian Corporation of Nanotechnologies (since March 2011, RUSNANO)	Member of the Investment Policy Committee of the

			Supervisory Board
2012	present	RUSNANO	Member of the Board of Directors, Chairman of the Audit Committee
2009	2013	JSC LENENERGO	Member of the Board of Directors, Chairman of the Audit Committee, member of the Strategy and Development Committee
2009	2012	OAO Energosetproekt Institute	Member of the Board of Directors
2011	2013	JSC RAO Energy System of East	Member of the Board of Directors
2012	present	IDGC of Volga, JSC	Member of the Board of Directors
2013	present	IDGC of Urals, JSC	Member of the Board of Directors
2013	present	Rusnano Management Company	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Stanislav Olegovich Ashirov***

Year of Birth: ***1973***

Education:

higher education, Candidate of Science (Economics)

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2006	2008	OAO Mezhtregionenergosbyt	First Deputy Director General

2008	present	ОАО Mezhrefionenergосbyт	Director General
2008	present	ОАО Tyumen Power Sales Company	Deputy Director General for Strategic Development (part-time)
2013	present	ОАО Tyumen Power Sales Company	Member of the Board of Directors
2013	present	ОАО Siburenergomanagement	Member of the Board of Directors
2013	present	ООО ТЕК-Energo	Member of the Board of Directors
2013	present	UAB Fortis Energy	Member of the Management Board
2013	present	ООО Teplosbyт	Member of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Vasily Vladislavovich Nikonov***

Year of Birth: ***1972***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2008	ОАО Volga TGK (TGK-7)	Director General
2008	2010	АVТOVAZ	Advisor to the President
2010	2012	Ministry of Energy of the Russian Federation	Director of the Electric Power Industry Development

			Department
2011	present	OAO Volzhskaya TGK	Member of the Board of Directors
2012	present	Rosneft	Director of the Energy Department
2013	present	Association of Energy Consumers Nonprofit Partnership	Member of the Supervisory Board
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors
2013	present	NP Market Council	Member of the Disputes Committee of the Supervisory Board

Stake held by the individual in the authorized capital of the issuer (%): **0.007049**

Percentage of ordinary shares held by the individual in the issuer (%): **0.007139**

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

Full corporate name: ***Open Joint-Stock Company Federal Grid Company of Unified Energy System***

INN (Taxpayer Identification Number): **4716016979**

OGRN (Principal State Registration Number): **1024701893336**

Stake held by the individual in the authorized capital of the entity (%): **0.00914**

Percentage of ordinary shares held by the individual in the entity (%): **0.00914**

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Maria Valerievna Ochirova***

Year of Birth: **1971**

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period	Entity	Title
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From	To		
2002	2008	MMC Norilsk Nickel	Head of the Division for Contracts and Corporate and Legal Affairs of the Corporate Department
2008	2012	MMC Norilsk Nickel	Deputy Director and Head of the Division for Contracts and Corporate and Legal Affairs of the Corporate Department
2012	present	MMC Norilsk Nickel	Director of the Corporate Department
2011	2012	OAo OGK-3	Member of the Board of Directors
2012	present	CJSC NORMETIMPEX	Member of the Board of Directors
2013	present	Joint Stock Company Russian Grids	Member of the Board of Directors

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Elena Borisovna Titova***

Year of Birth: ***1967***

Education:
higher education, MBA

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		

2006	2009	OOO Morgan Stanley Bank	Head of the Investment Banking Department, First Deputy Chairperson of the Executive Board
2009	2012	OOO Morgan Stanley Bank	President, Chairperson of the Executive Board
2007	2010	City Mortgage Bank OOO	Member of the Board of Directors
2006	2012	OOO Morgan Stanley Bank	Member of the Board of Directors
2008	2012	Sovcomflot	Member of the Board of Directors
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Member of the Board of Directors
2012	2013	JSC FGC UES	Member of the Board of Directors
2012	2013	Russian Regional Development Bank	Managing Director, President
2012	2013	Rosneft	Advisor to the President
2014	present	OOO UBS Bank	Advisor to the Chairman of the Management Board on Government Relations

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Body exercising control of the issuer's financing and economic activities:

Internal Audit and Control Department

Full Name: ***Marina Alekseyevna Lelekova***

Year of Birth: ***1961***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2004	2009	JSC FGC UES	Head of the Financial Control and Internal Audit Directorate, Deputy Head of the Financial Control and Internal Audit Directorate
2009	2013	JSC FGC UES	Head of the Control and Inspection Department
2013	present	Joint Stock Company Russian Grids	Director of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Igor Vladimirovich Shmakov***

Year of Birth: ***1974***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2004	2008	Kubanenergo	Head of the Controlling and Internal Control Service
2008	2012	IDGC of South, JSC	Head of the Internal Audit and

			Risk Management Department
2012	2013	JSC FGC UES	Head of the Internal Control Directorate
2013	present	Joint Stock Company Russian Grids	Head of the Control and Risk Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Yelena Vitalyevna Kochkurova***

Year of Birth: ***1978***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2006	2013	IDGC of Centre, JSC	Acting Head of the Internal Audit and Risk Management Department, Head of the Unit for Internal Audits, Senior Specialist of the Internal Audit and Risk Management Department
2013	present	Joint Stock Company Russian Grids	Deputy Head of the Control and Risk Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Yelena Borisovna Sinitsyna***

Year of Birth: ***1971***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	2009	URALCHEM Management Company	Manager of the Unit for Internal Control
2009	2011	OJSC Magma Oil Company	Chief Internal Control Specialist
2012	2013	JSC FGC UES	Head of Control of the Internal Control Directorate
2013	present	Joint Stock Company Russian Grids	Head of the Unit for Methodology of the Control and Risk Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Svetlana Anatolyevna Kim***

Year of Birth: ***1981***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	2013	JSC FGC UES	Lead Expert, Chief Expert, Head of Investment Control of the Control and Inspection Department
2013	present	Joint Stock Company Russian Grids	Head of the Internal Inspection and Audit Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Artyom Nikolayevich Kirillov***

Year of Birth: ***1984***

Education:
higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	2009	JSC MOESK	Chief Specialist of the Capital Construction Department
2009	2013	JSC FGC UES	Chief Specialist of Investment Control of the Control and Inspection Department
2013	present	Joint Stock Company Russian Grids	Head of the Unit for Investment Audits of the Internal Inspection and Audit Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Sergey Vladimirovich Malyshev***

Year of Birth: ***1965***

Education:
higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2009	2010	Ministry of Defense of the Russian Federation	Senior Inspector (Internal Auditor) of Area 2 (Control of Use of Budgetary Funds for Capital Investment and

			Military Construction) of the Finance Inspectorate
2010	2012	CJSC Gazpromneft-Aero	Chief Specialist of the Capital Construction Unit
2013	2013	JSC FGC UES	Head of the Unit for Investment Audits of the Internal Control and Risk Management Department
2013	present	Joint Stock Company Russian Grids	Lead Expert of the Unit for Investment Audits of the Internal Inspection and Audit Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Yelena Yurievna Guseva***

Year of Birth: ***1970***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2005	2009	Inspectorate of the Federal Taxation Service of the Russian Federation for Georgiyevsk	Head of the Unit for Debt Settlement and Support for Bankruptcy Proceedings
2009	2013	IDGC of South, JSC	Chief Specialist of the Internal Audit and Risk Management Department
2013	present	Joint Stock Company Russian Grids	Lead Expert of the Unit for Investment Audits of the

			Internal Inspection and Audit Division of the Internal Audit and Control Department; Lead Expert of the Unit for Consolidated Analysis, Planning and Control of the Control and Risk Division of the Internal Audit and Control Department
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No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Sergey Ivanovich Ochikov***

Year of Birth: ***1983***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2008	2009	IDGC of Siberia, JSC	Lead Specialist of the Internal Audit and Controlling Unit for Krasnoyarskenergo – Khakasenergo of the Internal Audit and Control Department
2009	2013	IDGC of North-West	Lead Specialist of Risk Management and Internal Control of the Internal Audit and Risk Management Division
2013	2013	JSC FGC UES	Chief Expert of the Unit for Investment Audits of the Internal Control and Risk

			Management Department
2013	present	Joint Stock Company Russian Grids	Lead Expert of the Unit for General Audits and Inspections of the Internal Inspection and Audit Division of the Internal Audit and Control Department

No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

Full Name: ***Maria Viktorovna Bunyaeva***

Year of Birth: ***1983***

Education:

higher education

All positions held by the individual within the issuer and other entities during the past 5 years and currently in chronological order, including part-time positions

Period		Entity	Title
From	To		
2007	2009	OOO ProffStil	Chief Accountant
2009	2010	Administration of the Krasnodar Territory	Chief Specialist (Expert) of the Expert and Analysis Unit for Olympic Games Construction of the Construction Department of the Krasnodar Territory
2010	2012	Kubanenergo	Chief Specialist of the Economic Security Unit of the Security Department
2012	present	Joint Stock Company Russian Grids (before April 4, 2013, JSC IDGC Holding)	Lead Expert of the Unit for Economic Security of the Security Department, Lead Expert of the Unit for Internal Inspection and Expert

			Reviews, Lead Expert of the Unit for General Audits and Inspections of the Internal Inspection and Audit Division of the Internal Audit and Control Department
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No stake/ordinary shares held in the authorized capital of the issuer

Stakes held by the individual in the authorized (share) capital (unit trust) of the subsidiaries and dependent companies of the issuer

The individual does not hold such stakes

Information concerning any family relations with other individual members of the issuer's management bodies and/or bodies exercising control of the issuer's financing and economic activities:

None of such family relations

Information concerning the imposition of administrative sanctions against the individual for the violations of law in the area of finance, taxes and dues, securities market or criminal sanctions (criminal record) for crimes in the field of economics or offences against the state:

None of such sanctions were imposed against the individual

Information concerning the positions held by the individual in the management bodies of business entities when bankruptcy proceedings were initiated against the above-mentioned entities and/or one of the bankruptcy procedures provided for by the insolvency (bankruptcy) laws of the Russian Federation was introduced:

The individual did not hold any of the above-mentioned positions

If the issuer has an internal audit function or any other body exercising control of its financing and economic activities (other than the issuer's internal audit commission) composed of over 10 persons, then information provided for in this paragraph should cover at least 10 persons who are members of the issuer's relevant body exercising control of its financing and economic activities, including the head of such body.

5.6. Information Concerning the Amount of Remuneration, Benefits and/or Reimbursement of Expenses for the Body Exercising Control of the Issuer's Financing and Economic Activities

Information concerning the amount of remuneration by body exercising control of financing and economic activities, specifying all types of remuneration, including salary, bonuses, commissions, benefits and/or reimbursement for expenses and other perquisites paid by the issuer in the most recently closed calendar year preceding the first quarter and in the first quarter:

Body exercising control of the issuer's financing and economic activities: ***Internal Audit Commission***

Remuneration for participation in the work of the control body

Unit of measurement: ***rubles in thousands***

Indicator Description	2013	3 months of 2014
Remuneration for participation in the work of the body exercising control of the issuer's financing and economic activities	119	0
Salary	136.5	234
Bonuses	41	164

Commission fees	0	0
Benefits	0	0
Expense reimbursement	0	0
Other remuneration	255	65
TOTAL	551.5	463

Information concerning the existing agreements for such payments in the present fiscal year:

Members of the Internal Audit Commission of the Company are paid remuneration for participation in the audits (inspections) of financing and economic activities in accordance with the Regulations for Remunerating and Compensating Members of the Internal Audit Commission of JSC IDGC Holding approved by the decision adopted by the Extraordinary General Meeting on December 30, 2008.

For participation in an audit (inspection) of financial and economic activities, each participating member of the Internal Audit Commission of the Company shall be paid one-off remuneration in the amount equivalent to twenty-five (25) minimum monthly wage rates for a first-category worker as set forth in the Sectoral Wage Rate Agreement in the electricity sector of the Russian Federation as of the time of such audit (inspection), adjusted for the indexation provided for in the Agreement.

The amount of remuneration payable to the Chairman of the Company's Internal Audit Commission in accordance with the Regulations shall be increased by 50%.

Remuneration and compensation for the Chairman and members of the Internal Audit Commission who are subject to any limitation or prohibition under federal law with respect to receiving any payments from for-profit organizations shall not be accrued and shall not be paid.

The members of the Internal Audit Commission on the staff of the Company receive pay in accordance with the payroll plan as specified in employment contracts.

Body exercising control of the issuer's financing and economic activities: ***Audit Committee of the Board of Directors***

Remuneration for participation in the work of the control body

Unit of measurement: ***rubles in thousands***

Indicator Description	2013	3 months of 2014
Remuneration for participation in the work of the body exercising control of the issuer's financing and economic activities	0	0
Salary	0	0
Bonuses	0	0
Commission fees	0	0
Benefits	0	0
Expense reimbursement	0	0
Other remuneration	0	0
TOTAL	0	0

Information concerning the existing agreements for such payments in the present fiscal year:

As provided for in the Regulations for the Audit Committee of the Board of Directors of the Company, remuneration and compensation for serving on the Committee are paid to members of the Committee (Chairman of the Committee or Deputy Chairman of the Committee) in accordance with the Regulations for Remuneration and Compensation for Members of the Board of Directors currently in force.

Information about remuneration and compensation paid to members of the Board of Directors is contained in paragraph 5.3 of this Report.

Body exercising control of the issuer's financing and economic activities: **Internal Audit and Control Department**

Remuneration for participation in the work of the control body

Unit of measurement: **rubles in thousands**

Indicator Description	2013	3 months of 2014
Remuneration for participation in the work of the body exercising control of the issuer's financing and economic activities	0	0
Salary	24,206	5,273
Bonuses	23,910	3,224
Commission fees	0	0
Benefits	0	0
Expense reimbursement	1,085	0
Other remuneration	925	98
TOTAL	50,126	8,595

Information concerning the existing agreements for such payments in the present fiscal year:

Remuneration is paid to employees of the Internal Audit and Control Department in accordance with the terms and conditions of employment contracts.

The information specified above shows the remuneration paid to all employees of the Internal Audit and Control Department as of December 31, 2013, and March 31, 2014.

5.7. Data Concerning the Headcount and High-Level Data Concerning the Composition of the Issuer's Personnel (Employees) and Changes in the Issuer's Employee (Personnel) Headcount

Unit of measurement: **rubles in thousands**

Indicator Description	2013	3 months of 2014
Average headcount, persons	398	660
Gross payroll for the reporting period	1,449,156	415,966
Social payments for the reporting period	108,494	6,670

The issuer's number of employees (personnel) was affected by the opening of Technical Supervision Center, a branch of Joint Stock Company Russian Grids (TSC, a branch of JSC Russian Grids), on September 25, 2013.

TSC, a branch of JSC Russian Grids, was established as part of measures to accomplish the goal of formulating the electric grid sector's uniform technical policy defined by the Strategy for Development of JSC Russian Grids and contributes to securing a reliable electricity supply, ensuring the efficiency and safety of electric grid facilities, implementing a unified approach to technical supervision at electric grid facilities, implementing the principles of independent technical supervision, and improving the quality of technical supervision.

No labor union was established.

5.8. Information Concerning Any Obligations of the Issuer to Its Employees (Personnel) Regarding Their Possible Participation in the Authorized (Share) Capital (Unit Trust) of the Issuer

On November 9, 2010, the Board of Directors of the Company approved the Program of Incentives for Managers of JSC IDGC Holding and Its Subsidiaries and Dependent Companies (hereinafter, the "Incentive Program").

Starting from March 2011, the management company of the mutual fund established for the purpose of implementing the Incentive Program and the Incentive Program participants entered into the agreements for the purchase and sale of the Company's treasury shares with the deferred performance of the obligations to transfer such shares and the Incentive Program participants' obligations to pay for such shares in cash (hereinafter, the "Agreement(s)"). Subject to the terms and conditions of the Agreements, the Incentive Program participants may exercise their right to purchase the shares not earlier than three years after the effective date of the Agreement and shall continue to have such right for a period of five years after the effective date of the Agreement.

Information concerning the issuer's options which are available to or can be issued to the issuer's employees (staff members): the issuer did not issue options.

VI. Information Concerning the Issuer's Members (Shareholders) and Related-Party Transactions Completed by the Issuer

6.1. Information Concerning Total Number of the Issuer's Shareholders (Members)

Total number of persons having non-zero balances in their personal accounts and registered on the issuer's shareholder register as of the last date of the reporting quarter: **282,424**

Total number of nominee holders of the issuer's shares: **13**

Total number of persons included on the latest list of the persons entitled to participate in the issuer's general meeting of shareholders (any other list of persons that is prepared for the purposes of exercising the rights attaching to the issuer's shares and for the preparation of which the nominee holders of the issuer's shares provided details of the persons on whose behalf they held (hold) the issuer's shares): **318,169**

Date of the list of persons included on the latest list of the persons entitled to participate in the issuer's general meeting of shareholders (any other list of persons that is prepared for the purposes of exercising the rights attaching to the issuer's shares and for the preparation of which the nominee holders of the issuer's shares provided details of the persons on whose behalf they held (hold) the issuer's shares): **May 23, 2013**

Holders of the issuer's ordinary shares that were to be included on such list: **284,960**

Holders of the issuer's preference shares that were to be included on such list: **75,200**

6.2. Information Concerning the Issuer's Members (Shareholders) Owning at Least 5 Percent of Its Authorized (Share) Capital (Unit Trust) or at Least 5 Percent of Its Ordinary Shares; Information Concerning Persons Controlling Such Members (Shareholders) or, in the Absence of Such Persons, Concerning Their Members (Shareholders) Owning at Least 20 Percent of the Their Authorized (Share) Capital (Unit Trust) or at Least 20 Percent of Their Ordinary Shares

Issuer's members (shareholders) owning at least 5 percent of its authorized (share) capital (unit trust) or at least 5 percent of its ordinary shares

I.

Full corporate name: ***Russian Federation represented by the Federal Agency for State Property Management***

Short corporate name: ***Russian Federation represented by the Federal Agency for State Property Management***

Location

Russia, 109012, Moscow, Nikolsky pereulok, 9

INN (Taxpayer Identification Number): **7710723134**

OGRN (Principal State Registration Number): **1087746829994**

Stake held by the member (shareholder) in the authorized capital of the issuer (%): **85.31**

Percentage of ordinary shares held by the member (shareholder) in the issuer (%): **86.32**

Persons controlling the member (shareholder) of the issuer

N/A

Members (shareholders) of the entity owning at least 20 percent of its authorized (share) capital (unit trust) or at least 20 percent of its ordinary shares

N/A

Other information specified by the issuer at its discretion:

2.

Nominee holder

Nominee holder details:

Full corporate name: **National Settlement Depository**

Short corporate name: **NSD**

Location

Russia, 105066, Moscow, Spartakovskaya, 12

INN (Taxpayer Identification Number): **7702165310**

OGRN (Principal State Registration Number): **1027739132563**

Telephone: **+7 (495) 234-4827**

Fax: **+7 (495) 232-0275**

E-mail: **info@nsd.ru**

Details of license of the professional participant in the securities market

Number: **177-12042-000100**

Issued on: **February 19, 2009**

Valid until:

Issued for an indefinite term

Issuing authority: **Federal Financial Markets Service of the Russian Federation**

Quantity of ordinary shares registered on the issuer's shareholder register in the name of their nominee holder: **13,981,831,078**

Quantity of preference shares registered on the issuer's shareholder register in the name of their nominee holder: **1,348,662,016**

Other information specified by the issuer at its discretion:

6.3. Information Concerning the Stake Held by the Government or Municipality in the Issuer's Authorized (Share) Capital (Unit Trust) and Special Right ('Golden Share')

Information concerning managers of stakes held by the government or a municipality

N/A

Persons that, on behalf of the Russian Federation, a constituent entity of the Russian Federation, or a municipality, performs the functions of a member (shareholder) of the issuer

Federal property

Name: **Russian Federation represented by the Federal Agency for State Property Management**

Location: **Russia, 109012, Moscow, Nikolsky pereulok, 9**

Stake in the authorized (share) capital (unit trust) of the issuer held as the government's (at federal level or at constituent entity level) or a municipality's property: **85.31**

Property of constituent entities of the Russian Federation

Name: ***Chukotka Autonomous District represented by the Department for Finance, Economics and Property Relations of the Chukotka Autonomous District***

Location: ***Russia, 689000, Chukotka Autonomous District, Anadyr, ul. Otke, 2***

Stake in the authorized (share) capital (unit trust) of the issuer held as the government's (at federal level or at constituent entity level) or a municipality's property: ***0.0023***

Special right of participation of the Russian Federation, constituent entities of the Russian Federation and municipalities in managing the issuer (joint-stock company) ("golden share"), duration of special right ("golden share")

N/A

6.4. Information Concerning Restrictions on Participation in the Issuer's Authorized (Share) Capital (Unit Trust)

Restrictions on participation in the issuer's authorized (share) capital: not applicable

6.5. Information Concerning Changes in the Composition and Value of Stakes Held by the Issuer's Shareholders (Members) Owning at Least 5 Percent of Its Authorized (Share) Capital (Unit Trust) or at Least 5 Percent of Its Ordinary Shares

List of the issuer's shareholders (members) owning at least 5 percent of the issuer's authorized (share) capital and (for issuers from among joint-stock companies) at least 5 percent of the issuer's ordinary shares prepared as of the date of the list of persons entitled to participate in each General Meeting of Shareholders (Members) of the issuer held in the most recently closed fiscal year preceding the last date of the reporting quarter and in the period from the beginning of the current year to the last date of the reporting quarter based on data from the list of persons entitled to participate in each of such meetings.

Date of the list of the persons entitled to participate in the General Meeting of Shareholders (Members) of the issuer: ***May 25, 2012***

List of shareholders (members)

Full corporate name: ***Russian Federation represented by the Federal Agency for State Property Management***

Short corporate name: ***Russian Federation represented by the Federal Agency for State Property Management***

Location: ***Russia, 109012, Moscow, Nikolsky pereulok, 9***

INN (Taxpayer Identification Number): ***7710723134***

OGRN (Principal State Registration Number): ***1087746829994***

Stake held by the entity in the authorized capital of the issuer (%): ***54.52***

Percentage of ordinary shares held by the entity in the issuer (%): ***56.58***

Full corporate name: ***Gazprom Finance B.V.***

Short corporate name: ***Gazprom Finance B.V.***

Location: ***Locatellikade 1, 1076AZ Amsterdam, The Netherlands***

Nonresident of the Russian Federation

Stake held by the entity in the authorized capital of the issuer (%): ***5.13***

Percentage of ordinary shares held by the entity in the issuer (%): ***5.35***

Date of the list of the persons entitled to participate in the General Meeting of Shareholders (Members) of the issuer: ***July 2, 2012***

List of shareholders (members)

Full corporate name: ***Russian Federation represented by the Federal Agency for State Property***

Management

Short corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Location: **Russia, 109012, Moscow, Nikolsky pereulok, 9**

INN (Taxpayer Identification Number): **7710723134**

OGRN (Principal State Registration Number): **1087746829994**

Stake held by the entity in the authorized capital of the issuer (%): **54.52**

Percentage of ordinary shares held by the entity in the issuer (%): **56.58**

Full corporate name: **Gazprom Finance B.V.**

Short corporate name: **Gazprom Finance B.V.**

Location: **Locatellikade 1, 1076AZ Amsterdam, The Netherlands**

Nonresident of the Russian Federation

Stake held by the entity in the authorized capital of the issuer (%): **5.13**

Percentage of ordinary shares held by the entity in the issuer (%): **5.35**

Date of the list of the persons entitled to participate in the General Meeting of Shareholders (Members) of the issuer: **October 8, 2012**

List of shareholders (members)

Full corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Short corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Location: **Russia, 109012, Moscow, Nikolsky pereulok, 9**

INN (Taxpayer Identification Number): **7710723134**

OGRN (Principal State Registration Number): **1087746829994**

Stake held by the entity in the authorized capital of the issuer (%): **54.52**

Percentage of ordinary shares held by the entity in the issuer (%): **56.58**

Full corporate name: **Gazprom Finance B.V.**

Short corporate name: **Gazprom Finance B.V.**

Location: **Locatellikade 1, 1076AZ Amsterdam, The Netherlands**

Nonresident of the Russian Federation

Stake held by the entity in the authorized capital of the issuer (%): **5.13**

Percentage of ordinary shares held by the entity in the issuer (%): **5.35**

Date of the list of the persons entitled to participate in the General Meeting of Shareholders (Members) of the issuer: **February 15, 2013**

List of shareholders (members)

Full corporate name: **Russian Federation represented by the Federal Agency for State Property Management***

Short corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Location: **Russia, 109012, Moscow, Nikolsky pereulok, 9**

INN (Taxpayer Identification Number): **7710723134**

OGRN (Principal State Registration Number): **1087746829994**

Stake held by the entity in the authorized capital of the issuer (%): **61.7**

Percentage of ordinary shares held by the entity in the issuer (%): **63.69**

Date of the list of the persons entitled to participate in the General Meeting of Shareholders (Members) of the issuer: **March 29, 2013**

List of shareholders (members)

Full corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Short corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Location: **Russia, 109012, Moscow, Nikolsky pereulok, 9**

INN (Taxpayer Identification Number): **7710723134**

OGRN (Principal State Registration Number): **1087746829994**

Stake held by the entity in the authorized capital of the issuer (%): **61.7**

Percentage of ordinary shares held by the entity in the issuer (%): **63.69**

Date of the list of the persons entitled to participate in the General Meeting of Shareholders (Members) of the issuer: **May 23, 2013**

List of shareholders (members)

Full corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Short corporate name: **Russian Federation represented by the Federal Agency for State Property Management**

Location: **Russia, 109012, Moscow, Nikolsky pereulok, 9**

INN (Taxpayer Identification Number): **7710723134**

OGRN (Principal State Registration Number): **1087746829994**

Stake held by the entity in the authorized capital of the issuer (%): **61.7**

Percentage of ordinary shares held by the entity in the issuer (%): **63.69**

Additional information:

*** As of the date of the list (February 15, 2013), the stake specified takes account of the Company's registered authorized capital and the additionally issued shares paid up and placed as of February 15, 2013 (1-01-55385-E-003D).**

6.6. Information Concerning Related-Party Transactions Completed by the Issuer

Information concerning the number and monetary value of transactions completed by the issuer recognized as related-party transactions in accordance with the laws of the Russian Federation, which required approval by the duly authorized management body of the issuer for the most recent reporting quarter

Unit of measurement: **rubles in thousands**

Indicator	Total number	Total monetary value
Related-party transactions completed by the issuer in the reporting period which required approval by the duly	1	292,372

authorized management body of the issuer		
Related-party transactions completed by the issuer in the reporting period which were approved by the General Meeting of Shareholders (Members) of the issuer	0	0
Related-party transactions completed by the issuer in the reporting period which were approved by the Board of Directors (Supervisory Board) of the issuer	1	292,372
Related-party transactions completed by the issuer in the reporting period which required approval but were disapproved by the duly authorized management body of the issuer	0	0

Transactions (groups of interrelated transactions) whose price accounts for 5 percent or more of the book value of the issuer's assets determined based on data from its accounting statements as of the most recent balance sheet date prior to the completion of the transaction completed by the issuer in the most recent reporting quarter:

N/A

Related-party transactions (groups of interrelated transactions) disapproved by the Board of Directors (Supervisory Board) or the General Meeting of Shareholders (Members) of the issuer when such approval is obligatory by operation of law of the Russian Federation

N/A

6.7. Information Concerning the Value of Accounts Receivable

For 2013

Unit of measurement: *rubles in thousands*

Indicator Description	Indicator Value
Accounts receivable from buyers and customers	548,370
including overdue receivables	3,690
Notes receivable	0
including overdue receivables	0
Contributions to authorized capital receivable from members (founders)	0
including overdue receivables	0
Other accounts receivable	2,583,867
including overdue receivables	1,959,379
Total accounts receivable	3,132,237
including total overdue receivables	1,963,069

Debtors accounting for at least 10 percent of total accounts receivable for the above-mentioned reporting period

Full corporate name: *Interregional Distribution Grid Company of Northern Caucasus, Joint-Stock Company*

Short corporate name: *IDGC of Northern Caucasus, JSC*

Location: *Russia, 357506, Stavropol Territory, Pyatigorsk, village of Energetik, ul. Podstantsionnaya, d. 18*

INN (Taxpayer Identification Number): *2632082033*

OGRN (Principal State Registration Number): *1062632029778*

Value of accounts receivable: *1,547,055*

Unit of measurement: ***rubles in thousands***

Value of and terms applicable to overdue accounts receivable (interest rate, fines, penalties):
1,541,035 thousand rubles of overdue accounts receivable

Whether or not the debtor is an affiliate of the issuer: ***Yes***

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization, %:
92.00

Percentage of ordinary shares held by the issuer in the joint-stock company, %: ***92.00***

Stake held by the entity in the authorized capital of the issuer, %: ***0***

Percentage of ordinary shares held by the entity in the issuer, %: ***0***

Full corporate name: ***Joint-Stock Company Moscow United Electric Grid Company***

Short corporate name: ***JSC MOESK***

Location: ***Russia, 115114, Moscow, 2-y Paveletsky proezd, 3, str. 2***

INN (Taxpayer Identification Number): ***5036065113***

OGRN (Principal State Registration Number): ***1057746555811***

Value of accounts receivable: ***425,371***

Unit of measurement: ***rubles in thousands***

Value of and terms applicable to overdue accounts receivable (interest rate, fines, penalties):
N/A

Whether or not the debtor is an affiliate of the issuer: ***Yes***

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization, %:
50.90

Percentage of ordinary shares held by the issuer in the joint-stock company, %: ***50.90***

Stake held by the entity in the authorized capital of the issuer, %: ***0***

Percentage of ordinary shares held by the entity in the issuer, %: ***0***

As of the last date of the reporting quarter

Unit of measurement: ***rubles in thousands***

Indicator Description	Indicator Value
Accounts receivable from buyers and customers	158,015
including overdue receivables	14,806
Notes receivable	0
including overdue receivables	0
Contributions to authorized capital receivable from members (founders)	0
including overdue receivables	0
Other accounts receivable	2,638,834
including overdue receivables	1,964,879
Total accounts receivable	2,796,849
including total overdue receivables	1,979,685

Debtors accounting for at least 10 percent of total accounts receivable for the above-mentioned reporting period

Full corporate name: ***Interregional Distribution Grid Company of Northern Caucasus, Joint-Stock Company***

Short corporate name: ***IDGC of Northern Caucasus, JSC***

Location: ***Russia, 357506, Stavropol Territory, Pyatigorsk, village of Energetik, ul. Podstantsionnaya,***

d. 18

INN (Taxpayer Identification Number): **2632082033**

OGRN (Principal State Registration Number): **1062632029778**

Value of accounts receivable: **1,552,843**

Unit of measurement: **rubles in thousands**

Value of and terms applicable to overdue accounts receivable (interest rate, fines, penalties):
1,541,035 thousand rubles of overdue accounts receivable

Whether or not the debtor is an affiliate of the issuer: **Yes**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization, %:
92.00

Percentage of ordinary shares held by the issuer in the joint-stock company, %: **92.00**

Stake held by the entity in the authorized capital of the issuer, %: **0**

Percentage of ordinary shares held by the entity in the issuer, %: **0**

Full corporate name: **Professional Football Club CSKA Closed Joint-Stock Company**

Short corporate name: **ZAO PFC CSKA**

Location: **Russia, 125167, Moscow, Leningradsky pr-t, d. 39, str. 1**

INN (Taxpayer Identification Number): **7734046851**

OGRN (Principal State Registration Number): **1027739880893**

Value of accounts receivable: **356,500**

Unit of measurement: **rubles in thousands**

Value of and terms applicable to overdue accounts receivable (interest rate, fines, penalties):
N/A

Whether or not the debtor is an affiliate of the issuer: **No**

VII. Accounting (Financial) Statements of the Issuer and Other Financial Information

7.1. Annual Accounting (Financial) Statements of the Issuer

2013

Balance Sheet as of December 31, 2013

Organization: **Joint Stock Company Russian Grids**

Taxpayer Identification Number:

Activity type: **management of holding companies**

Legal form of ownership / ownership category:

**open joint-stock company / mixed Russian ownership
with a share of federal ownership**

Measurement unit: **thousands of rubles**

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

Form No. 1 as per OKUD

Date

OKPO

INN

OKVED

OKOPF/OKFS

OKEI

Codes
0710001
31/12/2013
94129941
7728662669
74.15.2
12247/41
384

Notes	ASSETS	Item Code	December 31, 2013	December 31, 2012	December 31, 2011
1	2	3	4	5	6
	I. NONCURRENT ASSETS				
	Intangible assets	1110	5,107	920	920
	R&D results	1120	0	0	0
	Intangible exploration assets	1130	0	0	0
	Tangible exploration assets	1140	0	0	0
	Fixed assets	1150	78,047	3,520,384	3,489,070
	Income-bearing investments in tangible assets	1160	4,237	4,391	4,544
	Financial investments	1170	179,702,771	115,399,165	110,079,249
	Deferred tax assets	1180	76,108	84,458	92,031
	Other noncurrent assets	1190	42,063	29,246	30,362
	Section I Total	1100	179,908,333	119,038,564	113,696,176
	II. CURRENT ASSETS				
	Inventory	1210	18,026	6,326	15,804
	Input value added tax	1220	7,444	258,402	568,740
	Accounts receivable	1230	3,132,237	3,933,389	3,523,227
	Financial investments (excluding cash equivalents)	1240	5,741,874	31,247,082	5,500,000
	Cash and cash equivalents	1250	6,981,543	3,379,176	12,520,714
	Other current assets	1260	23,424	28,737	3,986
	Section II Total	1200	15,904,548	38,853,112	22,132,471
	BALANCE (assets)	1600	195,812,881	157,891,676	135,828,647

Notes	LIABILITIES	Item Code	December 31, 2013	December 31, 2012	December 31, 2011
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
	Authorized capital (share capital, statutory fund, partnership contributions)	1310	163,154,003	49,946,844	45,039,216
	Treasury stock	1320	-1,779,140	0	0
	Revaluation of noncurrent assets	1340	0	0	0
	Additional paid-in capital (net of revaluation)	1350	212,978,109	16,243,928	6,036,063
	Reserve funds	1360	2,155,845	2,155,845	2,155,845
	Undistributed profit (uncovered loss)	1370	-181,559,166	69,158,609	72,403,510
	Section III Total	1300	194,949,651	137,505,226	125,634,634
	IV. LONG-TERM LIABILITIES				
	Borrowings	1410	0	0	0
	Deferred tax liabilities	1420	6,254	4,105	2,538
	Estimated liabilities	1430	0	0	0
	Other liabilities	1450	0	0	93,759
	Section IV Total	1400	6,254	4,105	96,297
	V. SHORT-TERM LIABILITIES				
	Borrowings	1510	0	0	0
	Accounts payable	1520	432,776	19,965,865	9,637,940
	Deferred income	1530	0	0	0

	Estimated liabilities	1540	376,561	416,280	457,072
	Other liabilities	1550	47,639	200	2,704
	Section V Total	1500	856,976	20,382,345	10,097,716
	BALANCE (liabilities)	1700	195,812,881	157,891,676	135,828,647

**Statement of Financial Performance
for 2013**

	Form No. 2 as per OKUD	Codes
	Date	0710002
Organization: Joint Stock Company Russian Grids	OKPO	31/12/2013
Taxpayer Identification Number:	INN	94129941
Activity type: management of holding companies	OKVED	7728662669
Legal form of ownership / ownership category: open joint-stock company / mixed Russian ownership with a share of federal ownership	OKOPF/OKFS	74.15.2
Measurement unit: thousands of rubles	OKEI	12247/41
Location: 107996, Moscow, Ulansky pereulok, 26		384

Notes	Item Description	Item Code	12 Months of 2013	12 Months of 2012
1	2	3	4	5
	Revenues	2110	6,098,726	4,617,705
	Cost of sales	2120	-3,203,837	-2,567,030
	Gross profit	2100	2,894,889	2,050,675
	Selling expenses	2210	0	0
	Administrative expenses	2220	0	0
	Sales profit (loss)	2200	2,894,889	2,050,675
	Income from interests in other entities	2310	0	0
	Interest receivable	2320	2,188,309	1,620,461
	Interest payable	2330	0	0
	Other income	2340	299,882	9,187,826
	Other expense	2350	-255,642,967	-15,502,700
	Profit (loss) before tax	2300	-250,259,887	-2,643,738
	Current profit tax	2410	-281,376	-441,417
	including permanent tax liabilities (assets)	2421	50,343,852	979,305
	Change in deferred tax liabilities	2430	-2,149	-1,567
	Change in deferred tax assets	2450	-8,350	-7,573
	Other	2460	-1	-5,346
	Net profit (loss)	2400	-250,551,763	-3,099,641
	FOR REFERENCE			
	Result of revaluation of noncurrent assets not included in net profit (loss) for accounting period	2510	0	0
	Result of other operations not included in net profit (loss) for accounting period	2520	0	0
	Total financial result for accounting period	2500	-250,551,763	-3,099,641
	Basic earnings (loss) per share	2900	-0.00394	-0.00007
	Diluted earnings (loss) per share	2910	0	0

**Statement of Changes in Capital
for 2013**

Organization: **Joint Stock Company Russian Grids**
 Taxpayer Identification Number:
 Activity type: **management of holding companies**
 Legal form of ownership / ownership category:
**open joint-stock company / mixed Russian ownership
 with a share of federal ownership**
 Measurement unit: **thousands of rubles**
 Location: **107996, Moscow, Ulansky pereulok, 26**

Form No. 3 as per OKUD

Codes	
Form No. 3 as per OKUD	0710003
Date	31/12/2013
OKPO	94129941
INN	7728662669
OKVED	74.15.2
OKOPF/OKFS	12247/41
OKEI	384

1. Changes in Capital							
Item Description	Item Code	Authorized Capital	Treasury stock	Additional Paid-in Capital	Reserve Funds	Undistributed Profit (Uncovered Loss)	Total
1	2	3	4	5	6	7	8
Capital as at December 31 of year preceding previous year	3100	45,039,216	0	6,036,063	2,155,845	72,403,510	125,634,634
For accounting period of previous year:							
Total increase in capital:	3210	4,907,628	0	10,207,865	0	0	15,115,493
including:							
net profit	3211	0	0	0	0	0	0
revaluation of assets	3212	0	0	0	0	0	0
income directly attributable to increase in capital	3213	0	0	0	0	0	0
additional issue of shares	3214	4,907,628	0	10,207,865	0	0	15,115,493
increase in par value of shares	3215	0	0	0	0	0	0
corporate entity reorganization	3216	0	0	0	0	0	0
Total decrease in capital:	3220	0	0	0	0	-3,244,901	-3,244,901
including:							
loss	3221	0	0	0	0	-3,099,641	-3,099,641
revaluation of assets	3222	0	0	0	0	0	0
expense directly attributable to decrease in capital	3223	0	0	0	0	0	0
decrease in par value of shares	3224	0	0	0	0	0	0
decrease in number of	3225	0	0	0	0	0	0

shares							
corporate entity reorganization	3226	0	0	0	0	0	0
dividends	3227	0	0	0	0	-145,260	-145,260
Change in additional paid-in capital	3230	0	0	0	0	0	0
Change in reserve funds	3240	0	0	0	0	0	0
Capital as at December 31 of previous year	3200	49,946,844	0	16,243,928	2,155,845	69,158,609	137,505,226
For accounting year							
Total increase in capital:	3310	113,207,159	0	196,734,181	0	0	309,941,340
including:							
net profit	3311	0	0	0	0	0	0
revaluation of assets	3312	0	0	0	0	0	0
income directly attributable to increase in capital	3313	0	0	0	0	0	0
additional issue of shares	3314	113,207,159	0	196,734,181	0	0	309,941,340
increase in par value of shares	3315	0	0	0	0	0	0
corporate entity reorganization	3316	0	0	0	0	0	0
Total decrease in capital:	3320	0	-1,779,140	0	0	-250,717,775	-252,496,915
including:							
loss	3321	0	0	0	0	-250,551,763	-250,551,763
revaluation of assets	3322	0	0	0	0	0	0
expense directly attributable to decrease in capital	3323	0	0	0	0	0	0
decrease in par value of shares	3324	0	0	0	0	0	0
decrease in number of shares	3325	0	-1,779,140	0	0	0	-1,779,140
corporate entity reorganization	3326	0	0	0	0	0	0
dividends	3327	0	0	0	0	-166,012	-166,012
Change in additional paid-in capital	3330	0	0	0	0	0	0
Change in reserve funds	3340	0	0	0	0	0	0
Capital as at December 31 of accounting year	3300	163,154,003	-1,779,140	212,978,109	2,155,845	-181,559,166	194,949,651

2. Adjustments Due to Changes in Accounting Policy and Error Correction					
Item Description	Item Code	December 31, 2011	Changes in Capital in 2012		December 31, 2012
			due to net profit (loss)	due to other factors	
1	2	3	4	5	6
Total capital					
prior to adjustments	3400	125,637,039	11,870,592	0	137,507,631
adjustment due to:					
changes in accounting policy	3410	-2,405			-2,405
error correction	3420	0	0	0	0
after adjustments	3500	125,634,634	11,870,592	0	137,505,226
including:					
undistributed profit (uncovered loss):					
prior to adjustments	3401	72,405,915	-3,244,901	0	69,161,014
adjustment due to:					
changes in accounting policy	3411	-2,405	0	0	-2,405
error correction	3421	0	0	0	0
after adjustments	3501	72,403,510	-3,244,901	0	69,158,609
other adjusted capital items:					
(itemized)					
prior to adjustments	3402	52,231,124	15,115,493	0	68,346,617
adjustment due to:					
changes in accounting policy	3412				
error correction	3422				
after adjustments	3502	53,231,124	15,115,493	0	68,346,617

For Reference				
Item Description	Item Code	December 31, 2013	December 31, 2012	December 31, 2011
1	2	3	4	5
Net assets	3600	194,949,651	137,505,226	125,634,634

**Cash Flow Statement
for 2013**

Organization: **Joint Stock Company Russian Grids**
 Taxpayer Identification Number:
 Activity type: **management of holding companies**
 Legal form of ownership / ownership category:
**open joint-stock company / mixed Russian ownership
 with a share of federal ownership**
 Measurement unit: **thousands of rubles**
 Location: **107996, Moscow, Ulansky pereulok, 26**

Form No. 4 as per OKUD

Date

OKPO

INN

OKVED

OKOPF/OKFS

OKEI

Codes
0710004
31/12/2013
94129941
7728662669
74.15.2
12247/41
384

Item Description	Item Code	12 Months of 2013	12 Months of 2012
1	2	3	4
Cash flows from operating activities			
Total proceeds	4110	2,143,676	3,040,071
including:			
from sale of products, goods, work, services	4111	2,022,330	2,775,919
from lease payments, license payments, royalties, commission payments, and other similar payments	4112	0	0
from resale of financial investments	4113	0	0
other cash inflow	4119	121,346	264,152
Total payments	4120	-4,152,938	-3,130,501
including:			
payments to suppliers (contractors) for raw materials, supplies, work, services	4121	-1,661,720	-757,274
payroll expenses	4122	-1,320,794	-1,384,617
interest on debt obligations	4123	0	0
profit tax	4124	-414,520	-371,011
other payments	4125	-755,904	-617,599
Net cash flows from operating activities	4100	-2,009,262	-90,430
Cash flows from investing activities			
Total proceeds	4210	57,342,656	17,454,825
including:			
from sale of fixed assets (excluding financial investments)	4211	0	2,913
from sale of shares (interests) in other entities	4212	180,839	0
from repayment of loans, from sale of debt securities (receivables from other entities)	4213	2,324,000	0
from dividends, interest on financial investments, and similar proceeds from shareholdings in other entities	4214	3,747,250	1,778,258
other proceeds	4219	51,090,567	15,673,654
Total payments	4220	-52,111,601	-51,857,412

including:			
in connection with acquisition, creation, modernization, rehabilitation, and preparation for use of noncurrent assets	4221	-27,404	-39,698
in connection with acquisition of shares (interests) in other entities	4222	-28,257,318	-9,203,087
in connection with acquisition of debt securities (receivables from other entities), loans extended to other entities	4223	0	-2,300,000
interest on debt obligations included in investment asset value	4224	0	0
other payments	4229	-23,826,879	-40,314,627
Net cash flows from investing activities	4200	5,231,055	-34,402,587
Cash flows from financing activities			
Total proceeds	4310	532,835	25,484,793
including:			
received loans and advances	4311	0	0
cash contributions from owners (members)	4312	0	0
from issue of shares, increase in shareholdings	4313	532,835	25,484,793
from issue of bonds, notes, other debt securities, etc.	4314	0	0
other proceeds	4319	0	0
Total payments	4320	-152,286	-133,300
including:			
to owners (members) in connection with shares (interests) purchased from them in entities or in connection with their withdrawal from members	4321	0	0
for dividends or other payments for profit distribution to owners (members)	4322	-152,286	-133,300
in connection with redemption (repurchase) of notes and other debt securities, repayment of loans and advances	4323	0	
other payments	4329	0	0
Net cash flows from financing activities	4300	380,549	25,351,493
Net cash flows for accounting period	4400	3,602,342	-9,141,524
Balance of cash and cash equivalents at beginning of accounting period	4450	3,379,176	12,520,692
Balance of cash and cash equivalents at end of accounting period	4500	6,981,543	3,379,176
Effect of changes in exchange rate between foreign currency and Russian ruble	4490	25	8

Appendix to Balance Sheet

Information is contained in the Appendix to this Quarterly Report

Auditors' Report

Information is contained in the Appendix to this Quarterly Report

7.2. Quarterly Accounting (Financial) Statements of the Issuer

Balance Sheet as of March 31, 2014

Organization: **Joint Stock Company Russian Grids**

Taxpayer Identification Number:

Activity type: **management of holding companies**

Legal form of ownership / ownership category:

**open joint-stock company / mixed Russian ownership
with a share of federal ownership**

Measurement unit: **thousands of rubles**

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

Form No. 1 as per OKUD

Date

OKPO

INN

OKVED

OKOPF/OKFS

OKEI

Codes
0710001
31/03/2014
94129941
7728662669
74.15.2
12247/41
384

Notes	ASSETS	Item Code	March 31, 2014	December 31, 2013	December 31, 2012
1	2	3	4	5	6
	I. NONCURRENT ASSETS				
	Intangible assets	1110	14,641	5,107	920
	R&D results	1120	0	0	0
	Intangible exploration assets	1130	0	0	0
	Tangible exploration assets	1140	0	0	0
	Fixed assets	1150	74,652	78,047	3,520,384
	Income-bearing investments in tangible assets	1160	4,199	4,237	4,391
	Financial investments	1170	179,702,771	179,702,771	115,399,165
	Deferred tax assets	1180	79,379	76,108	84,458
	Other noncurrent assets	1190	36,315	42,063	29,246
	Section I Total	1100	179,911,957	179,908,333	119,038,564
	II. CURRENT ASSETS				
	Inventory	1210	20,411	18,026	6,326
	Input value added tax	1220	3,795	7,444	258,402
	Accounts receivable	1230	2,796,849	3,132,237	3,933,389
	Financial investments (excluding cash equivalents)	1240	6,162,203	5,741,874	31,247,082
	Cash and cash equivalents	1250	6,892,724	6,981,543	3,379,176
	Other current assets	1260	19,659	23,424	28,737
	Section II Total	1200	15,895,641	15,904,548	38,853,112
	BALANCE (assets)	1600	195,807,598	195,812,881	157,891,676

Notes	LIABILITIES	Item Code	March 31, 2014	December 31, 2013	December 31, 2012
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
	Authorized capital (share capital, statutory fund, partnership contributions)	1310	163,154,003	163,154,003	49,946,844
	Treasury stock	1320	-1,779,140	-1,779,140	0
	Revaluation of noncurrent assets	1340	0	0	0
	Additional paid-in capital (net of revaluation)	1350	212,978,109	212,978,109	16,243,928
	Reserve funds	1360	2,155,845	2,155,845	2,155,845
	Undistributed profit (uncovered loss)	1370	-181,492,706	-181,559,166	69,158,609
	Section III Total	1300	195,016,111	194,949,651	137,505,226
	IV. LONG-TERM LIABILITIES				
	Borrowings	1410	0	0	0
	Deferred tax liabilities	1420	6,474	6,254	4,105
	Estimated liabilities	1430	0	0	0
	Other liabilities	1450	0	0	0
	Section IV Total	1400	6,474	6,254	4,105
	V. SHORT-TERM LIABILITIES				
	Borrowings	1510	0	0	0
	Accounts payable	1520	335,242	432,776	19,965,865
	Deferred income	1530	0	0	0
	Estimated liabilities	1540	392,477	376,561	416,280
	Other liabilities	1550	57,294	47,639	200
	Section V Total	1500	785,013	856,976	20,382,345
	BALANCE (liabilities)	1700	195,807,598	195,812,881	157,891,676

**Statement of Financial Performance
for the 3 Months of 2014**

	Form No. 2 as per OKUD	Codes
		0710002
	Date	31/03/2014
Organization: Joint Stock Company Russian Grids	OKPO	94129941
Taxpayer Identification Number:	INN	7728662669
Activity type: management of holding companies	OKVED	74.15.2
Legal form of ownership / ownership category: open joint-stock company / mixed Russian ownership with a share of federal ownership	OKOPF/OKFS	12247/41
Measurement unit: thousands of rubles	OKEI	384
Location: 107996, Moscow, Ulansky pereulok, 26		

Notes	Item Description	Item Code	3 Months of 2014	3 Months of 2013
1	2	3	4	5
	Revenues	2110	645,920	458,130
	Cost of sales	2120	-747,890	-379,334
	Gross profit	2100	-101,970	78,796
	Selling expenses	2210	0	0
	Administrative expenses	2220	0	0
	Sales profit (loss)	2200	-101,970	78,796
	Income from interests in other entities	2310	0	0
	Interest receivable	2320	288,219	852,105
	Interest payable	2330	0	0
	Other income	2340	10,796	3,955
	Other expense	2350	-54,188	-18,177
	Profit (loss) before tax	2300	142,857	916,679
	Current profit tax	2410	-79,449	-189,471
	including permanent tax liabilities (assets)	2421	-47,826	4,462
	Change in deferred tax liabilities	2430	-219	98
	Change in deferred tax assets	2450	3,271	1,575
	Other	2460	0	0
	Net profit (loss)	2400	66,460	728,881
	FOR REFERENCE			
	Result of revaluation of noncurrent assets not included in net profit (loss) for accounting period	2510	0	0
	Result of other operations not included in net profit (loss) for accounting period	2520	0	0
	Total financial result for accounting period	2500	66,460	728,881
	Basic earnings (loss) per share	2900	0.0000004	0.000015
	Diluted earnings (loss) per share	2910	0	0

7.3. Consolidated Accounting (Consolidated Financial) Statements of the Issuer

Not applicable to this reporting quarter

7.4. Information Concerning the Accounting Policy of the Issuer

Information is contained in the Appendix to this Quarterly Report

7.5. Information Concerning Total Exports and Exports as a Percentage of Total Sales

The Issuer is not engaged in any exportation of products (goods, work, services).

7.6. Information Concerning Material Changes in the Composition of the Issuer's Property After the Last Date of the Most Recently Closed Fiscal Year

Information concerning material changes in the issuer's property over the 12 months preceding the last date of the reporting quarter:

Subject matter of the change: *Disposal of property by the issuer*

Type of property (real property) disposed of (acquired) by the issuer: *Construction-in-progress real property*

Brief description of property (real property) disposed of (acquired) by the issuer: *Electric grid facilities located in the Chechen Republic*

Rationale for the change: *Agreement No. 2010 of July 29, 2013, for the acquisition of additional uncertificated registered ordinary shares in Chechenenergo, JSC*

Date of change: *July 29, 2013*

Book value of sold property: *3,727,154*

Unit of measurement: *rubles in thousands*

Property disposal price: *3,727,154*

Unit of measurement: *rubles in thousands*

7.7. Information Concerning the Issuer's Being a Party to Litigation if Such Litigation May Materially Affect the Issuer's Financing and Economic Activities

Over the period from the first date of the most recently closed financial year to the last date of the reporting quarter, the issuer was not and is not a party to any litigation that affected or may affect its financing and economic activities.

VIII. Detailed Information Concerning the Issuer and Issue-Grade Securities Placed by the Issuer

8.1. Additional Information Concerning the Issuer

8.1.1. Information Concerning the Value and Structure of the Issuer's Authorized (Share) Capital (Unit Trust)

Value of the issuer's authorized (share) capital (unit trust) as of the last date of the most recent reporting quarter (rubles): *163,154,002,694*

Ordinary shares

Total par value: *161,078,853,310*

Percentage of the authorized capital (%): *98.728104*

Preference shares

Total par value: *2,075,149,384*

Percentage of the authorized capital (%): *1.271896*

Information about whether the authorized capital specified in this paragraph corresponds to the issuer's constitutive documents:

As specified in this paragraph, the authorized capital corresponds to the Company's constitutive documents.

The amendments to the Articles of Association of the Company containing information about the amount of the authorized capital were registered by Interdistrict Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 46 on December 12, 2013.

The issuer's shares are partly traded outside the Russian Federation by means of trading under foreign law in foreign issuers' securities that represent ownership of the above-mentioned shares in the issuer.

Category (type) of shares traded outside the Russian Federation

Type of security: *shares*

Category of shares: *ordinary shares*

Shares traded outside the Russian Federation as a percentage of the total number of shares of the category (type) concerned: *0.036*

Foreign issuer whose securities certify the rights in respect of the issuer's shares of the category (type) concerned

Full corporate name: *The Bank of New York Mellon.*

Place of business: *One Wall Street, New York, New York 10286, USA.*

Overview of the program (type of program) of issuing the foreign issuer's depository securities that represent ownership of shares of the relevant category (type):

JSC Russian Grids-sponsored Regulation S and Rule 144A programs of issuing global depository receipts that represent ownership of ordinary shares in the Company.

The ratio of GDRs to the issuer's ordinary shares is 1:200.

Information concerning the permission received from the federal executive authority in charge of the securities market for the placement of or organizing the trading of the issuer's shares of the relevant category (type) outside the Russian Federation (if applicable):

The decision of the Federal Financial Markets Service of the Russian Federation (Order No. 09-566/pz-i of February 27, 2009) permitted one hundred two million, four hundred twenty-eight thousand, one hundred (102,428,100) uncertificated registered ordinary shares in the Company to be traded outside the Russian Federation.

The decision of the Federal Financial Markets Service of the Russian Federation (Order No. 11-1308/pz-i of May 31, 2011) permitted ten billion, one hundred fifty-eight million, ten thousand, three hundred ninety-six (10,158,010,396) uncertificated registered ordinary shares in the Company to be traded outside the Russian Federation, but not more than 25 percent of the total number of outstanding uncertificated registered ordinary shares.

Name of the foreign trading institutor through which the issuer's shares (depository securities that represent ownership of the issuer's shares) are traded (if applicable):

The Regulation S global depository receipts that represent ownership of ordinary shares in JSC Russian Grids are traded on the London Stock Exchange.

Other information concerning the issuer's shares traded outside the Russian Federation (to be specified at the issuer's option): *N/A.*

Type of security: *shares*

Category of shares: *preference shares*

Type of shares:

Shares traded outside the Russian Federation as a percentage of the total number of shares of the category (type) concerned: *0.031*

Foreign issuer whose securities certify the rights in respect of the issuer's shares of the category (type) concerned:

Full corporate name: *The Bank of New York Mellon*

Place of business: *One Wall Street, New York, New York 10286, USA*

Overview of the program (type of program) of issuing the foreign issuer's depository securities that represent ownership of shares of the relevant category (type):

JSC Russian Grids-sponsored Regulation S and Rule 144A programs of issuing non-listed global depository receipts that represent ownership of preference shares in the Company.

The ratio of GDRs to the issuer's preference shares is 1:200.

Information concerning the permission received from the federal executive authority in charge of the securities market for the placement of or organizing the trading of the issuer's shares of the relevant category (type) outside the Russian Federation (if applicable):

The decision of the Federal Financial Markets Service of the Russian Federation (Order No. 09-566/pz-i of February 27, 2009) permitted six hundred fifty thousand (650,000) uncertificated registered preference shares in the Company to be traded outside the Russian Federation.

The decision of the Federal Financial Markets Service of the Russian Federation (Order No. 11-1308/pz-i of May 31, 2011) permitted five hundred eighteen million, one hundred thirty-seven thousand, three hundred forty-six (518,137,346) uncertificated registered preference shares in the Company to be traded outside the Russian Federation, but not more than 25 percent of the total number of outstanding uncertificated registered preference shares.

Name of the foreign trading institutor through which the issuer's shares (depository securities that represent ownership of the issuer's shares) are traded (if applicable):

not traded through a foreign trading institutor.

Other information concerning the issuer's shares traded outside the Russian Federation (to be specified at the issuer's option): *N/A.*

8.1.2. Information Concerning Changes in the Issuer's Authorized (Share) Capital (Unit Trust)

If, in the most recently closed fiscal year preceding the last date of the reporting quarter and over the period from the first date of the current year to the last date of the reporting quarter, the issuer's authorized (share) capital (unit trust) was changed, information concerning each change to be specified:

Date of change in the authorized capital: ***June 28, 2012***

Amount of the authorized capital prior to change (rubles): ***45,039,216,465***

Structure of the authorized capital prior to change

Ordinary shares

Total par value: ***42,964,067,081***

Percentage of the authorized capital (%): ***95.392572***

Preference shares

Total par value: ***2,075,149,384***

Percentage of the authorized capital (%): ***4.607428***

Amount of the authorized capital after change (rubles): ***49,946,843,800***

Structure of the authorized capital after change

Ordinary shares

Total par value: ***47,871,694,416***

Percentage of the authorized capital (%): ***95.845284***

Preference shares

Total par value: ***2,075,149,384***

Percentage of the authorized capital (%): ***4.154716***

Name of the issuer's management body that decided to change the issuer's authorized (share) capital (unit trust): ***The amendments to the Company's Articles of Association were registered pursuant to the decision adopted by the Board of Directors of JSC IDGC Holding on an increase in the authorized capital by means of the placement of additional shares in JSC IDGC Holding on September 30, 2011, (Minutes of***

the Meeting No. 63 of October 3, 2011) and the Additional Securities Issue Report (State Registration Number of the Additional Issue: 1-01-55385-E-002D of November 10, 2011) registered on May 24, 2012.

Date of the minutes of the meeting of the issuer's management body that decided to change the issuer's authorized (share) capital (unit trust): ***October 3, 2011***

Number of the minutes: ***63***

Date of change in the authorized capital: ***April 2, 2013***

Amount of the authorized capital prior to change (rubles): ***49,946,843,800***

Structure of the authorized capital prior to change

Ordinary shares

Total par value: ***47,871,694,416***

Percentage of the authorized capital (%): ***95.845284***

Preference shares

Total par value: ***2,075,149,384***

Percentage of the authorized capital (%): ***4.154716***

Amount of the authorized capital after change (rubles): ***59,322,451,849***

Structure of the authorized capital after change

Ordinary shares

Total par value: ***57,247,302,465***

Percentage of the authorized capital (%): ***96.501916***

Preference shares

Total par value: ***2,075,149,384***

Percentage of the authorized capital (%): ***3.498084***

Name of the issuer's management body that decided to change the issuer's authorized (share) capital (unit trust): ***The amendments to the Company's Articles of Association were registered pursuant to the decision adopted by the Extraordinary General Meeting of Shareholders of JSC IDGC Holding on an increase in the authorized capital by means of the placement of additional shares in JSC IDGC Holding on November 13, 2012, (the Minutes of November 16, 2012) and the Additional Securities Issue Report (State Registration Number of the Additional Issue: 1-01-55385-E-003-D of December 3, 2012) registered on March 19, 2013.***

Date of the minutes of the meeting of the issuer's management body that decided to change the issuer's authorized (share) capital (unit trust): ***November 16, 2012***

Number of the minutes: ***N/A***

Date of change in the authorized capital: ***December 12, 2013***

Amount of the authorized capital prior to change (rubles): ***59,322,451,849***

Structure of the authorized capital prior to change

Ordinary shares

Total par value: ***57,247,302,465***

Percentage of the authorized capital (%): ***96.501916***

Preference shares

Total par value: ***2,075,149,384***

Percentage of the authorized capital (%): ***3.498084***

Amount of the authorized capital after change (rubles): **163,154,002,694**

Structure of the authorized capital after change

Ordinary shares

Total par value: **161,078,853,310**

Percentage of the authorized capital (%): **98.728104**

Preference shares

Total par value: **2,075,149,384**

Percentage of the authorized capital (%): **1.271896**

Name of the issuer's management body that decided to change the issuer's authorized (share) capital (unit trust): ***The amendments to the Company's Articles of Association were registered pursuant to the decision adopted by the Extraordinary General Meeting of Shareholders of JSC Russian Grids on an increase in the authorized capital by means of the placement of additional shares in JSC Russian Grids on May 6, 2013, (the Minutes of May 8, 2013) and the extract from the issue-grade securities register of JSC Russian Grids of October 17, 2013, issued by the Bank of Russia Financial Markets Service.***

Date of the minutes of the meeting of the issuer's management body that decided to change the issuer's authorized (share) capital (unit trust): **May 8, 2013**

Number of the minutes: *N/A*

8.1.3. Information Concerning the Procedure for Convening and Holding the Meeting (Session) of the Issuer's Supreme Management Body

Supreme management body of the issuer: ***The supreme management body of the Company as specified in Article 10.1 of the Articles of Association of the Company is the General Meeting of Shareholders.***

Procedure for notifying shareholders (members) of the upcoming meeting (session) of the supreme management body of the issuer:

In accordance with Article 10.5 of the Articles of Association of the Company, notification of the upcoming General Meeting of Shareholders is published in the *Izvestia* newspaper not later than 30 (thirty) days prior to the date of the General Meeting of Shareholders. Notice of the upcoming Extraordinary General Meeting of Shareholders is made not later than 70 (seventy) days prior to its date as provided for by paragraphs 10.6.2 of the Articles of Association and paragraphs 2 and 8 of Article 53 of the Federal Law "On Joint-Stock Companies."

Notice of the upcoming General Meeting of Shareholders needs to specify:

- the full name of the Company and the location of the Company;
- the form of the General Meeting of Shareholders (meeting or absentee voting);
- the date, location, time of the General Meeting of Shareholders and the postal address at which completed ballots can be sent or (if the General Meeting of Shareholders is conducted through absentee voting) the ballot submission deadline and the postal address at which completed ballots should be sent;
- the date of preparation of the list of persons entitled to participate in the General Meeting of Shareholders;
- the agenda of the General Meeting of Shareholders;
- the procedure for reviewing the information (materials) to be submitted in the preparation for the General Meeting of Shareholders and the address(es) for their review.

In accordance with Article 10.4 of the Articles of Association of the issuer, the list of persons entitled to participate in the General Meeting of Shareholders is prepared based on data from the Company's shareholder register.

The date of preparation of the list of persons entitled to participate in the General Meeting of Shareholders may not precede the date of adoption of a resolution on holding the General Meeting of Shareholders and precede the date of the General Meeting of Shareholders by more than 50 (fifty) days or (as provided for by paragraph 10.6.2 of the Articles of Association) by more than 85 (eighty-five) days.

The list of persons entitled to participate in the General Meeting of Shareholders is made available by the Company upon request from the persons included in this list and holding at least One (1) percent of votes. Data

from documents and postal address of the persons included in the list are provided only with the consent of these persons.

Individuals (bodies) entitled to convene (request the convening of) the extraordinary meeting (session) of the issuer's supreme management body and the procedure for submitting (making) such requests:

In accordance with Article 10.7.1 of the Articles of Association of the Company, the Extraordinary General Meeting of Shareholders is held pursuant to a resolution of the Board of Directors of the Company at its sole discretion, upon request from the Internal Audit Commission of the Company, the auditor of the Company and the shareholder(s) owning at least ten (10) percent of voting shares in the Company as of the request submission date.

The Extraordinary General Meeting of Shareholders is convened by the Board of Directors of the Company upon request from the Internal Audit Commission of the Company, auditor of the Company and the shareholder(s) owning at least ten (10) percent of voting shares in the Company.

The request for convening the Extraordinary General Meeting of Shareholders needs to specify the issues to be included in the meeting agenda. The request for convening the Extraordinary General Meeting of Shareholders may contain the wordings of resolutions on each of these issues and the proposal concerning the form of the General Meeting of Shareholders.

The Board of Directors of the Company is not entitled to either change the wordings of the agenda issues or resolutions on such issues or change the proposed form of the Extraordinary General Meeting of Shareholders convened upon request from the Internal Audit Commission of the Company, the auditor of the Company and the shareholder(s) owning at least ten (10) percent of voting shares in the Company.

If the convening of the Extraordinary General Meeting of Shareholders is requested by the shareholder(s), it needs to specify the name(s) of the shareholder(s) requesting that such meeting be convened and the quantity and category (types) of shares owned by them.

The request for convening the Extraordinary General Meeting of Shareholders is signed by the individual(s) requesting that the Extraordinary General Meeting of Shareholders be convened.

Procedure for determining the date of meeting (session) of the issuer's supreme management body:

In accordance with Article 10.1 of the Articles of Association of the issuer, the annual general meeting is held on annual basis not earlier than two months and not later than six months from the fiscal year end. The date and procedure for holding the General Meeting of Shareholders, the list of materials (information) provided to the shareholders in the preparation of the General Meeting of Shareholders are specified by the Board of Directors of the Company in accordance with the requirements of the Federal Law "On Joint-Stock Companies," other regulations and the Articles of Association.

Article 10.7.2 of the Articles of Association of the Company specifies that the Extraordinary General Meeting of Shareholders convened upon request from the Internal Audit Commission of the Company, the auditor of the Company and the shareholder(s) owning at least ten (10) percent of voting shares in the Company needs to be held within 40 (forty) days from the submission of request for holding the Extraordinary General Meeting of Shareholders.

In accordance with Article 10.7.3 of the Articles of Association of the Company, when the Board of Directors of the Company is obliged to adopt a resolution to hold the Extraordinary General Meeting of Shareholders for the election of members of the Board of Directors of the Company in accordance with the Federal Law "On Joint-Stock Companies", such General Meeting of Shareholders needs to be held within 90 (ninety) days of the day on which the Board of Directors of the Company adopts the resolution to hold it.

Persons entitled to make motions to the agenda of the meeting (session) of the issuer's supreme management body and the procedure for making such motions:

Article 10.6 of the Articles of Association of the Company:

"10.6.1. The shareholder(s) of the Company owning a total of at least 2 (two) percent of voting shares in the Company shall be entitled to include issues in the agenda of the annual general meeting and propose candidates for election to the Board of Directors of the Company and the Internal Audit Commission of the Company not exceeding the number of members of the Company's body concerned. Such proposals shall be submitted to the Company within 60 (sixty) days from the fiscal year end.

10.6.2. If the proposed agenda of the extraordinary general meeting contains the issue related to the election of members of the Board of Directors of the Company to be elected by cumulative voting, the shareholder(s) of the Company owning a total of at least 2 (two) percent of voting shares in the Company shall be entitled to propose candidates for election to the Board of Directors of the Company not exceeding the number of members of the Board of Directors of the Company. Such proposals shall be submitted to the

Company not later than 30 (thirty) days prior to the date of the extraordinary general meeting.

10.6.3. The proposal for including issues in the agenda of the General Meeting of Shareholders of the Company and candidate proposal shall be submitted in writing and specify the name of the submitting shareholder(s), the quantity and category (type) of shares owned by them and shall be signed by the shareholder(s).

10.6.4. The proposal for including issues in the agenda of the General Meeting of Shareholders of the Company shall contain the wording of each proposed issue; candidate proposal, the name of each proposed candidate and the details of the identity document (passport series and/or number, date and place of issue, issuing authority) of each proposed candidate, name of the body for election to which he/she is proposed. The proposal for including issues in the agenda of the General Meeting of Shareholders may contain the wording of resolution on each proposed issue.”

Persons entitled to review the information (materials) submitted for the preparation and holding of the meeting (session) of the issuer’s supreme management body and the procedure for reviewing such information (materials):

In accordance with paragraph 3 of Article 52 of the Federal Law “On Joint-Stock Companies”, 20 days or (if the agenda of the General Meeting of Shareholders to be held contains the issue of reorganization of the Company) 30 days prior to the General Meeting of Shareholders information (materials) need(s) to be made available to the individuals entitled to participate in the General Meeting of Shareholders for review in the office of the Company’s executive body and other places at the addresses specified in the notice of the upcoming General Meeting of Shareholders.

The above-mentioned information (materials) need to be available to the individuals entitled to participate in the General Meeting of Shareholders during the meeting.

Upon request from the individual entitled to participate in the General Meeting of Shareholders, the Company is obliged to provide copies of the above-mentioned documents to such individual. The fee charged by the Company for the provision of these copies may not exceed costs in connection with making them.

Procedure for announcing (communicating to the issuer’s shareholders) the resolutions adopted by the supreme management body of the issuer and voting results:

In accordance with Article 10.13 of the Articles of Association of the Company, the resolutions adopted by the General Meeting of Shareholders and voting results are announced at the General Meeting of Shareholders. The voting summary is published in the *Izvestia* newspaper within ten (10) days from the voting report preparation.

8.1.4. Information Concerning For-Profit Organizations in Which the Issuer Owns at Least 5 Percent of Authorized (Share) Capital (Unit Trust) or at Least 5 Percent of Ordinary Shares

List of for-profit organizations in which the issuer as of the last date of the most recently closed reporting quarter owns at least 5 percent of authorized (share) capital (unit trust) or at least 5 percent of ordinary shares

1. Full corporate name: *Open Joint-Stock Company Federal Grid Company of Unified Energy System*

Short corporate name: *JSC FGC UES*

Location

Russia, 117630, Moscow, ul. Akademika Chelomeya, 5A

INN (Taxpayer Identification Number): ***4716016979***

OGRN (Principal State Registration Number): ***1024701893336***

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): ***80.13***

Percentage of ordinary shares held by the issuer in the joint-stock company (%): ***80.13***

Stake held by the entity in the authorized capital of the issuer (%): ***0***

Percentage of ordinary shares held by the entity in the issuer (%): ***0***

2. Full corporate name: *Joint Stock Company Tyumenenergo*

Short corporate name: *JSC Tyumenenergo*

Location

Russia, 628412, Surgut, Tyumen Region, Khanty-Mansijsk Autonomous District – Yugra, ul.

Universitetskaya, 4

INN (Taxpayer Identification Number): **8602060185**

OGRN (Principal State Registration Number): **1028600587399**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0.003061**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

3. Full corporate name: Yantarenergo Joint-Stock Company for Energy and Electrification

Short corporate name: ***JSC Yantarenergo***

Location

Russia, 236000, Kaliningrad, ul. Teatralnaya, 34

INN (Taxpayer Identification Number): **3903007130**

OGRN (Principal State Registration Number): **1023900764832**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

4. Full corporate name: Joint-Stock Company Karachaevo-Cherkesskenergo

Short corporate name: ***JSC Karachaevo-Cherkesskenergo***

Location

Russia, 369000, Karachay-Cherkess Republic, Cherkessk, ul. Osmana Kasayeva, 3

INN (Taxpayer Identification Number): **0901000327**

OGRN (Principal State Registration Number): **1020900510784**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0.000072**

Percentage of ordinary shares held by the entity in the issuer (%): **0.000073**

5. Full corporate name: Kalmenergosbyt Open Joint-Stock Company

Short corporate name: ***OAO Kalmenergosbyt***

Location

Russia, 358000, Republic of Kalmykia, Elista, ul. Lermontova, 7a

INN (Taxpayer Identification Number): **0814166090**

OGRN (Principal State Registration Number): **1050866787982**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

6. Full corporate name: Tyvaenergosbyt Open Joint-Stock Company

Short corporate name: ***OAO Tyvaenergosbyt***

Location

Russia, 667010, Republic of Tyva, Kyzyl, ul. Zavodskaya, 2a

INN (Taxpayer Identification Number): **1701040660**

OGRN (Principal State Registration Number): **1061701024065**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

7. Full corporate name: Joint-Stock Company Research Engineering Centre of IDGC

Short corporate name: **JSC REC IDGC**

Location

Russia, 105062, Moscow, ul. Chaplygina, 6

INN (Taxpayer Identification Number): **7701025510**

OGRN (Principal State Registration Number): **1027700051653**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

8. Full corporate name: Joint-Stock Company Association VNIPIENERGOPROM

Short corporate name: **JSC VNIPIENERGOPROM**

Location

Russia, 105094, Moscow, Semyonovskaya naberezhnaya, 2/1

INN (Taxpayer Identification Number): **7701027557**

OGRN (Principal State Registration Number): **1027739059248**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

9. Full corporate name: Special Design Bureau of Heat Power Engineering Equipment VTI Open Joint-Stock Company

Short corporate name: **OAO SKB VTI**

Location

Russia, 115280, Moscow, 3 Avtozavodsky pr., 4, korp. 1

INN (Taxpayer Identification Number): **7725055144**

OGRN (Principal State Registration Number): **1027700095444**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

10. Full corporate name: Opened Joint Stock Company Power Grid Optical Networks Engineering

Short corporate name: **JSC Power Grid Optical Networks Engineering**

Location

Russia, 115184, Moscow, ul. Bolshaya Tatarskaya, 35, str. 6

INN (Taxpayer Identification Number): **7705307770**

OGRN (Principal State Registration Number): **1027739252496**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0.000410**

Percentage of ordinary shares held by the entity in the issuer (%): **0.000415**

11. Full corporate name: VNIPIENERGOPROM Real Estate Open Joint-Stock Company

Short corporate name: **OAO VNIPIENERGOPROM Real Estate**

Location

Russia, 105094, Moscow, Semyonovskaya naberezhnaya, 2/1

INN (Taxpayer Identification Number): **7701761359**

OGRN (Principal State Registration Number): **1077763935545**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

12. Full corporate name: Engineering Center UES Real Estate Open Joint-Stock Company

Short corporate name: **OAO Engineering Center UES Real Estate**

Location

Russia, 125993, Moscow, Volokolamskoye sh., 2

INN (Taxpayer Identification Number): **7729589570**

OGRN (Principal State Registration Number): **1077763377834**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

13. Full corporate name: North-West Power Engineering Center Real Estate Open Joint-Stock Company

Short corporate name: **OAO North-West Power Engineering Center Real Estate**

Location

Russia, 191036, Saint Petersburg, Nevsky prospekt, 111/3

INN (Taxpayer Identification Number): **7842373711**

OGRN (Principal State Registration Number): **1079847125852**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

14. Full corporate name: Volga Power Engineering Center Real Estate Open Joint-Stock Company

Short corporate name: **OAO Volga Power Engineering Center Real Estate**

Location

Russia, 443001, Samara, ul. Samarskaya, 203B

INN (Taxpayer Identification Number): **5258073757**

OGRN (Principal State Registration Number): **1076315008703**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

15. Full corporate name: South Center of Power Engineering Real Estate Open Joint-Stock Company

Short corporate name: **OAo South Center of Power Engineering Real Estate**

Location

Russia, 344002, Rostov-on-Don, Prospekt Budennovsky, 2, korp. 105

INN (Taxpayer Identification Number): **2312144844**

OGRN (Principal State Registration Number): **1072312014521**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

16. Full corporate name: Urals Power Engineering Company Real Estate Open Joint-Stock Company

Short corporate name: **OAo Urals Power Engineering Company Real Estate**

Location

Russia, 620075, Yekaterinburg, ul. Pervomaiskaya, 56

INN (Taxpayer Identification Number): **6670192820**

OGRN (Principal State Registration Number): **1076670034682**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

17. Full corporate name: Siberian Energy Scientific and Technical Center Real Estate Open Joint-Stock Company

Short corporate name: **OAo Siberian Energy Scientific and Technical Center Real Estate**

Location

Russia, 630132, Novosibirsk, prospekt Dimitrova, 7

INN (Taxpayer Identification Number): **5407044385**

OGRN (Principal State Registration Number): **1075407032755**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **100**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **100**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

18. Full corporate name: Interregional Distribution Grid Company of Volga, Joint-Stock Company

Short corporate name: **IDGC of Volga, JSC**

Location

Russia, 410031, Saratov, ul. Pervomaiskaya, 42/44

INN (Taxpayer Identification Number): **6450925977**

OGRN (Principal State Registration Number): **1076450006280**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **67.63**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **67.63**

Stake held by the entity in the authorized capital of the issuer (%): **0.000006**

Percentage of ordinary shares held by the entity in the issuer (%): **0.000006**

19. Full corporate name: Interregional Distribution Grid Company of North-West, Joint Stock Company

Short corporate name: **IDGC of North-West**

Location

Russia, 188300, Leningrad Region, Gatchina, ul. Sobornaya, 31

INN (Taxpayer Identification Number): **7802312751**

OGRN (Principal State Registration Number): **1047855175785**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **55.38**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **55.38**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

20. Full corporate name: Interregional Distribution Grid Company of Urals, Joint Stock Company

Short corporate name: **IDGC of Urals, JSC**

Location

Russia, 620026, Yekaterinburg, ul. Mamina-Sibiriyaka, 140

INN (Taxpayer Identification Number): **6671163413**

OGRN (Principal State Registration Number): **1056604000970**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **51.52**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **51.52**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

21. Full corporate name: Interregional Distribution Grid Company of Siberia, Joint Stock Company

Short corporate name: **IDGC of Siberia, JSC**

Location

Russia, 660021, Krasnoyarsk, ul. Bograda, 144a

INN (Taxpayer Identification Number): **2460069527**

OGRN (Principal State Registration Number): **1052460054327**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **55.59**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **55.59**

Stake held by the entity in the authorized capital of the issuer (%): **0.000323**

Percentage of ordinary shares held by the entity in the issuer (%): **0.000327**

22. Full corporate name: Interregional Distribution Grid Company of South, Joint Stock Company

Short corporate name: **IDGC of South, JSC**

Location

Russia, 344002, Rostov-on-Don, ul. Bolshaya Sadovaya, 49

INN (Taxpayer Identification Number): **6164266561**

OGRN (Principal State Registration Number): **1076164009096**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **51.66**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **51.66**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

23. Full corporate name: Interregional Distribution Grid Company of Centre, Joint-Stock Company

Short corporate name: **IDGC of Centre, JSC**

Location

Russia, 127018, Moscow, 2-ya Yamskaya, 4

INN (Taxpayer Identification Number): **6901067107**

OGRN (Principal State Registration Number): **1046900099498**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **50.23**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **50.23**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

24. Full corporate name: Interregional Distribution Grid Company of Center and Volga Region, Joint Stock Company

Short corporate name: **IDGC of Center and Volga Region, JSC**

Location

Russia, 603950, Nizhni Novgorod, ul. Rozhdestvenskaya, 33

INN (Taxpayer Identification Number): **5260200603**

OGRN (Principal State Registration Number): **1075260020043**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **50.40**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **50.40**

Stake held by the entity in the authorized capital of the issuer (%): **0.001275**

Percentage of ordinary shares held by the entity in the issuer (%): **0.001292**

25. Full corporate name: Interregional Distribution Grid Company of Northern Caucasus, Joint-Stock Company

Short corporate name: **IDGC of Northern Caucasus, JSC**

Location

Russia, 357506, Stavropol Territory, Pyatigorsk, village of Energetik, ul. Podstantsionnaya, 18

INN (Taxpayer Identification Number): **2632082033**

OGRN (Principal State Registration Number): **1062632029778**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **92.00**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **92.00**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

26. Full corporate name: JOINT-STOCK COMPANY LENENERGO

Short corporate name: **JSC LENENERGO**

Location

Russia, 196247, Saint Petersburg, Ploshchad Konstitutsii, 1

INN (Taxpayer Identification Number): **7803002209**

OGRN (Principal State Registration Number): **1027809170300**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **49.36**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **53.41**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

27. Full corporate name: Joint-Stock Company Moscow United Electric Grid Company

Short corporate name: **JSC MOESK**

Location

Russia, 115114, Moscow, 2-y Paveletsky proezd, 3, str. 2

INN (Taxpayer Identification Number): **5036065113**

OGRN (Principal State Registration Number): **1057746555811**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **50.90**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **50.90**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

28. Full corporate name: Kuban Power and Electrification Open Joint Stock Company

Short corporate name: **Kubanenergo**

Location

Russia, 350033, Krasnodar, ul. Stavropolskaya, 2

INN (Taxpayer Identification Number): **2309001660**

OGRN (Principal State Registration Number): **1022301427268**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **92.24**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **92.24**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

29. Full corporate name: Joint-Stock Company Tomsk Distribution Company

Short corporate name: **JSC TDC**

Location

Russia, 634041, Tomsk, pr. Kirova, 36

INN (Taxpayer Identification Number): **7017114672**

OGRN (Principal State Registration Number): **1057000127931**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **85.77**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **94.58**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

30. Full corporate name: Chechenenergo, Joint-Stock Company

Short corporate name: **Chechenenergo, JSC**

Location

Russia, 364051, Chechen Republic, Grozny, Staropromyslovskoye shosse, 6

INN (Taxpayer Identification Number): **2016081143**

OGRN (Principal State Registration Number): **1082031002503**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **51.00**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **51.00**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

31. Full corporate name: Kabardino-Balkaria Energy and Electrification Company, Joint-Stock Company

Short corporate name: **Kabbalkenergo, JSC**

Location

Russia, 360000, Kabardino-Balkarian Republic, Nalchik, ul. Shchorsa, 6

INN (Taxpayer Identification Number): **0711008455**

OGRN (Principal State Registration Number): **1020700746901**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **65.27**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **68.42**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

32. Full corporate name: Dagestan Energy Supply Company, Joint-Stock Company

Short corporate name: **Dagestan Energy Supply Company, JSC**

Location

Russia, 367020, Republic of Dagestan, Makhachkala, ul. Dakhadaeva, 73

INN (Taxpayer Identification Number): **0541031172**

OGRN (Principal State Registration Number): **1050562009926**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **51.00**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **51.00**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

33. Full corporate name: Ingushenergo, Joint-Stock Company

Short corporate name: **Ingushenergo, JSC**

Location

Russia, 366720, Republic of Ingushetia, Nazran, ul. Mutaliev, 23

INN (Taxpayer Identification Number): **0602013494**

OGRN (Principal State Registration Number): **1020600986042**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **49.00**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **49.00**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

34. Full corporate name: Sevkavkazenergo Energy and Electrification Company, Joint-Stock Company

Short corporate name: **Sevkavkazenergo, JSC**

Location

Russia, 362040, Republic of North Ossetia-Alania, Vladikavkaz, ul. Tamaeva, 19

INN (Taxpayer Identification Number): **1502002701**

OGRN (Principal State Registration Number): **1021500580090**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **49.00**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **49.00**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

35. Full corporate name: Joint Stock Company NURENERGO

Short corporate name: **NURENERGO, JSC**

Location

Russia, 364000, Chechen Republic, Grozny, Staropromyslovskoye shosse, 6

INN (Taxpayer Identification Number): **2020004046**

OGRN (Principal State Registration Number): **1022002546136**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **23.00**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **23.00**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

36. Full corporate name: Grozenergo Open Joint-Stock Company for Energy and Electrification of the Chechen Republic

Short corporate name: **AO Grozenergo**

Location

Russia, 364000, Grozny, Staropromyslovskoye shosse, 6

INN (Taxpayer Identification Number): **2020000186**

OGRN (Principal State Registration Number): **1022002551944**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **49.00**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **49.00**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

37. Full corporate name: JOINT STOCK COMPANY NORTH-WEST ENERGY MANAGING COMPANY

Short corporate name: **JSC NWEMC**

Location

Russia, 191186, Saint Petersburg, Marsovo pole, 1

INN (Taxpayer Identification Number): **7841322263**

OGRN (Principal State Registration Number): **1057812496873**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **49.00**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **57.40**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

38. Full corporate name: Joint-Stock Company G. M. Krzhizhanovsky Power Engineering Institute

Short corporate name: **JSC ENIN**

Location

Russia, 119991, Moscow, Leninsky prospekt, 19

INN (Taxpayer Identification Number): **7725054454**

OGRN (Principal State Registration Number): **1027739431752**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **31.34**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **31.34**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

39. Full corporate name: Joint Stock Company North-West Power Engineering Center

Short corporate name: **ОАО СевЗап NTC**

Location

Russia, 191036, Saint Petersburg, Nevsky prospekt, 111/3

INN (Taxpayer Identification Number): **7808042325**

OGRN (Principal State Registration Number): **1027809176196**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **25 plus one share**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **25 plus one share**
Stake held by the entity in the authorized capital of the issuer (%): **0**
Percentage of ordinary shares held by the entity in the issuer (%): **0**

40. Full corporate name: Joint-Stock Company Volga Power Engineering Center

Short corporate name: **JSC VPEC**

Location

Russia, 443001, Samara, ul. Samarskaya, 203B

INN (Taxpayer Identification Number): **6315347487**

OGRN (Principal State Registration Number): **1026300964425**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **25 plus one share**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **25 plus one share**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

41. Full corporate name: Urals Power Engineering Company Joint-Stock Company – URALVNIPIENERGOPROM, Uralseenergoproekt, UralTEP, UralORGRES, UralVTI, Uralenergoproekt, Chelyabenergoproekt

Short corporate name: **Urals Power Engineering Company**

Location

Russia, 620075, Yekaterinburg, ul. Pervomaiskaya, 56

INN (Taxpayer Identification Number): **6660002245**

OGRN (Principal State Registration Number): **1026604943683**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **25 plus one share**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **25 plus one share**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

42. Full corporate name: Joint-Stock Company ZARUBEZHENERGOSTROY

Short corporate name: **OAO ZES**

Location

Russia, 101928, Moscow, Potapovsky per., 5, str. 3

INN (Taxpayer Identification Number): **7701033416**

OGRN (Principal State Registration Number): **1027700348169**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **9.51**

Percentage of ordinary shares held by the issuer in the joint-stock company (%): **9.51**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

43. Full corporate name: IT Energy Service Limited Liability Company

Short corporate name: **OOO IT Energy Service**

Location

Russia, 119526, Moscow, prospekt Vernadskogo, korp. 3, office S-214

INN (Taxpayer Identification Number): **7729403949**

OGRN (Principal State Registration Number): **1037700018751**

Stake held by the issuer in the authorized (share) capital (unit trust) of the for-profit organization (%): **19.99**

Stake held by the entity in the authorized capital of the issuer (%): **0**

Percentage of ordinary shares held by the entity in the issuer (%): **0**

8.1.5. Information Concerning Material Transactions Completed by the Issuer

In 2013

Material transactions (groups of interrelated transactions) if the obligations under each of them account for 10 percent or more of the book value of the issuer's assets according to its accounting statements for the most recent reporting quarter preceding the transaction date

Transaction date: **June 17, 2013**

Type and subject matter of the transaction:

Agreement for the Procedure for Controlling and Voting Shares in JSC FGC UES.

Content of the transaction, including the civic rights and obligations whose establishment, change, or termination arise out of the transaction:

Under the Shareholders' Agreement, the parties agree to exercise JSC FGC UES shareholders' rights represented by shares in JSC FGC UES and participate in managing JSC FGC UES in accordance with the terms and conditions of the Shareholders' Agreement.

Deadline for fulfilling the transaction obligations: **The Agreement remains in full force and effect until the parties to the Agreement perform all of their respective obligations.**

Parties and beneficiary parties to the transaction: **the Federal Agency for State Property Management of the Russian Federation and Joint Stock Company Russian Grids.**

Transaction value in money terms: **The price of the Shareholders' Agreement (not in relation to the direct or indirect acquisition, disposal, or possible disposal of the property by the Company) is equal, as determined by the Board of Directors of the Company in accordance with Article 77 of the Federal Law "On Joint-Stock Companies," to the price (market value appraised in money terms) of shares in JSC FGC UES that represent the rights covered by the Shareholders' Agreement between the parties. The price of shares in JSC FGC UES is 286,193,951 rubles x 1,000.**

Transaction value as a percentage of the issuer's asset value: **179.78**

Issuer's asset value as of the last date or the reporting period (quarter, year) preceding the transaction (the date of the agreement) and covered by the accounting statements under the laws of the Russian Federation: **159,194,312 rubles x 1,000**

The transaction is a related party transaction of the issuer

Transaction approval information

Management body of the issuer that adopted the decision to approve the transaction: **General Meeting of Shareholders (Members)**

Date of the decision to approve the transaction: **May 6, 2013**

Date of the minutes of the meeting of the issuer's authorized management body that adopted the decision to approve the transaction: **May 8, 2013**

Number of the minutes of the meeting of the issuer's authorized management body that adopted the decision to approve the transaction: **N/A**

In the reporting quarter

The above-mentioned transactions were not completed during this period.

8.1.6. Information Concerning the Issuer's Credit Ratings

If the issuer and/or the issuer's securities have any credit rating(s), information concerning each credit rating known to the issuer to be specified for the most recently closed fiscal year and for the period from the first date of the current year to the last date of the reporting quarter:

Rating applicable to: **issuer**

Credit rating agency

Full corporate name: **Moody's Investors Service**

Short corporate name: **Moody's**

Location: **registered at 7 World Trade Center at 250 Greenwich Street, New York, NY 10007, USA**

Description of credit rating methodologies or the webpage where information about credit rating methodologies is freely accessible (published):

<http://www.moodys.com> in the section "Rating methodologies"

Credit rating as of the last date of the reporting quarter: **Ba1 (outlook: stable) on the global scale; Aa1.ru (outlook: stable) on the national scale**

History of changes in the credit rating in the most recently closed fiscal year preceding the last date of the reporting quarter and over the period from the first date of the current year to the last date of the reporting quarter, specifying the credit rating value and the date when the credit rating is assigned (changed)

Rating Date	Credit Rating Value
July 14, 2010	Ba1/Aa1

In the first quarter of 2014, Moody's revised the rating outlook from developing to stable.

Rating applicable to: **issuer**

Credit rating agency

Full corporate name: **Standard and Poor's**

Short corporate name: **Standard and Poor's**

Location: **registered at 20 Canada Square, Canary Wharf, London, E14 5LH, United Kingdom / Russia, 125009, Moscow, ul. Vozdvizhenka, 4/7, str. 2, Mokhovaya Business Center**

Description of credit rating methodologies or the webpage where information about credit rating methodologies is freely accessible (published):

http://www.standardandpoors.com/ru_RU/web/guest/home in the section "Criteria and methodology"

Credit rating as of the last date of the reporting quarter: **Long-term foreign currency credit rating: BBB- (outlook: negative); long-term local currency credit rating: BBB- (outlook: negative); short-term foreign currency credit rating: A-3; short-term local currency credit rating: A-3; long-term national scale credit rating: ruAAA**

History of changes in the credit rating in the most recently closed fiscal year preceding the last date of the reporting quarter and over the period from the first date of the current year to the last date of the reporting quarter, specifying the credit rating value and the date when the credit rating is assigned (changed)

Rating Date	Credit Rating Value
March 27, 2014	BBB-/A-3/ruAAA

8.2. Information About Each Category (Type) of the Issuer's Shares

Category of shares: **ordinary shares**

Par value per share (rubles): **1**

Quantity of outstanding shares (quantity of shares which were neither redeemed nor canceled):

161,078,853,310

Quantity of additional shares that can be placed or are in the process of being placed (quantity of shares of the additional issue that received state registration but, in relation to which, the additional issue report did not receive state registration or the notice of the additional issue results was not given if, in accordance with the Federal Law "On the Securities Market," the additional issue report is not subject to state registration): **0**

Quantity of authorized shares: **57,234,889,930**

Quantity of shares made available to (recorded on the balance sheet) of the issuer: **0**

Quantity of additional shares which may be offered as a result of conversion of outstanding securities

convertible into shares or performing obligations related to the issuer's options: 0

Issues of this category (type) of shares:

Date of State Registration	State Registration Number of the Issue
July 29, 2008	1-01-55385-E
May 6, 2010	1-01-55385-E-001D (added to the principal issue)
November 10, 2011	1-01-55385-E-002D (added to the principal issue)
December 3, 2012	1-01-55385-E-003D (added to the principal issue)
June 4, 2013	1-01-55385-E

Rights of owners of these shares:

Each ordinary share of the Company shall have the same par value and provide its holder with the same scope of rights.

In accordance with paragraph 5.2 of Article 5 of the Articles of Association of the Company, shareholders owning ordinary shares in the Company have the following rights:

take part in the Company's General Meeting of Shareholders with a right to vote on all issues falling within its competence in person or by proxy;

dispose of the shares that they hold without the consent of the other shareholders or the Company;

receive a portion of the net profit (dividends) to be distributed among shareholders in accordance with the procedure provided for in the laws of the Russian Federation and the Company's Articles of Association;

access the Company's documents in accordance with the procedure provided for in the laws of the Russian Federation and the Company's Articles of Association;

request that the Company buy back all or some of the shares that they hold where specified by the laws of the Russian Federation;

enjoy the preemptive right if the Company makes a public placement of additional shares or issue-grade securities convertible into shares in proportion to the quantity of shares of that category (type) that they hold where specified by the laws of the Russian Federation;

receive some of the Company's property (liquidation value) in accordance with the procedure provided for in the laws of the Russian Federation and the Company's Articles of Association;

exercise other rights specified by the laws of the Russian Federation, the Articles of Association, and decisions adopted by the General Meeting of Shareholders within its competence.

Conversion of ordinary shares into preference shares, bonds or any other securities shall not be permitted.

Other information about the shares specified by the issuer at its discretion:

Category of shares: *preference shares*

Type of shares:

Par value per share (rubles): 1

Quantity of outstanding shares (quantity of shares which were neither redeemed nor canceled): **2,075,149,384**

Quantity of additional shares that can be placed or are in the process of being placed (quantity of shares of the additional issue that received state registration but, in relation to which, the additional issue report did not receive state registration or the notice of the additional issue results was not given if, in accordance with the Federal Law "On the Securities Market," the additional issue report is not subject to state registration): 0

Quantity of authorized shares: 0

Quantity of shares made available to (recorded on the balance sheet) of the issuer: 0

Quantity of additional shares which may be offered as a result of conversion of outstanding securities convertible into shares or performing obligations related to the issuer's options: 0

Issues of this category (type) of shares:

Date of State	State Registration Number of the Issue
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Registration	
July 29, 2008	2-01-55385-E

Rights of owners of these shares:

In accordance with paragraph 5.3 of Article 5 of the Company's Articles of Association, each preference share of the Company shall have the same par value and provide its holder with the same scope of rights.

Preference share holders shall be entitled to a fixed annual dividend. The total amount to be paid as a dividend on each preference share shall be equal to ten (10) percent of the Company's net profit for the financial year divided by the number of shares constituting twenty-five (25) percent of the Company's authorized capital. If the amount of dividends payable by the Company on each ordinary share in a certain year exceeds the amount payable as a dividend on each preference share, the size of the dividend payable on the latter shall be increased to the size of the dividend payable on ordinary shares.

Dividends shall be paid to preference share holders annually within time periods specified by the Company's General Meeting of Shareholders, but not later than 60 days after the decision to pay such dividends is adopted, and, additionally, on the date of dividend payment for ordinary shares if, subject to this paragraph, the size of the dividend on preference shares shall be increased to the size of the dividend payable on ordinary shares. The Company may not give preference to any holders of shares of a specific category (type). Declared dividends on shares of each category (type) shall be paid simultaneously to all holders of shares of such category (type).

In accordance with paragraph 5.6 of Article 5 of the Company's Articles of Association, preference share holders shall be entitled to attend General Meetings of Shareholders with a right to vote on all issues falling within its competence, starting from the meeting following the Annual General Meeting of Shareholders which, for any reason, does not decide to pay dividends or decides to pay partial dividends on preference shares. Preference share holders' right to attend General Meetings of Shareholders shall terminate from the date of the first full payment of dividends on such shares.

Preference share holders shall attend the Company's General Meeting of Shareholders with a right to vote in deciding issues pertaining to the Company's reorganization and liquidation. Preference share holders shall acquire a right to vote when the Company's General Meeting of Shareholders discusses amendments to the Company's Articles of Association restricting the rights of holders of preference shares of such type and providing holders of preference shares of other types with advantages in terms of dividend payment priority and/or liquidation value of shares (paragraph 5.7 of Article 5 of the Articles of Association of the issuer).

The Company's shareholders shall have the preemptive right to acquire publicly placed additional shares of the Company and issue-grade securities convertible into the Company's shares in proportion to the number of their shares of that category (type).

The Company's shareholders who vote against or do not participate in the voting on any private placement of the Company's shares or issue-grade securities convertible into the Company's shares shall have the preemptive right to acquire additional shares and issue-grade securities convertible into the Company's shares and placed privately in proportion to the number of their shares of that category (type). The said right shall not apply to the private placement of shares and other issue-grade securities convertible into shares among the existing shareholders only if the shareholders may acquire a whole number of such shares or any other issue-grade securities convertible into shares in proportion to the number of their shares of the relevant category (type).

In the event that the Company is liquidated, the Company's property remaining after the creditors' claims are met shall be used for payments in the following order of priority:

first, payments for shares which shall be bought back pursuant to Article 75 of the Federal Law "On Joint-Stock Companies";

second, payment of accrued and unpaid dividends on preference shares and the liquidation value payable in relation to preference shares as specified in the Articles of Association of the Company;

third, distribution of the property among ordinary share holders and holders of all types of preference shares.

Other information about the shares specified by the issuer at its discretion:

8.3. Information Concerning the Previous Issues of Issue-Grade Securities of the Issuer Other than Shares

8.3.1. Information Concerning the Issues All of Whose Securities Were Redeemed

Type of security: *bonds*

Form of security: *certificated bearer bonds*

Series: *01*

inconvertible interest-bearing certificated bearer bonds, Series 01, subject to mandatory centralized custody.

Name of the registration agency(ies) that conducted the state registration of the issue (additional issue) of securities: Federal Financial Markets Service of the Russian Federation.

State registration number of the issue: *4-01-55385-E*

State registration date of the issue: *May 13, 2010*

Registration agency that conducted the state registration of the issue: *Federal Financial Markets Service of the Russian Federation*

Additional issues of securities: *None*

Quantity of securities of the issue: *5,000,000*

Par value of each security of the issue, rubles: *1,000*

Total par value of the issue, rubles: *5,000,000,000*

Maturity (redemption date) of the issue of securities: *May 13, 2011*

Rationale for redeeming the issue of securities: *the issue of securities is held abortive*

Type of security: *bonds*

Form of security: *certificated bearer bonds*

Series: *02*

inconvertible interest-bearing certificated bearer bonds, Series 02, subject to mandatory centralized custody.

Name of the registration agency(ies) that conducted the state registration of the issue (additional issue) of securities: Federal Financial Markets Service of the Russian Federation.

State registration number of the issue: *4-02-55385-E*

State registration date of the issue: *May 13, 2010*

Registration agency that conducted the state registration of the issue: *Federal Financial Markets Service of the Russian Federation*

Additional issues of securities: *None*

Quantity of securities of the issue: *7,000,000*

Par value of each security of the issue, rubles: *1,000*

Total par value of the issue, rubles: *7,000,000,000*

Maturity (redemption date) of the issue of securities: *May 13, 2011*

Rationale for redeeming the issue of securities: *the issue of securities is held abortive*

8.3.2. Information Concerning Issuances Securities from Which Are Outstanding

N/A

8.4. Information Concerning the Person(s) That Provided Collateral for Collateralized Bonds of the Issuer and Concerning the Conditions for Securing the Performance of Obligations with Respect to Collateralized Bonds of the Issuer

The issuer did not apply for registration of the prospectus for collateralized bonds; the collateralized bonds were not admitted for trading on the stock exchange.

8.4.1. Conditions for Securing the Performance of Obligations with Respect to Mortgage-

Backed Bonds

The issuer has not offered any mortgage-backed bonds with pending obligations.

8.5. Information Concerning Entities Recording the Rights to the Issue-Grade Securities of the Issuer

Entity maintaining the register of owners of the issue-grade securities of the issuer: *registrar*

Registrar details

Full corporate name: *STATUS Registration Company (Closed Joint-Stock Company)*

Short corporate name: *ZAO STATUS*

Location: *Russia, 109544, Moscow, ul. Novorogozhskaya, d. 32, str. 1.*

INN (Taxpayer Identification Number): *7707179242*

OGRN (Principal State Registration Number): *1027700003924*

Details of the license to perform activities related to maintaining the register of securities owners

Number: *10-000-1-00304*

Issued on: *March 12, 2004*

Valid until:

Issued for an indefinite term

Issuing authority: *Federal Financial Markets Service of the Russian Federation*

The registrar has maintained the register of owners of the issuer's securities since: *July 1, 2008*

Information about ZAO STATUS and transfer agents is available on the Company's website ("Information About the Registrar of the Company") at <http://www.rosseti.ru/investors/information/>.

8.6. Information Concerning Legislative Acts Governing Capital Import/Export Aspects Which May Affect Dividend, Interest and Other Payments to Nonresidents

- Tax Code of the Russian Federation.
- Federal Law of the Russian Federation No. 208-FZ of December 26, 1995, "On Joint-Stock Companies."
- Federal Law of the Russian Federation No. 173-FZ of December 10, 2003, "On Currency Regulation and Currency Control."
- Federal Law of the Russian Federation No. 39-FZ of April 22, 1996, "On the Securities Market."
- Federal Law of the Russian Federation No. 86-FZ of July 10, 2002, "On the Central Bank of the Russian Federation (Bank of Russia)."
- Federal Law of the Russian Federation No. 115-FZ of August 7, 2001, "On Anti-Money Laundering and Combating the Financing of Terrorism."
- Federal Law of the Russian Federation No. 160-FZ of July 9, 1999, "On Foreign Investment in the Russian Federation."
- Federal Law of the Russian Federation No. 39-FZ of February 25, 1999, "On Investing Activities in the Russian Federation in the Form of Foreign Capital Investments."
- Federal Law of the Russian Federation No. 57-FZ of April 29, 2008, "On the Procedure for Facilitating Foreign Investment in Legal Entities Having Strategic Importance for National Defense and State Security."
- Federal Law of the Russian Federation No. 46-FZ of March 5, 1999, "On the Protection of Rights and Legitimate Interests of Investors in the Securities Market."
- Decree of the President of the Russian Federation No. 1184 of June 10, 1994, "On the Improvement of Operation of the Banking System of the Russian Federation."
- Decree of the President of the Russian Federation No. 1924 of November 17, 1993, "On Activities of

Foreign Banks and Joint Banks with Nonresident Participation in the Russian Federation.”

- Regulation of the Central Bank of the Russian Federation No. 269-P of May 4, 2005, “On Bank Accounts Opened by the Bank of Russia for Nonresidents in the Currency of the Russian Federation and on Transactions Conducted Through Such Accounts.”
- International conventions of the Russian Federation on double taxation avoidance.
- Instruction of the Bank of Russia No. 138-I of June 4, 2012, “On the Procedure for the Submission by Residents and Nonresidents of Documents and Information to Authorized Banks in Relation to Currency Operations, on the Procedure for Issuing Transaction Certificates, and on the Procedure for Accounting for and Supervising Currency Operations by Authorized Banks.”

8.7. Description of the Procedure for Taxation of Income from the Issue-Grade Securities (Being) Placed by the Issuer

The taxation of income from the issue-grade securities (to be) placed by the issuer is governed by the Tax Code of the Russian Federation (hereinafter also referred to as the “TC”) and other legal regulations of the Russian Federation enacted in accordance with the Tax Code of the Russian Federation.

Tax Rates

Type of Income	Corporate Entities		Individuals	
	Residents	Nonresidents	Type of Income	Residents
Income from the sale of securities	20% (including: 2% to the federal budget; 18% to the budget of the constituent entity)	20% (subparagraph 1 of paragraph 320 of Article 284 of the TC of the Russian Federation)	13%	30%
Dividend income from Russian entities	0% (subparagraph 1 of paragraph 3 of Article 284 of the TC of the Russian Federation) and 9% (subparagraph 2 of paragraph 3 of Article 284 of the TC of the Russian Federation)	15% (subparagraph 3 of paragraph 3 of Article 284 of the TC of the Russian Federation)	9%	15%

Procedure for the taxation of individuals.

Tax type: income tax.

Income from sources in the Russian Federation includes:

- dividends and interest received from the Russian entity and interest received from Russian self-employed entrepreneurs and/or foreign entity with respect to the activities of its separate division in the Russian Federation;

- income from the sale in the Russian Federation of shares or other securities and stakes in the authorized capital of entities.

Tax base.

The taxpayer’s income in the form of monetary benefit is the monetary benefit from purchasing securities. Tax base is determined as the market value of securities adjusted for the margin of fluctuation of the market price of securities exceeding the sum of actual expenses incurred by the taxpayer in connection with purchasing securities. The procedure for determining the market price of securities and the margin of fluctuation of the market price of securities is prescribed by the federal executive authority in charge of the securities market upon agreement with the Ministry of Finance of the Russian Federation.

The tax base for income from operations involving securities is adjusted for income from the following operations:

- purchase and sale of securities traded in the organized securities market;
- purchase and sale of securities not traded in the organized securities market.

Securities traded in the organized securities market are as follows:

- securities admitted to a Russian securities trading institutor's trading, including on stock exchanges;
- investment shares in open-end unit investment funds managed by Russian management companies;
- securities issued by foreign entities and admitted to trading on foreign stock exchanges.

The financial result of securities transactions is defined as income from transactions less properly documented expenses actually incurred by the taxpayer in connection with the acquisition, sale, and storage of securities.

The above-mentioned expenses include:

- amounts payable to the issuer of securities (management company of a unit investment fund) as payment for placed (delivered) securities, and amounts payable under a securities purchase agreement, including coupon amounts;
- payment for services provided by professional participants in the securities market, stock exchange intermediaries, and clearing centers;
- expenses reimbursable to a professional participant in the securities market or a management company engaged in asset management related to a unit investment fund;
- stock exchange fee (commission);
- payment for the registrar's services;
- tax paid by the taxpayer on securities received by virtue of inheritance;
- tax paid by the taxpayer on shares and stakes received by virtue of gift in accordance with paragraph 18.1 of Article 217 of the Tax Code;
- interest paid by the taxpayer on loans and advances taken to conduct securities transactions within the limits calculated, if such loans and advances are denominated in Russian rubles, at the refinancing rate of the Bank of Russia as of the interest payment date increased 1.1-fold or, if such loans and advances are denominated in foreign currency, at 9 percent;
- other expenses directly associated with securities transactions or forward transaction instruments, and transactions associated with services provided by professional participants in the securities market or management companies engaged in asset management related to unit investment funds as part of their professional activities.

In this connection, any expenses that cannot be directly attributed to a reduction in income from transactions involving securities traded or not traded in the organized securities market or to a reduction in the relevant type of income are distributed in proportion to the share of each type of income.

Any negative financial result produced in the tax period with respect to specific securities transactions reduces the financial result in the tax period as an aggregate of the relevant transactions.

In this connection, in the case of transactions involving securities traded in the organized securities market, the amount of the negative financial result reducing the financial result of transactions involving securities traded in the organized securities market is determined taking account of the ceiling and bottom values of the fluctuating market price of securities.

Any negative financial result produced in the tax period with respect to specific transactions involving securities that are not traded in the organized securities market but, at the time of their acquisition, were regarded as traded in the organized securities market may reduce the financial result produced in the tax period with respect to transactions involving securities that are traded in the organized securities market.

Any negative financial result related to an aggregate of transactions is recognized as a loss. Losses related to securities are accounted for in accordance with the procedure provided for in Articles 214.1 and 220.1 of the Tax Code.

The date of actual income receipt is defined as the day of:

- payment of income, including the crediting of income to the taxpayer's bank accounts or, on the taxpayer's instructions, to third party accounts (when income is received in cash);
- acquisition of securities (where income is received as financial benefit).

The tax base for securities transactions is determined upon the expiration of the tax period.

The tax agent determines the tax base for the taxpayer in relation to all kinds of income from transactions conducted by the tax agent in favor of the taxpayer.

The tax amount is assessed, withheld, and paid, less the relevant expenses, by the tax agent upon expiration of the tax period or before the expiration of the tax period or before the expiration of the asset management agreement in accordance with the procedure set forth in Chapter 23 of the Tax Code.

If it is not possible to withhold from the taxpayer any assessed tax amount, whether in full or in part, then the tax agent should, within one month after this event occurs, notify in writing the tax authority having jurisdiction over its domicile that it is not possible to withhold such tax and of the taxpayer's tax arrears. In such case, tax should be paid in accordance with Article 228 of the Tax Code

Procedure for the taxation of corporate entities.

Tax type: profit tax.

Income includes:

- revenue from the sale of securities (sales income);
- nonoperating income in the form of interest income and coupon income from securities and/or stakes in other entities.

Tax base.

The taxpayer's income from transactions related to the sale or any other disposal of securities (including redemption) is determined based on the price of sale or any other disposal of a security, plus the amount of accumulated interest (coupon) income paid by the buyer to the taxpayer and the amount of interest (coupon) income paid to the taxpayer by the issuer (maker). However, the taxpayer's income from the sale or any other disposal of securities should not include any amount of interest (coupon) income that has already been recognized for tax purposes.

Expenses in connection with the sale (or any other disposal) of securities are determined based on the security acquisition price (including expenses in connection with its acquisition), costs in connection with its sale, and the amount of discounts on the calculated value of investment units and on the value of accumulated interest (coupon) income paid by the taxpayer to the security seller.

Securities are recognized as traded in the organized securities market, provided that all of the following conditions are fulfilled:

- 1) they are admitted to trading by at least one trading institutor authorized by national laws;
- 2) information about their prices (quotations) is published in the mass media (including electronic media) or can be provided by the trading institutor or any other duly authorized entity to any person concerned within three years of the date transactions involving securities are completed;
- 3) over the past three months preceding the date when the taxpayer completes the transaction involving such securities, their market quotation has been calculated where provided for by the applicable laws.

The market price of securities traded in the organized securities market for tax purposes is the actual price of sale or any other disposal of securities if this price is between the bottom and ceiling prices of transactions (price range) involving the above-mentioned security registered by the trading institutor in the securities market on the date of such transaction. If any securities traded in the organized securities market are sold (acquired) at a price lower than the bottom price (higher than the ceiling price) of transactions in the organized securities market, then the bottom (ceiling) price of a transaction in the organized securities market is used for determining the financial result.

With respect to any securities that are not traded in the organized securities market, the actual transaction price is recognized as such for tax purposes if such price is within the bottom and ceiling prices determined based on the calculated security price and on the maximum price deviation.

The maximum security price deviation related to securities that are not traded in the organized securities market is 20 percent more or less than the calculated security price.

If any securities that are not traded in the organized securities market are sold (acquired) at a price lower than the bottom price (higher than the ceiling price) determined based on the calculated security price and on the maximum price deviation, then, the determination of the financial result for tax purposes uses the bottom (ceiling) price determined based on the calculated security price and on the maximum price deviation.

For the purposes of this chapter, the procedure for determining the calculated price of securities that are not traded in the organized securities market is prescribed by the federal executive authority in charge of the securities market upon agreement with the Ministry of Finance of the Russian Federation. The calculated price of securities that are not traded in the organized securities market is determined in accordance with the procedure specified in Order of the Federal Financial Markets Service of the Russian Federation No. 10-66/pz-n of November 9, 2010.

The methods used by the issuer for determining the calculated price of securities that are not traded in the organized securities market are contained in paragraph 20.3.4.4 of the Accounting Policy.

In this connection, taxpayers (with the exception of professional participants in the securities market involved in dealer activities) determine the tax base for transactions involving securities that are traded in the organized securities market separately from the tax base for transactions involving securities that are not traded in the organized securities market.

In the case of the sale or any other disposal of securities, the taxpayer selects, at its discretion, either of the following methods of expensing the value of securities disposed of in accordance with the accounting policy adopted for tax purposes:

- 1) based on the value of first-in acquisitions (FIFO); or
- 2) based on the unit value.

In accordance with the issuer's accounting policy, the value of securities disposed of is expensed as follows:

- 1) in the case of issue-grade securities (shares, bonds, etc.), based on the value of first-in acquisitions (FIFO); or
- 2) in the case of non-issue-grade securities (notes, deeds of pledge, checks, etc.), based on the unit value

Taxpayers that incur any loss(es) from transactions involving securities in the previous tax period(s) are entitled to reduce the tax base for transactions involving securities in the reporting (tax) period (carry forward the above-mentioned losses) in accordance with the procedure and upon the terms and conditions provided for in Article 283 of the Tax Code.

In this connection, any losses from transactions involving securities that are not traded in the organized securities market incurred in the previous tax period(s) may be used to reduce the tax base for transactions involving such securities, which tax base is determined in the reporting (tax) period. Losses from transactions involving securities that are traded in the organized securities market incurred in the previous tax period(s) may be used to reduce the tax base from transactions related to the sale of this category of securities.

During the tax period, losses incurred in the relevant reporting period from transactions involving securities that are traded in the organized securities market and securities that are not traded in the organized securities market are carried forward separately for the above-mentioned categories of securities within the profit from transactions involving such securities.

If any foreign entity's tax agent pays income that, in accordance with international conventions (agreements) is taxable in the Russian Federation at reduced rates, then income tax amounts are assessed and withheld by the tax agent at the applicable reduced rates, provided that such foreign entity provides the tax agent with evidence specified in paragraph 1 of Article 312 of the Tax Code of the Russian Federation.

Where the provisions of international conventions to which the Russian Federation is a party apply, any foreign entity must provide evidence for the tax agent paying income to the effect that such foreign entity is permanently resident in the country that is a party to an international convention (agreement) with the Russian Federation for taxation, which evidence must be certified by the duly authorized agency of the relevant foreign country. If such evidence is in a foreign language, the tax agent should also be provided with its Russian translation.

Where any foreign entity entitled to receive income provides evidence for the tax agent paying income prior to the date of payment of income with respect to which an international convention to which the Russian Federation is a party provides for preferential tax treatment in the Russian Federation, such income is exempt from withholding tax or is subject to withholding tax at reduced rates.

8.8. Information Concerning Declared (Accrued) and Paid Dividends on the Issuer's Shares and Yield on the Issuer's Bonds

8.8.1. Information Concerning Declared and Paid Dividends on the Issuer's Shares

Dividend period

Year: **2010**

Period: **full year**

Issuer's management body that approved the decision to declare dividends: **Annual General Meeting of Shareholders of JSC IDGC Holding**

Date of the meeting held by the issuer's management body that approved the decision to pay (declare) dividends: **June 22, 2011**

Date of the list of the persons entitled to dividends for this dividend period: **May 17, 2011**

Date of the minutes of the meeting: **June 24, 2011**

Number of the minutes of the meeting: **N/A**

Category (type) of shares: **preference shares**

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: **0**

Total amount of declared dividends on all shares of this category (type), rubles: **0**

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: **0**

Source for payment of declared dividends: **the Annual General Meeting of Shareholders decided (Minutes of June 24, 2011) to pay no dividends on the Company's ordinary shares based on performance results in 2010**

Declared dividends as a percentage of the reporting year's net profit, %: **0**

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: **0**

Category (type) of shares: *preference shares*

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: *0.05*

Total amount of declared dividends on all shares of this category (type), rubles: *103,757,469.2*

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: *100,106,612.2*

Source for payment of declared dividends: *profit based on performance results in 2010*

Declared dividends as a percentage of the reporting year's net profit, %: *0.21*

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: *96.48*

Payment period applicable to declared dividends on the issuer's shares:

Dividends are paid within 60 days after the decision to pay such dividends is adopted.

Method and other conditions of payment of declared dividends on the issuer's shares:

Dividends on JSC IDGC Holding's preference shares based on performance results in 2010 are paid in the amount of 0.05 ruble per preference share in the Company in cash.

Declared dividends on the issuer's shares were not paid in full.

Reasons for failure to pay declared dividends:

Dividends based on performance results in 2010 were paid to all of the persons included on the dividend payee list, excluding the persons failing to provide such accurate and complete details as necessary for dividend payment.

Dividend period

Year: *2011*

Period: *full year*

Issuer's management body that approved the decision to declare dividends: *Annual General Meeting of Shareholders of JSC IDGC Holding*

Date of the meeting held by the issuer's management body that approved the decision to pay (declare) dividends: *June 30, 2012*

Date of the list of the persons entitled to dividends for this dividend period: *May 25, 2012*

Date of the minutes of the meeting: *July 4, 2012*

Number of the minutes of the meeting: *N/A*

Category (type) of shares: *ordinary shares*

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: *0*

Total amount of declared dividends on all shares of this category (type), rubles: *0*

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: *0*

Source for payment of declared dividends: *the Annual General Meeting of Shareholders decided (Minutes of July 4, 2012) to pay no dividends on the Company's ordinary shares based on performance results in 2011*

Declared dividends as a percentage of the reporting year's net profit, %: *0*

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: *0*

Category (type) of shares: *preference shares*

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: *0*

Total amount of declared dividends on all shares of this category (type), rubles: *0*

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: *0*

Source for payment of declared dividends: *the Annual General Meeting of Shareholders decided (Minutes of July 4, 2012) to pay no dividends on the Company's preference shares based on performance results in 2011*

Declared dividends as a percentage of the reporting year's net profit, %: *0*

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: *0*

0

Category (type) of shares: *preference shares*

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: *0.07*

Total amount of declared dividends on all shares of this category (type), rubles: *145,260,456.88*

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: *139,834,102.12*

Source for payment of declared dividends: *undistributed profits of prior years*

Declared dividends as a percentage of undistributed net profits of prior years, %: *0.1*

Declared dividends as a percentage of the reporting year's net profit, %: *0*

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: *96.26*

Payment period applicable to declared dividends on the issuer's shares:

Dividends are paid within 60 days after the decision to pay such dividends is adopted.

Method and other conditions of payment of declared dividends on the issuer's shares:

The Annual General Meeting of Shareholders decided (Minutes of July 4, 2012) as follows:

1. Dividends on the Company's preference and ordinary shares based on performance results in 2011 shall not be paid.

2. Dividends on the Company's preference shares shall be paid out of undistributed profits of prior years in the amount of 0.07 ruble per preference share in the Company within 60 days after the decision to pay such dividends is adopted.

Dividends on preference shares in JSC IDGC Holding are paid in cash.

Declared dividends on the issuer's shares were not paid in full.

Reasons for failure to pay declared dividends:

Dividends based on performance results in 2011 were paid to all of the persons included on the dividend payee list, excluding the persons failing to provide such accurate and complete details as necessary for dividend payment.

Dividend period

Year: *2012*

Period: *full year*

Issuer's management body that approved the decision to declare dividends: *General Meeting of Shareholders (Members)*

Date of the meeting held by the issuer's management body that approved the decision to pay (declare) dividends: *June 28, 2013*

Date of the list of the persons entitled to dividends for this dividend period: *May 23, 2013*

Date of the minutes of the meeting: *July 1, 2013*

Number of the minutes of the meeting: *N/A*

Category (type) of shares: *ordinary shares*

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: *0*

Total amount of declared dividends on all shares of this category (type), rubles: *0*

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: *0*

Source for payment of declared dividends: *the Annual General Meeting of Shareholders decided to pay no dividends on the Company's ordinary shares based on performance results in 2012*

Declared dividends as a percentage of the reporting year's net profit, %: *0*

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: *0*

Category (type) of shares: *preference shares*

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: *0*

Total amount of declared dividends on all shares of this category (type), rubles: *0*

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: **0**

Source for payment of declared dividends: *the Annual General Meeting of Shareholders decided to pay no dividends on the Company's preference shares out of the Company's net profit based on performance results in 2012*

Declared dividends as a percentage of the reporting year's net profit, %: **0**

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: **0**

Category (type) of shares: *preference shares*

Amount of declared dividends on shares of this category (type) on a per share basis, rubles: **0.08**

Total amount of declared dividends on all shares of this category (type), rubles: **166,011,950.72**

Total amount of paid dividends on all of the issuer's shares of one category (type), rubles: **159,502,221.16**

Source for payment of declared dividends: *undistributed profits of prior years*

Declared dividends as a percentage of undistributed net profits of prior years, %: **0.23**

Declared dividends as a percentage of the reporting year's net profit, %: **0**

Paid dividends as a percentage of the total amount of declared dividends on shares of this category (type), %: **96.08**

Payment period applicable to declared dividends on the issuer's shares:

Dividends are paid within 60 days after the decision to pay such dividends is adopted.

Method and other conditions of payment of declared dividends on the issuer's shares:

The Annual General Meeting of Shareholders decided (Minutes of July 1, 2013) as follows:

1. Dividends on the Company's preference and ordinary shares based on performance results in 2012 shall not be paid.

2. Dividends on the Company's preference shares shall be paid out of undistributed profits of prior years in the amount of 0.08 ruble per preference share in the Company within 60 days after the decision to pay such dividends is adopted.

Dividends on preference shares in JSC Russian Grids are paid in cash.

Declared dividends on the issuer's shares were not paid in full.

Reasons for failure to pay declared dividends:

Dividends based on performance results in 2012 were paid to all of the persons included on the dividend payee list, excluding the persons failing to provide such accurate and complete details as necessary for dividend payment.

It was not decided to pay dividends for 2008 or 2009.

8.8.2. Information Concerning Accrued and Paid Yields on the Issuer's Bonds

The issuer did not issue any bonds.

8.9. Other Information

On March 12, 2014, the Board of Directors of JSC Russian Grids resolved to issue inconvertible interest-bearing certificated bearer exchange-traded bonds, Series BO-01 to BO-10, with a total value of 100 billion rubles. The maturities of the bonds are in the range of 10 to 30 years.

Detailed information on the bond issues will be disclosed in the Quarterly Report of JSC Russian Grids after the procedure for assigning individual numbers to the bond issues is completed.

8.10. Information Concerning Represented Securities and the Issuer of Represented Securities, Title to Which Is Certified by Russian Depository Receipts

The issuer did not issue any represented securities, title to which is certified by Russian depository receipts.

Appendix to the Quarterly Report. Appendix to the Annual Accounting (Financial) Statements of the Issuer

Notes to the Balance Sheet and the Statement of Financial Performance (in thousands of rubles)													
1. Intangible Assets and Expenses Associated with Research and Development (R&D) and Engineering													
1.1. Availability and Flow of Intangible Assets													
Item Description	Code	Period	At Beginning of Year		Changes Within Period							At End of Period	
			undepreciated value	accumulated depreciation and impairment losses	Acquisition	Retirement		Accrued Depreciation	Impairment Loss	Revaluation		undepreciated value	accumulated depreciation and impairment losses
						undepreciated value	accumulated depreciation and impairment losses			undepreciated value	accumulated depreciation		
Total intangible assets	5100	2013	920	-	2,257	(920)	920	964	-	-	-	2,257	(44)
	5110	2012	920	-	-	-	-	-	-	-	-	920	-
including:													
Exclusive right to trademark	5101	2013	920	-	-	(920)	920	(920)	-	-	-	-	-
	5111	2012	920	-	-	-	-	-	-	-	-	920	-
Exclusive right to software	5102	2013	-	-	657	-	-	(44)	-	-	-	657	(44)
	5112	2012	-	-	1,600	-	-	-	-	-	-	1,600	-
Other	5103	2013	-	-	-	-	-	-	-	-	-	-	-
	5113	2012	-	-	-	-	-	-	-	-	-	-	-

1.2. Undepreciated Value of Intangible Assets Created Internally				
Item Description	Code	December 31, 2013	December 31, 2012	December 31, 2011
Total	5120	-	-	-
including:	5121	-	-	-

1.3. Fully Depreciated Intangible Assets					
Item Description	Code	December 31, 2013	December 31, 2012	December 31, 2011	
Total	5130	-	-	-	
including:					
	5131	-	-	-	

1.4. Availability and Flow of R&D Deliverables											
Item Description	Code	Period	At Beginning of Year		Acquisition	Changes Within Period			At End of Period		
			undepreciated value	portion of value expensed as costs		Retirement		portion of value expensed as costs within period	undepreciated value	portion of value expensed as costs	
						undepreciated value	portion of value expensed as costs				
Total R&D deliverables	5140	2013	-	-	-	-	-	-	-	-	-
	5150	2012	-	-	-	-	-	-	-	-	-
including:											
	5141	2013	-	-	-	-	-	-	-	-	-
	5151	2012	-	-	-	-	-	-	-	-	-

1.5. Incomplete and Unformalized R&D and Incomplete Transactions of Intangible Asset Acquisition							
Item Description	Code	Period	At Beginning of Year	Changes Within Period			At End of Period
				costs within period	costs written off as ineffective	entered in books as intangible assets or R&D	
Total costs of incomplete R&D	5160	2013	-	-	-	-	-
	5170	2012	-	-	-	-	-
including:							
	5161	2013	-	-	-	-	-
	5171	2012	-	-	-	-	-
Total incomplete transactions of intangible asset acquisition	5180	2013	-	5,151	-	2,257	2,894
	5190	2012	-	-	-	-	-
including:							
ROSSETI trademark	5181	2013	-	2,894	-	-	2,894
	5191	2012	-	-	-	-	-

2. Fixed Assets												
2.1. Availability and Flow of Fixed Assets												
Item Description	Code	Period	At Beginning of Year		Acquisition	Changes Within Period			Revaluation		At End of Period	
			undepreciated value	accumulated depreciation		undepreciated value	accumulated depreciation	Accrued Depreciation	undepreciated value	accumulated depreciation	undepreciated value	accumulated depreciation
Total fixed assets (net of income-bearing investments in tangible assets)	5200	2013	106,693	(45,435)	33,711	(5,026)	4897	(17,287)	-	-	135,378	(57,825)
	5210	2012	94,061	(28,326)	13,671	(1,039)	679	(17,788)	-	-	106,693	(45,435)
including:												
Total depreciable fixed assets:	5201	2013	106,693	(45,435)	33,711	(5,026)	4897	(17,287)	-	-	135,378	(57,825)
	5211	2012	59,825	(28,326)	13,671	(1,039)	679	(17,788)	-	-	106,693	(45,435)
including		2013	-	-	-	-	-	-	-	-	-	-
buildings for purposes other than production		2012	19	(3)	-	(19)	3	-	-	-	-	-
Total fixed assets accounted for as part of income-bearing investments in tangible assets	5220	2013	5,069	(678)	-	-	-	(154)	-	-	5,069	(832)
	5230	2012	5,069	(525)	-	-	-	(153)	-	-	5,069	(678)
including:												
assets transferred under lease	5221	2013	5,069	(678)	-	-	-	(154)	-	-	5,069	(832)
	5231	2012	5,069	(525)	-	-	-	(153)	-	-	5,069	(678)

2.2. Capital Expenditures in Progress							
Item Description	Code	Period	At Beginning of Year	Changes Within Period			At End of Period
				costs within period	written off	entered in books as fixed assets or revaluated upward	
Total construction in progress and incomplete transactions of fixed asset acquisition, modernization, etc.	5240	2013	3,459,126	16,150	(3,441,071)	(33,711)	494
	5250	2012	3,423,335	59,863	(3,927)	(20,145)	3,459,126
including:							
For production purposes	5241	2013	3,422,456	16,150	(3,404,401)	(33,711)	494
	5251	2012	3,387,235	59,293	(3,927)	(20,145)	3,422,456
construction in progress		2013	3,404,401	-	(3,404,401)	-	-
		2012	3,383,665	30,865	(3,923)	(6,206)	3,404,401
acquisition of fixed assets		2013	18,055	16,150	-	(33,711)	494
		2012	3,570	28,428	(4)	(13,939)	18,055
For purposes other than production	5242	2013	36,670	-	(36,670)	-	-
	5252	2012	36,100	570	-	-	36,670
construction in progress		2013	36,670	-	(36,670)	-	-
		2012	36,100	570	-	-	36,670

2.3. Changes in Value of Fixes Assets Due to Additional Construction, Additional Equipment, Rehabilitation, and Partial Disposal			
Item Description	Code	2013	2012
Total increased value of fixed assets due to additional construction, additional equipment, rehabilitation:	5260	-	6,206
including:	5261	-	-
Total decreased value of fixed assets due to partial disposal:	5270	-	-
including:	5271	-	-

2.4. Other Use of Fixed Assets				
Item Description	Code	December 31, 2013	December 31, 2012	December 31, 2011
Fixed assets transferred under lease and accounted for on balance sheet	5280	4,237	4,391	4,544
Fixed assets transferred under lease and accounted for off balance sheet	5281	-	-	-
Fixed assets taken under lease and accounted for on balance sheet	5282	-	-	-
Fixed assets taken under lease and accounted for off balance sheet	5283	--	30,757	35,220
Real property items accepted for operation and actually used, in process of state registration	5284	-	-	-
Mothballed fixed assets	5285	-	-	-
Other use of fixed assets (collateral, etc.)	5286	-	-	-
	5287			

3. Financial Investments

3.1. Availability and Flow of Financial Investments

Item Description	Code	Period	At Beginning of Year		Changes Within Period				At End of Period		For Reference: Accrued Interest, Dividends
			undepreciated value	accumulated adjustment	Acquisition	Retirement (Discharge)		Current Market Value (Impairment Losses)	undepreciated value	accumulated adjustment	
						undepreciated value	accumulated adjustment				
Total long-term financial investments	5301	2013	247,964,419	(132,565,254)	321,648,176	(6,579,850)	-	(250,764,720)	563,032,745	(383,329,974)	3,994,769
	5311	2012	236,461,332	(126,382,083)	25,327,179	(13,824,092)	10,692,306	(16,875,477)	247,964,419	(132,565,254)	2,110,808
including: Total contributions to authorized (share) capital of other entities:	5302	2013	241,344,956	(132,524,931)	321,648,176	(710)	-	(250,764,720)	562,992,422	(383,289,651)	3,646,331
	5312	2012	232,141,869	(125,514,223)	23,027,179	(13,824,092)	10,692,306	(17,703,014)	241,344,956	(132,524,931)	1,635,520
Securities of other entities	5303	2013	2,500,000	-	-	(2,500,000)	-	-	-	-	297,397
	5313	2012	2,500,000	-	-	-	-	-	2,500,000	-	325,000
Extended loans	5304	2013	2,300,000	-	-	(2,300,000)	-	-	-	-	51,041
	5314	2012	-	-	2,300,000	-	-	-	2,300,000	-	150,288
Other		2013	1,819,463	(40,323)	-	(1,779,140)	-	-	40,323	(40,323)	-
		2012	1,819,463	(867,860)	-	-	-	827,537	1,819,463	(40,323)	-
Included in long-term financial investments:		2013	-	-	-	-	-	-	-	-	-
		2012	-	-	-	-	-	-	-	-	-
- equity contributions to subsidiaries		2013	240,623,444	(131,871,147)	321,648,176	-	-	(250,773,912)	562,271,620	(382,645,059)	3,640,280
		2012	218,185,550	(114,762,095)	22,437,894	-	-	(17,109,052)	240,623,444	(131,871,147)	1,627,467
- equity contributions to dependent companies		2013	622,117	(614,055)	-	(710)	-	-	621,407	(614,055)	6,051
		2012	13,267,639	(10,103,101)	589,285	(13,234,807)	10,103,021	(613,975)	622,117	(614,055)	8,053
- equity contributions to other entities		2013	99,395	(39,729)	-	-	-	9,192	99,395	(30,537)	-
		2012	688,680	(649,027)	-	(589,285)	589,285	20,013	99,395	(39,729)	-
Total long-term financial investments with current market value		2013	239,208,380	(131,549,779)	317,921,022	-	-	(250,773,963)	557,129,402	(382,323,742)	3,523,592
		2012	230,005,293	(124,716,179)	22,437,894	(13,234,807)	10,103,021	(16,936,621)	239,208,380	(131,549,779)	1,627,467
including equity contributions:		2013	239,208,380	(131,549,779)	317,921,022	-	-	(250,773,963)	557,129,402	(382,323,742)	3,523,592
		2012	230,005,293	(124,716,179)	22,437,498	(13,234,807)	10,103,021	(16,936,621)	239,208,380	(131,549,779)	1,627,467
to subsidiaries		2013	239,208,380	(131,549,779)	317,921,022	-	-	(250,773,963)	557,129,402	(382,323,742)	3,523,592
		2012	216,770,486	(114,613,158)	22,437,894	-	-	(16,936,621)	239,208,380	(131,549,779)	1,627,467
to dependent companies		2013	-	-	-	-	-	-	-	-	-
		2012	13,234,807	(10,103,021)	-	(13,234,807)	10,103,021	-	-	-	-
to other entities		2013	-	-	-	-	-	-	-	-	-
		2012	-	-	-	-	-	-	-	-	-
Total long-term financial investments whose current market value is not measured		2013	8,756,039	(1,015,475)	3,727,154	(6,579,850)	-	9,243	5,903,343	(1,006,232)	471,177
		2012	6,456,039	(1,665,904)	2,889,285	(589,285)	589,285	61,144	8,756,039	(1,015,475)	483,341
Total short-term financial investments	5305	2013	31,247,082	-	28,626,879	(51,632,087)	-	(2,500,000)	8,241,874	(2,500,000)	1,100,765
	5315	2012	5,500,000	-	40,314,627	(14,567,545)	-	-	31,247,082	-	473,556

including:	5306	2013	31,247,082	-	23,826,879	(49,332,087)	-	-	5,741,874	-	1,015,315
Fixed-term deposits	5316	2012	5,500,000	-	40,314,627	(14,567,545)	-	-	31,247,082	-	473,556
Extended loans	5307	2013	-	-	2,300,000	(2,300,000)	-	-	-	-	57,847
	5317	2012	-	-	-	-	-	-	-	-	-
Securities of other entities	5308	2013	-	-	2,500,000	-	-	(2,500,000)	2,500,000	(2,500,000)	27,603
	5318	2012	-	-	-	-	-	-	-	-	-
Total financial investments	5300	2013	279,211,501	(132,565,254)	350,275,055	(58,211,937)	-	(253,264,720)	571,274,619	(385,829,974)	5,095,534
	5310	2012	241,961,332	(126,382,083)	65,641,806	(28,391,637)	10,692,306	(16,875,477)	279,211,501	(132,565,254)	2,584,364

3.2. Other Use of Financial Investments				
Item Description	Code	December 31, 2013	December 31, 2012	December 31, 2011
Total pledged financial investments	5320	-	-	-
including:				
	5321	-	-	-
Total financial investments transferred to third parties (other than sale)	5325			
including:				
	5326	-	-	-
Other use of financial investments	5329	-	-	-

4. Inventory											
4.1. Availability and Flow of Inventory											
Item Description	Code	Period	At Beginning of Year		Changes Within Period					At End of Period	
					Acquisition and Expense	Retirement		Impairment Losses	Inventory Turnover Among Groups (Types)	cost value	reserve for impairment
			cost value	reserve for impairment		cost value	reserve for impairment				
Total inventory	5400	2013	6,326	-	46,767	(35,067)	-	-	X	18,026	-
	5420	2012	15,804	-	26,608	(36,086)	-	-	X	6,326	-
including:											
Raw materials, supplies, and other similar inventory	5401	2013	6,326	-	46,767	(35,067)	-	-	X	18,026	-
	5421	2012	15,804	-	26,608	(36,086)	-	-	-	6,326	-
Finished products	5402	2013	-	-	-	-	-	-	-	-	-
	5422	2012	-	-	-	-	-	-	-	-	-
Goods for resale	5403	2013	-	-	-	-	-	-	-	-	-
	5423	2012	-	-	-	-	-	-	-	-	-
Goods an finished products dispatched	5404	2013	-	-	-	-	-	-	-	-	-
	5424	2012	-	-	-	-	-	-	-	-	-
Work-in-progress costs	5405	2013	-	-	-	-	-	-	-	-	-
	5425	2012	-	-	-	-	-	-	-	-	-
Other inventory and costs	5406	2013	-	-	-	-	-	-	-	-	-
	5426	2012	-	-	-	-	-	-	-	-	-
Deferred expenses (for items subject to analytical accounting that are reflected as part of "Inventory" in balance sheet)	5407	2013	-	-	-	-	-	-	-	-	-
	5427	2012	-	-	-	-	-	-	-	-	-
	5408	2013	-	-	-	-	-	-	-	-	-
	5428	2012	-	-	-	-	-	-	-	-	-

4.2. Pledged Inventory				
Item Description	Code	December 31, 2013	December 31, 2012	December 31, 2011
Total inventory unpaid at balance sheet date	5440	-	-	-
including:		-	-	-
	5441			
Total inventory pledged under contract	5445	-	-	-
including:				
	5446	-	-	-

5. Accounts Receivable and Accounts Payable													
5.1. Availability and Flow of Accounts Receivable													
Item Description	Code	Period	At Beginning of Year		Changes Within Period						At End of Period		
			accounted for under contract terms	reserve for doubtful debts	Acquisition		Retirement				accounted for under contract terms	reserve for doubtful debts	
resulting from business transactions (amount receivable from deal, transaction)	interest, penalties, and other amounts receivable	discharge			written off as financial result	recovered reserve	long-term receivables reclassified as short-term receivables						
Total long-term accounts receivable	5501	2013	858,299	-	297,397	-	-	-	-	-	(1,155,696)	-	-
	5521	2012	775,065	(197,475)	325,000	-	-	(197,475)	197,475	-	(44,291)	858,299	-
including:													
Trade receivables	5502	2013	-	-	-	-	-	-	-	-	-	-	-
	5522	2012	-	-	-	-	-	-	-	-	-	-	-
Prepayments	5503	2013	-	-	-	-	-	-	-	-	-	-	-
	5523	2012	12,291	-	-	-	-	-	-	-	(12,291)	-	-
Other	5504	2013	858,299	-	(297,297)	-	-	-	-	-	(1,155,696)	-	-
	5524	2012	762,774	(197,475)	325,000	-	-	(197,475)	197,475	-	(32,000)	858,299	-
including:													
non-interest-bearing notes	5505	2013	42,683	-	-	-	-	-	-	-	(42,683)	-	-
	5525	2012	74,683	-	-	-	-	-	-	-	(32,000)	42,683	-
Total short-term accounts receivable	5510	2013	3,236,425	(161,335)	1,249,686	(1,727,817)	(620,418)	-	-	-	1,155,696	5,021,389	(1,889,152)
	5530	2012	3,083,031	(137,394)	812,234	(23,941)	(703,131)	-	-	-	44,291	3,236,425	(161,335)
including:													
Trade receivables	5511	2013	413,925	-	683,673	(373,031)	(176,197)	-	-	-	-	921,401	(373,031)
	5531	2012	207,836	-	421,853	-	(215,764)	-	-	-	-	413,925	-
Prepayments	5512	2013	47,773	-	261,921	-	-	-	-	-	-	309,694	-
	5532	2012	53,120	-	31,082	-	(48,720)	-	-	-	12,291	47,773	-
Other	5513	2013	2,761,661	(161,335)	296,123	(1,354,786)	(444,221)	-	-	-	1,155,696	3,769,259	(1,516,121)
	5533	2012	2,816,558	(137,394)	351,750	(23,941)	(438,647)	-	-	-	32,000	2,761,661	(161,335)
including													
non-interest-bearing notes	5514	2013	2,180,105	-	-	(214,170)	(24,00)	-	-	-	42,683	2,198,788	(214,170)
	5534	2012	2,148,105	-	-	-	-	-	-	-	32,000	2,180,105	-
Dividends receivable from subsidiaries and dependent companies	5515	2013	13,066	-	7,969	-	-	-	-	-	-	21,035	-
	5535	2012	5,517	-	7,549	-	-	-	-	-	-	13,066	-
Total	5500	2013	4,094,724	-	-	-	-	-	-	-	-	-	-
	5520	2012	3,858,096	(334,869)	1,137,234	(23,941)	(703,131)	(197,475)	197,475	-	X	4,094,724	(161,335)

5.2. Overdue Accounts Receivable							
Item Description	Code	December 31, 2013		December 31, 2013		December 31, 2011	
		accounted for under contract terms	book value	accounted for under contract terms	book value	accounted for under contract terms	book value
Total	5540	1,963,069	1,963,069	17,939	17,939	247,632	247,632
including:							
trade receivables	5541	24,725	24,725	13,066	13,066	8,874	8,874
trade receivables (prepayments, upfront payments)	5542	-	-	-	-	-	-
other	5543	1,938,344	1,938,344	4,873	4,873	238,758	238,758
	5544	-	-	-	-	-	-

5.3. Availability and Flow of Accounts Payable									
Item Description	Code	Period	Balance at Beginning of Year	Changes Within Period					Balance at End of Period
				Acquisition		Retirement			
				resulting from business transactions (amount payable from deal, transaction)	interest, penalties, and other amounts payable	discharge	written off as financial result	long-term payables reclassified as short-term payables	
Total long-term accounts payable	5551	2013	-	-	-	-	-	-	-
	5571	2012	93,759	-	-	-	-	(93,759)	-
including: advances	5552	2013	-	-	-	-	-	-	-
	5572	2012	-	-	-	-	-	-	-
loans	5553	2013	-	-	-	-	-	-	-
	5573	2012	-	-	-	-	-	-	-
other	5554	2013	-	-	-	-	-	-	-
	5574	2012	93,759	-	-	-	-	(93,759)	-
	5555	2013	-	-	-	-	-	-	-
	5575	2012	-	-	-	-	-	-	-
Total short-term accounts payable	5560	2013	19,965,865	375,516	-	(19,908,605)	-	-	432,776
	5580	2012	9,637,940	19,857,763	-	(9,623,587)	(10)	93,759	19,965,865
including: trade payables	5561	2013	59,290	107,048	-	(56,930)	-	-	109,408
	5581	2012	115,785	56,930	-	(113,415)	(10)	-	59,290
advance payments received	5562	2013	-	-	-	-	-	-	-
	5582	2012	-	-	-	-	-	-	-
taxes and contributions payable	5563	2013	44,119	151,037	-	(44,119)	-	-	151,037
	5583	2012	95,238	44,119	-	(95,238)	-	-	44,119
advances	5564	2013	-	-	-	-	-	-	-
	5584	2012	-	-	-	-	-	-	-
loans	5565	2013	-	-	-	-	-	-	-
	5585	2012	-	-	-	-	-	-	-
other	5566	2013	101,745	67,382	-	(55,958)	-	-	113,169
	5586	2012	14,260	71	-	(6,345)	-	93,759	101,745
payroll liabilities	5567	2013	150	43,511	-	(150)	-	-	43,511
	5587	2012	26,799	150	-	(26,799)	-	-	150
income payable to members	5568	2013	9,471	6,538	-	(358)	-	-	15,651
	5588	2012	4,068	5,403	-	-	-	-	9,471
equity contributions payable	5569	2013	19,751,090	-	-	(19,751,090)	-	-	-
	5589	2012	9,381,790	19,751,090	-	(9,381,790)	-	-	19,751,090
Total	5550	2013	19,965,865	375,516	-	(19,908,605)	-	X	432,776
	5570	2012	9,731,699	19,857,763	-	(9,623,587)	(10)	X	19,965,865

5.4. Overdue Accounts Payable				
Item Description	Code	December 31, 2013	December 31, 2012	December 31, 2011
Total	5590	10,276	10,276	16,225
including:				
trade accounts payables	5591	2,360	2,360	4,310
trade receivables	5592	-	-	-
other	5593	7,916	7,916	11,915

6. Production Expenses			
Item Description	Code	2013	2012
Material costs	5610	29,224	17,873
Payroll expenses	5620	1,570,026	1,525,142
Benefit-related deductions	5630	231,379	249,877
Depreciation and amortization	5640	18,420	17,942
Other expenses	5650	1,354,788	756,196
Total of items	5660	3,203,837	2,567,030
Changes in balances of work in progress, finished products, etc. (increase [-])	5670	-	-
Changes in balances of work in progress, finished products, etc. (decrease [+])	5680	-	-
Total expenses from ordinary activities	5600	3,203,837	2,567,030

7. Estimated Liabilities						
Item Description	Code	Balance at Beginning of Year	Recognized	Discharged	Written off as Excessive Amount	Balance at End of Period
Total estimated liabilities	5700	416,280	452,952	(440,436)	(52,235)	376,561
including:						
reserves for year performance bonuses	5701	33,293	112,862	(99,848)	-	46,307
reserves for vacation pay	5702	382,987	340,090	(340,588)	(52,235)	330,254

8. Collateral for Obligations				
Item Description	Code	December 31, 2013	December 31, 2012	December 31, 2011
Total collateral received	5800	-	-	-
including:				
suretyship for bills and notes	5801	2,500,000	2,500,000	2,500,000
Total collateral provided	5810	-	-	-
including:				
	5811	-	-	-

9. Shares Held by the Company in Subsidiaries' Authorized Capital as at December 31, 2013

Item	Subsidiary Name	Share in Authorized Capital	Location	Activity Type
1	Yantarenergo Joint-Stock Company for Energy and Electrification (JSC Yantarenergo)	100.00%	236000, Kaliningrad, ul. Teatralnaya, d. 34	electricity distribution services
2	Joint Stock Company Tyumenenergo (JSC Tyumenenergo)	100.00%	628412, Khanty-Mansijsk Autonomous District – Yugra, Tyumen Region, Surgut, ul. Universitetskaya, d. 4	electricity distribution
3	Joint-Stock Company Karachaev-Cherkesskenergo (JSC Karachaev-Cherkesskenergo)	100.00%	369000, Karachay-Cherkess Republic, Cherkessk, ul. Osmana Kasayeva, d. 3	electricity and heat delivery (sale)
4	Kalmenergosbyt Open Joint-Stock Company (OAO Kalmenergosbyt)	100.00%	358000, Republic of Kalmykia, Elista, ul. Lermontova, d. 7a	electricity and heat delivery (sale)
5	Tyvaenergosbyt Open Joint-Stock Company (OAO Tyvaenergosbyt)	100.00%	667010, Republic of Tyva, Kyzyl, ul. Zavodskaya, d. 2a	electricity purchase and sale
6	Opened Joint Stock Company Power Grid Optical Networks Engineering (JSC Power Grid Optical Networks Engineering)	100.00%	115184, Moscow, ul. Bolshaya Tatarskaya, d. 35, str. 6	creating conditions for the reliable and efficient functioning and development of electric grid facilities by means of the construction, rehabilitation, and technical operation of fiber-optic communication lines on overhead power lines and other facilities; development of standards, guidelines, and technical requirements for organizing the design, construction, operation, rehabilitation, and technical upgrading of fiber-optic communication lines
7	Joint-Stock Company Research Engineering Centre of IDGC (JSC REC IDGC)	100.00%	105062, Moscow, ul. Chaplygina, d. 6	research and services in the power industry's economics and management
8	Joint-Stock Company Association VNIPIENERGOPROM (JSC VNIPIENERGOPROM)	100.00%	105094, Moscow, Semyonovskaya nab., d. 2/1	R&D
9	Special Design Bureau of Heat Power Engineering Equipment VTI Open Joint-Stock Company (OAO SKB VTI)	100.00%	115280, Moscow, 3 Avtozavodsky pr-d, d. 4, korp. 1	design work in the power industry and other economic sectors
10	VNIPIENERGOPROM Real Estate Open Joint-Stock Company (OAO VNIPIENERGOPROM Real Estate)	100.00%	105094, Moscow, Semyonovskaya nab., d. 2/1	real property lease

11	Engineering Center UES Real Estate Open Joint-Stock Company (OAO Engineering Center UES Real Estate)	100.00%	125993, Moscow, Volokolamskoye shosse, d. 2	real property lease
12	North-West Power Engineering Center Real Estate Open Joint-Stock Company (OAO North-West Power Engineering Center Real Estate)	100.00%	191036, Saint Petersburg, Nevsky pr-t, d. 111/3	real property lease
13	Volga Power Engineering Center Real Estate Open Joint-Stock Company (OAO Volga Power Engineering Center Real Estate)	100.00%	443001, Samara, ul. Samarskaya, d. 203B	real property lease
14	South Center of Power Engineering Real Estate Open Joint-Stock Company (OAO South Center of Power Engineering Real Estate)	100.00%	344002, Rostov-on-Don, pr-t Budennovsky, d. 2, k. 105	real property lease
15	Urals Power Engineering Company Real Estate Open Joint-Stock Company (OAO Urals Power Engineering Company Real Estate)	100.00%	620075, Yekaterinburg, ul. Pervomaiskaya, d. 56	real property lease
16	Siberian Energy Scientific and Technical Center Real Estate Open Joint-Stock Company (OAO Siberian Energy Scientific and Technical Center Real Estate)	100.00%	630132, Novosibirsk, pr-t Dimitrova, d. 7	real property lease
17	Interregional Distribution Grid Company of Volga, Joint-Stock Company (IDGC of Volga, JSC)	67.63%	410031, Saratov, ul. Pervomaiskaya, d. 42/44	electricity distribution services
18	Kabardino-Balkaria Energy and Electrification Company, Joint-Stock Company (Kabbalkenergo, JSC)	65.27%	360000, Kabardino-Balkarian Republic, Nalchik, ul. Shchorsa, d. 6	electricity and heat delivery (sale)
19	Interregional Distribution Grid Company of Northern Caucasus, Joint-Stock Company (IDGC of Northern Caucasus, JSC)	92.00%	357506, Stavropol Territory, Pyatigorsk, village of Energetik, ul. Podstantsionnaya, d. 18	electricity distribution services
20	Interregional Distribution Grid Company of North-West, Joint Stock Company (IDGC of North-West)	55.38%	188300, Leningrad Region, Gatchina, ul. Sobornaya, d. 31	electricity distribution services
21	Interregional Distribution Grid Company of Siberia, Joint Stock Company (IDGC of Siberia, JSC)	55.59%	660021, Krasnoyarsk, ul. Bograda, 144a	electricity distribution services
22	Joint-Stock Company Tomsk Distribution Company (JSC TDC)	85.77%	634041, Tomsk, prospekt Kirova, d. 36	electricity distribution services
23	Interregional Distribution Grid Company of South, Joint Stock Company (IDGC of South, JSC)	51.66%	344002, Rostov-on-Don, ul. Bolshaya Sadovaya, d. 49	electricity distribution services
24	Interregional Distribution Grid Company of Urals, Joint Stock Company (IDGC of Urals, JSC)	51.52%	620026, Yekaterinburg, ul. Mamina-Sibiriyaka, d. 140	electricity distribution services
25	Dagestan Energy Supply Company, Joint-Stock Company (Dagestan Energy Supply Company, JSC)	51.00%	367020, Republic of Dagestan, Makhachkala, ul. Dakhadaeva, d. 73	electricity purchase and sale
26	Chechenenergo, Joint-Stock Company (Chechenenergo, JSC)	51.00%	364051, Chechen Republic, Grozny, Staropromyslovskoye shosse, d. 6	electricity distribution

27	Joint-Stock Company Moscow United Electric Grid Company (JSC MOESK)	50.90%	115114, Moscow, 2-y Paveletsky proezd, d. 3, str. 2	electricity distribution services
28	Interregional Distribution Grid Company of Center and Volga Region, Joint Stock Company (IDGC of Center and Volga Region, JSC)	50.40%	603950, Nizhni Novgorod, ul. Rozhdestvenskaya, d. 33	electricity distribution services
29	Interregional Distribution Grid Company of Centre, Joint-Stock Company (IDGC of Centre, JSC)	50.23%	127018, Moscow, 2-ya Yamskaya ul., d. 4	electricity distribution services
30	JOINT-STOCK COMPANY LENENERGO (JSC LENENERGO)	49.36%*	196247, Saint Petersburg, ploshchad Konstitutsii, d. 1	electricity distribution services
31	Open Joint-Stock Company Federal Grid Company of Unified Energy System (JSC FGC UES)	80.60%*	117630, Moscow, ul. Akademika Chelomeya, d. 5A	electricity transmission services
32	Kuban Power and Electrification Open Joint Stock Company (Kubanenergo)	63.01%	350033, Krasnodar, ul. Stavropolskaya, d. 2	electricity distribution

* Exclusive of actually placed shares of the current issue

10. Shares Held by the Company in Dependent Companies' Authorized Capital

Item	Dependent Company Name	Share in Authorized Capital	Location	Activity Type
1	Ingushenergo, Joint-Stock Company (Ingushenergo, JSC)	49.00%	366720, Republic of Ingushetia, Nazran, ul. Mutalieva, d. 23	electricity and heat delivery (sale)
2	Sevkavkazenergo Energy and Electrification Company, Joint-Stock Company (Sevkavkazenergo, JSC)	49.00%	362040, Republic of North Ossetia-Alania, Vladikavkaz, ul. Tamaeva, d. 19	electricity and heat delivery (sale)
3	Grozenergo Open Joint-Stock Company for Energy and Electrification of the Chechen Republic (AO Grozenergo)	49.00%	364000, Chechen Republic, Grozny, Staropromyslovskoye shosse, d. 6	idle company
4	Joint-Stock Company G. M. Krzhizhanovsky Power Engineering Institute (JSC ENIN)	31.34%	119991, Moscow, Leninsky prospekt, d. 19	R&D and design in the electric power industry
5	Urals Power Engineering Company Joint-Stock Company – URALVNIPIENERGOPROM, Uralsenergooproekt, UralTEP, UralORGRES, UralVTI, Uralenergoproekt, Chelyabenergooproekt (Urals Power Engineering Company)	25.00%	620075, Yekaterinburg, ul. Pervomaiskaya, d. 56	construction, technical upgrading, and rehabilitation of power facilities
6	Joint-Stock Company Volga Power Engineering Center (JSC VPEC)	25.00%	443001, Samara, ul. Samarskaya, d. 203B	technical upgrading, rehabilitation, and construction of electric power facilities; comprehensive engineering services
7	Joint Stock Company North-West Power Engineering Center (OAO SevZap NTC)	25.00%	191036, Saint Petersburg, Nevsky prospekt, d. 111/3	R&D, design, and engineering support for the Russian power industry
8	JOINT STOCK COMPANY NORTH-WEST ENERGY MANAGING COMPANY (JSC NWEMC)	49.00%	191186, Saint Petersburg, Marsovo pole, d. 1	real property lease
9	Joint Stock Company NURENERGO (NURENERGO, JSC)	23.00%	364020, Chechen Republic, Grozny, Staropromyslovskoye shosse, d. 6	electricity distribution services

11. Statement of Assets Accounted for Off-Balance-Sheet				
Indicator	Code	December 31, 2013	December 31, 2012	December 31, 2011
1	2	3	4	5
Leased fixed assets	8200		30,757	35,220
including under capital leases	82001			
Inventory items taken into safekeeping	8201	2,109	2,109	347
Materials taken for processing	8202			
Goods taken for commission sale	8203			
Equipment taken for installation	8204			
Debts of insolvent debtors written off	8205	197,543	197,543	69
Depreciation of off-site service facilities and other similar facilities	8206			
Registered high-security forms	8207			
Federally owned property	8208			
Intangible assets taken for use	8209	74,892	44,291	26,571
Property contributed to authorized capital as payment for acquired shares	8210			
Security and obligations received	8211	2,500,000	2,500,000	2,500,000

12. Other Notes to the Balance Sheet and the Statement of Financial Performance for 2013

12.1. Company and Its Activities

Company overview.

Pursuant to Decree of the President of the Russian Federation No. 1567 of November 22, 2012, and in accordance with the decision adopted by the Extraordinary General Meeting of Shareholders on March 23, 2013, JSC IDGC Holding was formally renamed Joint Stock Company Russian Grids. The corresponding amendments to the Articles of Association of the Company were registered by Interdistrict Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 46 on April 4, 2013, and the Uniform State Register of Juridical Persons was amended accordingly.

JSC Interregional Distribution Grid Companies Holding (JSC IDGC Holding, Taxpayer Identification Number (INN) 7728662669) was established on July 1, 2008, as a result of the reorganization of RAO UES of Russia through a spin-off in accordance with the decision adopted by the Extraordinary General Meeting of Shareholders of RAO UES of Russia on October 26, 2007 (the Minutes of October 30, 2007).

Registered address: Russian Federation, 107996, Moscow, Ulansky pereulok, 26
Place of business: Russian Federation, 121353, Moscow, ul. Belovezhskaya, 4

The Annual General Meeting of Shareholders (the Minutes of June 22, 2011) approved a restated version of the Articles of Association of JSC IDGC Holding, stating a change of the Company's location. The restated version of the Articles of Association was registered by Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 46 on August 22, 2011, and an extract was received from the Uniform State Register of Juridical Persons on August 22, 2011.

JSC Russian Grids is the parent company using its ownership of shareholdings in interregional distribution grid companies to ensure the maximal reliability and accessibility of distribution grid infrastructure for customers in all constituent entities of the Russian Federation by providing services that conform to world quality standards.

The Company holds stakes in interregional distribution grid companies and the federal grid company, and also is a shareholder of other companies.

The number of the Company's employees was 552 as of December 31, 2013 (310 as of December 31, 2012; 385 as of December 31, 2011).

As of December 31, 2013, the Company had one branch, Technical Supervision Center, which is not a corporate entity, has a standalone balance sheet, has bank accounts, and prepares accounting, tax, statistical, and other statements and reports. The branch's separate divisions do not have standalone balance sheets, and their operating results are included in the balance sheet of the branch.

The Company's ordinary shares and preference shares are included on Quotation List B and Quotation List A-2 of Moscow Exchange respectively.

Executive and control bodies.

The Company's management bodies are the General Meeting of Shareholders, the Board of Directors, and the Management Board (a collegial executive body).

Pursuant to the Directive of the Government of the Russian Federation of May 8, 2012, the Company and Open Joint-Stock Company Federal Grid Company of Unified Energy System on July 10, 2012, signed the Agreement for the Transfer of the Powers of JSC Interregional Distribution Grid Companies Holding's Sole Executive Body to Open Joint-Stock Company Federal Grid Company of Unified Energy System, effective until June 30, 2013. On July 14, 2013, the agreement was terminated earlier, and Oleg Budargin was elected as the Director General of Joint Stock Company Russian Grids. The relevant directive received approval from the Government of the Russian Federation and the Presidential Executive Office of the Russian Federation. On June 14, 2013, the Board of Directors of JSC Russian Grids adopted a decision to that effect.

The body supervising the Company's financial and economic activities is the Internal Audit Commission of the Company.

The Board of Directors of JSC Russian Grids was elected by the Annual General Meeting of Shareholders on June 28, 2013. The Board of Directors of the Company consists of the following members (the positions specified are as of the time of nomination):

1	Sergey Ivanovich Shmatko	Chairman of the Board of Directors, JSC Russian Grids; Special Representative of the President of the Russian Federation on International Cooperation in the Electric Power Industry
2	Oleg Mikhailovich Budargin	Director General, JSC Russian Grids
3	Denis Stanislavovich Morozov	Representative of the Russian Federation on the Board of Directors of the European Bank for Reconstruction and Development
4	Andrey Yevgenyevich Murov	First Deputy Chairman of the Management Board, JSC FGC UES
5	Vasily Vladislavovich Nikonov	Director of the Energy Department, Rosneft
6	Vyacheslav Mikhailovich Kravchenko	Chairman of the Management Board, Nonprofit Partnership Council for Organizing Efficient System of Trading at Wholesale and Retail Electricity and Capacity Market (Market Council); Chairman of the Management Board, JSC TSA
7	Maria Valerievna Ochirova	Director of the Corporate Department, MMC Norilsk Nickel
8	Seppo Juha Remes	Director General, OOO Kiuru
9	Ernesto Ferlenghi	Head of the Eni Representative Office in the Russian Federation and the CIS
10	Andrey Nikolayevich Shishkin	Vice President, Rosneft
11	Elena Borisovna Titova	President and Chairperson of the Board, Russian Regional Development Bank
12	Georgy Valentinovich Boos	President, Boos Lighting Group Management Company
13	Stanislav Olegovich Ashirov	Director General, OAO Mezhhregionenergosbyt
14	Pavel Olegovich Shatsky	First Deputy Director General, OOO Gazprom Energoholding
15	Boris Ilyich Ayuyev	Chairman of the Management Board, SO UPS, JSC

The Management Board of the Company consists of the following members:

- | | | |
|---|-------------------------------|---|
| 1 | Oleg Mikhailovich Budargin | Director General and Chairman of the Management Board, JSC Russian Grids |
| 2 | Roman Nikolaevich Berdnikov | First Deputy Director General for Technical Policy, JSC Russian Grids |
| 3 | Andrey Aleksandrovich Dyomin | First Deputy Director General for Economic Affairs and Finance, JSC Russian Grids |
| 4 | Dan Mikhailovich Belenky | First Deputy Director General for Investment, JSC Russian Grids |
| 5 | Valentin Yefimovich Mezhevich | Deputy Director General for Strategic Communications, JSC Russian Grids |

The Internal Audit Commission of the Company consists of the following members:

- | | | |
|---|--------------------------------|--|
| 1 | Anna Valeryevna Drokova | Deputy Division Head, Federal Agency for State Property Management of the Russian Federation |
| 2 | Karim Karimovich Samakhuzhin | Chief Specialist and Expert of the Division, Ministry of Energy of the Russian Federation |
| 3 | Alan Fyodorovich Khadziev | Division Head, Ministry of Energy of the Russian Federation |
| 4 | Vladimir Vasilyevich Khvorov | Lead Expert of the Division, Ministry of Economic Development of the Russian Federation |
| 5 | Nikolay Grigoryevich Shulginov | First Deputy Director General, SO UPS, JSC |

Government relations. As of December 31, 2013, the Government through the Federal Agency for State Property Management held an 85.31% stake in the Company's authorized capital, or 86.32% of the Company's outstanding shares.

12.2. Basics of Accounting Statement Preparation and Accounting Policy Overview

The Company's accounting statements are prepared in accordance with the Russian regulatory documents governing business accounting and the preparation of statements, specifically Federal Law No. 402-FZ of December 6, 2011, "On Accounting"; the Regulations for Accounting and Accounting Statements in the Russian Federation, approved by Order of the Ministry of Finance of the Russian Federation No. 34n of July 29, 1998 (as amended and supplemented); and the Regulations for Accounting approved by orders issued by the Ministry of Finance of the Russian Federation.

Assets and liabilities in foreign currency. For accounting for business transactions in foreign currency, the Company used the official Russian ruble exchange rate as of the day of each transaction. The value of cash on hand; cash at banks (deposits); money and payment documents; securities (other than shares); receivables, including in relation to debt obligations (other than advance payments received and made and prepayments) denominated in foreign currency is reflected in accounting statements in amounts calculated at the official exchange rates as of December 31, 2013.

The exchange rate of the Central Bank of the Russian Federation as of December 31, 2013, was 32.7292 Russian rubles per 1 US dollar and 44.9699 Russian rubles per 1 euro (as of December 31, 2012, 30.3727 Russian rubles per 1 US dollar and 40.2286 Russian rubles per 1 euro; as of December 31, 2011, 32.1961 Russian rubles per 1 US dollar and 41.6714 Russian rubles per 1 euro).

Any exchange rate differences that arose during the year out of transactions involving assets and liabilities and that resulted from the translation of foreign currency as of December 31, 2013, are reflected in the financial result and recognized as part of other income and expense.

Intangible assets. Intangible assets are accounted for in accordance with Regulations for Accounting 14/2007, approved by Order of the Ministry of Finance of the Russian Federation No. 153n of December 27, 2007 (as amended and supplemented).

The Company applies straight-line depreciation to its intangible assets, based on their useful life. The useful life is determined by the Company's commission, whose members are approved by an order of the Company.

Depreciation is not applied to any intangible assets whose useful life is not determined.

Group of Intangible Assets	Useful Life (years)
Software licenses	2–5 years
Trademarks and service marks	7–10 years

Fixed assets. Fixed assets are accounted for in accordance with Regulations for Accounting 6/01, approved by Order of the Ministry of Finance of the Russian Federation No. 26n of March 30, 2001 (as amended and supplemented).

Any assets that satisfy the conditions provided for in Paragraph 4 of Regulations for Accounting 6/01 and whose value is not in excess of 40,000 Russian rubles per unit are recognized as part of inventory for the purposes of accounting and accounting statements.

The Company applies straight-line depreciation to its fixed assets, based on their useful life. Fixed assets are depreciated in accordance with Resolution of the Government of the Russian Federation No. 1 of January 1, 2002, "On the Classification of Fixed Assets Included in Depreciation Groups."

The Company applies the following useful lives to its fixed assets:

Main Groups of Fixed Assets	Useful Life (years)
Buildings	33
Office equipment	6–22.5
Computer equipment	3–4
Furniture	6
Appliances	6

Income and expense from fixed asset retirement are reflected in financial results as part of other income and expense in statements.

Expenses in connection with running and major repairs of fixed assets are recognized as expenses associated with ordinary activities in the accounting period of such expenses.

Leased fixed assets are accounted for off-balance-sheet at value specified in lease agreements.

Financial investments. Financial investments are accounted for in accordance with Regulations for Accounting 19/02, approved by Order of the Ministry of Finance of the Russian Federation No. 126n of December 10, 2002 (as amended and supplemented).

The accounting unit applied to financial investments, depending on the nature, acquisition, and use, is a state registration code, series, or any other uniformity of financial investments.

If retirement involves any financial investments whose market value cannot be measured, then, in the case of notes, the acquisition value of each accounting unit applies or, in the case of shares and bonds, the acquisition value of financial investments that are acquired first applies (FIFO Method).

The assessment of financial investments whose market value can be measured in accordance with the prescribed procedure is adjusted on an annual basis as of the end of the accounting year.

Debt securities are assessed at current market value.

The Company has a reserve for impairment of financial investments whose current market value is not measured, in case they steadily and substantially fall in value, at the end of the accounting year.

Interest (coupon yields, discounts) is charged on securities for each elapsed accounting period under the terms and conditions of contracts and is attributed to other income (expense).

All expenses directly relating to the acquisition of assets as financial investments, irrespective of their amounts, are included in the acquisition value of financial investments.

Inventory. Inventory is accounted for in accordance with Regulations for Accounting 5/01, approved by Order of the Ministry of Finance of the Russian Federation No. 44n of June 9, 2001 (as amended and supplemented).

If any inventory is used for production, maintenance, and repair work, and in the event of other retirement, it is assessed at the cost value of each inventory unit. The cost value of each inventory unit includes all expenses in connection with the acquisition of inventory.

The analytical accounting of materials applies the cash basis. Book prices are contractual prices.

The inventory unit is a SKU number.

Ordering costs are included in the actual cost value of materials.

Cash equivalents. In accordance with Regulations for Accounting 23/2011 approved by Order of the Ministry of Finance of the Russian Federation No. 11n of February 2, 2011, the Company selects the approaches to separating cash equivalents from other financial investments.

Cash equivalents are highly liquid financial investments that can be easily converted into an amount of cash known beforehand and that are exposed to an insignificant risk of change in their value. These include promissory notes and bills of exchange payable within three months or less, short-dated government securities, and bank deposits with a maturity of three months or less.

For the cash flow statement, cash flow in foreign currency was translated into Russian rubles at the relevant Russian ruble exchange rate of the Central Bank of the Russian Federation as of the date of making or receiving each payment. The difference arising out of translating cash flow and cash balances and cash equivalent balances denominated in foreign currency at the rates on the dates of transactions in foreign currency and the balance sheet dates is included in the Item "Effect of changes in exchange rate between foreign currency and Russian ruble."

If the Company conducts the relevant transactions, the cash flow statement specifies in a condensed

manner:

- payments and proceeds from transactions related to the purchase for resale and to the sale of such financial investments;
- VAT amounts contained in proceeds from buyers and customers, payments to suppliers and contractors, and VAT payments and VAT refunds.

Accounting for deferred expenses. Expenses incurred by the Company in the accounting period, but attributable to future accounting periods include as follows:

- payments associated with voluntary and compulsory insurance of property and employees;
- payments for the granted right to use intellectual activity results or means of identification made as a fixed one-shot payment under license agreements, franchise agreements, and other similar agreements entered into in accordance with the procedure prescribed in law for a definite term;
- expenses associated with software development and implementation.

These expenses are accounted for in books in Account 97 “Deferred expenses” and shown in accounting statements on the basis on the determined useful life.

Expenses and costs with a life exceeding 12 months are recognized as part of other noncurrent assets and, with a life of less than 12 months, as part of other current assets.

Expenses associated with insurance contracts should be accounted for in Account 97 (Subaccount “Deferred expenses of voluntary insurance of employees”) and charged to cost accounting accounts by means of their reasonable distribution among accounting periods in proportion to the number of calendar days of a contract’s validity in the accounting period. In this connection, the balance at the end of the accounting period in Account 97 (Subaccount “Deferred expenses of voluntary insurance of employees”) are added to the balance of Account 76 (Subaccount “Settlements related to property, personal, and voluntary insurance”) and are shown in accounting statements as part of receivables (payables).

Deferred expenses are written off evenly within the period of such expenses. The duration of this period is defined at the time when deferred expenses begin to be accounted for. Any period of deferred expenses whose useful life is not defined is determined by a commission, whose members are approved by the Company’s chief executive.

Accounting for settlements and other assets and liabilities. For accounting purposes, assets and liabilities are recognized as short-term if due within 12 months from the balance sheet date.

The other receivables are recognized as long-term. The amount of accounts receivable is based on contractual prices.

A reserve for doubtful debts is established on an annual basis in accordance with an order document after annual inventory taking and before the preparation of annual statements. The amount of the reserve is determined on a case-by-case basis according to the objective assessment of each debtor’s paying capacity.

The Company establishes reserves for doubtful debts related to trade accounts receivable and related to other trade accounts receivable.

Trade and other payables are reflected according to the amount of invoices accepted for payment and the amount of accrued liabilities and include value added tax.

Accounting statements reflect the detailed amount of the deferred tax asset less the deferred tax liability.

Procedure for taking inventory of assets and liabilities. The inventory of assets and liabilities is taken in accordance with Article 11 of Federal Law No. 402-FZ of December 6, 2011, “On Accounting” (as amended and supplemented) and the Guidelines for Taking Inventory of Assets and Financial Liabilities, approved by Order of the Ministry of Finance of the Russian Federation No. 49 of June 13, 1995.

The procedure for taking inventory (the number of inventory checks in the reporting year, inventory check dates, the list of assets and liabilities covered by each inventory check, etc.) is specified in the Company’s orders.

Accounting for income and expense. For accounting purposes, income and expense are recognized based on the accrual concept, which means that business transactions are reflected in the Company’s records and accounts in the period in which they occur, whether or not cash is actually received or paid in connection with these transactions.

Income from ordinary activities is revenues from income from interests in other entities, revenues from the provision of services in relation to organizing the operation of and to developing the electricity distribution grid facilities of Russia’s United Power System (UPS), and revenues from the fee-based provision of assets for temporary use (temporary possession and use) under lease agreements (lease payments).

The Company accounts for direct expenses immediately connected with the performance of work and services in Account 20 “Productive work.” If any expenses cannot be unambiguously attributed to some or other activity type, then they are accounted for in Account 26 “General and administrative expenses” and, after the end of the accounting period, are posted to Account 20 “Productive work” in proportion to income from ordinary activities (exclusive of VAT).

Expenses are fully recognized as part of production costs of sold products and services in the accounting period and are attributable to Account 90 “Sales.”

Other income and expense are income and expense that are not related to core activities.

Segment reporting. In accordance with Regulations for Accounting 12/2010, approved by Order of the Ministry of Finance of the Russian Federation No. 143n of November 8, 2010 (as amended and supplemented), the Company considers its activities to be a single business and geographical segment.

Estimated liabilities, contingent liabilities, and contingent assets. In accordance with Regulations for Accounting 8/2010, approved by Order of the Ministry of Finance of the Russian Federation No. 167 of December 13, 2010, accounting records and statements show estimated liabilities, contingent liabilities, and contingent assets.

Estimated liabilities are reflected in the account of reserves for deferred expenses (Account 96). In recognizing an estimated liability, according to its nature, the amount of such estimated liability is charged to expenses from ordinary activities or to other expenses, or included in value of the asset.

Reserves for estimated liabilities include the following deferred expenses:

- reserve for deferred expenses associated with vacation pay;
- reserve for deferred expenses associated with year performance bonuses;
- other reserves for deferred expenses.

The reserve for deferred expenses associated with vacation pay is established for each employee. Establishing the reserve takes account of the following indicators: actual salaries and other pay in the payroll period as specified by the compensation system and used for the calculation of average pay under Article 139 of the Labor Code of the Russian Federation; the total number of unused calendar days of vacation as at the accounting date; and the accrual of insurance contributions. Accruals to the reserve are made every month.

The accumulated amount of the reserve that remains unused at the end of the month is accounted for as the balance carried forward for the reserve for deferred expenses.

The reserve for deferred expenses associated with vacation pay as of December 31 is updated based on the actual number of unused days of vacation. In the event of any excess of the accumulated amount of the reserve, reversals are made. In the event that the accumulated reserve is not sufficient, a one-shot additional charge to the reserve for future vacation pay takes place. The results are documented in a statement made in taking inventory of the balance of the reserve.

The reserve for deferred expenses associated with year performance bonuses is established for each employee as the amount of remuneration that an employee has the right to receive for the accounting period. The amount of the reserve includes all insurance contributions and contributions to social security against accidents calculated on the basis of deductions to the reserve. The reserve is established as of the date when there arises certainty that remuneration will be paid based on the compensation system provided for in the Company's internal regulatory documents.

Contingent assets and liabilities are not reflected in accounting records but disclosed in an explanatory note.

Additional paid-in and reserve capital; funds; reserves. Pursuant to its Articles of Association, the Company may establish a reserve fund and, as decided by the Board of Directors, other funds and reserves necessary for the Company's activities.

The Company has a reserve fund of 5% of the Company's authorized capital.

The Company's reserve fund is designed to cover its losses and redeem its bonds and shares if the Company has no other resources, and the reserve fund may not be used for any other purpose.

The procedure for establishing and appropriating the Company's funds is defined by the Board of Directors of the Company.

The additional paid-in capital results from the excess paid at the offering price of additionally issued shares over their par value.

Error correction. The rules for correcting errors and disclosing errors in accounting and reporting is in accordance with Regulations for Accounting 22/10 "Error Correction in Accounting and Reporting" approved by Order of the Ministry of Finance of the Russian Federation No. 63n of June 28, 2010. In this connection, an error is deemed material if, separately or in combination with other errors, it distorts any indicator of accounting statements by more than 5%.

Changes in the accounting policy. No changes were made to the Company’s accounting policy in 2013. No material changes were made to the 2014 accounting policy.

Data of prior accounting periods. The accounting statements for 2013 were prepared in accordance with the forms recommended by Order of the Ministry of Finance of the Russian Federation No. 66n.

The 2011 and 2012 indicators were not adjusted in the 2013 annual accounting statements.

12.3. Disclosure of Material Reporting Indicators

12.3.1. Intangible assets.

The availability and flow of intangible assets are reflected in Notes 1.1–1.5 to the Balance Sheet and the Statement of Financial Performance.

The items recognized as intangible assets are shown in Table 1 below.

Table 1

Intangible Assets (Russian rubles in thousands)				
Item	Name	As of Dec. 31, 2013	As of Dec. 31, 2012	As of Dec. 31, 2011
1	JSC IDGC Holding corporate logo	-	920	920
2	www.rosseti.ru domain name	1,600	-	-
3	Avariynost software	613	-	-
4	ROSSETI trademark	2,894	-	-
	Total:	5,107	920	920

Since the administration and disposal rights to the www.rosseti.ru domain name were transferred to the Company for an indefinite period (perpetually), this intangible asset it is not subject to amortization.

The useful life of the Avariynost software system is 5 years.

Incomplete transactions involving the acquisition of intangible assets include the ROSSETI trademark. As of December 31, 2013, the trademark was not registered.

The intangible assets accepted for use under license agreements are reflected in an off-balance-sheet account, assessed according to the fees specified in the agreements, and shown in Note 11 to the Balance Sheet and the Statement of Financial Performance (Item 8209).

For accounting purposes, software license payments are recognized in Account 97 “Deferred expenses,” are shown as part of other current and noncurrent assets in the balance sheet as of December 31, 2013, and are written off within the term of the agreements.

12.3.2. Fixed assets.

The availability and flow of fixed assets are reflected in Notes 2.1, 2.3, and 2.4 to the Balance Sheet and the Statement of Financial Performance.

No material change in fixed assets took place in 2013.

12.3.3. Construction in progress.

The availability and flow of construction-in-progress facilities are reflected in Note 2.2 to the Balance Sheet and the Statement of Financial Performance.

As of December 31, 2011, and December 31, 2012, apart from acquired and uncommissioned capital assets, construction in progress included expenses associated with the construction of facilities located in the Chechen Republic.

In 2013, construction-in-progress facilities located in the Chechen Republic were transferred as payment for shares in Chechenenergo, JSC. The book value of the transferred facilities was 3,414,262 thousand Russian rubles. In addition, refunded VAT of 312,892 thousand Russian rubles was transferred.

12.3.4. Long-term financial investments.

Information concerning the availability, flow, and adjusted estimated value of long-term financial investments is contained in Notes 3.1 and 3.2 to the Balance Sheet and the Statement of Financial Performance.

The Company's long-term financial investments include equity securities (shares). As of December 31, 2013, the Company owned shareholdings in 42 joint-stock companies and held an interest in the share capital of 1 limited liability company (the same as this indicator as of December 31, 2011, and as of December 31, 2010).

Shareholdings in subsidiaries and dependent companies are disclosed in Notes 9 and 10 to the Balance Sheet and the Statement of Financial Performance.

During the accounting period, the Company completed the following transactions associated with the acquisition/retirement of long-term financial assets:

- acquisition of 1,021,359,045,392 shares in JSC FGC UES in the amount of 289,657,425 thousand Russian rubles, including 1,009,146,513,079 shares (or 79.64% of the authorized capital of JSC FGC UES) received from the Federal Agency for State Property Management of the Russian Federation in accordance with Decree of the President of the Russian Federation No. 1567 of November 22, 2012, "On Joint Stock Company Russian Grids" as payment for the additional issue of shares in JSC Russian Grids (see Note 12.3.9),
- acquisition of additional shares in Kubanenergo in the amount of 21,928,800 thousand Russian rubles,
- acquisition of additional shares in Chechenenergo, JSC in the amount of 3,727,154 thousand Russian rubles,
- acquisition of additional shares in JSC LENENERGO in the amount of 3,000,000 thousand Russian rubles,
- acquisition of additional shares in IDGC of Northern Caucasus, JSC in the amount of 2,553,566 thousand Russian rubles,
- acquisition of additional shares in JSC TDC in the amount of 781,231 thousand Russian rubles,
- sale of shares in JSC SCPE (book value of sold shares: 710 thousand Russian rubles; selling price: 205,000 thousand Russian rubles).

Financial investments with a maturity of less than one year were reclassified from long-term financial investments to short-term financial investments: the loan of 2,300,000 thousand Russian rubles was extended to JSC Tyumenenergo and the promissory note issued by ENERGO-finance LLC with a nominal value of 2,500,000 thousand Russian rubles for which a reserve for impairment was established (see Note 12.3.7).

As of December 31, 2013, the shares whose current market value could be measured were adjusted downward in the amount of 250,773,963 thousand Russian rubles and reflected in the Statement of Financial Performance in the Item "Other expense." Shares in JSC FGC UES accounted for the largest part of the adjustment amount (197,285,713 thousand Russian rubles).

As of December 31, 2013, the shares whose current market value could not be measured were checked for impairment. The downward adjustment of the reserve for impairment of financial investments is reflected in the Statement of Financial Performance in the Item "Other expense" (9,243 thousand Russian rubles) and its upward adjustment is reflected in the Statement of Financial Performance in the Item "Other expense" (2,500,000 thousand Russian rubles).

The adjusted estimated value of financial investments is shown in Table 2 below.

Table 2

Adjusted Estimated Value of Financial Investments for 2013

Russian rubles in thousands

Indicator		At Beginning of Year	Changes Within Period			At End of Period
Description	Code		Increase	Decrease	Retirement Upon Writing off Financial Investments	
1	2	3	4	5	6	7
Long-term financial investments	7100	(132,565,254)	(250,773,963)	9,243	-	(383,329,974)
Difference between current market value of financial investments and their previous estimated value	7110	(131,549,779)	(250,773,963)	-	-	(382,323,742)
<i>including:</i>						
Total contributions to authorized (share) capital of other entities	7111	(131,549,779)	(250,773,963)	-	-	(382,323,742)
<i>including:</i>						
subsidary business entities	71111	(131,549,779)	(250,773,963)			(382,323,742)
dependent business entities	71112	-				-
other	71113					-
Reserve for impairment of financial investments whose market value is not measured	7130	(1,015,475)	-	9,243	-	(1,006,232)
<i>including:</i>						
Total contributions to authorized (share) capital of other entities	7131	(975,152)	-	9,243	-	(965,909)
<i>including:</i>						
subsidary business entities	71311	(321,369)		51		(321,318)
dependent business entities	71312	(614,055)				(614,055)
other	71313	(39,728)		9,192		(30,536)
Other	7136	(40,323)				(40,323)
Short-term financial investments	7200	-	(2,500,000)	-	-	(2,500,000)
Reserve for impairment of financial investments whose market value is not measured	7230	-	(2,500,000)	-	-	(2,500,000)
<i>including:</i>						
Total value of securities of other entities	7233		(2,500,000)	-		(2,500,000)
<i>including:</i>						
debt securities (bonds, promissory notes)	72331		(2,500,000)			(2,500,000)

The adjusted estimated value of financial investments for 2012 is shown in Table 3 below.

Table 2

Adjusted Estimated Value of Financial Investments for 2012

Russian rubles in thousands

Indicator		At Beginning of Year	Changes Within Period			At End of Period
Description	Code		Increase	Decrease	Retirement Upon Writing off Financial Investments	
1	2	3	4	5	6	7
Long-term financial investments	7100	(126,382,083)	(9,409,507)	3,226,336	-	(132,565,254)
Difference between current market value of financial investments and their previous estimated value	7110	(124,716,179)	(9,212,380)	2,378,780	-	(131,549,779)
<i>including:</i>						
Total contributions to authorized (share) capital of other entities	7111	(124,716,179)	(9,212,380)	2,378,780	-	(131,549,779)
<i>including:</i>						
subsidiary business entities	71111	(114,613,158)	(9,212,380)	2,378,780	(10,103,021)	(131,549,779)
dependent business entities	71112	(10,103,021)			10,103,021	-
other	71113					-
Reserve for impairment of financial investments whose market value is not measured	7130	(1,665,904)	(197,127)	847,556	-	(1,015,475)
<i>including:</i>						
Total contributions to authorized (share) capital of other entities	7131	(798,044)	(197,127)	20,019	-	(975,152)
<i>including:</i>						
subsidiary business entities	71311	(148,937)	(172,437)	5		(321,369)
dependent business entities	71312	(80)	(24,690)		(589,285)	(614,055)
other	71313	(649,027)		20,014	589,285	(39,728)
Other	7136	(867,860)		827,537		(40,323)
Short-term financial investments	7200	-	-	-	-	-

As of December 31, 2013, the security for obligations and payments in relation to the promissory note issued by ENERGO-finance LLC with a nominal value of 2,500,000 thousand Russian rubles was accounted for off-balance-sheet (Note 11 to the Balance Sheet and the Statement of Financial Performance (Item 8211)).

12.3.5. Inventory.

Information concerning the availability and flow of inventory is contained in Notes 4.1 and 4.2 to the Balance Sheet and the Statement of Financial Performance.

Information concerning the inventory held under lease is contained in Note 11 to the Balance Sheet and the Statement of Financial Performance (Item 8201).

12.3.6. Accounts receivable.

Information concerning the availability and flow of accounts receivable is contained in Notes 5.1 and 5.2 to the Balance Sheet and the Statement of Financial Performance.

No material changes in accounts receivable occurred in 2013.

The following reserves for doubtful receivables were established in 2013:

- 373,031 thousand Russian rubles for NURENERGO, JSC (in relation to the property lease agreement);
- 1,140,616 thousand Russian rubles for ENERGO-finance LLC (in relation to accrued interest on the promissory note);
- 214,170 thousand Russian rubles for Ingushenergo, JSC (in relation to the non-interest-bearing promissory notes).

Advance payments made, including VAT, in the amount of 309,694 thousand Russian rubles as of December 31, 2013, (47,773 thousand Russian rubles as of December 31, 2012, and 65,411 thousand Russian rubles as of December 31, 2011) are recognized as receivables in Item 1230 of the Balance Sheet. At the same time, 45,164 thousand Russian rubles of VAT on advance payments made as of

December 31, 2013, (200 thousand Russian rubles as of December 31, 2012, and 2,200 thousand Russian rubles as of December 31, 2011) is reflected in Item 1550 “Other liabilities” of the Balance Sheet.

12.3.7. Short-term financial investments (excluding cash equivalents).

Information concerning the availability, flow, and adjusted estimated value of short-term financial investments is contained in Notes 3.1 and 3.2 to the Balance Sheet and the Statement of Financial Performance.

As of December 31, 2013, short-term financial investments included fixed-term deposits with a maturity of over 3 months with the following banks: Alfa-Bank, VTB Bank, Gazprombank, and Sberbank.

Additionally, short-term financial investments as of December 31, 2013, included a debt security, namely the promissory note of 2,500,000 thousand Russian rubles issued by ENERGO-finance LLC. A reserve for impairment of financial investments was established for the full value of this promissory note.

12.3.8. Cash and cash equivalents.

Cash and cash equivalents in the accounting period included fixed-term deposits with a maturity of 3 months and less with the following banks: Alfa-Bank, VTB Bank, Gazprombank, and Sberbank.

The flow of fixed-term deposits as cash equivalents in 2013 is shown in Table 4 below.

Table 4

Flow of Fixed-Term Deposits as Cash Equivalents in 2013
(Russian rubles in thousands)

Item	Name	As of Dec. 31, 2012	Deposited	Repaid	As of Dec. 31, 2013
1.	Fixed-term deposits with a maturity of 3 months and less	2,881,004	267,289,662	(264,630,313)	5,540,353
	TOTAL	2,881,004	267,289,662	(264,630,313)	5,540,353

Interest accrued on fixed-term deposits as cash equivalents in 2013 totaled 681,132 thousand Russian rubles.

The flow of fixed-term deposits as cash equivalents in 2012 is shown in Table 5 below.

Table 5

Flow of Fixed-Term Deposits as Cash Equivalents in 2012
(Russian rubles in thousands)

Item	Name	As of Dec. 31, 2011	Deposited	Repaid	As of Dec. 31, 2012
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Item	Name	As of Dec. 31, 2011	Deposited	Repaid	As of Dec. 31, 2012
1.	Fixed-term deposits with a maturity of 3 months and less	12,256,787	60,925,110	(70,300,893)	2,881,004
	TOTAL	12,256,787	60,925,110	(70,300,893)	2,881,004

Interest accrued on fixed-term deposits as cash equivalents in 2012 totaled 635,476 thousand Russian rubles.

12.3.9. Authorized capital.

The Company's authorized capital in the process of the reorganization was composed of RAO UES of Russia's additional paid-in capital and undistributed profit of previous years transferred under the opening balance sheet.

The Company's authorized capital was fully paid as of December 31, 2013. Information about the Company's authorized capital is shown in Table 6 below.

Table 6

Authorized Capital of the Company

Description	Total Quantity, shares	Par Value, Russian rubles
Ordinary shares as of:		
December 31, 2013:	161,078,853,310	161,078,853,310
December 31, 2012:	47,871,694,416	47,871,694,416
December 31, 2011:	42,964,067,081	42,964,067,081
Preference shares as of:		
December 31, 2013:	2,075,149,384	2,075,149,384
December 31, 2012:	2,075,149,384	2,075,149,384
December 31, 2011:	2,075,149,384	2,075,149,384
December 31, 2010:		
TOTAL as of:		
December 31, 2013:	163,154,002,694	163,154,002,694
December 31, 2012:	49,946,843,800	49,946,843,800
December 31, 2011:	45,039,216,465	45,039,216,465

On September 30, 2011, the Board of Directors of the Company resolved to increase the authorized capital by means of the placement of 5,444,391,292 additional uncertificated registered ordinary shares, each with a par value of 1 Russian ruble. The offering price of one additional ordinary share was 3.08 Russian rubles.

The additional issue of ordinary shares was paid in cash in the amount of 9,381,790 thousand Russian rubles in 2011 and in the amount of 5,733,703 thousand Russian rubles in 2012.

The amendments to the Articles of Association were registered on June 28, 2012.

On November 13, 2012, the Extraordinary General Meeting of Shareholders of the Company resolved

(the Minutes of November 16, 2012) to increase the authorized capital by means of the placement of 16,885,114,442 additional uncertificated registered ordinary shares, each with a par value of 1 Russian ruble. The offering price of one additional ordinary share was 2.16 Russian rubles.

The additional issue of 9,375,608,049 ordinary shares was paid in cash in the amount of 19,751,090 thousand Russian rubles in 2012 and 500,223 thousand Russian rubles in 2013.

The amendments to the Articles of Association were registered on April 2, 2013.

On May 6, 2013, the Extraordinary General Meeting of Shareholders of the Company resolved (the Minutes of May 8, 2013) to increase the authorized capital by means of the placement of 161,066,440,775 additional uncertificated registered ordinary shares, each with a par value of 1 Russian ruble. The offering price of one additional ordinary share was 2.79 Russian rubles.

The additional issue of 103,831,550,845 ordinary shares was paid in cash in the amount of 32,602 thousand Russian rubles and with uncertificated registered ordinary shares in Open Joint-Stock Company Federal Grid Company of Unified Energy System in the amount of 289,657,425 thousand Russian rubles in 2013.

The amendments to the Articles of Association were registered on December 12, 2013.

Information concerning shares held by subsidiaries and dependent companies in the Company as of December 31, 2013, is shown in Table 7 below.

Table 7

Information Concerning Shares Held by Subsidiaries and Dependent Companies in JSC Russian Grids
as of December 31, 2013

Company Name	Quantity of Shares (shares)		Par Value (Russian rubles)*	Share in Authorized Capital (%)
	ordinary shares	preference shares		
JSC Karachaevo- Cherkesskenergo	118,272	0	118,272.00	0.0001
JSC Tyumenenergo	0	4,993,960	4,993,960.00	0.0031
IDGC of Siberia, JSC	526,735	0	526,735.00	0.0003
IDGC of Center and Volga Region, JSC	2,080,389	0	2,080,389.00	0.0013
IDGC of Volga, JSC	9,400	0	9,400.00	0.0000
JSC Power Grid Optical Networks Engineering	669,200	0	669,200.00	0.0004
TOTAL:	3,403,996	4,993,960		0.0052

* The par value of 1 share of each category is 1 Russian ruble.

Information concerning shares held by subsidiaries and dependent companies in the Company as of December 31, 2012, is shown in Table 8 below.

Table 8

Information Concerning Shares Held by Subsidiaries and Dependent Companies in JSC Russian Grids
as of December 31, 2012

Company Name	Quantity of Shares (shares)		Par Value (Russian rubles)*	Share in Authorized Capital (%)
	ordinary shares	preference shares		
JSC Karachaevo- Cherkesskenergo	118,272	0	118,272.00	0.0002
JSC Tyumenenergo	0	4,993,960	4,993,860.00	0.0100
IDGC of Siberia, JSC	526,735	0	526,735.00	0.0011
IDGC of Center and Volga Region, JSC	2,080,389	0	2,080,389.00	0.0042
IDGC of Volga, JSC	9,400	0	9,400.00	0.0000
JSC Power Grid Optical Networks Engineering	669,200	0	669,200.00	0.0013
TOTAL:	3,403,996	4,993,960		0.0168

* The par value of 1 share of each category is 1 Russian ruble.

12.3.10. Reserve capital.

Established by the Company in accordance with Federal Law No. 208-FZ of December 26, 1995, "On Joint-Stock Companies," the reserve capital was 2,155,845 thousand Russian rubles as of December 31, 2013.

12.3.11. Additional paid-in capital.

Information concerning changes in the additional paid-in capital is contained in the Statement of Changes in Capital. The substantial increased in the additional paid-in capital is largely due to the recognition of the contributed capital related to the Company's additionally issued shares that were paid for with ordinary shares in JSC FGC UES (see Note 12.3.9).

12.3.12. Treasury stock.

Item 1320 "Treasury stock" of the Balance Sheet specifies 1,779,140 thousand Russian rubles. This amount represents investments in the Energetik closed-end mutual hedge fund and equals actual expenses incurred in connection with the Company's share repurchase made by the mutual fund for the purpose of implementing the Program of Incentives for Managers of JSC IDGC Holding and Its Subsidiaries and Dependent Companies in accordance with the decision adopted by the Board of Directors of JSC IDGC Holding (Minutes of the Meeting No. 47 of November 9, 2010). As of December 31, 2013, the Company was the sole settlor of the mutual fund, and the mutual fund held only 429.6 million shares in the Company. The mutual fund used the Company's investments to purchase these shares. The shares were acquired by the mutual fund in the course of the placement of additional shares in JSC IDGC Holding in 2010.

12.3.13. Short-term accounts payable.

Information concerning the availability and flow of accounts payable is contained in Notes 5.3 and 5.4 to the Balance Sheet and the Statement of Financial Performance.

The material changes in the structure of the Company's accounts payable are due to the payment for the Company's additionally issued.

12.3.14. Taxes.

Value added tax totaled 543,734 thousand Russian rubles in 2013 (453,805 thousand Russian rubles in 2012 and 403,128 thousand Russian rubles in 2011).

Property tax was 40,897 thousand Russian rubles in 2013 (75,532 thousand Russian rubles in 2012 and 12,478 thousand Russian rubles in 2011).

The profit tax base for 2013 was 1,406,879 thousand Russian rubles (2,207,087 thousand Russian rubles for 2012 and 1,792,854 thousand Russian rubles for 2011), with the accrued current profit tax totaling 281,376 thousand Russian rubles (441,417 thousand Russian rubles for 2012 and 358,571 thousand Russian rubles for 2011).

12.3.15. Accounting for profit tax calculation.

Profit taxation is shown in Table 9 below.

Table 9

Profit Taxation

Indicator	Code	2012	2011
1	2	3	4
Profit (loss) before tax	6710	(250,259,887)	(2,643,738)
including profit taxable at:			
20%	67101	(250,259,887)	(2,643,738)
other rates	67102		
nontaxable	67103		
Permanent differences	6711	251,719,262	4,896,523
For reference: permanent differences corresponding to temporary differences	67111		
Change in deductible temporary differences	6712	(41,748)	(37,864)
Change in taxable temporary differences	6713	(10,747)	(7,834)
Tax base	6714	1,406,880	2,207,087
Profit tax expense (gain)	6720	(50,051,977)	(528,748)
Contingent profit tax expense (gain)	6721	(50,051,977)	(528,748)
Permanent tax liability (asset)	6722	50,343,852	979,305
For reference: change in deferred taxes classified as profit and loss	67221		
Deferred tax expense (gain)	6723	(10,499)	(9,140)
including:			
change in deferred tax asset	67231	(8,350)	(7,573)
change in deferred tax liability	67232	(2,149)	(1,567)
Current profit tax	6724	(281,376)	(441,417)
Corrected profit tax amounts for prior tax periods	6725		
Other tax payments and charges from profit	6730	(1)	(5,346)
including from substantial items	6731		

Profit (loss) from ordinary activities	6740	(250,551,763)	(3,099,641)
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The difference between accounting profit and taxable profit resulted from applying the different rules for income and expense recognition set forth in legal regulations on accounting and in tax laws of the Russian Federation.

The value of adjusted contingent gain related to profit tax was materially affected by a change in the value of shares due to its recognition at current market value.

12.3.16. Income and expense from ordinary activities.

The Company's income from ordinary activities is revenues from income from interests in other entities, revenues from the provision of services in relation to organizing the operation of and to developing the electricity distribution grid facilities of Russia's United Power System (UPS), revenues from the fee-based provision of assets for temporary use under lease agreements, and technical supervision services.

The Company's revenues for 2013 and 2012 are shown in the Statement of Financial Performance.

Details of specific expenses from ordinary activities by cost item are shown in Table 10 below.

Table 10

Cost Value of Sold Products (Goods, Work, Services)
(Russian rubles in thousands)

Indicator	Period	
	2013	2012
TOTAL:	3,203,837	2,567,030
Material costs	29,224	17,873
Payroll expenses	1,570,026	1,525,142
Insurance contributions	231,379	249,877
Depreciation and amortization	18,420	17,942
Total other expenses including:	1,354,788	756,196
Services, including consultancy, information, audit, transportation, telecommunications, security	352,190	299,570
Lease expenses	296,582	163,298
Compulsory and voluntary insurance, contributions to the Non-State Pension Fund of the Electric Power Industry	23,753	43,294
Business travel expenses	89,495	38,767
Expenses associated with registrar, custodian, depository, and other similar support for acquired shares	16,012	18,169
Advertising expenses	267,741	21,300
Services in relation to the sole executive body's functions	109,374	15,968
Property tax	40,898	75,597

Indicator	Period	
	2013	2012
Other	158,743	80,233

12.3.17. Interest receivable.

Details of specific interest receivable are shown in Table 11 below.

Table 11

Interest Receivable (Russian rubles in thousands)

Description	2013	2012
Total:	2,188,309	1,620,461
Interest on promissory note	325,000	325,000
Interest on fixed-term deposits	1,696,447	1,109,033
Interest on cash balances at banks	57,974	36,140
Interest on extended long-term loans	108,888	150,288

12.3.18. Other income and expense.

Other income and expense of the Company for the accounting period are shown in Table 12 below.

Table 12

Other Income and Expense			
Indicator		2013	2012
Description	Code		
1	2		
Total other income	8000	299,882	9,187,826
including:			
Income from disposal of apartments	8002		2,913
Income from sale of securities	8006	205,000	
Profit of 2012 identified in accounting period	8009	7,792	
Profit of 2011 identified in accounting period	8010	5	
Accounts payable with expired collectability (more than three years)	8014		10
Exchange rate differences	8015	1,473	1,259
Revaluation of financial investments at current market value	8020		8,263,566
Income from decreased (written-off) reserve for estimated liabilities	8022	52,235	72,420
Payment of promissory note	8029	24,000	
Income from decreased (written-off) reserve for impairment of financial investments	8031	9,243	847,556
Other	8032	134	102
Total other expense	8100	(255,642,967)	(15,502,700)
including:			
Expense from disposal of apartments	8102		(290)
Expense from sale of securities	8106	(711)	
Other taxes	8108	(381)	(265)
Expenses associated with payment for bank services	8109	(1,282)	(1,652)
Expenses associated with registrar, custodian, depositary, and other similar support for securities	8110	(44,886)	(18,621)
Reserve for doubtful debts	8111	(1,727,817)	(23,941)
Reserve for impairment of financial investments	8112	(2,500,000)	(197,127)
Retirement of assets without income	8116	(7,081)	(23,178)

VAT on property transferred without compensation	8117	(1,273)	(2,552)
Loss of 2011 identified in accounting period	8118	(28,111)	(1,076)
Loss of 2010 identified in accounting period	8119	(1,774)	
Loss of 2009 identified in accounting period	8120	(21)	
Late payment interest, penalties, and liquidated damages accepted or imposed by court (arbitration court) decisions on their recovery	8122	(82)	(1,552)
Revaluation of financial investments at current market value	8124	(250,773,963)	(15,097,166)
Payment of promissory note	8125	(24,000)	
Nonrefundable VAT	8127	(278,230)	(14,450)
Expense from identified electricity consumption other than under contracts	8128		
Contributions to associations and funds	8129	(43,340)	(25,192)
Exchange rate differences	8131	(531)	(594)
Legal costs	8132		(7)
Expenses associated with sport activities	8138	(4,871)	(10,973)
Expenses associated with social activities	8139		(4,498)
Charitable contributions	8140	(54,300)	(7,550)
Other	8141	(150,313)	(72,016)

The material changes in the item “Other expense” are due to recognized expense (losses) from the revaluation of financial investments at current market value in the amount of 250,773,963 thousand Russian rubles as of December 31, 2013 (15,097,166 thousand Russian rubles as of December 31, 2012). In addition, a reserve for impairment of financial investments was established for 2,500,000 thousand Russian rubles in 2013 in relation to the promissory note issued by ENERGO-finance LLC.

12.3.19. Deferred expenses.

Details of the Company’s specific deferred expenses accounted for in Account 97 are shown in Table 13 below.

Table 13

Details of Specific Deferred Expenses
(Russian rubles in thousands)

Item	Distribution Among Balance Sheet Items/ Description	As of Dec. 31, 2013	As of Dec. 31, 2012	As of Dec. 31, 2011
1.	Other noncurrent assets			
	- payments for the granted right to use intellectual activity results, expenses associated with software development and implementation (period of use of more than 1 year)	42,063	29,246	30,363
2.	Other current assets			
	- payments for the granted right to use intellectual activity results, expenses associated with software development and implementation (period of use of less than 1 year)	21,578	23,485	3,754
	- other expenses	1,569	5,252	-
3.	Short-term accounts receivable			

- payments associated with voluntary and compulsory insurance of property and employees;	30,293	14,738	20,593
- deferred expenses associated with vacation pay and insurance contributions	-	-	-
TOTAL:	95,503	72,721	54,710

12.3.20. Estimated liabilities.

The Company's estimated liabilities as of December 31, 2013, are shown in Table 14 below.

Table 14

Estimated Liabilities (Russian rubles in thousands)

Item	Description	As of Dec. 31, 2013	As of Dec. 31, 2012	As of Dec. 31, 2011
1.	Reserve for future vacation pay	41,896	31,267	39,606
2.	Reserve for year performance bonuses	299,686	294,153	301,763
3.	Insurance contributions for the reserve for vacation pay	4,411	2,026	12,500
4.	Insurance contributions for the reserve for year performance bonuses	30,568	88,834	103,203
	TOTAL:	376,561	416,280	457,072

The flow of estimated liabilities is shown in Note 7 to the Balance Sheet and the Statement of Financial Performance.

12.3.21. Earnings (loss) per share.

The calculation of earnings (loss) per share is contained in Table 15 below.

Table 15

Earnings per Share and Diluted Earnings per Share (Russian rubles in thousands)

Indicator		2013	2012
Description	Code		
1	2	3	4
Net profit (uncovered loss) for accounting period	6610	(250,551,763)	(3,099,641)
Dividends on preference shares ³	6611		
Base earnings (loss) for the accounting period	6612	(250,551,763)	(3,099,641)
Weighted average quantity of outstanding ordinary shares for accounting period	6613	63,556,029,690	45,826,849,693
Base earnings (loss) per share	6620	(0.00394)	(0.00007)
Weighted average market value of one ordinary share	6621		
Potential growth of earnings and weighted average quantity of outstanding shares	6630	X	X
Resulting from conversion of preference shares into ordinary shares	6631	X	X
potential growth of earnings	66311		
additional quantity of shares	66312		

Resulting from conversion of bonds into ordinary shares	6632	X	X
potential growth of earnings	66321		
additional quantity of shares	66322		
Resulting from performance of agreements for purchase and sale of shares at below-the-market price	6633	X	X
contractual purchase price	66331		
potential growth of earnings	66332		
additional quantity of shares	66333		
Diluted earnings per share	6640		
adjusted base earnings	6641		
adjusted weighted average quantity of outstanding shares	6642		

Base earnings (loss) per share are calculated in accordance with the Guidelines for Disclosing Information on Earnings per Share, approved by Order of the Ministry of Finance of the Russian Federation No. 29n of March 21, 2000.

In the accounting period, the Company did not hold any bonds required to be converted into an additional number of shares under the terms of bond issues; therefore, the Company did not calculate diluted earnings (loss) per share.

12.3.22. Related parties.

In the Notes, the Company discloses all material information concerning its related parties.

The list of affiliates is posted on the Company's website at <http://www.rosseti.ru/investors/stockholders/list/doc/alist-31.12.2013.pdf>.

Information concerning transactions with affiliates in 2013 is contained in Tables 16 and 17 below.

Table 16

Settlements with Affiliates (Russian rubles in thousands)

Item	Name	Transaction Type	Receivables as of Dec. 31, 2012	Accrued	Cleared	Receivables as of Dec. 31, 2013
1.	Subsidiaries	long-term non-interest-bearing notes	42,683		(42,683)	-
		short-term non-interest-bearing notes	1,965,935	42,683	(24,000)	1,984,618
		short-term interest-free loans	46,354			46,354
		reserve for short-term interest-free loans	(46,354)			(46,354)
		services in relation to organizing operation of and to developing UPS	172,874	2,742,913	(2,373,034)	542,753
		dividends	5,517	3,640,280	(3,637,782)	8,015
		lease	47	161	(208)	-
		settlements related to securities	-	28,257,318	(28,257,318)	-
		technical supervision services	-	2,341	-	2,341
		settlements related to transfer of property as contribution to authorized capital	-	3,727,154	(3,727,154)	-

Item	Name	Transaction Type	Receivables as of Dec. 31, 2012	Accrued	Cleared	Receivables as of Dec. 31, 2013
		settlements related to extended loans	-	2,408,888	(2,408,888)	-
		TOTAL	2,187,056	40,821,738	(40,471,067)	2,537,727
2.	Dependent companies	short-term non-interest- bearing notes	214,170			214,170
		short-term interest-free loans	91,040			91,040
		reserve for short-term non- interest-bearing notes			(214,170)	(214,170)
		reserve for short-term interest-free loans	(91,040)			(91,040)
		dividends	7,549	6,051	(580)	13,020
		lease	237,727	135,304		373,031
		reserve for lease agreement	-	-	(373,031)	(373,031)
		other settlements	23,941			23,941
		reserve for other settlements	(23,941)			(23,941)
		TOTAL	(459,446)	141,355	(587,781)	13,020
	GRAND TOTAL		2,646,502	40,963,093	(41,058,848)	2,550,747

Table 17

Services Provided by Affiliates
(Russian rubles in thousands)

Item	Name	Transaction Type	Payables as of Dec. 31, 2012	Accrued	Cleared	Payables as of Dec. 31, 2013
1.	Subsidiaries	transportation services	6,808	94,941	(92,753)	8,996
		services related to exercise of sole executive body's powers	3,300	156,127	(159,427)	
		lease	-	108,339	(90,356)	17,983
		other	-	827	(606)	221
		TOTAL	10,108	360,234	(343,142)	27,200
3.	Other entities the shareholding in which is less than 25%	information services, technical support services	145	43,072	(35,053)	8,164
		TOTAL	145	43,072	(35,053)	8,164
	GRAND TOTAL		10,253	403,306	(378,195)	35,364

Information concerning transactions with affiliates in 2012 is contained in Tables 18 and 19 below.

Table 18

Settlements with Affiliates
(Russian rubles in thousands)

Item	Name	Transaction Type	Receivables as of Dec. 31, 2011	Accrued	Cleared	Receivables as of Dec. 31, 2012
1.	Subsidiaries	long-term non-interest- bearing notes	74,683	-	(32,000)	42,683

Item	Name	Transaction Type	Receivables as of Dec. 31, 2011	Accrued	Cleared	Receivables as of Dec. 31, 2012
		short-term non-interest-bearing notes	1,933,935	32,000	-	1,965,935
		short-term interest-free loans	46,354	-	-	46,354
		reserve for short-term interest-free loans	(46,354)	-	-	(46,354)
		services in relation to organizing operation of and to developing UPS	153,175	3,270,000	(3,250,301)	172,874
		dividends	5,517	1,627,467	(1,627,467)	5,517
		lease	136	671	(760)	47
		settlements related to securities	-	9,203,086	(9,203,086)	-
		settlements related to extended loans	-	2,450,288	(2,450,288)	-
		TOTAL	2,167,446	16,583,512	(16,563,902)	2,187,056
2.	Dependent companies	short-term non-interest-bearing notes	214,170	-	-	214,170
		long-term interest-free loans	197,475	-	(197,475)	-
		reserve for long-term interest-free loans	(197,475)	-	197,475	-
		short-term interest-free loans	91,040	-	-	91,040
		reserve for short-term interest-free loans	(91,040)	-	-	(91,040)
		services in relation to organizing operation of and to developing UPS	4,513	-	(4,513)	-
		dividends	-	8,053	(504)	7,549
		lease	-	237,727	-	237,727
		other settlements	23,941	-	-	23,941
		reserve for other settlements	-	-	(23,941)	(23,941)
		TOTAL	242,624	245,780	(28,958)	(459,446)
	Other entities the shareholding in which is less than 25%	shortfall recovery for construction in progress	18,662	-	(18,662)	-
		lease	39,832	-	(39,832)	-
		TOTAL	58,494	-	(58,494)	-
	GRAND TOTAL		2,468,564	16,829,292	(16,551,354)	2,646,502

Table 19

Services Provided by Affiliates
(Russian rubles in thousands)

Item	Name	Transaction Type	Payables as of Dec. 31, 2011	Accrued	Cleared	Payables as of Dec. 31, 2012
1.	Subsidiaries	transportation services	7,059,	86,092	(86,343)	6,808
		other	53	1,007	(1,060)	-
		TOTAL	7,112	87,099	(87,403)	6,808
2.	Dependent companies	consultancy services	-	8,908	(8,908)	-
		TOTAL:	-	8,908	(8,908)	-

3.	Other entities the shareholding in which is less than 25%	custody of assets	2,877	-	(2,877)	-
		purchase and sale of property	53,089	-	(53,089)	-
		TOTAL	55,966	-	(55,966)	-
	GRAND TOTAL		63,078	96,007	(152,277)	6,808

Service fees charged by affiliates were at the level of market prices.

In 2013, no pension contributions were made to the Non-State Pension Fund of the Electric Power Industry (against 20,000 thousand Russian rubles of pension contributions in 2012 and 24,150 thousand Russian rubles of pension contributions in 2011).

In the accounting period, the Company paid 93,374 thousand Russian rubles of short-term remuneration to key executive personnel (122,734 thousand Russian rubles in 2012 and 176,667 thousand Russian rubles in 2011).

12.4. Contingencies

12.4.1. Legal proceedings.

As of December 31, 2013, the Company was not a party to litigation.

12.4.2. Taxation.

Russian tax, currency, and customs laws allow of divergent interpretations and are subject to frequent change. Any assessment by the Company's management of business transactions may differ from their interpretation by tax authorities.

The Company's management does not exclude the possibility of future disputes over any transactions conducted in the accounting period, which disputes may affect operating results.

13. Notes on Change and Reissue of the RAS Accounting Statements for 2013

Upon receipt of the accounting statements of Ingushenergo, JSC for 2013, the Company reanalyzed the repayment of Ingushenergo, JSC's debt in relation to its non-interest-bearing note payable at sight but not earlier than July 1, 2012, for 214,170 thousand Russian rubles. The additional analysis of this non-interest-bearing note revealed uncertainty as to its repayment due to the following circumstances:

- Ingushenergo, JSC was found meeting the financial insolvency criteria arising out of its unstable financial condition (this is a loss-making company for a long time with a negative net asset value);
- despite the expired maturity period, the repayment of this non-interest-bearing note is expected in 2019–2020 at the earliest;
- the previous plans to collect this overdue debt failed.

As a result, the previous accounting statements about which, in its previous auditors' report of March 3, 2014, the auditor expressed an unmodified opinion were revised by the Company's management in relation to the recognition of a reserve for doubtful receivables for 214,170 thousand Russian rubles, and indicators of receivables and other expense were changed.

14. Events After the Reporting Period

The Board of Directors of the Company resolved (Minutes of the Meeting No. 146 of March 12, 2014) to place 100,000,000 exchange-traded bond, each with a par value of 1,000 Russian rubles.

**First Deputy Director General
for Economic Affairs and
Finance**

(signature)

A. A. Dyomin

(full name)

**Director of the Accounting
and Reporting Department
and Chief Accountant**

(signature)

V. V. Shchukin

(full name)

Appendix to the Quarterly Report. Auditors' Report on the Annual Accounting (Financial) Statements of the Issuer

KPMG

**To the Shareholders of
Joint Stock Company
Russian Grids**

**Auditors' Report
on the Accounting Statements of
Joint Stock Company
Russian Grids
for 2013**

ZAO KPMG, a company incorporated under the Laws of the Russian Federation, a subsidiary of KPMG Europe LLP, and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Auditor Information

Name:	ZAO KPMG.
Registered address (place of business):	129110, Moscow, Olimpiysky prospekt, dom 18/1, office 3035.
Postal address:	123317, Moscow, Presnenskaya naberezhnaya, 10, Block C, Floor 31.
State registration:	Registered by the Moscow Registration Chamber. Certificate No. 011.585 of May 25, 1992. Registered on the Uniform State Register of Juridical Persons by Interdistrict Inspectorate of the Ministry of Taxation of the Russian Federation No. 39 for the City of Moscow under No. 1027700125628 on August 13, 2002. Certificate Series 77 No. 005721432.
Membership in the self-regulatory organization of auditors:	Member of the Auditor Chamber of Russia. Principal Registration Number on the State Register of Auditors and Audit Organizations: 10301000804.

Auditee Information

Name:	Joint Stock Company Russian Grids; short name: JSC Russian Grids (before March 23, 2013, JSC IDGC Holding).
Registered address (place of business):	107996, Moscow, Ulansky pereulok, 26
Postal address:	121353, Moscow, ul. Belovezhskaya, 4
State registration:	Registered on the Uniform State Register of Juridical Persons by Interdistrict Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 46 on July 1, 2008, under number 1087760000019. Certificate Series 77 No. 011168002. The amendments in connection with the changed name were registered on the Uniform State Register of Juridical Persons by Interdistrict Inspectorate of the Federal Taxation Service of the Russian Federation for the City of Moscow No. 46 on April 4, 2013, under number 7137746729542. Certificate Series 77 No. 015768874.

Auditors' Report

To the Shareholders of Joint Stock Company Russian Grids

We have audited the accompanying accounting statements of Joint Stock Company Russian Grids (the "Company") for 2013.

The accounting statements on 51 pages consist of:

- Balance Sheet as of December 31, 2013;
- Statement of Financial Performance for 2013;
- Appendices to the Balance Sheet and the Statement of Financial Performance, including
 - Statement of Changes in Capital for 2013;
 - Cash Flow Statement for 2013;
 - Notes to the Balance Sheet and the Statement of Financial Performance.

Responsibility of the Company for Accounting Statements

Management of the Company is responsible for the preparation and reliability of these accounting statements in accordance with the Russian rules applicable to the preparation of accounting statements and for the internal control system necessary to prepare accounting statements that are free of material misstatements arising out of unfair acts or errors.

Responsibility of the Auditor

Our responsibility is to express, based on the conducted audit, an opinion on the reliability of accounting statements in all material respects. We conducted our audit in accordance with federal auditing standards. These standards require compliance with applicable ethics and lay down that audits should be so planned and carried out as to obtain reasonable assurance about whether accounting statements are free of material misstatements.

The audit included the auditing procedures aiming to obtain auditor evidence supporting the amounts and disclosures in the accounting statements. The selection of the auditing procedures is at our discretion based on assessing the risk of material misstatements arising out of unfair acts or errors. In the course of assessing this risk, we examined the internal control system employed to prepare the accounting statements and ensure their reliability with the aim of selecting the appropriate auditing procedures rather than expressing an opinion on the efficiency of internal control.

The audit also included assessing whether the suitable accounting policy was applied and whether the estimates made by management of the Company were valid and evaluating the overall accounting statement presentation.

We believe that the audit evidence obtained by our audit provides a reasonable basis for our opinion on the reliability of the accounting statements.

Opinion

In our opinion, the accompanying accounting statements of the Company present fairly, in all material respects, its financial position as at December 31, 2013, and the results of its financial and economic operations and its cash flows for 2013 in accordance with the Russian rules applicable to the preparation of accounting statements.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 13, namely to the fact that the previous accounting statements about which, in our auditors' report of March 3, 2014, we expressed an unmodified opinion were revised by the Company's management in relation to the recognition of a reserve for doubtful receivables. Since the adjustment to the revised statements is not significant, our opinion expressed in this auditors' report on the accounting statements for 2013 is not different from the opinion expressed in our previous auditors' report.

Other Matter

The accounting statements for 2011 were audited by another auditor who expressed an unmodified opinion on those statements on March 29, 2012.

Deputy Director
ZAO KPMG
(Power of Attorney No. 46/11 of October 28, 2011)

T. N. Astankovich

March 26, 2014

Regulations for the Accounting Policy of JSC Russian Grids for Business and Tax Accounting Purposes

1. General Provisions

1.1. JSC Russian Grids (hereinafter, the “Company”) shall organize and maintain accounting records, prepare accounting statements in accordance with Federal Law No. 402-FZ of December 6, 2011, “On Accounting” (hereinafter, “Federal Law 402-FZ”) and other regulatory documents applicable to accounting.

Business and tax accounting records shall be maintained by the Accounting and Reporting Department headed by the Director of the Accounting and Reporting Department (Chief Accountant).

The accounting policy of the Company shall be formulated by the Director of the Accounting and Reporting Department (Chief Accountant) and shall be subject to approval by the Director General.

Other regulations and orders of the Company with respect to business and tax accounting shall not be inconsistent with these Regulations.

1.2. The Company’s branch, Technical Supervision Center, is not a corporate entity, has a standalone balance sheet, has bank accounts, and prepares accounting, tax, statistical, and other statements and reports.

The branch’s separate divisions do not have standalone balance sheets, and their operating results are included in the balance sheet of the branch.

1.3. Internal control over business transactions is organized in accordance with the Internal Control Policy approved by the decision adopted by the Board of Directors of the Company on December 29, 2011.

2. Working Chart of Accounts, Workflow Rules, Technology for the Processing of Accounting Information and Preparation of Statements

2.1. The accounting policy documents of the Company shall include these Regulations, a working chart of accounts, forms of primary accounting documents, forms of ledgers for business and tax accounting, a workflow schedule, and the technique for calculating the reserve for future vacation pay.

2.2. The working chart of accounts shall be used for maintaining

accounting records. The working chart of accounts of the Company shall be prepared in accordance with the Chart of Accounts approved by Order of the Ministry of Finance of the Russian Federation No. 94n of October 31, 2000, and adjusted for the functionality of the 1C:Accounting 8.1 CORP software used by the Company to keep accounting records.

2.3. The ledgers of the Company shall be prepared in a format supported by the software used by the Company to keep its accounting records subject to the requirements of Federal Law 402-FZ. The Company shall use the ledgers listed in and in the form contained in Annex 4 hereto.

2.4. The Company's preparation of statements in accordance with Russian accounting standards shall be governed by the Regulations for the Procedure for Statement Preparation in Accordance with Russian Accounting Statements approved by Order of the Company No. 414 of July 18, 2013.

2.5. Entries made in ledgers shall be based on primary accounting documents that specify business transactions and on calculations (statements or records) of the Accounting and Reporting Department.

Employees of the Accounting and Reporting Department shall verify whether primary accounting documents contain all mandatory details when they receive such documents for the purposes of including information contained in primary accounting documents in ledgers.

2.6. To document business transactions, the Company shall use the forms of primary accounting documents listed in and in the form contained in Annex 5 hereto.

The forms of documents (including those documenting transactions that involve cash) used as primary accounting documents and prescribed by authorized agencies in accordance with and pursuant to other federal laws shall be mandatory.

Any primary accounting documents written in a foreign language shall be accompanied by their Russian line-by-line translation and certified in accordance with the prescribed procedure.

2.7. The principal rules of maintaining accounting records and documenting business transactions shall comply with the Regulations for Accounting and Reporting in the Russian Federation approved by Order of the Ministry of Finance of the Russian Federation No. 34-n of July 29, 1998, as adjusted for certain industry characteristics adopted and reflected in this document and other regulations and orders of the Company.

2.8. The workflow rules of the Company shall be governed by the workflow schedule for the purposes of maintaining accounting and tax records and preparing statements in accordance with Annex 3 hereto. The workflow schedule shall specify the time limits, procedure, and scope for the submission of primary accounting or other documents to the Accounting and Reporting Department by the functions of the Company. The time limits and scope for the

submission of the financial and tax statements of the Company to competent supervisory government authorities shall not be established by the workflow schedule and shall be governed by the applicable law.

2.9. The error correction rules are contained in and any errors in accounting and statements shall be disclosed in accordance with Regulations for Accounting 22/10 “Correction of Errors in Accounting and Statements” approved by Order of the Ministry of Finance of the Russian Federation No. 63n of June 28, 2010. In this connection, a material error is an error that, individually or together with other errors, distorts any indicator of an accounting statement item by more than 5%.

2.10. The annual accounting statements of the Company shall be considered and approved by the General Meeting of Shareholders in accordance with Article 48 of Federal Law No. 208-FZ of December 26, 1995, “On Joint-Stock Companies” (hereinafter, “Federal Law 208-FZ”) and the Articles of Association of the Company and shall be submitted within the time limits and at the addresses specified in Article 18 of Federal Law 208-FZ.

2.11. The contents of accounting and tax ledgers and internal financial accounting forms shall be proprietary information. Any persons provided with access to the information contained in these documents shall be obliged to keep such information in confidence. They shall be liable for the disclosure thereof as specified in internal regulations and orders of the Company and the laws of the Russian Federation.

2.12. The right to sign primary accounting documents shall be held by the Company’s executives in accordance with the Company’s directive documents (orders and powers of attorney) to be agreed upon with the Director of the Accounting and Reporting Department (Chief Accountant) of the Company.

2.13. Documents on business transactions involving cash flow (through bank accounts or the cashier's office of the entity) shall be signed by the chief executive of the Company and the Director of the Accounting and Reporting Department (Chief Accountant) or the persons authorized by them under powers of attorney.

2.14. The accounting records for property, liabilities, and other business transactions shall be maintained in rubles and kopecks.

2.15. The Company shall prepare the Russian Grids Group consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

2.16. In the event that the Director General is changed, accounting records shall be transferred in accordance with the procedure set forth in regulations and orders of the Company.

3. Procedure for Taking an Inventory of Assets and Liabilities

3.1. Any inventory of assets and liabilities shall be taken in accordance with Article 11 of Federal Law 402-FZ and the Guidelines for Taking Inventory of Property and Financial Liabilities approved by Order of the Ministry of Finance of the Russian Federation No. 49 of June 13, 1995.

Any inventory shall be taken by the Company only if required under the laws of the Russian Federation and prescribed by federal and industry standards. The inventory dates and procedure and the list of items subject to inventory taking shall be specified by the Company's regulations and orders.

4. Fixed Asset Accounting

4.1. Fixed asset accounting records shall be maintained in accordance with Regulations for Accounting 6/01 approved by Order of the Ministry of Finance of the Russian Federation No. 26n of March 30, 2001.

4.2. Assets that fulfill the terms and conditions set forth in paragraph 4 of Regulations for Accounting 6/01 "Fixed Asset Accounting" and have a value of not more than 40,000 rubles per unit shall be recognized in accounting records and accounting statements as inventory in Account 10 "Materials" in a separate subaccount. On the date when such assets are transferred for operation or released for production, their value shall be attached to cost accounting accounts (paragraph 7 of Regulations for Accounting 10/99). In order to ensure their safety and organize adequate control over their availability and flow, the off-balance sheet account of inventory items and fixed assets "Fixed assets worth 40,000 rubles or less" shall be used.

4.3. Fixed assets shall be depreciated using the straight-line method based on the useful life of these assets. Depreciation shall be accumulated in accordance with Resolution of the Government of the Russian Federation No. 1 of January 1, 2002, "On Classification of Fixed Assets Included in Depreciation Groups" (hereinafter, the "Resolution").

4.4. The groups of homogenous fixed assets are not revaluated at their current (reinstatement) value.

4.5. Accounting for leased fixed assets shall be done by the Company (lessee) using the asset identification numbers assigned by the 1C:Accounting 8.1 CORP software used by the Company to keep accounting records.

4.6. If one item or more having one designated use or more are a standalone unit of comprising intrinsically combined items with common devices and accessories or common control or common foundations and, therefore, each item can function properly only as part of the unit, then such unit shall be accounted for as a single inventory item.

4.7. If one inventory item is composed of several parts with different useful lives, then each of such parts shall be accounted for as an individual inventory item whether such part can function independently or not.

5. Intangible Asset Accounting

5.1. Intangible asset accounting records shall be maintained in accordance with Regulations for Accounting 14/2007 approved by Order of the Ministry of Finance of the Russian Federation No. 153n of December 27, 2007.

5.2. Intangible assets shall be depreciated using the straight-line method based on the useful life of intangible assets. The useful life shall be determined by the Company's commission whose members shall be approved by the Company's regulations and orders.

5.3. Depreciation shall not be accumulated on intangible assets with an indefinite useful life. After inventory taking, the Company on an annual basis shall search for factors preventing reliable determination of the useful life of these assets. If these factors disappear, the Company shall determine the useful life of these intangible assets.

5.4. On an annual basis, the entity shall check whether the useful life of an intangible asset needs to be revised. In the event of significant changes in the duration of use and expected timing of future economic benefits from using an intangible asset, useful life shall be approved by the commission of the Company established under the Company's regulations and orders.

5.5. Intangible asset depreciation shall be recognized in the accounting books through the accumulation of the amounts concerned in Balance Sheet Account 05 "Intangible asset depreciation."

5.6. The groups of homogenous intangible assets are not revaluated at their current market value.

6. Financial Investment Accounting

6.1. Financial investment accounting records shall be maintained in accordance with Regulations for Accounting 19/02 approved by Order of the Ministry of Finance of the Russian Federation No. 126n of December 10, 2002.

6.2. The analytical accounting records of financial investments shall be broken down by type of financial investment and facility in which these investments are made (securities issuing entities, other entities in which the organization participates, borrowing entities, etc.).

6.3. A unit of financial investment accounting depending on the characteristics, acquisition and application procedure shall be state registration code, a series or other homogenous set of financial investments.

6.4. Any financial investments whose current market value is not measured shall be accounted for and recognized in accounting records at acquisition value.

6.5. In the disposal of financial investments whose market value cannot be

measured, the original value of each unit of financial investment accounting shall apply to promissory notes and the original value of financial investments purchased first (FIFO method) shall apply to shares and bonds.

6.6. For subsequent valuation purposes, financial investments shall be divided into two groups: financial investments whose current market value can be measured in accordance with the procedure specified in these Regulations and financial investments whose current market value cannot be measured.

The current market value of securities means their market price calculated in accordance with the prescribed procedure by a securities trading institutor (whether Russian or foreign).

If current market value cannot be measured for any financial investee as of the balance sheet date, such financial investee shall be recorded in accounting statements at the value measured by the latest appraisal.

The value of financial investments whose current market value can be measured in accordance with the approved procedure shall be adjusted on an annual basis as of the accounting year-end.

Current market value shall apply to the valuation of debt securities.

6.7. Contributions to the authorized (share) capitals of other entities shall be recognized as financial investments of the organization and recorded in the accounting books as the equivalent of actual costs incurred by the investor, i.e. at the value of contributed assets at which they are recorded in the balance sheet of the investor.

6.8. Interest (coupon yield, discount) on securities shall be accrued for each of previous reporting years in accordance with the terms and conditions of the agreement and shall be recorded as other income (expense).

6.9. The discount value of extended loans and debt securities shall not be calculated by the Company.

6.10. All costs directly associated with the acquisition of assets as financial investments irrespective of their amount shall be included in the original value of financial investments.

7. Inventory Accounting

7.1. Inventory accounting records shall be maintained in accordance with Regulations for Accounting 5/01 approved by Order of the Ministry of Finance of the Russian Federation No. 44n of June 9, 2001.

7.2. Inventory shall be accepted for accounting at actual cost.

7.3. Inventory released for production, used for repair operations, capital construction or disposed of in any other manner shall be valued at the production cost of each unit. The production cost of each unit shall include all expenses in connection with the acquisition of inventory.

7.4. The analytical accounting records of materials shall be maintained

using cash method of accounting. Contractual prices shall be used as book prices.

7.5. A stock number shall be a unit of inventory.

7.6. Operations related to the procurement and acquisition of material resources shall be recognized in the accounting records without using Account 15 "Procurement and acquisition of materials" and Account 16 "Materials cost deviation."

7.7. Transportation and procurement expenses shall be included in the actual production cost of material.

7.8. Fittings, tools, fixtures with a useful life of less than one year shall be recognized as inventory in Account 10 "Materials."

8. Deferred Expense Accounting

8.1. Expenses paid in this reporting period yet used by the Company in its activity during a certain period shall include the following expenses:

payments associated with voluntary and compulsory insurance of property and employees;

payments for the granted right to use intellectual activity results or means of identification made as a fixed one-shot payment under license agreements, franchise agreements, and other similar agreements entered into in accordance with the procedure prescribed in law for a definite term;

expenses associated with software development and implementation.

8.2. Deferred expenses shall be written off evenly during the period to which they relate. The duration of such period shall be determined as of the date on which deferred expenses are recorded in the accounting books.

8.3. The life of deferred expenses whose useful life is not determined shall be defined by the commission established under the Company's regulations and orders.

8.4. The expenses and costs specified in paragraph 8.1 are accounted for in books in Account 97 "Deferred expenses" and shown in accounting statements on the basis on the determined useful life.

Expenses and costs with a life exceeding 12 months are recognized as part of other noncurrent assets and, with a life of less than 12 months, as part of other current assets.

8.5. Expenses associated with insurance contracts should be accounted for in Account 97 (Subaccount "Deferred expenses of voluntary insurance of employees") and charged to cost accounting accounts by means of their reasonable distribution among accounting periods in proportion to the number of calendar days of a contract's validity in the accounting period. In this connection, the balance at the end of the accounting period in Account 97 (Subaccount "Deferred expenses of voluntary insurance of employees") are

added to the balance of Account 76 (Subaccount “Settlements related to property, personal, and voluntary insurance”) and are shown in accounting statements as part of receivables (payables).

9. Settlement Accounting

9.1. Accounts receivable shall be determined based on the prices established by agreements.

Accounts receivable shall be recognized as short-term unless their maturity exceeds 12 months from the reporting date. The remaining accounts receivable shall be recognized as long-term. The above-mentioned period shall be calculated from the first day of the calendar month following the month in which the asset is recorded in the accounting books.

9.2. Accounts payable to suppliers and other creditors shall be recognized based on the amount of accepted invoices and accrued liabilities.

9.3. The accrual of payable expenses (interest, discount) on the borrower’s liabilities shall be recognized in the reporting periods to which these accruals relate under the existing agreements.

9.4. Calculated profit tax shall be accounted for in accordance with Regulations for Accounting 18/02, using 1C:Accounting 8.1 CORP; for this purpose, the Company operates a chart of tax accounts. Any business transactions recorded in business accounting are simultaneously recorded in tax accounting. Business and tax accounting ledgers are reconciled to maintain the equation of the following data:

$BA = TA + PD + TD$, where:

BA is business accounting,

TA is tax accounting,

PD is permanent differences,

TD is temporary differences.

The amount of current profit tax is calculated using the data generated in accounting records in accordance with paragraphs 20 and 21 of Regulations for Accounting 18/2002. In this connection, the amount of current profit tax shall correspond to the amount of assessed profit tax specified in a profit tax declaration.

9.5. The itemized amount of deferred tax assets and deferred tax liability shall be recorded in the accounting statements.

10. Accounting for Expenses Associated with Loans and Advances

10.1. Loans and advances accounting records shall be maintained in accordance with Regulations for Accounting 15/2008 approved by Order of the

Ministry of Finance of the Russian Federation No. 107n of October 6, 2008.

10.2. Loan expenses shall be recorded in the accounting books separately from the principal amount of liability for the loan (advance) obtained.

10.3. Additional expenses directly associated with the obtainment of loans and advances and the placement of borrowed funds shall be included in costs in the reporting period in which they are incurred.

11. Changes in Assessed Values

11.1. Assessed reserves shall be established in accordance with Regulations for Accounting 21/2008 “Changes in Assessed Values” approved by Order of the Ministry of Finance of the Russian Federation No. 106n of October 6, 2008.

11.2. A bad debt reserves shall be established on an annual basis under a directive document after annual inventory taking before the preparation of the Company’s annual statements. The amount of any reserve shall be determined on a case-by-case basis relying on objective information about the debtor’s solvency.

11.3. The Company shall establish a reserve for impairment of financial investments whose current market value is not measured, in case they steadily and substantially fall in value. To check financial investments whose current market value is not measured for any signs of impairment, the Company employs the net asset method. Financial investments whose current market value is not measured shall be checked for impairment, and a reserve for impairment of financial investments whose current market value is not measured shall be established at the end of the accounting year.

12. Accounting for Income and Expense

12.1. Income from ordinary activities shall be as follows:

revenues from interests in other entities;

revenues from the provision of services in relation to organizing the operation of and to developing the electric grid facilities of Russia’s United Power System (UPS);

revenues from the fee-based provision of assets for temporary use (temporary possession and use) under lease agreements (lease payments);

revenues from technical supervision services.

12.2. Direct expenses directly associated with the performance of work and provision of services by the Company shall be recorded in Account 20 “Core operations.”

Analytical accounting records in Account 20 “Core operations” shall be maintained by type of activity.

Unless it is possible to charge expenses clearly to any given type of activity, they shall be recorded in Account 26 “General expenses” and, upon the expiration of the reporting period, written down to Account 20 “Core operations” in proportion to the amount of income from ordinary activities (exclusive of VAT).

Expenses shall be fully charged to the cost of products and services sold in the reporting period and recognized in Account 90 “Sales.”

12.3. The general expenses that are recorded in Account 26 and related to the branch’s activities shall be determined in accordance with the procedure set forth in the Technique for Calculating the Cost of Technical Supervision Services approved by the Company’s internal regulations and orders before being written down to Account 20. Upon the expiration of the reporting period, such expenses shall be charged to the branch’s balance sheet.

12.4. Income and expense shall be recognized in the accounting books based on the accrual principle assumption, suggesting the recognition in the accounting books of the Company’s business facts in the reporting period in which they occur irrespective of the actual time of receipt or payment of funds related to these facts.

12.5. Income and expense forming the financial performance and denominated in any foreign currency shall be recalculated into rubles at the exchange rate of the Central Bank of the Russian Federation as of the transaction date.

12.6. If denominated in any foreign currency, the value of cash at banks shall be recalculated on the transaction date and the date of preparation of accounting statements.

13. Accounting for R&D and Engineering Expenses

13.1. The accounting records of R&D and engineering expenses shall be maintained in accordance with Regulations for Accounting 17/02 approved by Order of the Ministry of Finance of the Russian Federation No. 115n of November 19, 2002.

13.2. Analytical accounting records shall be maintained for each inventory item: any completed item of R&D or engineering whose results are independently used for production purposes.

13.3. Expenses in connection with each completed item of R&D or engineering shall be written off using the straight-line method during the period established by the Company.

13.4. The depreciable life of expenses in connection with each completed item of R&D or engineering shall be determined by the commission established under the Company’s regulations and orders according to the expected useful life during which the Company shall gain economic benefits (income), but not in

excess of five years.

14. Information About Participation in Joint Operations

The accounting records of business transactions in the event of joint operations, joint use of assets and joint activities shall be maintained in accordance with Regulations for Accounting 20/03 approved by Order of the Ministry of Finance of the Russian Federation No. 105n of November 24, 2003.

15. Segment Information

In accordance with Regulations for Accounting 12/2010, approved by Order of the Ministry of Finance of the Russian Federation No. 143n of November 8, 2010, the Company shall view its activities as a single operational and geographic segment.

16. Post Balance Sheet Events

16.1. In accordance with Regulations for Accounting 7/98 approved by Order of the Ministry of Finance of the Russian Federation No. 56n of November 25, 1998, the Company shall record in the accounting statements any post balance sheet events which have or may have an impact on the financial standing, cash flow or performance of the entity and take place between the balance sheet date and the date on which the statements are submitted to shareholders.

16.2. Post balance sheet events shall be reported in the accounting statements through the revision of data on the Company's relevant assets, liabilities, capital, income and expense accompanied by the disclosure of the related information in notes.

16.3. For the monetary evaluation of the implications of a post balance sheet event the respective calculation shall be made and the confirmation of such calculation shall be ensured. The calculation shall be made by the Department (function) to which the event relates in accordance with the functions performed.

17. Estimated Liabilities, Contingent Liabilities, and Contingent Assets

17.1. In accordance with Regulations for Accounting 8/2010 approved by Order of the Ministry of Finance of the Russian Federation No. 167 of December 13, 2010, accounting records and statements shall show estimated liabilities, contingent liabilities, and contingent assets.

17.2. Estimated liabilities shall be reflected in the account of reserves for deferred expenses (Account 96). In recognizing an estimated liability, according

to its nature, the amount of such estimated liability shall be charged to expenses from ordinary activities or to other expenses, or included in value of the asset.

17.3. Contingent liabilities and contingent assets are not reflected in accounting records but disclosed in accounting statements. Contingent liabilities and contingent assets shall be disclosed on the basis of the calculation prepared by the Company's division to which such contingent liabilities and contingent assets relate according to its functions.

17.4. Reserves for estimated liabilities shall include the following deferred expenses:

- reserve for deferred expenses associated with vacation pay;
- reserve for deferred expenses associated with year performance bonuses;
- other reserves for deferred expenses.

17.5. The reserve for deferred expenses associated with vacation pay shall be established for each employee in accordance with the procedure set forth in the Technique for Calculating the Reserve for Future Vacation Pay (Annex 6 hereto).

17.6. The reserve for deferred expenses associated with year performance bonuses shall be established for each employee as the amount of remuneration that an employee has the right to receive for the accounting period. The amount of the reserve shall include all insurance contributions and contributions to social security against accidents calculated on the basis of deductions to the reserve. The reserve shall be established as of the date when there arises certainty that remuneration will be paid based on the labor compensation system provided for in the Company's internal regulatory documents.

18. Information About Related Parties

18.1. In accordance with Regulations for Accounting 11/2008 approved by Order of the Ministry of Finance of the Russian Federation No. 48n of April 29, 2008, the Company shall include information concerning related parties in a separate section of notes.

19. Cash Equivalents

19.1. In accordance with Regulations for Accounting 23/2011 approved by Order of the Ministry of Finance of the Russian Federation No. 11n of February 2, 2011, the Company shall select the approaches to separating cash equivalents from other financial investments.

Cash equivalents are highly liquid financial investments that can be easily converted into an amount of cash known beforehand and that are exposed to an insignificant risk of change in their value. These include promissory notes and bills of exchange payable within three months or less, short-dated government

securities, and bank deposits with a maturity of three months or less as at the reporting date.

20. Tax Accounting

20.1. Organization of tax accounting.

20.1.1. The Company shall calculate and pay taxes and levies in accordance with the laws of the Russian Federation on taxes and levies and the laws of the constituent entities of the Russian Federation on taxes and levies.

20.1.2. Tax report preparation procedure, tax ledger forms and maintenance procedure, tax base formation procedure, the calculation and payment of taxes and levies shall be governed by these Regulations as well the internal documents of the Company on the procedure for the calculation and payment of individual taxes and levies. Tax ledgers shall be maintained as special forms as specified in Annex 6 hereto in hard copy and electronic form.

20.1.3. Tax arrears shall be reconciled with tax authorities on a quarterly basis.

20.1.4. To ensure correct and complete formation of tax bases for all taxes and levies, the Company's divisions shall provide any necessary information within the period specified in the workflow schedule.

20.1.5. Responsibility for the correct calculation of taxes and levies shall lie with the Director of the Accounting and Reporting Department (Chief Accountant) of the Company.

20.2. Budgetary payments.

The accounting records of settlements for taxes and levies shall be maintained in accounts on an accrual basis for each particular tax and due by budget level (federal, budget of the constituent entity of the Russian Federation, local budget) and type of debt (principal amounts of taxes or levies in arrears, penalties, fines).

20.3. Profit tax accounting.

20.3.1. The Company shall apply a unified organization system, methods and forms of tax accounting for profit tax purposes under Chapter 25 of the Tax Code of the Russian Federation (hereinafter, the "Tax Code") and these Regulations.

The Company shall calculate its tax base for each reporting (tax) period based on tax reporting data.

The Company shall permit the revision and expansion of principles, procedure and forms of tax accounting set forth in this accounting policy for tax purposes during the tax period through the inclusion of additional analytical data, registers and principles of generalization of information, which is expected

to contribute to more correct disclosure of the tax base formation.

20.3.2. Fixed assets and intangible assets.

20.3.2.1. Depreciable property shall be any property whose useful life is more than 12 months and original value exceeds 40,000 rubles.

Depreciable assets shall also include capital investments in leased fixed assets in the form of nonremovable improvements made by the lessee with the consent of the lessor and capital investments in fixed assets granted under a free use agreement in the form of nonremovable improvements made by the borrowing entity with the consent of the lending entity. If any lease (free use) agreement terminates before the depreciation date of nonremovable improvements, the underdepreciated value of nonremovable improvements shall be expensed as costs not taken into account for profit tax purposes.

20.3.2.2. The useful life of any previously used fixed assets acquired shall be reduced by the number of years (months) of operation of this property by its previous owners. If the actual useful life of acquired fixed assets when operated by their previous owners equals or exceeds its useful life determined by the Resolution, the useful life shall be determined on a separate basis subject to safety requirements and with due consideration to other factors.

20.3.2.3. The Company shall include in the reporting (tax) period expenses capital investment expenses of 10 percent (30 percent for fixed assets belonging to the third to seventh depreciation groups) of the original value of fixed assets (with the exception of donated fixed assets) and 10 percent (30 percent for fixed assets belonging to the third to seventh depreciation groups) of expenses incurred in the event of completion, retrofit, rehabilitation, upgrading, re-equipment, partial liquidation of fixed assets whose amounts are determined in accordance with article 257 of the Tax Code.

Fixed assets, upon their commissioning, shall be included in depreciation groups (subgroups) at their original value minus 10 percent (30 percent for fixed assets belonging to the third to seventh depreciation groups) of the original value included in the reporting (tax) period expenses and the amounts by which the original value of assets changes in the event of completion, retrofit, rehabilitation, upgrading, re-equipment, partial liquidation of assets shall be recorded in the aggregate balance of depreciation groups (subgroups) (change the original value of assets depreciated using straight-line method in accordance with article 259 of the Tax Code) minus 10 percent (30 percent for fixed assets belonging to the third to seventh depreciation groups) of such amounts.

20.3.2.4. If, at the time of the disposal of a fixed asset, the asset's actual useful life exceeds its depreciable life, the loss on disposal of such fixed assets shall be included in other expenses on a non-recurrent basis immediately after disposal of such asset.

20.3.2.5. The straight-line method of depreciation shall apply to all fixed

assets based on the norms calculated relying on useful lives in accordance with Article 259.1 of the Tax Code and the Resolution.

20.3.2.6. The straight-line method of depreciation shall apply to all intangible assets.

20.3.3. Tax accounting for expenses associated with research and development (hereinafter, "R&D").

20.3.3.1. R&D expenses shall be recognized for tax purposes as part of other expenses in the accounting (tax) period of completing such R&D (separate stages thereof) unless otherwise provided for in Article 262 of the Tax Code, provided that tax accounting for R&D expenses is in accordance with their classification and the applicable procedure.

20.3.3.2. If any expenses incurred in connection with R&D result in the Company's receiving exclusive rights to the intellectual activity results specified in paragraph 3 of Article 257 of the Tax Code, such rights shall be recognized as intangible assets depreciable in accordance with the general procedure.

20.3.4. Tax accounting for income from sale.

20.3.4.1. Income from the sale of goods (work, services) shall be recognized by type of activity.

Income from sale shall be recognized in the accounting (tax) period during which such income takes place, irrespective of whether or not any money, other property (work, services), and/or property rights have actually been received (accrual method of accounting).

20.3.4.2. For tax purposes, income from the sale of fixed assets and other property (except for securities) shall be recognized based on financial accounting data net of the amounts of tax imposed on buyers and sum differences.

20.3.4.3. Income received from the fee-based provision of assets for temporary use (temporary possession and use) under lease agreements (lease payments) and recognized in the accounting records and accounting statements as revenues in line 010 of the Income Statement shall be recognized as income from sale for tax accounting purposes. Expense related to the lease of the relevant property shall be recognized as production- and sale-related expenses for tax accounting purposes.

20.3.4.4. In conducting transactions involving securities that are not traded in the organized securities market, the price shall be deemed to be the actual transaction price if it ranges from the bottom price or the ceiling price determined on the basis of the estimated price of a security to the 20 percent upward or downward extreme deviation from the estimated price of a security.

The estimated price of securities that are not traded in the organized securities market shall be determined in accordance with the procedure set forth

in Order of the Federal Financial Markets Service of the Russian Federation No. 10-66/pz-n of November 9, 2010 (hereinafter, the “FFMS Order”).

The estimated price of a nontraded discounted note shall be determined in accordance with paragraph 13 of the FFMS Order as follows:

$$P=N\left(1-\frac{d \cdot t}{t_1}\right), \text{ where:}$$

P is the estimated price of a discounted note;

N is the principal of a note;

d is the discount rate as a percentage of the principal adjusted for note investment risks;

t is the maturity of a note in calendar days. If the maturity date has already come, t is taken as zero;

t_1 is 365 (366) days or 360 days on the basis of which the period is calculated as used for a note’s settlement currency.

The estimated price of a nontraded interest-bearing note shall be determined in accordance with paragraph 14 of the FFMS Order as follows:

$$P = \frac{N[1+C(t/t_1)]}{1+r(t/t_1)}, \text{ where:}$$

P is the estimated price of an interest-bearing note;

N is the principal of a note;

C is the interest rate of a note;

r is the discount rate consistent with note investment risks;

t is the period from the purchase (sale) of a note to its maturity date in calendar days. If the maturity date has already come, t is taken as zero;

t_1 is 365 (366) days or 360 days on the basis of which the period is calculated as used for a note’s settlement currency.

The estimated price of nontraded shares in joint-stock companies shall be determined in accordance with paragraph 9 of the FFMS Order by dividing (i) a company’s net asset value measured in accordance with the Procedure for Valuating Net Assets of Joint-Stock Companies approved by Order of the Ministry of Finance of the Russian Federation No. 10n of January 29, 2003, and Order of the Federal Commission for the Securities Market of the Russian Federation No. 03-6/pz of January 29, 2003, less the share of net assets that corresponds to a company’s outstanding preference shares, by (ii) the total number of a company’s outstanding ordinary shares.

The estimated price of nontraded preference shares in joint-stock companies shall be determined in accordance with paragraph 11 of the FFMS Order by dividing (i) a company’s net asset (equity) value that corresponds to a company’s outstanding preference shares by (ii) the total number of such shares.

A company’s net asset (equity) value that corresponds to its outstanding

preference shares shall be measured on the basis of such liquidation value of preference shares and such amount of dividends on preference shares as specified in the articles of association of a company.

This value of shares may also be determined in accordance with paragraph 19 of the FFMS Order as the appraised value of such security in accordance with an appraiser's report if the period from the appraisal report date to the transaction completion date is not in excess of six months.

20.3.5. Tax accounting for production- and sale-related expenses.

20.3.5.1. Production-related expenses are divided into direct and indirect.

Direct expenses shall include:

- financial expenses provided for by paragraphs 1 and 4 of Article 254 of the Tax Code and recorded in accordance with the working chart of accounts of the Company in Account 20 "Core operations";

- expenses in connection with the compensation of the personnel involved in the process of production of goods, performance of work, provision of services and the amounts insurance contributions to the Pension Fund of the Russian Federation, the Social Insurance Fund of the Russian Federation, the Federal Compulsory Medical Insurance Fund, and territorial compulsory medical insurance funds, and a mandatory industrial accident and occupational illness insurance contribution charged to the above-mentioned amounts of compensation expenses and recorded in accordance with the working chart of accounts of the Company in Account 20 "Core operations" recorded in accordance with the working chart of accounts of the Company in Account 20 "Core operations";

- depreciation of fixed assets used in the production of goods (work, services) and recorded in accordance with the working chart of accounts of the Company in Account 20 "Core operations."

The valuation method based on the value of inventory unit shall apply to the determination of financial expenses associated with the write-off of all types of inventory used in the production of goods, performance of work, provision of services. The date of payment of the above-mentioned expenses shall be the date of their launch into production.

Compensation expenses shall be considered for tax purposes, with the exception of contributions under mandatory and voluntary insurance contracts entered into in favor of employees based on financial accounting data. The amount of the above-mentioned contributions accepted for tax purposes shall be calculated in tax ledgers. If any vacation falls on several months, then payroll expenses with respect to compensation retained for employees for the period of vacation shall be accounted for as expenses for tax purposes evenly, in proportion to the vacation days falling on each month. In this connection, expenses in connection with payments for insurance contributions accrued to the

vacation pay amount shall be accounted for as expenses for tax purposes on a one-shot basis within the period when they are formed and charged.

The reserve for deferred expenses associated with vacation pay, annual long-service awards, and year performance bonuses shall not be established.

Expenses in connection with the repair of fixed assets shall be recognized for tax purposes in the actual costs for the reporting (tax) period in which they are paid.

Direct expenses shall be fully charged in the current month to services rendered.

20.3.5.2. In the event of the sale or any other disposal of securities, the expensed value of securities sold shall be determined for:

- issue-grade securities (shares, bonds, etc.) on a first-in, first-out (FIFO) basis;

- non-issue-grade securities (notes, deeds of pledge, checks, etc.) per unit.

When income is received during several accounting (tax) periods and connection between income and expense may not be determined with certainty or is determined indirectly, expense allocation shall be adjusted for the principle of even recognition of income and expense. Expenses related several reporting periods (expenses in connection with the acquisition of rights to use computer software and databases, expenses in connection with annual technical support for software, and other similar expenses) shall be allocated evenly between the accounting period and subsequent periods.

20.3.6. Tax accounting for non-operating income and expense.

20.3.6.1. For tax purposes, a reserve for doubtful debts shall be established at the end of the reporting (tax) period in accordance with paragraph 4 of Article 266 of the Tax Code.

20.3.6.2. For the purposes of establishing the profit tax base, the ceiling value of interest on debt obligations of any kind recognized as expense (including interest and sum differences related to obligations denominated in conventional monetary units at the exchange rate agreed upon by the parties) shall be—from January 1, 2011, to and including December 31, 2014—equal to the interest rate agreed upon by the parties, but not in excess of the Bank of Russia's refinancing rate multiplied by 1.8 in the case of a debt obligation in Russian rubles, and equal to the Bank of Russia's refinancing rate multiplied by 0.8 in the case of a debt obligation in foreign currency.

20.3.7. Profit tax calculation procedure.

The Company shall calculate and make monthly advance payments of corporate profit tax in the amount of one-third of the tax payable for the quarter preceding the quarter in which advance payments are made in accordance with the procedure set forth in Articles 286 and 287 of the Tax Code.

20.4. Value added tax.

20.4.1. Procedure for organizing separate accounting.

20.4.1.1. The Company shall ensure the maintenance of separate accounting records of both VAT-taxable and VAT-exempt income and expense from the production and/or sale of goods (work, services), as well as the amounts of VAT on purchased goods (work, services) used for the production and/or sale of both VAT-taxable and VAT-exempt goods (work, services), in accordance with the Regulations for Separate Accounting Records for Income and Expense and the Amounts of VAT on Purchased Goods (Work, Services) Including Fixed and Assets and Property Rights of JSC Russian Grids approved by Order of the Company No. 398 of July 16, 2013.

20.4.1.2. Maintenance of separate accounting for production and/or sales costs.

The Company shall ensure separate maintenance of costs in connection with the production and/or sale of:

- taxable and non-taxable (tax-exempt) goods (work, services);
- goods (work, services) to which various tax rates are applicable by operation of law.

20.4.1.3. Maintenance of separate accounting for the amounts of input VAT.

The amounts of VAT declared by the sellers of goods (work, services) used both for the production and/or sale of VAT-taxable goods (work, services) and VAT-exempt goods (work, services) shall be accepted for deduction or recognized as cost in proportion to the (VAT-exclusive) cost of taxable and non-taxable goods (work, services) sold respectively as a percentage of the (VAT-exclusive) total cost of goods (work, services) sold according to data for the current tax period.

The following subaccounts of Account 19 “Input VAT” shall be introduced for separate accounting for VAT amounts:

VAT on purchased assets used for both VAT-taxable and VAT-exempt activities;

VAT on purchased assets used for VAT-taxable activities;

VAT on purchased assets used for VAT-exempt activities.

If, in the current tax period, aggregate expenses in connection with the acquisition, production, and/or sale of any goods (work, services) and property rights the sale of which is exempt from tax account for not more than 5 percent of total value of aggregate expenses in connection with the acquisition, production, and/or sale of such goods (work, services) and property rights, then all tax amounts declared by the sellers of goods (work, services) and property rights in the above-mentioned tax period shall be refundable in accordance with the procedure specified in Article 172 of the Tax Code.

20.4.2. Procedure for preparing and issuing tax invoices, purchase ledgers, and sales ledgers.

20.4.2.1. Tax invoices issued to buyers and received from suppliers, purchase ledgers, and sales ledgers shall be stored at the Company's place of business.

20.4.2.2. The Company's tax invoices shall be assigned numbers with due consideration to the functionality of 1C:Accounting 8.1 CORP, namely in ascending order for each transaction type, including composite numbers using prefixes according to the transaction type.

The numbers of tax invoices issued to buyers and accepted for accounting are a combination of digits or a prefix ("A" for advance payments received, "NA" for tax agents, and "BR" for fee-free disposal) and digits (as many as 14 characters).

20.5. Corporate property tax.

20.5.1. Corporate property tax shall be calculated and paid based on the standards of Chapter 30 "Corporate Property Tax" of the Tax Code and the provisions of laws of the constituent entities of the Russian Federation.

In the calculation and payment of corporate property tax, the Company shall apply the provisions of laws of the constituent entities of the Russian Federation which specify tax rates (within the limits established by Chapter 30 of the Tax Code), the procedure and time limits for tax payment, tax credits, and grounds for using them.

20.5.2. The Company shall determine the property tax base, submit the calculations of advance tax payments and file corporate property tax declarations at the location of the entity and each real property item located outside the entity based on data concerning the movable and immovable property recorded on the balance sheet as fixed assets.

20.5.3. For the purposes of correct application of tax credits, the separate accounting records of property for which credits are allowed shall be maintained in accordance with the applicable property tax laws.

20.6. Insurance contributions to extrabudgetary funds.

The Company shall calculate and pay insurance contributions to the Pension Fund of the Russian Federation, the Social Insurance Fund of the Russian Federation, and the Federal Compulsory Medical Insurance Fund for compulsory social occupational accident and sickness insurance and shall submit to extrabudgetary funds its reports (calculations) with respect to insurance contributions.

20.7. Other taxes

Individual income tax, transport tax, and other taxes and levies shall be

calculated, paid, and deducted in accordance with the laws on taxes and levies governing the procedure for the calculation and payment of the relevant taxes and levies.

21. Particularities of Accounting for Operations Connected with Controlled Transactions

21.1. In accordance with Federal Law No. 227-FZ of July 18, 2011, “On Amendments to Specific Legislative Acts of the Russian Federation in Connection with the Improvement of the Principles of Pricing for Tax Purposes,” the Company shall account for operations in connection with controlled transactions between interdependent persons.

For tax purposes, pricing in relation to the Company’s controlled transactions shall be in accordance with Section V.1 of the Tax Code.

21.2. The conditions of deeming persons to be interdependent are set forth in Article 105.1 of the Tax Code. Transactions between interdependent persons and transactions equivalent to transactions between interdependent persons shall be deemed to be controlled transactions.

21.3. For the purposes of deeming transactions to be controlled transactions, the amount of income from such transactions for a calendar year shall be determined by adding together the amounts of income from such transactions with one person (interdependent persons) for a calendar year subject to the procedure for recognizing income as provided for in Chapter 25 of the Tax Code, i.e. according to the Company’s tax accounting records.

21.4. For the purposes of assessing the taxes specified in paragraph 4 of Article 105.3 of the Tax Code in a correct and complete manner, the Company shall comply with the provisions of Section V.1 of the Tax Code and Chapters 21 and 25 of the Tax Code. Tax assessment for taxable periods within a calendar year shall be based on the actual transaction prices. After the end of a year, the Company shall independently identify any controlled transactions.

21.5. The Company may, at its discretion, make adjustments to the tax base and tax amounts if any prices applied are different from market prices in the event that such difference results in lower tax amounts. The clarification of tax liabilities shall be in accordance with paragraph 6 of Article 105.3 of the Tax Code.

21.6. The Company may make symmetrical adjustments in accordance with the Notice to an authorized tax agency that such adjustments are possible in relation to the taxes specified in paragraph 21.4 above.

The Notice stating the adjustment amount shall be the document used by the Company to reflect the relevant adjustment amounts in its tax declarations. For the purposes of symmetrical adjustments, no adjustments shall be made to any primary documents or tax ledgers.

21.7. In order to determine a market price for tax purposes, the Company shall apply the method that, subject to the actual circumstances and conditions of a controlled transaction, makes it possible to come to the conclusion in the most reasonable manner that the price used in the transaction is consistent or inconsistent with the market price.

21.8. For tax purposes, the comparison of the conditions of controlled transactions with the conditions of transactions between independent persons shall use only publicly available information concerning current market prices and/or financial quotations, pricing information from price news agencies, and information on the Company's own transactions.

21.9. If pricing methods do not make it possible to determine whether any prices of goods (work, services) in one-off transactions are consistent with market prices, then determining whether the prices of such transactions are consistent with market prices may be based on such market value of the transaction item as measured by an independent appraisal in accordance with Russian or foreign valuation laws.

21.10. In giving the Notice of Controlled Transactions, the Company shall comply with the Regulations for the Procedure for Giving the Notice of Controlled Transactions approved by Order of the Company No. 640 of November 8, 2013.

21.11. For the purposes of transfer pricing (hereinafter, "TP"), tax ledgers shall be maintained as special forms as specified in Annex 7 hereto in hard copy and electronic form.

21.12. The workflow rules of the Company shall be governed by the workflow schedule for the purposes of identifying and classifying controlled transactions in a timely and correct manner and preparing TP reports in accordance with Annex 3 hereto.

21.13. Interaction between the Company and the Company's subsidiaries and dependent companies in preparing the list of controlled transactions shall be governed by the Company's regulations and orders.

21.14. In order to ensure the safety of documents related to controlled transactions, business and tax accounting records and other documents necessary for tax assessment and payment, including documents supporting received incomes, incurred expenses, and paid (withheld) taxes, shall be kept in safety for a period of four (4) years.

22. Amendments to the Accounting Policy

22.1. The accounting policy of the Company may be amended and supplemented where provided for in paragraph 6 of Article 8 of Federal Law 402-FZ and Article 313 of the Tax Code.

21.2. Any amendment to the accounting policy of the Company shall be

reasonable and shall require approval under the relevant regulations and orders of the Company.