

QUARTERLY REPORT

**"Interregional Distribution Grid Company of Centre",
Joint-Stock Company**

Issuer's code: 10214-A

FOR QUARTER II, 2008

Location: 4/2 Glukharev lane, Moscow, 129090 Russian Federation

The information containing in this quarterly report is subject to disclosure in accordance with the legislation of the Russian Federation on securities.

General Director
of IDGC of Centre, JSC
14 August 2008

signature

E.F. Makarov

Director for the accounting policy
Of IDGC of Centre
14 August 2008

signature

S.Yu. Puzenko

seal

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Introduction

IDGC of Centre, JSC is obliged to disclose the information in the form of the quarterly report in conformity with Article 30 of the Federal Law "On the securities market" as of 22.04.1996 No.39-FL and item a) of Paragraph 5.1 of the Regulations for disclosure of the information by issuers of the issue securities approved by Order FFMS of Russia as of 10.10.2006 N 06-117/pz-n.

The present quarterly report contains estimations and forecasts of the authorized governance bodies of the issuer concerning future events and/or actions, prospects of development of the economy sector, in which the issuer carries out its primary activity, and results of activity of the issuer, including plans of the issuer, probability of occurrence of the certain events and fulfilment of certain actions. Investors should not fully rely on estimations and forecasts of governance bodies of the issuer as actual results of activity of the issuer in the future can differ from those predicted for many reasons. Purchase of securities of the issuer is connected with the risks described in the present quarterly report.

*Other information which the issuer considers necessary to specify in introduction:
Director for the accounting policy of IDGC of Centre S.Yu. Puzenko exercises functions of the chief accountant of IDGC of Centre, JSC according to the concluded labour contract as of 21.05.2007 No. 33 and the list of staff of the Company.*

I. Brief data on the persons forming a part of the governance bodies of the issuer, data on bank accounts, on the auditor, appraiser and the financial adviser of the issuer, and also on other persons who signed the prospectus

1.1. The persons who are a part of the governance bodies of the issuer

Governance bodies of the issuer are:

1. Supreme governance body - general meeting of shareholders;
2. Body which carries out the general management by the Company activity - Board of Directors;
3. Collegial executive body –Board;
4. Sole executive body - General Director.

Structure of the Board of Directors of the issuer:

- 1) Dmitry Aleksandrovich Burnashev, 1964
- 2) Alexander Markovich Branis, 1977
- 3) Andrey Aleksandrovich Demin, 1974 - Chairman of the Board of Directors
- 4) Alexander Grigorievich Starchenko, 1968
- 5) Alexey Romanovich Kachay, 1977
- 6) Sergey Borisovich Syutkin, 1959
- 7) Vyacheslav Mikhailovich Kravchenko, 1967
- 8) Alexey Vitalievich Klaptsov, 1978
- 9) Evgeny Fedorovich Makarov, 1955
- 10) Misrikhan Shapievich Misrikhanov, 1955
- 11) Pavel Ivanovich Okley, 1970 - Deputy Chairman of the Board of Directors

Collegial executive body

- 1) Evgeny Fedorovich Makarov, 1955 - Chairman of the Board of the Company
- 2) Anatoly Kuzmich Merzlyakov, 1952 – Deputy Chairman of the Board of the Company
- 3) Evgeny Alekseevich Bronnikov, 1974
- 4) Konstantin Viktorovich Kotikov, 1974
- 5) Vladislav Lvovich Nazin, 1966
- 6) Pavel Andreevich Obukhov, 1958
- 7) Sergey Anatolievich Shumakher, 1955
- 8) Dmitry Nikolaevich Alyoshin - 1974
- 9) Vadim Nikolaevich Fedorov - 1972

Sole executive body - General Director

Makarov Evgeniy Fedorovich, 1955

1.2. Data on bank accounts of the issuer

According to the Regulations for the information policy of IDGC of Centre, JSC approved by the Board of Directors of IDGC of Centre on 18.10.2006 (Minutes No. 009/06) (further on called the Regulations for the information policy of IDGC of Centre, JSC), IDGC of Centre, JSC discloses the information on all bank accounts:

1.

| | |
|--------------------------------|---|
| Full company name | "Absolut Bank" Joint-Stock Commercial Bank (Closed Joint-Stock Company) |
| Abbreviated company name | "Absolut Bank", JSCB (CJSC) |
| Location (legal address) | 119034, Moscow, Tsvetnoy Boulevard, 18 |
| Taxpayer identification number | 7736046991 |
| Type and number of the account | Settlement foreign currency account: No.40702840622000010312 |

| | |
|-----------------------|----------------------|
| BIC | 044525976 |
| Correspondent account | 30101810500000000976 |

2.

| | |
|--------------------------------|---|
| Full company name | "Absolut Bank" Joint-Stock Commercial Bank (Closed Joint-Stock Company) |
| Abbreviated company name | "Absolut Bank", JSCB (CJSC) |
| Location (legal address) | 127051, Moscow, Tsvetnoy Boulevard, 18 |
| Taxpayer identification number | 7736046991 |
| Type and number of the account | Settlement ruble account No. 40702810022000010311 |
| BIC | 044525976 |
| Correspondent account | 30101810500000000976 |

3.

| | |
|--------------------------------|--|
| Full company name | "Bank of Moscow " Joint-Stock Commercial Bank (Open Joint-Stock Company) |
| Abbreviated company name | "Bank of Moscow ", JSCB (OJSC) |
| Location (legal address) | 107996, Moscow, Rozhdestvenka Street, 8/5, bld.3 |
| Taxpayer identification number | 7702000406 |
| Type and number of the account | Settlement account 40702810800120001813 |
| BIC | 044525219 |
| Correspondent account | 30101810500000000219 |

4.

| | |
|--------------------------------|--|
| Full company name | "KOMMERTSBANK EVRAZIYA" Closed Joint-Stock Company |
| Abbreviated company name | " KOMMERTSBANK EVRAZIYA", CJSC |
| Location (legal address) | 119017 Moscow, Kadashevskaya Embankment, 14/2 |
| Taxpayer identification number | 7710295979 |
| Type and number of the account | Settlement account 40702810000002203115 |
| BIC | 044525105 |
| Correspondent account | 30101810300000000105 |

5.

| | |
|--------------------------------|--|
| Full company name | "Raiffeisen " Closed Joint-Stock Company |
| Abbreviated company name | " Raiffeisen ", CJSC |
| Location (legal address) | 129090, Moscow, Troitskaya street, 17 bld. 1 |
| Taxpayer identification number | 7744000302 |
| Type and number of the account | Settlement account 40702810300001411928 |
| BIC | 044525700 |
| Correspondent account | 30101810200000000700 |

6.

| | |
|--------------------------------|---|
| Full company name | "ORGRESBANK" Joint-Stock Bank, Open Joint-Stock Company |
| Abbreviated company name | " ORGRESBANK" JSB, OJSC |
| Location (legal address) | 125040, Moscow, 3 Ulitsa Yamskogo Polya, 19 bld. 1 |
| Taxpayer identification number | 7744000398 |
| Type and number of the account | Settlement account 40702810335000046201 |
| BIC | 044583990 |
| Correspondent account | 30101810900000000990 |

7.

| | |
|-------------------|---|
| Full company name | "ROSBANK" Joint-Stock Commercial Bank, Open Joint-Stock Company |
|-------------------|---|

| | |
|--------------------------------|---|
| Abbreviated company name | " ROSBANK" JSCB, OJSC |
| Location (legal address) | 107078, Moscow, Mashi Poryvaevoy street, 11 |
| Taxpayer identification number | 7730060164 |
| Type and number of the account | Settlement account 40702810000000019885 |
| BIC | 044525256 |
| Correspondent account | 30101810000000000256 |

8.

| | |
|--------------------------------|---|
| Full company name | EVROFINANCE MOSNARBANK Joint-Stock Commercial Bank (Open Joint-Stock Company) |
| Abbreviated company name | "EVROFINANCE MOSNARBANK JSCB, OJSC |
| Location (legal address) | 121099, Moscow, Novy Arbat street 29 |
| Taxpayer identification number | 7703115760 |
| Type and number of the account | Settlement 40702810100205772190 |
| BIC | 044525204 |
| Correspondent account | 30101810900000000204 |

9.

| | |
|--------------------------------|--|
| Full company name | "NOTA-BANK" (Open Joint-Stock Company) |
| Abbreviated company name | "NOTA-BANK" (OJSC) |
| Location (legal address) | 127018, Moscow, Obraztsova street.31, bld. 3 |
| Taxpayer identification number | 7203063256 |
| Type and number of the account | Settlement account 40702810500000000746 |
| BIC | 044525569 |
| Correspondent account | 30101810900000000530 |

10.

| | |
|--------------------------------|---|
| Full company name | "Alpha-Bank", Open Joint-Stock Company |
| Abbreviated company name | "Alpha-Bank", OJSC |
| Location (legal address) | 107078, Moscow, Kalanchevskaya Street, 27 |
| Taxpayer identification number | 7728168971 |
| Type and number of the account | Settlement account 40702810801100001161 |
| BIC | 044525593 |
| Correspondent account | 30101810200000000593 |

11.

| | |
|--------------------------------|--|
| Full company name | Joint-stock Commercial Savings Bank of the Russian Federation (Open Joint-Stock Company) |
| Abbreviated company name | Savings Bank of Russia, OJSC |
| Location (legal address) | 117997, Moscow, Vavilova street, 19 |
| Taxpayer identification number | 7707083893 |
| Type and number of the account | Settlement account 40702810338120108302 |
| BIC | 044525225 |
| Correspondent account | 30101810400000000225 |

12.

| | |
|--------------------------------|---|
| Full company name | "TransCreditBank", Open Joint-Stock Company |
| Abbreviated company name | "TransCreditBank", OJSC |
| Location (legal address) | 105066, Moscow, Novaya basmannaya Street, 37A |
| Taxpayer identification number | 7722080343 |
| Type and number of the account | Settlement account 40702810300000006996 |
| BIC | 044525562 |
| Correspondent account | 30101810600000000562 |

13.

| | |
|--------------------------------|---|
| Full company name | "Gazprombank", Open Joint-Stock Company |
| Abbreviated company name | "Gazprombank", OJSC |
| Location (legal address) | 117420, Moscow, Nametkina Street, 16, bld.1 |
| Taxpayer identification number | 7744001497 |
| Type and number of the account | Settlement account 40702810300000004749 |
| BIC | 044525823 |
| Correspondent account | 30101810200000000823 |

14.

| | |
|--------------------------------|--|
| Full company name | VTB Bank branch (joint-stock company) in Belgorod city |
| Abbreviated company name | VTB Bank branch (JSC) in Belgorod city |
| Location (legal address) | 190000, St. Petersburg, Bolshaya Morskaya 29 |
| Taxpayer identification number | 7702070139 |
| Type and number of the account | Settlement account 40702810616000001807 |
| BIC | 041403757 |
| Correspondent account | 30101810400000000757 |

15.

| | |
|--------------------------------|--|
| Full company name | VTB Bank branch (joint-stock company) in Belgorod city |
| Abbreviated company name | VTB Bank branch (JSC) in Belgorod city |
| Location (legal address) | 190000, St. Petersburg, Bolshaya Morskaya 29 |
| Taxpayer identification number | 7702070139 |
| Type and number of the account | Settlement account 40702840216000000265 |
| BIC | 041403757 |
| Correspondent account | 30101810400000000757 |

16.

| | |
|--------------------------------|--|
| Full company name | VTB Bank branch (joint-stock company) in Belgorod city |
| Abbreviated company name | VTB Bank branch (JSC) in Belgorod city |
| Location (legal address) | 190000, St. Petersburg, Bolshaya Morskaya 29 |
| Taxpayer identification number | 7702070139 |
| Type and number of the account | Settlement account 40702840016008000564 |
| BIC | 041403757 |
| Correspondent account | 30101810400000000757 |

17.

| | |
|--------------------------------|--|
| Full company name | "Bank of Moscow " Joint-Stock Commercial Bank (Open Joint-Stock Company), Kursk branch |
| Abbreviated company name | "Bank of Moscow ", JSCB (OJSC), Kursk branch |
| Location (legal address) | 107996, Moscow, Rozhdestvenka street, 8/15 bld. 3 |
| Taxpayer identification number | 7702000406 |
| Type and number of the account | Settlement account 40702810700520002399 |
| BIC | 044525219 |
| Correspondent account | 30101810500000000219 |

18.

| | |
|--------------------------|--|
| Full company name | "Bank of Moscow " Joint-Stock Commercial Bank (Open Joint-Stock Company), Kursk branch |
| Abbreviated company name | "Bank of Moscow ", JSCB (OJSC), Kursk branch |
| Location (legal address) | 107996, Moscow, Rozhdestvenka street, 8/15 bld. 3 |

| | |
|--------------------------------|---|
| Taxpayer identification number | 7702000406 |
| Type and number of the account | Settlement account 40702810000520002400 |
| BIC | 044525219 |
| Correspondent account | 30101810500000000219 |

19.

| | |
|--------------------------------|--|
| Full company name | "Bank of Moscow " Joint-Stock Commercial Bank (Open Joint-Stock Company), Kursk branch |
| Abbreviated company name | "Bank of Moscow ", JSCB (OJSC), Kursk branch |
| Location (legal address) | 107996, Moscow, Rozhdestvenka street, 8/15 bld. 3 |
| Taxpayer identification number | 7702000406 |
| Type and number of the account | Settlement account 40702810300520002401 |
| BIC | 044525219 |
| Correspondent account | 30101810500000000219 |

1.3. Data on the auditor(s) of the issuer:

| | |
|---|--|
| Full company name | KPMG, Closed Joint-Stock Company |
| Abbreviated company name | KPMG, CJSC |
| Location of the auditor company | 129110, Moscow, Olimpiysky Avenue, 18/1, office 3035 Postal address: 119019, Moscow, Gogolevsky Boulevard, 11 |
| Phone and fax numbers | phone +7 (495) 937 4477, fax +7 (495) 937 4499 |
| e-mail | moscow@kpmg.ru |
| Number, date of delivery and date of expiry of the license for realization of the auditor activity | No. E 003330, issued 17 January 2003, date of expiry: 17.01.2013. |
| Authority which issued the license | Ministry of Finance of the Russian Federation |
| Data on membership of the auditor in boards, associations or other professional entities (organizations) | KPMG, CJSC is a member of the following professional associations: Association of the European Business; Russian-British Chamber of Commerce; American Chamber of Commerce in Russia; Japanese Business Club; International Forum of Leaders of Business; Union of German Economy in the Russian Federation; Russian-American Business Council; French Club; Canadian-Eurasian Business Association of Russia; Auditor Chamber of Russia; Association of the International Community of Nizhny Novgorod; Association of Russian Banks; National Corporate Governance Council; Institute of Professional Bookkeepers and Auditors |

| | |
|---|-------------|
| | |
| The fiscal period within which the auditor held independent check of book keeping and financial (accounting) reports of the issuer | 2006 , 2007 |

Factors which can influence independence of auditors of the issuer, including the information on presence of the essential interests connecting auditors (officials of auditors) with the issuer (officials of the issuer): none.

- **Presence of stakes of participations of auditors (officials of auditors) in the authorized capital of the issuer:** auditors have no stakes in the authorized capital of the issuer;
- **Granting borrowed funds to auditors (officials of auditors) of the issuer:** the issuer did not provide borrowed funds to auditors (officials of auditors);
- **Presence of close business mutual relations (participation in promotion of products (services) of the issuer, participation in joint enterprise activity, etc.), and kinship:** the issuer has no close business mutual relations and kinship with auditors;
- **Data on the officials of the issuer who are simultaneously officials of auditors (who are auditors):** officials of the issuer are not simultaneously officials of auditors.

The measures undertaken by the issuer and auditors for decrease of the specified factors: the auditor is not a shareholder of the issuer; the issuer is not a shareholder of the auditor; the chief accountant of the issuer is not an employee of the auditor; the auditor and the issuer did not complete contracts of loan/credit.

The issuer and the auditor shall act (acted) within the limits of the current legislation, in particular according to Federal Law as of 7 August 2001 No. 119-FZ "On Auditor Activity" (as amended of 14 December 2001 No.164-FZ, as of 30 December 2001 No. 196-FZ) according Article 12 of which the audit may not be performed by:

1) the auditors who are founders (participants) of the audited persons, their heads, bookkeepers and other persons bearing the responsibility for the organization and conducting of book keeping and drawing up of the financial (accounting) reports;

2) the auditors being near of kin (parents, spouses, brothers, sisters, children, as well as brothers, sisters, parents and children of spouses) with founders (participants) of the audited persons, their officials, bookkeepers and other persons bearing the responsibility for the organization and conducting of book keeping and drawing up of the financial (accounting) reports);

3) the auditor organizations, the heads and other officials of which are founders (participants) of the audited persons, their officials, bookkeepers and other persons bearing the responsibility for the organization and conducting of book keeping and drawing up of the financial (accounting) reports;

4) the auditor organizations, the heads and other officials of which are near of kin (parents, spouses, brothers, sisters, children, as well as brothers, sisters, parents and children of spouses) with founders (participants) of the audited persons, their officials, bookkeepers and other persons bearing the responsibility for the organization and conducting of book keeping and drawing up of the financial (accounting) reports;

5) the auditor organizations in relation to the audited persons which are their founders (participants) in relation to the audited persons for whom these auditor organizations are founders (participants), in relation to the affiliated organizations, branches and representative offices of the specified audited persons, and also in relation to the organizations having common founders (participants) with this auditor organization;

6) the auditor organizations and individual auditors, which rendered services on restoration and conducting book keeping within three years prior to carrying out of the auditor check, and also on drawing up of the financial (accounting) reports to physical persons and legal entities in relation to these persons.

The main measure undertaken by the issuer for decrease of dependence of the issuer and the auditor from each other is a process of thorough examination of the candidate of the auditor for its independence of the issuer. The auditor is completely independent of the governance body of the issuer according to the requirements of Article 12 of the Federal Law "On Auditor Activity"; the amount of remuneration of the auditor was not attached to the results of the check held.

The procedure of selection of the auditor of the issuer:

- Presence of the procedure of the tender connected with selection of the auditor, and its main terms:

The candidate of the Auditor of the issuer is defined as a result of the Competitive Selection of the auditor by the issuer.

For participation in the Competition, the auditor organizations should meet the following requirements:

- not to be in the process of liquidation;
- absence of the decision on abeyance of activity adopted in accordance with the procedure stipulated by the Code of the Russian Federation on Administrative Offences, at the date of consideration of the Application Form for participation in the Competition;
- not to have debts under the accrued taxes, tax collections and other obligatory payments to the budgets of any level or the state unappropriated funds as of the last calendar year, the amount of which exceeds twenty five percent of the balance sheet asset of the participant according to the accounting reports as of the last completed reporting period;
- not to fall under terms (in relation to the Company and affiliated and dependent entities of RAO UES of Russia) enlisted in item 1 of Article 12 of the Federal Law "On the auditor activity".

- Procedure of nomination of the candidate of the auditor for approval at the meeting of shareholders (participants), including the governance bodies who made the corresponding decision:

The auditor of the Company for 2008 - KPMG, JSC - was approved by the annual general shareholders meeting of IDGC of Centre, JSC on 30.05.2008 (Minutes No. 1 as of 3.06.2008).

The Board of Directors of IDGC of Centre on 18.04.2008 (Minutes No. 08/08 as of 21.04.2008) made a decision: to recommend to the Company annual general shareholders meeting to approve KPMG, JSC as the auditor of IDGC of Centre, JSC.

The nominee of the auditor for approval at the annual general shareholders meeting of shareholders was considered by the Company Board of Directors within the limits of the decision of issues of preparation and carrying out of the Company annual general shareholders meeting and proposed for adoption to the Company annual general shareholders meeting.

The candidate of the auditor of the issuer for 2008 was determined as a result of the Competitive Selection held by the shareholder of the issuer. The Competitive Selection was performed according to requirements of RAO UES of Russia of the Regulations for the Competition on selection of auditors of RAO UES of Russia, Group of RAO UES of Russia and SDE of the Group approved by the decision of the Board of Directors.

The auditor of the issuer for 2008 was approved at the meeting of the competitive commission for selection of auditors (minutes as 24.01.2008 No. 31) where the decision on prolongation of results of the held competition for selection of auditors for 2 and 3 groups of SDE of RAO UES of Russia on results of 2007 for 2008 was taken.

The auditor of the issuer carries out check of the financial (accounting) reporting of the issuer according to requirements of the legislation of the Russian Federation on the basis of the concluded contracts of rendering auditor services.

The procedure of definition of auditors' remuneration amount, and the information on presence of the deferred and back payments for services rendered by auditors:

The procedure of payment and amount of monetary remuneration to the auditor organizations and individual auditors for carrying out the audit (including the obligatory) and rendering associated services are defined by contracts of rendering auditor services and may not be attached to performance of any requirements of the audited persons about the contents of the conclusions which can be made as a result of the audit.

The amount of payment for the auditors' services of the issuer approved by the general shareholders meeting of the issuer for obligatory annual check and acknowledgement of the annual financial reports of the

issuer shall be determined by the issuer's Board of Directors in accordance with item 24.9 of the issuer's Charter.

Within the 1st half of the year 2008, the Company auditor (KPMG, JSC) for the independent check of book keeping and financial (accounting) statements of the issuer for 2007 received RUR 4.963 million, VAT included, including for audit of the reporting drawn up under RAS: RUR 2.444 million (VAT included), for audit of the reporting drawn up under IFRS: RUR 2.519 million (VAT included), including the amount actually transferred in the 1st quarter of 2008: RUR 3.200 million. (VAT included); in the 2nd quarter of 2008: RUR 1.763 million (VAT included).

For audit of the reporting for 2006 the issuer paid the auditor (KPMG) - 4.012 million rubles, VAT included, including for audit of the reporting made according to RAS - 2.242 million rubles, VAT included, for audit of the reporting made according to IFRS - 1.77 million rubles, VAT included.

There are no deferred and back payments for services rendered by auditors.

The information on the works held by auditors within the limits of special auditor tasks:

Works within the limits of special auditor tasks auditors were not held.

1.4. Data on the appraiser of the issuer:

In the 2nd quarter 2008, the issuer did not involve appraisers for:

- Definition of market cost of the securities being placed and placed securities which are in circulation (obligations under which were not executed);
- Definition of the market cost of the fixed assets or real estate of the issuer concerning which the issuer carried out reassessment of cost reflected in other sections of the quarterly report;
- Definition of the market cost of the property, which is pledged under the bonds of the issuer with the mortgaging security being placed or under the placed bonds of the issuer with mortgaging security, obligations under which are not executed;
- Rendering other services on appraisal connected with realization of issue of securities, the information about which is underlined in the quarterly report.

The issuer did not involve an appraiser being a joint-stock investment fund.

The information disclosed by IDGC of Centre in accordance with the Regulations for the information policy of IDGC of Centre: compensation to the appraiser for rendering services listed in the given item of the report, for 2007 and following the results of the 2nd quarter 2008 was not paid.

1.5. Data on advisers of the issuer:

As of the end of quarter 1 of 2008, the financial adviser for the securities market, and also other persons rendering consulting services to the issuer connected with realization of the securities issues, and signed the prospectus for securities represented for registration, and also other registered prospectus for securities of the issuer being in circulation, were not involved by the issuer.

There are no other advisers, the data on which could affect decision-making on purchase of securities of the issuer.

1.6. Data on other persons who signed the prospectus for securities:

Data on Director for the Accounting Policy of the issuer who signed this Prospectus for Securities:

| | |
|---|---|
| Surname: | Puzenko |
| Name: | Svetlana |
| Patronymic: | Yurievna |
| Year of birth: | 1960 |
| Principle place of works and occupation at the principle place of work | Director for the Accounting Policy - Chief Accountant of Corporate Service Systems, JSC |

| | |
|---|--|
| Occupation in IDGC of Centre, JSC: | Director for the Accounting Policy of IDGC of Centre, JSC (part-time worker) |
| Phone number: | (495) 747-92-92 |
| e-mail: | puzenko@belgorodenergo.ru |
| Location (place of work): | 129090, Moscow, Glukharev lane 4/2 |

There are no other persons who signed the prospectus for securities and were not specified in the previous items of this section.

II. Main information on financial and economic condition of the issuer

2.1. Indicators of financial and economic activities of the issuer

With a view of obtaining an opinion on results of financial and economic activities of the issuer in the past, and also drawing up of the forecast of development for the subsequent periods, it is expedient to consider changes of the indicators describing the financial condition of the issuer.

| Indicator | 30 June 2008 |
|---|-------------------------|
| Net assets cost, thousand rubles | 39, 259, 175 |
| Relation of the amount of involved funds to the capital and reserves, % | 35.8% |
| Relation of the amount of short-term liabilities to the capital and reserves, % | 19.0% |
| Cover of payments for debt service, % | 0.6 |
| Level of deferred debt, % | 0 |
| Turnover rate of the debt receivable, times. | 2.3 |
| Share of the dividends in the profit, % | 0 |
| Productivity of labour, rubles/people | 573,078.4 |
| Depreciation to the amount of proceeds, % | 6.3% |

For calculation of these indicators, the method recommended by the Regulations for disclosing the information by issuers of issue securities approved by Order of the Federal financial markets service of 10.10.2006 No.06-117/pz-n (as amended) was used.

Net assets value of the issuer is calculated according to order of estimation of net assets cost of the joint-stock companies approved by Order of the Ministry of Finance of the Russian Federation and Federal Commission for the Securities Market of 29.01.2003 No. No.10n, No.03-6/pz.

The relation of the amount of the involved funds to the capital and reserves, % - (Long-term liabilities as of the end of the reporting period + Short-term liabilities as of the end of the reporting period) / capital and reserves as of the end of the reporting period * 100

The relation of the amount of short-term liabilities to the capital and reserves, % - Short-term liabilities as of the end of the reporting period / capital and reserves as of the end of the reporting period * 100

Cover of payments on debt service, thousand rubles - (Net profit for the reporting period depreciation charges for the reporting period - dividends) / (liabilities which are subject to repayment in the reporting period + interest subject to payment in the reporting period)

Level of the deferred debt, % - the deferred debts as of the end of the reporting period / (Long-term liabilities as of the end of the reporting period + Short-term liabilities as of the end of the reporting period) * 100

Turnaround rate of debt receivable, times - the receipt from the goods, products, works, services / (debt receivable as of the end of the period under report – debt of participants (founders) under contributions to the authorized capital as of the end of the period under report).

Share of dividends in profit, % - Dividends under ordinary shares following the results of the completed fiscal year / Net profit following the results of the completed fiscal year - dividends under preferred shares following the results of the completed fiscal year *100

Labour productivity, rubles / people - Proceeds / Average number of employees

Amortization to volume of proceeds, % - Depreciation charges / Proceeds * 100.

The analysis of solvency and financial position of the issuer on the basis of the economic analysis of the given indicators

Net asset value (NAV) of the issuer during the analyzed period exceeded amount of the authorized capital that is the main indicator of stability of financial condition of the enterprise. Besides, for the last quarter, net asset value increased in comparison with the last date under reporting by RUR 264.9 million or 0.68 %.

In comparison with the similar period of the last year, value of the indicator of the relation of the amount of the involved funds to the capital and reserves - 407.2 % - decreased as of 30 June 2008 to 35.8 % that is a positive effect of reorganization of the issuer in the form of merging.

Dynamics of the indicator of the relation of the amount of short-term liabilities to the capital and reserves has a tendency similar to the previous indicator. Its value decreased from 406.3 % as of 30 June 2007 to 19.0 % as of 30 June 2008.

Zero value of indicator "Level of the deferred debt" testifies absence of the delayed debts of the issuer that characterizes ability of the issuer in due time to be accountable under its liabilities.

Decrease in the indicator "Turnaround rate of debt receivable" as of 30 June 2007 from 5.9 up to 2.3 as of 30 June 2008 is connected with significant change of the amount of debt receivable in connection with reorganization of the issuer.

As a whole, values of considered indicators allow to come to a conclusion that the financial position of the issuer in the considered period is stable.

2.2. Market capitalization of the issuer

The information on the market capitalization of the issuer is presented for each completed fiscal year and as of the date of termination of the last completed reporting period.

As before 21 May 2008, shares of the issuer were not included in the organized securities market, it was impossible to define market capitalization of the issuer in accordance with the methods defined in the Regulations for Disclosing the Information by Issuers of Issue Securities approved by Order of FFMS of Russia as of 10 October 2006 No.06-117/pz-n (as amended). In spite of the fact that since 21 May 2008 the Company shares are registered in trading systems of MICEX Stock Exchange, JSC and RTS, JSC, trading on a number of additional issues does not allow to define market value according to the Procedure of Payment of Market Price of Issue Securities and Investment Shares of Share Investment Funds admitted to circulation through organizers of trade (approved by the decision of the Federal Commission for the Market Securities of the Russian Federation as of 24 December 2003 No. 03-52/ps). Thereof, in the second quarter 2008, it is also impossible to define market capitalization of the issuer under the method approved by the Regulations for Disclosing the Information by Issuers of Issue Securities approved by Order of FFMS of Russia as of 10 October 2006 No.06-117/pz-n (as amended).

Market capitalization of the issuer for 2005, 2006, 2007, and 2nd quarter of 2008 was defined as net asset value of the issuer as of the date of the end of each fiscal year and as of the date of the end of the last completed reporting period. Calculation of net asset value of the issuer was executed under method defined in the Procedure of Estimation of Net Asset Value of Joint-Stock Companies approved by Order of the Ministry of Finance of Russia and Federal Commission for the Securities Market of Russia as of 29 January 2003 No. 10n/03-6/pz.

| Indicator | Market capitalization of the issuer, thousand rubles |
|------------------|---|
| 2005 | 12, 446 |
| 2006 | 26, 055 |
| 2007 | 74, 785 |

| | |
|-------------------|--------------|
| 2 quarter of 2008 | 39, 259, 175 |
|-------------------|--------------|

2.3. Liabilities of the issuer

2.3.1. Accounts payable

thousand rubles

| Name of the accounts payable | 30 June 2008 |
|--|--------------|
| Accounts payable (except for the deferred tax liabilities) | 12, 426, 125 |
| <i>Including</i> | |
| <i>Long-term liabilities</i> (except for the deferred tax liabilities) | 5, 170, 797 |
| <i>Short-term liabilities</i> | 7, 255, 328 |

The structure of the accounts payable as of 30 June 2008

thousand rubles

| Name of the accounts payable | Maturity | |
|---|--------------------|--------------------|
| | Up to one year | Over one year |
| Accounts payable to suppliers and contractors | 1, 865 ,036 | 0 |
| <i>Including the deferred one</i> | 0 | 0 |
| Accounts payable to the organization personnel | 362 ,248 | 0 |
| <i>Including the deferred one</i> | 0 | 0 |
| Accounts payable to the budget of state and non-budgetary funds | 449 ,242 | 0 |
| <i>Including the deferred one</i> | 0 | 0 |
| Credits | 2, 434 ,532 | 4, 819, 882 |
| <i>Including the deferred one</i> | 0 | 0 |
| Loans, total | 0 | 345, 648 |
| <i>Including the deferred one</i> | 0 | 0 |
| Including the bonded loans | 0 | 0 |
| Including the delayed bonded loans | 0 | 0 |
| Other accounts payable | 2, 144 ,270 | 5, 267 |
| <i>Including the deferred one</i> | 0 | 0 |
| Total | 7, 255 ,328 | 5, 170, 797 |
| <i>Including the deferred one</i> | 0 | 0 |

Creditors who owe at least 10% of the total accounts payable as of 30 June 2008:

thousand rubles

| | |
|--|---|
| Full company name | “Gazprombank” (Open Joint-Stock Company) |
| Abbreviated company name | “GPB (OJSC) |
| Location (legal address) | 117420, Russia, Moscow, Nametkina street, 16, bld. 1 |
| Amount of accounts payable, thousand rubles | 2, 324, 303 |
| Amount and conditions of the deferred accounts payable (interest rate, delayed damages, penalties). | Since the moment of the issuer establishment, the issuer’s balance has not included the overdue accounts payable. |

This creditor is not an affiliate of the issuer.

| | |
|--|---|
| Full company name | "ROSBANK" Joint-Stock Commercial Bank, Open Joint-Stock Company |
| Abbreviated company name | " ROSBANK" JSCB, OJSC |
| Location (legal address) | 107078, Moscow, Mashi Poryvaevoy street, 11 |
| Amount of accounts payable, thousand rubles | 1, 353, 383 |
| Amount and conditions of the deferred accounts payable (interest rate, delayed damages, penalties). | Since the moment of the issuer establishment, the issuer's balance has not included the overdue accounts payable. |

This creditor is not an affiliate of the issuer.

2.3.2. Credit history of the issuer

The issuer carries out its industrial and economic activities since 17 December 2004. For the period from 17 December 2004 to 27 March 2008, the Company did not conclude credit contracts.

In the 1st quarter of 2008, the issuer concluded credit contracts for a total amount of 10, 500, 000 (ten billion five hundred million) rubles.

Besides, as a result of reorganization in the form of merging of eleven companies on 31 March 2008, the issuer became the assignee under credit contracts of merged companies for a total amount of RUR 6, 063, 041, 000 (six billion sixty-three million and forty-one thousand).

As of the end of the 2nd quarter 2008, the loan debts of IDGC of Centre, JSC equaled RUR 7, 600, 062, 700 (seven billion six hundred million sixty-two thousand seven hundred), or 14.28 % of the total assets, thus debts under each of operating credit contracts do not exceed 5 percent of the total assets for the accounting date.

The Company did not issue bonds.

2.3.3. Liabilities of the issuer from the maintenance given to the third parties

For the period from the date of establishment of the Company to the 2nd quarter of 2008, the issuer had no liabilities on granting security to the third parties, including in the form of the mortgage or the guarantee which is at least 5 of the total assets balance.

The amount of liabilities of the issuer from the security given to the third parties as of the date of the end of the 2nd quarter of 2008 equaled 527,851 thousand rubles that is less than 5 percent of the total assets balance of the issuer.

2.3.4. Other liabilities of the issuer

No agreements, including futures contracts which were not reflected in the accounting balance which can be reflected significantly in the financial position of the issuer, its liquidity, sources of financing and conditions of their use, results of activity and charges, were concluded by the issuer within 17 December 2004 - quarter 2 of 2008.

2.4. The purposes of issue and direction of use of the funds received as a result of placement of issue securities:

IDGC of Centre did not implement placement of the securities by subscription.

2.5. The risks connected with purchase of placed (or being in the process of placement) issue securities

2.5.1. Industry risks

For the purpose of minimization of influence of industry risks on activity of the issuer, the issuer undertakes actions on establishment and coordination of all essential positions in interests of its business with all state and municipal authorities influencing its activity.

The most significant events (changes) in the branch of the electric power industry for the issuer are:

- Completion of the reform of RAO UES of Russia and as a whole of the electric power industry;

- Creation of the competitive electric power market;
- Transition to a new system of tariff regulation;
- Possible implementation of the mechanism of the economic responsibility for infringement of service standards.

On 30 June 2008 reform of the electric power industry was successfully completed as a result of which, in particular, the target model of the distribution grid complex was generated within the limits of which the issuer was transformed into the united operational company. Now the Russian market of the electric power continues to change drastically, and the issuer may be subject to some operational, commercial, technical, administrative, regulatory and other risks which now are difficult to be predicted but which may render essential adverse influence on economic activities of the issuer, its incomes and results of its operations.

Besides the aforesaid, now it is impossible to predict in detail probability of occurrence and correlation of the risks connected with change of the system of tariff regulation. Now the issuer pursues active policy of participation in development and implementation of a new regulation system.

Possible introduction of the mechanism of the economic responsibility for observance of standards of servicing may render significant influence on the financial position of the issuer in the long-term prospect. In spite of the fact that the probability of occurrence of the given risk is estimated as insignificant, the issuer already now holds active work in the field of introduction of the system of client service and constant improvement of the quality of service including due to realization of some target programs and actions:

- Construction of a network of service centers;
- Participation in development of the branch regulating documents regarding standardization of servicing;
- Constant improvement of the technological probability of the distribution grid companies;
- Implementation of new technologies in the distribution grid companies;
- Realization of the investment program.

As a result of the reform, the general probability of industry risks decreased, and estimation of the power sector companies' value at the moment is nearing their fair value.

According to the issuer, now deterioration of the situation in the sector may be connected with:

1. The operational (industrial) risks connected with physical deterioration, infringement of terms of operation and drastic change of parameters of the equipment operation. Occurrence of these risks may lead to damage (failures) and destruction of constructions. System failures may lead to division of the power supply system, rolling blackout of power, operation of the main equipment in critical conditions.

Due to the mode of operation of the main equipment intensive enough, progressing process of its ageing is provoked. The unsatisfactory condition of the equipment due to its physical deterioration and obsolescence is a principal cause of occurrence of industrial risks, the main of which are:

- Risk of high-grade performance of obligations under contracts on rendering services on transmission of electric energy;
- Worsening of operational and economic parameters of the grid equipment;
- Occurrence of adverse environmental consequences;
- Risk of failures with partial or full short shipment of the electric power with corresponding adverse social consequences;
- Risk of industrial traumatism of the personnel;

Actions of the issuer on this risk management:

The probability of damage is at an average level. All the main industrial facilities of the issuer are insured. Besides, a complex of measures on maintenance of reliability of the equipment and constructions is carried out, namely:

1. Parameters of repairs programs are executed in full;
2. The structure and amount of volume of spare parts is constantly optimized;
3. The tender selection of the service and supplying organizations was implemented for the purpose of improvement of quality of these services and materials, the responsibility of counterparts and decrease in specific expenses;
4. The probability of occurrence of system failures exists. For maintenance of the system reliability, the emergency control automatics were implemented and are modernized according to the modern requirements. The tasks of the centralized system of the emergency control automatics include maintenance of the system reliability in all power supply system at occurrence of local failures.
5. To decrease deterioration level, re-equipment of grid capacities is carried out on the basis of implementation of the innovative power equipment
6. Now the automated asset management system is planned to be implemented. Its aim is to optimize processes of operation, maintenance service and repairs of grid assets and also to order investment activity of the issuer.

Risk management in the field of observance of requirements of industrial safety in the total structure of management of the issuer and its DGC industrial risks is provided by observance of the federal laws in the field of industrial safety and the system of industrial inspection over observance of the industrial safety requirements at the specified enterprises functioning on its basis.

2. The risks connected with state regulation of tariffs for services, rendered by the issuer.

Activities on transmission of the electric power through distribution grids and also technological connection to electric networks are regulated by the State. Thus, adoption by the regulatory bodies of tariff rates for services of the issuer directly influences volumes of the received proceeds. Even at RAB implementation, the role of the respective authorities in the process of tariff formation is still preserved.

In this connection, there are risks of:

- Establishment of tariffs below the economically proved level and as consequence lack of the issuer's financial assets;
- Risk of reduction of volumes of proceeds in connection with changes of actual structure of transmission of the electric power by the voltage levels concerning that adopted at approval of tariffs;
- Risk of occurrence of the additional charges connected with existence of cross subsidizing. Presence of cross subsidizing does not allow establishing economically proved tariffs by voltage levels; in this connection initialization from consumers of judicial claims is possible;
- The risks connected with change of the legislation in the sphere of pricing concerning electric and thermal energy in the retail markets.

The following measures are applied to eliminate the given risks:

1. Work with Federal Service for tariffs and bodies of regulation of tariffs of the Russian Federation entities on economic substantiation of the expenses included in tariffs, on amending the legislation of the Russian Federation in the sphere of pricing on services of natural monopolies for the purpose of the account of interests of the distributive network companies is held at establishment of tariffs for electric energy in the retail market;
2. Development and coordination of long-term programs of development of regions of the zones of activity of branches of the issuer with regional and local authorities with signing Agreements in is held which volumes of sources of financing of investment programs, in particular, are coordinated;
3. Regular work on reduction of the issuer's costs is held;
4. In the near future, Belgorodenergo and Tverenergo branches of the issuer plan to launch pilot operation of a new system of the tariff regulation based on the method of return on the invested capital (RAB). Application of the given method should contribute to attraction of long-term investments into the sector, and also to decrease influence of subjective factors on taking tariff decisions. In the future, transition of other regional grid branches of the issuer to RAB method is planned.

3. Environmental risks which are expressed in an opportunity of leaking of transformer oil at substations to rivers and lakes.

Penalties for possible leaking of oil cannot affect solvency of the issuer, therefore this risk can be considered insignificant. Besides, during realization of the actions stipulated by the prospective program of re-equipment and reconstruction, the issuer carries out replacement of elements and sites of the electric equipment by the modern ones, the design of which provides high environmental safety of manufacture.

4. Risks of receiving less incomes than one is due, connected with payment from end users or decrease in their level of power consumption in comparison with the target level

The main Company buyers are the marketing companies which carry out delivery of electric energy to end users. Accordingly, the main risk connected with buyers is the probability of increase in the debt receivable in connection with infringement by payment discipline of end users of electric energy and occurrence of necessity of attraction of additional credit resources. During the certain periods, there is a risk of insufficiency of money resources on the Company's accounts in connection with presence of time cash breaks between reception of money resources from the marketing company and necessity of financing of current operations. For minimization of the given risks, financial management of the Company develops the well-thought credit policy, on management of debt receivable directed to optimization of its amount and collection of debt.

Moreover, as the proceeds of the company are influenced by dynamics of power consumption of regions of IDGC of Centre's branches activity zone, there is a risk of receiving less incomes than one is due in connection with decrease in electric power consumption by separate large consumers in relation to the

target level. Dynamics of power consumption in its turn is influenced by a degree of social and economic development of entities of the Company's branches activity zones, climatic and weather conditions.

However, against the background of positive dynamics of social and economic development of regions and transition to double-rate tariffs for services on transmission of the electric power, the given risk is estimated as minimal.

5. Risks connected with construction by large consumers of the alternative grid facilities.

Construction by large consumers of alternative grid facilities can lead in the future to reduction of the volume of services rendered by the issuer on transmission of the electric energy.

For leveling this risk, the issuer holds active work with consumers directed to formation of mutually advantageous relations.

Additional actions of the issuer for reduction of the designated risks:

- Increase of operational efficiency by realization of programs on decrease in industrial costs and economy;
- Carrying out of works on increase in the share of long-term contracts at rendering services on transmission of electric energy in the total amount of the concluded contracts;
- Carrying out by the issuer of the well thought-out financial policy.

6. Risk of uncertainty of limiting volumes of rendering services on transmission of electric energy.

The risk of uncertainty of the limiting volumes of rendering services consists in absence in some RF entities and municipal formations of economic development plans with indication of the behaviour of growth of power consumption for the certain period. The specified circumstances make it impossible to perform exact forecasting of volumes of investments into the sector capable to satisfy an increasing demand for electric energy in medium-term and long-term prospect. Basically, the given risk influences performance of obligations on rendering services on transmission of the electric power. Minimization of the given risk is carried out by means of the following actions:

- Work with the state bodies of the Russian Federation entities and institutions of local government on formation of plans of economic development of the region in the medium-term and long-term prospect;
- Protection of tariffs for transmission of electric energy in competent state bodies in view of the investment component directed to increase transmission capacity of the grid equipment.

In view of the above-stated, the issuer believes that possible deterioration of the situation in branches of the issuer, negative changes in the process of operation and development of the grid complex, construction by large consumers of alternative grid facilities are capable to influence activity of the issuer, but should not affect significantly its execution of obligations under securities.

The issuer does not carry out and does not plan to carry out activity on the foreign market, accordingly, the risks connected with possible deterioration of the situation in the sector of the issuer on the foreign market cannot influence activity of the issuer and/or execution by the issuer of obligations under securities.

7. The risks connected with possible change of prices for component parts and services used by the issuer in the activity (separately in the internal and external markets), and their influence on activity of the issuer and execution of obligations under securities.

In the process of the issuer's activity, the issuer can run the risks connected with increase of the prices for component parts, equipment and other material resources which will be used by the issuer. The given risks are caused basically, by the inflationary processes and can be minimized by the following actions:

- Increase of operational efficiency on the basis of realization of programs on decrease in industrial costs (creation of the competitive environment in the sphere of works and products purchases, optimization of expenses for repairs and operational needs and capital construction, etc.);
- Carrying out of the thought-out financial policy;
- Centralization of purchasing activity for reception of "scale effect" at purchases.

In opinion of the issuer, influence of the given risks on activity of the issuer and execution of obligations under securities (under condition of their minimization on the part of the issuer) is insignificant.

Considering that the issuer does not carry out and does not plan to carry out activity on the foreign market, accordingly, the risks connected with possible change of the prices for component parts and services used by the issuer in the activity on the foreign market cannot influence activity of the issuer and/or execution of obligations under securities.

8. The risks connected with possible change of the prices for services of the issuer (separately in the internal and external markets), and their influence on activity of the issuer and execution of obligations under securities.

The issuer runs the risks connected with decrease of the tariff for services on transmission of electric energy below the marginal level established by the Government of the Russian Federation.

There are no risks connected with change of the prices on the foreign markets, as the issuer is not engaged and does not plan to be engaged in rendering services outside the Russian Federation. Component parts and equipment abroad are also not bought abroad.

In opinion of the issuer, influence of the given risks on activity of the issuer and execution of obligations under securities (under condition of their minimization on the part of the issuer) is insignificant.

2.5.2. Country and regional risks

The risks connected with the political and economic situation in the country (countries) and in the region in which the issuer is registered as the tax bearer and/or carries out primary activity provided that primary activity of the issuer in such country (region) brings 10 and more percent of incomes for last completed period under report.

Country risks

Now the positive tendency of increase of the international ratings of the Russian Federation is observed. According to the classification of Fitch, Moody's and Standard and Poor's international rating agencies, Russia received an investment rating according to which the economic and political situation in Russia is estimated as harmless in the short-term prospect. The forecast for all ratings remains on the "stable" level. The favorable factors contributing to increase in the ratings of Russia, in opinion of agencies, are the economic growth observed in Russia within last several years, caused improvement of the majority of key performance indicators, including proficiency of the account of current operations, and also growth of gold and exchange currency reserves of Russia and reduction of external short-term obligations.

On the other hand, the economy of Russia is not protected from market recessions and delay of economic development in other countries of the world. Financial problems or aggravated perception of risks of investment in the countries with a developing economy can lower the volume of foreign investments into Russia and render negative influence on the Russian economy. Besides, as Russia makes and exports great volumes of natural gas and oil, the Russian economy is especially vulnerable to changes of the world prices for natural gas and oil, and falling of the price for natural gas and oil can slow down or shake development of the Russian economy. These events can limit access of the issuer to the capital and render adverse influence on purchasing capacity of consumers of the issuer products. The issuer assumes to carry out all the actions directed to decrease of influence of such events on the activity: pursue the weighed policy in the field of the borrowed funds attraction.

The share of the given risk, in opinion of the issuer, is insignificant.

Regional risks

The issuer was registered as a tax bearer on the territory of the Central Federal District of the Russian Federation being an economically developed region of the country, the center of financial and political activity.

According to the Investment Rating of Regions of Russia 2006-2007 (prepared by the "Expert RA" Rating Agency), the majority of regions (8 out of 11), with which the issuer's activity is connected, are referred to the territories with moderate investment risks and in various investment potential, and 2 out of 11 regions of activity of the Company - to the regions with the minimal investment risks.

Regional risks in activity of the issuer amount to ignoring by the authorized state tariff establishment bodies of the part of economically proved charges declared by the issuer for inclusion in the corresponding tariff. The given circumstance can have essential influence on realization of the scale investment program of the issuer. In order to decrease influence of regional risks on realization of the investment program, the issuer on a constant basis cooperates with the state bodies and other stakeholders (stakeholder relations) for the purpose of the control over and management of the choice of stakeholders concerning their actions in connection with investment projects of the issuer.

Negative changes of the situation in regions of the issuer's activity which can negatively affect its activity and the economic situation, in the near future are not expected.

Prospective actions of the issuer in case of negative influence of change of the situation in the country (countries) and region on its activity:

The most part of the given risks cannot be controlled by the issuer because of their scale. In case of

destabilization of the political and economic situation in Russia or in a separately taken region which can negatively affect activity of the issuer, the latter will accept a number of measures on anti-recessionary management for the purpose of the maximum decrease in negative influence of the situation on the issuer, including reduction of production costs and other charges, reduction of investment plans.

The risks connected with possible military conflicts, introduction of state of emergency and strikes in the country and regions in which the issuer is registered as the tax bearer and/or carries out primary activity:

The probability of military conflicts and introductions of state of emergency in the country and in regions of presence of the issuer is insignificant. In case of occurrence of possible military conflicts, the issuer bears risks of its fixed assets decommissioning.

The risks connected with geographical features of the country and region, in which the issuer is registered as the tax bearer and/or carries out primary activity, including the raised danger of acts of nature, the possible interruption of transport communication due to remoteness an/or inaccessibility, etc.

The risks connected with geographical features of region, including the raised danger of acts of nature, the possible interruption of the transport communication due to remoteness and/or inaccessibility do not render essential influence on activity of the issuer as the region of activity of the issuer is poorly subject to such risks.

The risks connected with raised danger of acts of nature are regarded by the issuer as minimal.

3.5.3. Financial risks

Susceptibility of a financial status of the issuer (its liquidity, sources of financing, results of activity, etc.) to change of a rate of exchange and change of interest rates under credits, proposed actions of the issuer in case of negative influence of a rate of exchange and change of interest rates on the issuers' activity:

The Company realizes services in a home market of the Russian Federation with realization of calculations in rubles (currency of the Russian Federation).

The Company does not plan to carry out activity on a foreign market. In this connection the financial status of the issuer (its liquidity, sources of financing, results of activity, etc.) is not subject to risks of change of exchange rates of foreign currencies.

In connection with the fact that the issuer is not subject to risks of the foreign currency exchange rates, the assumed actions of the issuer in case of negative influence of change of the foreign currency exchange are not described in this report.

Now and in intermediate term prospect, the rate of refinancing of the Central Bank of the Russian Federation has no tendency to decrease. Change of rates per credits the issuer plans to attract in the future depends on change of the situation in the world credit market. At the same time, the risk of change of rates is estimated as low, as on 31 March 2008 the issuer obtained the status of the entity of the natural monopoly.

The Company being the entity of the natural monopoly should carry out selection of the financial organizations for rendering financial services on carrying out public one-stage competition or open auction according to the procedures established by the legislation of the Russian Federation (Federal Law "On protection of competition" No.135-FZ as of 26.07.2006, the Federal Law "On placement of orders for delivery of the goods, performance of works, rendering of services for the state and municipal needs" No. 94-FL of 21.07.2005). According to part 4.1 item 9 of the Law Placement of Orders, the price of the state order or municipal contract is firm and cannot change during its execution.

Thus, the risk of change of credit rates for the issuer is minimal and is possible only at change of the legislation of the Russian Federation.

Influence of inflation:

The rate of inflation directly depends on the political and economic situation in the country. The condition of the Russian economy is characterized by high rates of inflation. But for the last reporting periods, the rate of inflation tends to decrease.

Negative influence of inflation on financial and economic activity of the issuer can be connected with the following risks:

- The risk connected with losses in real cost of debt receivable at an essential delay or postponement of payment;
- Risk of increase in interests payable;
- Risk of increase in the production cost of the goods, products, works, services due to increase in the price for energy carriers, transport charges, wages, etc.;

- Risk of reduction of real cost of the investment program funds.
The risk of inflation is estimated as average.

Critical value of inflation, in opinion of the issuer:

Considering the level of potential profitability of activity, in opinion of the issuer, value of inflation the issuer can have difficulties with, equals the annual rate of at least 7.7%.

Prospective actions of the issuer on reduction of the risk caused by inflation:

In case the value of inflation exceeds the specified critical values, the issuer plans to increase in its assets the share of short-term financial instruments, performance of actions on reduction of internal costs and maximization of growth of tariffs within the limits of the established limit levels during the subsequent periods of regulation.

Financial reporting indicator of the issuer most subject to changes as a result of influence of specified financial risks:

| N | Risks | Probability of occurrence | Description of their changes in the reporting |
|---|---|---------------------------|--|
| 1 | Growth of interest rates | Low | Increase of operational charges in the profit and loss statement |
| 2 | Growth of the euro exchange rate in relation to ruble and US dollar | Low | The reporting does not change as the whole amount of incomes and charges of the issuer is nominated in rubles and is not attached to the rate of exchange, and also as the issuer does not hold investments in the foreign financial assets and does not involve foreign loans |
| 3 | Decrease in the US dollar exchange rate in relation to ruble and euro | Low | |

According to the above table, the main parameter which is the most subject to change and connected with financial risks is the profit of the issuer. With growth of the interest rates, payments per interests for using credits of commercial banks (operational charges) also increase and, accordingly, the profit of the issuer decreases. Besides, the profit decreases at increase in the production cost of services on transfer of electric energy and fixing tariffs on the legislative level.

2.5.4. Legal risks

The legal risks connected with activity of the issuer:

Legal risks, in particular, connected with ambiguous treatment of norms of the legislation can lead to incorrect calculation and payment of taxes. For their decrease, the Accounts Department of the issuer constantly works on legitimate improvement of methods of calculation of tax base under various taxes and the control over their conformity with the current legislation.

Taking into account completion of the process of reorganization of the issuer by its DGC merging with it, the risk of increase in the term planned by the issuer for reissuance of DGC licenses to the issuer name is possible. However, as a whole, this risk is insignificant, except for those cases when for reception or prolongation of the license or for realization of the activity which is subject to licensing, the requirements will be stipulated which cannot be met by the issuer, or being in conformity with which will be connected with excessive expenses.

Besides, there are risks of the losses connected with change of the laws, and also incorrect legal official registration of papers and support of activity of the issuer. For minimization of such risks, practically all operations of the issuer pass obligatory preliminary legal examination.

The issuer (as well as for all joint-stock companies which carry out the activity on the territory of the Russian Federation) runs the risk of change of the laws (federal laws and by-law statutory acts) regulating joint-stock and corporate mutual relations.

The issuer is subject to risks of the appeal by shareholders of the corresponding DGC of large transactions and interested-party transactions (at fulfilment of such transactions without appropriate preliminary approval by the Board of Directors or the General Shareholders Meeting, and also approved with infringement of the established order).

For minimization of the given risks at realization of contractual work, the issuer without fail carry out the preliminary legal analysis of concluded transactions for presence of the bases of carrying out of the preliminary corporate procedures stipulated by the current legislation and/or the Charter. In case of need the corresponding transactions are submitted for consideration by the competent governance bodies of the issuer.

For minimization of the risks connected with mutual relations with shareholders of the companies attached to the issuer (in particular: the risks connected with accounting of the rights to DGC shares; risk of "corporate blackmailing" by shareholders; risk of realization by unfriendly shareholders of the actions directed to failure of general meetings of shareholders of the issuer in the future), keeping the register of shareholders of the issuer and operated companies are performed by the professional registrar - JSC Central Moscow Depository which has a significant operational experience in the Russian share market. The issuer and companies operated by it carry out a complex of the measures directed to information interaction with shareholders and full observance of legitimate rights and interests of the latter (disclosing of the information in accordance with the procedure stipulated by normative legal acts, and carrying out of regular meetings of management of the companies with the shareholders, the main purpose of which is clarification of pressing issues of the current activity, and also prospects of reforming of power sector; observance of corporate procedures and internal documents).

Considering that the issuer does not carry out and does not plan to carry out the activity outside the Russian Federation, there are no legal risks connected with activity of the issuer on the foreign markets.

The risks connected with change of the currency legislation

The risks connected with change of the currency legislation actually cannot affect activity of the issuer as the issuer does not plan to carry out the activity outside the Russian Federation.

The risks connected with change of the tax laws

Like any other economic entity, the issuer is the participant of tax relations. Now tax legal relationship in the Russian Federation is regulated by the Tax Code of the Russian Federation, a number of the federal laws accepted according to the Tax Code of the Russian Federation, laws of entities of the Russian Federation, and also normative legal acts of institutions of local government. The system of lawfully established taxes and tax collections includes, in particular, the value added tax, the profit tax, the property tax, the uniform social tax and other obligatory payments. The corresponding statutory acts quite often contain indistinct formulations, or operate with the terms which do not having specific legal definition. Besides, the Ministry of Finance of the Russian Federation and Federal Tax Service of the Russian Federation, authorized to give official explanations of the tax laws, frequently give explanations and comments contradicting both the norms of the tax laws, and judiciary practice developed on the certain categories. Fiscal bodies thus are guided by such legal acts and explanations of the specified state bodies which are directed exclusively to updating budgets of different levels, thus, quite often, roughly breaking the rights and legitimate interests of the tax bearer. Preparation and granting of the tax reporting together with other elements of the system of regulation of tax legal relations are in the competence, first of all, of the tax bodies having the right to make additional tax charges and tax collections charges, to charge the sums of fines, to impose significant penalties. Thereof, tax risks in Russia essentially exceed the similar risks typical of the countries with more developed market economy and system of the tax laws.

The management of the issuer thinks that the issuer in full observes the tax laws concerning its activity that, nevertheless, does not eliminate potential risks of its bringing to the tax responsibility in case of changes in the state fiscal policy concerning separate taxes and tax collections, and also change (not in favour of the tax bearer) of judiciary practice on separate categories of tax affairs.

Now the Government of the Russian Federation pursues a policy of decrease in tax charging with regard to the Russian tax bearers. In this connection, changes in the tax laws regarding increase in tax rates and/or changes of the order and terms of calculation and payment of taxes, in the near future is not expected.

In connection with the stated, the given risk is estimated as insignificant.

In case of amending the operating order and conditions of the taxation, the issuer is going to plan the financial and economic activity in view of these changes.

The risks connected with change of rules of the customs control and duties

Change of rules of the customs control and duties does not bear any risks since the issuer does not carry out for activity of the issuer and does not plan to carry out export of services outside the limits of the Russian Federation.

The risks connected with change of requirements to licensing of primary activity of the issuer or

licensing of rights to use objects, which availability in its turn is limited (including natural resources).

Possible change of requirements on licensing the primary activity of the issuer or licensing rights to use the facilities, the circulation of which, in its turn, is limited (including natural resources) can lead to increase in the term of preparation of the documents necessary for reception or prolongation of validity of the license, and also necessity of conformity of the issuer with the requirements set forth. However, as a whole, it is necessary to consider the given risk as insignificant, except for those cases when for reception or prolongations of the license or for realization of the activity which is subject to licensing will be stipulated requirements which cannot be met by the issuer, or conformity which will be connected with excessive expenses.

In case of change of requirements on licensing activity of the issuer or licensing of rights to use of facilities which circulation is limited, the issuer will take necessary measures for reception of the corresponding licenses and sanctions.

The risks connected with change of judiciary practice on the issues connected with activity of the issuer (including concerning licensing) which can negatively affect results of its activity, and also results of the current litigations in which the issuer participates:

The possibility of change of the judiciary practice connected with activity of the issuer (including concerning licensing) is considered as insignificant and will not have essential influence on its activity.

In case of amending the judiciary practice concerning the issues connected with activity of the issuer, the latter is going to plan its financial and economic activity in view of these changes.

2.5.5. The risks connected with activity of the issuer

Below are the risks peculiar exclusively for the issuer.

The risks connected with the current litigations in which the Issuer participates.

At the moment, there are no large proceedings initiated by the issuer and/or against the issuer. In this connection, the issuer does not run the risk concerning participation in the current litigations.

The risks connected with absence of an opportunity to prolong terms of the license of the issuer on conducting a certain kind of activity or on use of objects, the availability of which in its turn is limited (including natural resources).

After completion of reorganization of the issuer in the form of its DGC consolidation with the issuer, and obtaining of the status of the operational company, the issuer will need to get a number of licenses (on realization of activity on rendering of services on transmission of electric energy and services on technological connection of power receiving devices (power installations) for a fee for legal and physical persons to electric networks, etc.). The risks connected with non-receipt of the licenses necessary for operational activity of the issuer are estimated as insignificant by the issuer.

The risks connected with absence of an opportunity to prolong effect of the license for realization of activity connected with the state secret, and also the licenses which passed to the issuer from DGC in connection with reorganization in the form of consolidation according to the current legislation are estimated by the issuer as insignificant.

The risk connected with the possible responsibility of the issuer under debts of the third parties, including subsidiaries of the issuer are estimated as insignificant by the issuer.

The risks connected with an opportunity of loss of consumers, the turnover with which is at least 10 percent of the total receipt of products (works, services) the issuer are estimated as insignificant by the issuer.

Other risks connected with activity of the issuer peculiar exclusively for the issuer: None.

2.5.6. Bank risks

There risks are not indicated since the issuer is not a credit organization.

III. Detailed information on the issuer

3.1. Creation and development history of the issuer

3.1.1. Data on company name of the issuer

Full company name of the issuer:

"Interregional Distribution Grid Company of Centre", Joint-Stock Company

Abbreviated company name of the issuer: IDGC of Centre, JSC

The name of the issuer is similar to names of other legal entities - interregional distribution grid companies created within the limits of the reform of the grid complex of Russia, including:

- 1) Interregional Distribution Grid Company of Centre and Volga Region, Joint-Stock Company (IDGC of Centre and Volga Region, JSC);
- 2) Interregional Distribution Grid Company of the Urals, Joint-Stock Company (IDGC of the Urals, JSC);
- 3) Interregional Distribution Grid Company of Volga, Joint-Stock Company (IDGC of Volga, JSC);
- 4) Interregional Distribution Grid Company of the South, Joint-Stock Company (IDGC of the South, JSC);
- 5) Interregional Distribution Grid Company of the North Caucasus, Joint-Stock Company (IDGC of the North Caucasus, JSC);
- 6) Interregional Distribution Grid Company of Siberia, Joint-Stock Company (IDGC of Siberia, JSC);
- 7) Interregional Distribution Grid Company of the North-West, Joint-Stock Company (IDGC of North-West, JSC).

In order to avoid mixture of the specified names, it is necessary to pay special attention of a component of full and abbreviated names of the given organizations specifying regions of their location - Centre, Centre and Volga Region, Urals, Volga, South, North Caucasus, Siberia, North-West.

The Company name of the issuer is not registered as a trade mark or a service mark.

Previous full and abbreviated names of the issuer:

“Interregional Distribution Grid Company of Centre and North Caucasus”, Joint-Stock Company (IDGC of Centre and North Caucasus, JSC).

The company name of the issuer was changed under the decision of the General Shareholders Meeting of the Issuer, the functions of which are carried out by the Board of RAO UES of Russia, at the meeting of 18.07.2007 (Minutes No.1703pr/1 of 18.07.2007). The revised Charter of the issuer (in view of change of the name of the issuer) was registered by the Interdistrict IFTS of Russia No. 46 in the city of Moscow - certificate on making an entry in the uniform state register of legal entities of series 77 No. 008165394 of 06.08.2007.

3.1.2. Data on the state registration of the issuer

| | |
|---|---|
| Primary state registration number of the legal entity (PSRN) | 1046900099498 |
| Date of state registration | 17.12.2004 |
| The name of registering body according to the data specified in the certificate on making an entry in the Uniform State Register of Legal Entities | Interdistrict inspection of the Ministry of the Russian Federation for taxes and tax collections No. 1 in the Tver area |

3.1.3. Data on creation and development of the issuer

Term of existence of the issuer from the date of its state registration (17.12.2004): 3 (three) years and 6 (six) months.

The issuer was created for an indefinite term.

Interregional Distribution Grid Company of Centre, Joint-Stock Company was founded with a view of efficient control over the distribution grid complex of Centre on the basis of Order No. 154r of Russian Joint-Stock Company Of Power And Electrification UES of Russia as of 9.12.2004.

The issuer was registered by the IIMTS of the Russian Federation No. 1 in the Tver area on 17 December 2004.

Creation of the issuer was an integral part of the Strategy Concept of RAO UES of Russia "5+5" (approved by the Decision of the Board of Directors of RAO UES of Russia, Minutes No. 168 of 23.04.2004) which provides interregional integration of the newly created enterprises after division of the power companies by kinds of business.

The decision of the Board of RAO UES of Russia of 13.04.2005 (Minutes No.1192pr) approved configuration of the interregional distribution grid companies - IDGC (hereinafter referred to as IDGC). It was originally planned that the structure of IDGC of Centre, JSC should include 31 regional grid companies (hereinafter referred to as DGC) of the Central Region of Russia and Northern Caucasus, the target model of the issuer is a holding.

Within the transition restructuring period - from the moment of creation of the interregional grid company and up to the moment of consolidation of the subordinated DGC with them, the functions of the first consist in rendering consulting services to the subordinated DGC and performance of functions of the sole executive body of the subordinated DGC (management by subordinated DGC).

By the decision of the Board of RAO UES of Russia 1637pr/3 of 23.03.2007, it was recommended to the Board of Directors of RAO UES of Russia to increase amount of IDGC up to 11 (without taking into account IDGC of the Far East) and to determine the target model of IDGC as an operational company. By the same decision of the Board of RAO UES of Russia, a new configuration of IDGC of Centre, JSC was defined made up of 11 DGC: JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo, JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Tambovenergo, JSC Smolenskenergo, JSC Tverenergo, and JSC Yarenergo, and the decision on reorganization of the specified companies - DGC included in the configuration of the issuer in the form of consolidation with the issuer was also made.

By the decision of the Board of Directors of RAO UES of Russia No. 250 of 27 April 2007, the specified new configuration of IDGC (including configuration of IDGC of Centre, JSC) was approved. The basis of configuration of IDGC of Centre, JSC is the principle of territorial interlinking and comparability of the value of assets of DGC forming a part of interregional distribution grid companies.

Goal of consolidation:

- 1) Concentration of competences for taking necessary strategic decisions, an opportunity of fast and effective decision-making;
- 2) Consolidation of investment resources and opportunity of their redistribution;
- 3) Efficient control over financial flows, high financial maneuverability, cost-efficiency of the resources involved by IDGC;
- 4) Opportunity of using scale and sinergetic effects at formation of the management system;
- 5) Effective distribution of functions and business processes in IDGC and its branches;
- 6) Realization of the mission and goals of IDGC activity.

By Order No. 1857-r of the Government of the Russian Federation of 18.12.2007, Minpromenergo (Ministry of Industry and Power) of Russia and Russian Joint-Stock Company Of Power And Electrification "Unified Energy System of Russia" adopted a proposal which was coordinated with the interested federal enforcement authorities, about formation of the interregional distribution grid companies in the forms stipulated by the laws of the Russian Federation till 31 December 2008 on the basis of the shares of joint-stock companies of power and electrification belonging to the Russian Joint-Stock Company And Electrification "Unified Energy System of Russia" for the purpose of maintenance of the control by the Russian Federation over activity of the territorial grid organizations.

The Extraordinary General Shareholders Meeting of the issuer, the functions of which are exercised by the Board of RAO UES of Russia which took place on 25.12.2007 (Minutes as of 25.12.2007 No.1795pr/3), adopted the decision on reorganization of IDGC of Centre, JSC in the form of consolidation of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo, JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Tambovenergo, JSC Smolenskenergo, JSC Tverenergo, and JSC Yarenergo with it and adoption of the Contract for Consolidation of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo, JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Tambovenergo, JSC Smolenskenergo, JSC Tverenergo, and JSC Yarenergo with IDGC of Centre, JSC.

The same Extraordinary General Shareholders Meeting of IDGC of Centre, JSC adopted the decision to increase the authorized capital of the Company by placement of additional ordinary shares in amount of 42, 118, 200, 000 (forty-two billion one hundred eighteen million two hundred thousand) pieces of ordinary registered shares at the par value of 10 (ten) kopecks each for a total amount at the par value of 4, 211, 820, 000 (four billion two hundred eleven million eight hundred twenty thousand) rubles placed by converting of shares of the consolidated companies into additional ordinary shares of IDGC of Centre, JSC in accordance with the procedure stipulated by the Contract for Consolidation.

On 20 March 2008 the Federal Financial Markets Service registered 21 (twenty one) additional issues of ordinary registered uncertificated shares of the issuer placed by converting of shares of consolidated DGC into them, and also the prospectus for securities of the issuer.

From the moment of the creation and up to 31.03.2008, the issuer was a 100 % affiliated company of RAO UES of Russia.

On 31.03.2008 - the date of making an entry in the Uniform state register of legal entities about the termination of activity of consolidated DGC - placement of ordinary registered uncertificated shares of IDGC of Centre took place by converting shares of the consolidated DGC shares into them.

As a result of placement of shares of IDGC of Centre of the additional issues which took place on 31.03.2008, additional shares for the total par value of 4, 211, 794, 146.8 rubles were placed. On 29 April 2008, the reports on results of additional share issues of IDGC of Centre were registered by FFMS of Russia. On 27 May 2008, changes were made in the Charter of IDGC of Centre connected with increase in the authorized capital of IDGC of Centre as a result of additional issues of securities.

The amount of the registered authorized capital of IDGC of Centre, JSC as of 30 June 2008 is 4,221,794,146.8 rubles.

Goals of creation and reorganization of the issuer:

- Realization of the state policy in the field of electric power industry;
- Creation of conditions for effective functioning of the distribution grid complex of the Central region of Russia;
- Realization of effective operation and centralized technological management of grid facilities;
- Realization of the uniform strategy in the field of investment and attraction of the capital for solution of common system tasks of development of the distribution grid complex;
- Development and pursuing of scientific and technical policy and introduction of new progressive kinds of techniques and technologies;
- Reception of profit.

Mission of the issuer:

'We are a many-thousand team of professionals united by an overall aim - to bring energy of light to each client.

Using the advanced knowledge and experience in management by the grid complex, we care about quality of human life, family and company. Applying innovations, we render our services more qualitative and more accessible.

We bear responsibility for reliable transfer of the electric power to each client and reception of stable incomes by our shareholders.

The main value for us is people, both working for the company, and those we work for.

Other information on activity of the issuer which is important for decision-making on purchase of securities of the issuer: none.

3.1.4. Contact information

| | |
|---|---|
| Location of the issuer | 4/2 Glukharev Lane, Moscow, Russian Federation 129090 |
| Telephone | (495) 747-92-92 |
| Fax | (495) 747-92-95 |
| e-mail | posta@mrsk-1.ru |
| The Internet website where the information on the issuer, securities issued and/or being in the process of issue are available | www.mrsk-1.ru |
| Data of a special division of the issuer (third party) for the issuer's shareholder and investor relations | Corporate Governance Department of IDGC of Centre, JSC, Russian Federation, 129090, Moscow, Gluharev Lane, 4/2, Telephone, fax (495) 747-92-92 E-mail Ochkasov_EA@mrsk-1.ru Internet website: www.mrsk-1.ru |

3.1.5. Taxpayer identification number 6901067107

3.1.6. Branches and representative offices of the issuer:

| No. | Name and date of the branch opening | Location of the branch | Surname of the branch head | Term of expiry of the power of attorney which was issued |
|-----|--|--|----------------------------|--|
| 1. | Branch of IDGC of Centre, JSC – Belgorodenergo (18.01.2008) ¹ | 42 Preobrazhenskaya street, Belgorod RF | V.I. Filatov | 31.12.2008 |
| 2. | Branch of IDGC of Centre, JSC Bryanskenergo (18.01.2008) | 35 Sovetskaya street, Bryansk, RF 241000 | N.V.Burenok | 31.12.2008 |
| 3. | Branch of IDGC of Centre, JSC Voronezhenergo (18.01.2008) | 2 Arzamasskaya street, Voronezh, RF 394033 | V.I. Pyatigor | 31.12.2008 |
| 4. | Branch of IDGC of Centre, JSC - Kostromaenergo (18.01.2008) | 53 Mira Avenue, Kostroma, RF 156961 | A.S. Glebov | 31.12.2008 |
| 5. | Branch of IDGC of Centre, JSC - Kurskenergo (18.01.2008) | 27 K.Marxa street, Kursk, RF 305029 | A.V. Pilyugin | 31.12.2008 |
| 6. | Branch of IDGC of Centre, JSC - Lipetskenergo (18.01.2008) | 33, 50 let NLMK street, Lipetsk, RF 398001 | A.N. Konanyhin | 31.12.2008 |
| 7. | Branch of IDGC of Centre, JSC - Orelenergo | 2 Mira square, Orel, RF 302030 | S.V. Zorin | 31.12.2008 |

¹ Date of sending a notice on amending the issuer's charter in connection with branches creation, to the taxation authority.

| | | | | |
|----|---|---|------------------|------------|
| | (18.01.2008) | | | |
| 8. | Branch of IDGC of Centre, JSC - Tambovenergo (18.01.2008) | 23 Morshanskoe street, Tambov RF 392680 | V.F. Holoptsov | 31.12.2008 |
| 9. | Branch of IDGC of Centre, JSC - Smolenskenergo (18.01.2008) | 33 Tenishevoi street Smolensk RF 214019 | M.A. Hvostantsev | 31.12.2008 |
| 10 | Branch of IDGC of Centre, JSC - Tverenergo (18.01.2008) | 1 Bebelya street, Tver RF, 170006 | S.V. Elkin | 31.12.2008 |
| 11 | Branch of IDGC of Centre, JSC - Yarenergo (18.01.2008) | 12 Voinova street, Yaroslavl RF 150003 | I. V. Solonikov | 31.12.2008 |

The decision on creation of the above-stated branches was adopted by the Board of Directors of the issuer - minutes No. 01/08 of 11.01.2008.

Changes in the Charter IDGC of Centre, JSC connected with creation of branches of the issuer were approved by the decision of the Board of Directors of IDGC of Centre, JSC (Minutes No.01/08 of 11.01.2008) and were registered in the tax authority at the place of registration of the issuer according to the legislation of the Russian Federation on 23.01.2008.

3.2. Main economic activities of the issuer

3.2.1. Issuer's industry

Codes of the main kinds of economic activities of the issuer under the All-Russian Classifier of Economic Activities (OKVED): 74.15, 74.14, 40.10.2, 40.10.3, 10.10.5, 33.20.9, 63.12.21, 64.20.11, 80.22.22.

3.2.2 Main economic activities of the issuer

The main kinds of economic activities (types of activities, types of products (works, services)) providing at least 10 percent of the proceeds (profit) of the issuer for each of the periods under report:

| Indicator name | Period under report | |
|--|---------------------|------------------|
| | As of 30.06.2007 | As of 30.06.2008 |
| 1. Consultation services rendering to Distribution Grid Companies (DGC) | | |
| Amount of proceeds (income) of this economic activity, RUR | 134, 576 | - |
| Share of proceeds (income) of this economic activity in the total amount of proceeds (income), % | 25.74 | - |
| 2. Services on exercise of functions of DGC sole executive body | | |
| Amount of proceeds (income) of this economic activity, RUR | 353, 440 | - |
| Share of proceeds (income) of this economic activity in the total amount of proceeds (income), % | 67.60 | - |
| 3. Services on regulated purchasing procedures, technical audit services | | |

| | | |
|--|---------|--------------|
| Amount of proceeds (income) of this economic activity, RUR | 34, 821 | - |
| Share of proceeds (income) of this economic activity in the total amount of proceeds (income), % | 6.66 | - |
| 4. Proceeds from rendering services on electric power transmission | | |
| Amount of proceeds (income) of this economic activity, RUR | - | 13, 106, 342 |
| Share of proceeds (income) of this economic activity in the total amount of proceeds (income), % | - | 94.99 |

The proceeds for the 1st half of the year 2008 were RUR 13, 798, 008 . Proceeds for the 1st half of the year 2007 were RUR 522,837 thousand. Essential growth of proceeds of the issuer was due to reorganization in the form of merging the subordinated regional distribution grid companies of its service zone with IDGC of Centre, JSC on 31 March 2008.

As a result of reorganization, the basic kinds of activity of the company changed. Before reorganization, main kind of activity of IDGC of Centre rendering services on exercise of powers of the sole executive body of the regional grid companies from the moment of reorganization by main kinds of activity are rendering services on transmission of the electric power on the territory of 11 regional entities.

IDGC of Centre, JSC carries out its main economic activity exclusively on the territory of the Russian Federation. The main kind of activity of the company is rendering services on transmission of the electric power which has seasonal character, during the autumn and winter period, volumes of transmission of the electric power increases in connection with seasonal growth of volumes of consumption.

Structure of the cost price of IDGC of Centre, JSC for the 1st half of the year 2008 by the specified articles, expressed in percentage of the total cost price.

The actual cost price of rendering services following the results of the first half of the year 2007 was RUR 428,903 thousand.

| Budget item | The period under report | |
|---|-------------------------|--------------------|
| | As of 30 June 2007 | As of 30 June 2008 |
| Raw and other materials, % | 1.0 | 3.1 |
| Purchased component products, semi-processed materials, % | 0.0 | 0.0 |
| Works and services of industrial character executed by outside organizations, % | 0.0 | 48.3 |
| Fuel, % | 0.0 | 0.0 |
| Energy, % | 0.0 | 14.2 |
| Expenses for payment, % | 58.5 | 11.2 |
| Interest under credits, % | 0.0 | 0.0 |
| Rent, % | 6.2 | 0.4 |
| Deductions for social needs, | 5.6 | 3.1 |
| Amortization of the fixed assets, % | 0.9 | 8.1 |

Federation of 30.12.1999 N 107n, of 30.03.2001 N 27n, of 18.09.2006 N 116n, of 27.11.2006 N 156n);

RAS 11/2000 "Information about affiliated persons" (order of the Ministry of Finance of the Russian Federation as of 13 January 2000 N 5n as amended by order of the Ministry of Finance of the Russian Federation of 30.03.2001 N 27n);

RAS 12/2000 "Information on segments" (order of the Ministry of Finance of the Russian Federation of 27 January 2000 N 11n as amended by order of the Ministry of Finance of the Russian Federation of 18.09.2006 N 115n);

RAS 13/2000 "Account of the state assistance" (order of the Ministry of Finance of the Russian Federation of 16 October 2000 N 92n as amended by order of the Ministry of Finance of the Russian Federation of 18.09.2006 N 115n);

RAS 14/2000 "Account of immaterial assets" (order of the Ministry of Finance of the Russian Federation of 16 October 2000 N 91n as amended by Orders of the Ministry of Finance of the Russian Federation of 18.09.2006 N 115n, of 27.11.2006 N 155n);

RAS 15/01 "Account of loans and credits and expenses on their service" (order of the Ministry of Finance of the Russian Federation as of 2 August 2001 N 60n as amended by Orders of the Ministry of Finance of the Russian Federation of 18.09.2006 N 115n, of 27.11.2006 N 155n);

RAS 16/02 "Information on terminated activity" (order of the Ministry of Finance of the Russian Federation of 2 July 2002 N 66n as amended by order of the Ministry of Finance of the Russian Federation of 18.09.2006 N 116n);

RAS 17/2002 "Account of charges on scientific research, developmental and technological works" (order of the Ministry of Finance of the Russian Federation of 19 November 2002 N 115n as amended by order of the Ministry of Finance of the Russian Federation of 18.09.2006 N 116n);

RAS 18/02 "Account of calculations under the profit tax" (order of the Ministry of Finance of the Russian Federation of 19 November 2002 N 114n);

RAS 19/02 "Account of financial investments" (order of the Ministry of Finance of the Russian Federation of 10 December 2002 N 126n as amended by Orders of the Ministry of Finance of the Russian Federation of 18.09.2006 N 116n, of 27.11.2006 N 156n);

RAS 20/03 "Information on participations in joint activity" (order of the Ministry of Finance of the Russian Federation of 24 November 2003 N 105n as amended by order of the Ministry of Finance of the Russian Federation of 18.09.2006 N 116n),

And also according to the Accounting Policy of IDGC of Centre, JSC, approved by the order of the issuer No.262 of 26.12.2006.

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

The name and location of suppliers of the issuer which provide at least 10 percent of all deliveries of materials and goods (raw material), and their share in total amount of deliveries for the last completed fiscal year, and also for the last completed reporting quarter: there were no suppliers of the issuer, the share of which is at less 10 percent of all deliveries of materials and goods (raw material) within the year 2007 and quarters 1 -2 of 2008.

The information on change of the prices for the main materials and goods (raw material) or on absence of such change for the last completed fiscal year, and also for the last completed reporting quarter: the issuer does not hold purchases of materials and goods (raw material), there are no data about change of the prices for the main raw material and other materials.

Share of import in deliveries of the issuer for the last completed fiscal year, and also for the last completed reporting quarter: none.

Forecasts of the issuer on availability of the specified sources in the future and on possible alternative sources: necessity of deliveries of import in the future was not considered by the issuer. Necessity of attraction of alternative sources was not considered by the issuer.

3.2.4. Sales markets of products (works, services) of the issuer:

The issuer's principle kind of activity since 31.03.2008 is rendering services on transmission of electric energy, rendering services on technological connection of power receiving devices (power installations) of legal entities and physical persons to the electric networks on the territory of the Belgorod, Bryansk,

Voronezh, Kostroma, Kursk, Lipetsk, Orel, Tambov, Smolensk, Tver and Yaroslavl regions.

Possible factors which can affect volume and quality of service rendered by the issuer on technological connection of power receiving devices (power installations) are both the general changes in the legislative base and absence of development plans in the regions.

For decrease in these factors, the issuer actively takes part in work for modification in the existing legislation and organizes work on the territory of the issuer with Administration of regions of the Russian Federation concerning development of development plans.

3.2.5. Data on the issuer's licenses

(including in accordance with the procedure of legal continuity from DGC merged with the issuer)

| No. | license, series, number, type of the license | Issued by | Date of delivery – date of termination of the license effect | Probability of the license prolongation |
|-----|--|--|--|---|
| 1. | B 363909 No. 2798, performance of works with using the state secret data at the address: 129090, Moscow, Glukharev lane 4/2 | The center on licensing certification and protection of the state secret of FSS (Federal Security Service) of Russia | 12.09.2007 – 30.09.2009 | High |
| 2. | D 577286, No.GS-1-69-02-27-0-6900000300-002122-2, construction of buildings of I and II responsibility levels in accordance with the state standard | Federal agency for construction, housing and Public Services | 25.04.2005 - 25.04.2010 | High |
| 3. | D 586810, No.GS -1-69-02-26-0-6900000300-002233-2, designing of buildings of I and II responsibility levels in accordance with the state standard | Federal Agency for Construction, Housing and Public Services | 11.07.2005 - 11.07.2010 | High |
| 4. | B 301959 No.555, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve | Administration of the Federal Security Service of the Russian Federation in the Tver area | 22.07.2005 - 21.07.2010 | High |
| 5. | B 30952 No.692, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve | Administration of the Federal Security Service of the Russian Federation in the Tver area | 17.04.2007 - 21.07.2010 | High |
| 8. | B 300936 No.679, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve | Administration of the Federal Security Service of the Russian Federation in the Tver area | 07.03.2007 - 21.07.2010 | High |
| 9. | B 300940 No.683, performance of works with using the state secret data, at performance of the | Administration of the Federal Security Service of the Russian | 23.03.2007 - 21.07.2010 | High |

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|-----|---|---|-------------------------|------|
| | mobilization task, storing material values of the state and mobilization reserve | Federation in the Tver area | | |
| 10. | B 300906 No.649, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve | Administration of the Federal Security Service of the Russian Federation in the Tver area | 11.01.2007 - 21.07.2010 | High |
| 11. | B 300905 No.648, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve | Administration of the Federal Security Service of the Russian Federation in the Tver area | 11.01.2007 - 21.07.2010 | High |
| 12. | B 300915 No.647, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve | Administration of the Federal Security Service of the Russian Federation in the Tver area | 11.01.2007 - 21.07.2010 | High |
| 13. | B 300913 No.646, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve | Administration of the Federal Security Service of the Russian Federation in the Tver area | 11.01.2007 - 21.07.2010 | High |
| 14. | B 545898, Registration No. GS-1-32-02-26-0-3201000084-001699-1 on realization of designing of buildings of I and II levels of responsibility according to GOST (State Standard). | Federal agency for construction, housing and Public Services | 21.02.2005 - 21.02.2010 | High |
| 15. | series: BRN No. 50506, type: VE for the right to use bowels (extraction of fresh underground waters at the site of Pochev deposit) | Ministry of natural resources of the Russian Federation, Central administrative board in the Bryansk area | 20.11.2001 - 01.01.2011 | High |
| 16. | series: BRN No. 50636, type: VE for the right to use bowels (extraction of fresh underground waters at the site of Klinty deposit) | Ministry of natural resources of the Russian Federation, Central administrative board in the Bryansk area | 22.11.2002 - 01.10.2012 | High |
| 17. | No. OT-08-000140 (32) for realization of activity on handling hazardous waste (activity during which dangerous waste are formed, and also activity on use, neutralization, transportation of hazardous waste) | Federal service for ecological, technological and nuclear supervision | 20.07.2005 - 20.07.2010 | High |
| 18. | No. 61-EV-000474 (KS) for realization of activity on operation of explosive industrial objects | Federal service for ecological, technological and nuclear supervision | 30.10.2003 - 30.10.2008 | High |
| 19. | L 311383 registration No. 5883 for realization of medical activity. | Департамент здравоохранения | 25.02.2004 - 25.02.2009 | High |

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|-----|---|---|-------------------------|------|
| | | администрации Брянской обл. | | |
| 20. | handling hazardous waste, No. 012565, registration No. 48M04/0060/L | Министерством природных ресурсов РФ | 15.06.2004 - 15.06.2009 | High |
| 21. | construction of buildings of I and II responsibility levels, series D No. 655140, registration No. GS-1-48-02-27-0-4822000160-001697-3 | Federal agency for construction, housing and Public Services | 07.11.2005 – 07.11.2010 | High |
| 22. | Maintenance of explosive industrial objects, series A No.052767, registration number 34-ev-000437 (zhksh) | Management of the Verhny Don district of Federal mining and industrial supervision of Russia (Gosgortekhnadzor of Russia). | 25.08.2003 – 25.08.2008 | High |
| 24. | Maintenance of fire risk industrial objects No. 0010214, registration number 3/00138 | Central administrative board of the State fire service of the Ministry of the Russian Federation for affairs of civil defence, extreme situations and liquidation of consequences of acts of nature | 21.01.2004 - 21.01.2009 | High |
| 25. | No. GS-1-44-02-27-0-4401007071-000892-1 Construction of buildings of II responsibility level | Federal agency for construction, housing and Public Services | 15.08.2005 – 15.08.2010 | High |
| 26. | No.B 285916 Performance of works with using the state secret data at performance of the mobilization task, storing material values of the state and mobilization reserve | Administration of FSS of the Russian Federation in the Kostroma area | 05.05.2006 – 05.11.2011 | High |
| 27. | No.42443 Services of communication on data transmission, except for services of communication on data transmission for the purposes of the voice information transmission | Federal Service on Supervision in the Sphere of Communication | 12.07.2006 – 12.07.2011 | High |
| 28. | No.36895 Telematic services | Federal Service on Supervision in the Sphere of Communication | 12.12.2005 – 12.12.2010 | High |
| 29. | No. 000023-R For repairs of measurement means | Federal Agency on Technical Regulation and Metrology, 21.10.2004. | 21.10.2004 - 21.10.2009 | High |
| 30. | Construction of buildings of I and II responsibility levels in accordance with the state standard, No. GS-1-57-03-27-0-5751002723-000753-2 | Federal agency for construction, housing and Public Services, 03.04.2006 | 03.04.2006 - 03.04.2011 | High |
| 31. | On realization of activity on handling dangerous waste, No.57M/04/0034/L | Ministry of natural resources of the Russian Federation (Administration of | 27.02.2004 - 27.02.2009 | High |

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|-----|---|--|-----------------------------|-------|
| | | natural resources and environment protection of MPR of Russia of the Orel area), 27.02.2004 | | |
| 32. | No.3/ 00117 Maintenance of fire risk industrial objects | Central administrative board of the State fire service | 25.12.2003- 25.12.2008 | High |
| 33. | No.2/ 09601 Manufacture of works on installation, repairs and service of means of maintenance of fire safety of buildings and constructions | Central administrative board of the State fire service | 01.09.2004- 01.09.2009 | High |
| 34. | No. 64-EV-000401 Maintenance of explosive industrial objects | Federal mining and industrial supervision of Russia (Gosgortekhnadzor of Russia) | 24.12.2003- 24.12.2008 | High |
| 35. | No.2 /08968 Manufacture of works on installation, repairs and service of means of maintenance of fire safety of buildings and constructions | Central administrative board of the State fire service | 02.08.2004- 02.08.2009 | High |
| 36. | No. 418 B 333309 Observance of requirements of legislative and other statutory acts of the Russian Federation on protection of the state secret data | Administration of the Federal Security Service of Russia in the Smolensk area | 30.10.2006- 08.08.2009 | High |
| 37. | No. 51225 Services of telecommunication in the dedicated communication network | Federal Service on Supervision in Sphere of Communication | 05.06.2007- 05.06.2012 | High |
| 38. | SMO 04090 VE The right to use bowels (extraction of underground waters for the economic and household and industrial purposes of the base of Krasnino EGE) | Smolensk territorial administration of geology and use of bowels. | 18.08.1997- 01.01.2010 | High. |
| 39. | No. 418/4 B 333333 Observance of requirements of legislative and other statutory acts of the Russian Federation on protection of the state secret data | Administration of FSS of Russia in the Smolensk area | 19.02.2007Г - 08.08.2009 | High |
| 40. | No. 418/2 B 333311 Observance of requirements of legislative and other statutory acts of the Russian Federation on protection of the state secret data | Administration of FSS of Russia in the Smolensk area | 30.10.2006 - 08.08.2009 | High |

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|-----|--|---|--------------------------|-------|
| 41. | No. 418/1 B 333310 Observance of requirements of legislative and other statutory acts of the Russian Federation on protection of the state secret data | Administration of FSS of Russia in the Smolensk area | 30.10.2006-08.08.2009 | High |
| 42. | SMO 07711 VE Extraction of underground waters for economic and household and industrial purposes of Sychevsk EGE and SB Ermolinka | MNR of the Russian Federation committee of natural resources in the Smolensk area | 19.07.2000 01.09.2010 | High |
| 43. | No. 418 B 333334 Observance of requirements of legislative and other statutory acts of the Russian Federation on protection of the state secret data | Administration of FSS of Russia in the Smolensk area | 19.02.2007-08.08.2009 | High |
| 44. | No. 39040 Services of communication for the purposes of cable broadcasting | Federal Service on Supervision in the Sphere of Communication | 16.02.2006 - 16.02.2011 | High. |
| 45. | No. 46923 Realization of activity in the field of rendering services of communication on granting liaison channels | Federal Service on Supervision in the Sphere of Communication | 27.12.2006 27.12.2011 | High |
| 46. | No. 46925 Realization of activity in the field of rendering services of local telecommunication, except for services of local telecommunication with use of payphones and means of group access | Federal Service on Supervision in the Sphere of Communication | 27.12.2006 - 27.12.2011 | High |
| 47. | No. 39424 Telematic communication services | Federal Service on Supervision in the Sphere of Communication | 15.03.2006 - 15.03.2011 | High |
| 48. | No. 39425 Services of communication on data transmission, except for services of communication on data transmission for the purposes of voice information transmission | Federal Service on Supervision in the Sphere of Communication | 15.03.2006-15.03.2011 | High |
| 49. | No. 39426 Services of communication on data transmission, except for services of communication on data transmission for the purposes of voice information transmission | Federal Service on Supervision in the Sphere of Communication | 15.03.2006 - 15.03.2011 | High |
| 50. | No. 45547 Services of mobile radio communication in the dedicated communication network | Federal Service on Supervision in the Sphere of Communication | 17.11.2006-17.11.2011 | High |
| 51. | No.36M04/0028/JI Activity on dangerous waste handling | Ministry of Natural Resources of Russia | 30.04.2004 29.04.2009 | High |
| 52. | D 530113 Reg. No. GS-1-36-02 -27-0- | Federal Agency for Construction, Housing | 18.10.2004-18.10.2009 | High |

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|-----|---|--|----------------------------|------|
| | 3663006330-003175-2 construction of buildings of I and II responsibility levels | and Public Services | | |
| 53. | Series VRZh Reg. No.08701 VE On the right to use bowels - extraction of fresh underground waters | Ministry of Natural resources of Russia | 30.03.2001- 01.10.2010 | High |
| 54. | Performance of works with using the state secret data ; reg. No. 779 Б344786 | FSS Administration in the Voronezh area | 10.10.2007 - 10.10.2010 | High |
| 55. | Maintenance of explosive industrial objects, 40-EV-000550 (KS) | Federal Mining and Industrial Supervision of Russia (Gosgortekhnadzor of Russia) | 20.11.2003 - 20.11.2008 | High |
| 56. | Designing of buildings of I and II responsibility levels in accordance with the state standard, Д 948962 / ГC-1-46-02-26-0-4629023257- 002990-5 | State committee of the Russian Federation on construction, housing- and-municipal complex | 13.11.2007 - 13.11.2012 | High |
| 57. | construction of buildings of I and II responsibility levels in accordance with the state standard, АД 822107 / ГC-1-46-02-27-0-4629023257- 002657-4 | State committee of the Russian Federation on construction, housing- and-municipal complex | 12.03.2007 - 12.03.2012 | High |
| 58. | Measuring means repairs, 000166-R | Federal agency for the technical regulation and metrology | 12.11.2004 - 12.11.2009 | High |
| 59. | The right to use bowels (extraction of fresh underground waters by single hydraulic works for economic drinking and industrial water supply), KRS 53 577 VE | Natural Resources Committee in the Kursk Area | 22.04.2002 01.01.2012 | High |
| 60. | Activity on dangerous waste handling, 7-OT-000011 (46) | Federal mining and industrial supervision of Russia (Gosgortekhnadzor of Russia) | 24.02.2005 - 24.02.2010 | High |
| 61. | Maintenance of fire risk industrial objects, 3 / 00924 | Ministry of the Russian Federation on Affairs of Civil Defence, Extreme Situations and Liquidation of Consequences of Acts of Nature | 18.03.2005 - 18.03.2010 | High |
| 62. | Realization of medical activity (pretrip medical surveys of drivers of vehicles) FS-1 No.0009645 | Federal Service on Supervision in the Sphere of Public Health Services and Social Development | 26.04.2007 - 26.04.2012 | High |
| 63. | No. 33-EV-000594 (KC) A 130225 Maintenance of explosive industrial objects | Gosgortekhnadzor of Russia | 10.03.2004- 10.03.2009 | High |
| 64. | No. OT-18-000259 (76) Registration No. 1027600847581 Series AV No. 024130 on realization of activity on gathering, | Federal Service for Ecological, Technological and Nuclear Supervision | 06.07.2007- 06.07.2012 | High |

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|-----|--|--|-------------------------|------|
| | use, neutralization, transportation, accommodation of dangerous waste. | | | |
| 65. | No. 002452-R Series H No. 102345 on manufacturing and repairs of measurement means | Federal Agency on Technical Regulation and Metrology | 27.04.2006-27.04.2011 | High |
| 66. | License for maintenance of fire risk industrial objects, No. 3/01456 | Ministry of the Russian Federation on Affairs of Civil Defence, Extreme Situations and Liquidation of Consequences of Acts of Nature | 14.07.2005-14.07.2010 | High |
| 67. | License for construction of buildings of I and II responsibility levels in accordance with the state standard GS -1-31-02-27-0-3123117903-003207-1, D7922113 | Federal Agency for Construction, Housing and Public Services | 03.10.2006 - 03.10.2011 | High |
| 68. | License for hazardous waste handling, No. OT-06-001089 | Federal Service for Ecological, Technological and Nuclear Supervision | 14.04.2005 - 14.04.2010 | High |
| 69. | GS-1-68-02-26-0-6829000116-001227-1, designing of buildings of I and II responsibility levels in accordance with the state standard | State Committee of the Russian Federation on Construction, Housing-and-Municipal Complex | 03.05.2005 - 03.05.2010 | High |
| 70. | No. 34-EV-000563 (zhksh), Maintenance of explosive industrial objects | Federal Mining and Industrial Supervision of Russia (Gosgortekhnadzor of Russia) | 10.11.2003 - 10.11.2008 | High |
| 71. | No. 34-OT-000004 (68), Activity on dangerous waste handling | Federal service on technological supervision | 29.12.2004 - 29.12.2009 | High |
| 72. | TMB No.56077 Extraction of underground fresh waters for water supply of the enterprise and inhabited settlement in the south-east suburb of the Zherdevka cite of the Tambov area (for Zherdevka electric networks) | Main Administration of the Natural Resources in the Tambov area | 15.10.2002-01.06.2012 | High |
| 73. | TMB.56153 Extraction of drinking underground waters for economic and drinking water supply of rural settlements and technological provision of industrial object with water. (For Michurinks Electric Networks) | Main Administration of the Natural Resources in the Tambov area | 22.07.2003-10.02.2013 | High |
| 74. | B 351371 Work with state secret data. | Administration of FSS of Russia in the Tambov area | 13.04.2007-13.04.2012 | High |

IDGC of Centre is going in the future to prolong the special permit (license) necessary for realization of industrial activity of the Company.

The Issuer estimates risk of non-prolongation of available special permit (licenses) as minimal.

3.2.6. Joint activity of the issuer

The issuer is not involved in joint activity with other organizations.

3.2.7. Additional requirements to the issuers which are joint-stock investment funds, insurance or credit organizations, mortgage agents:

The issuer does not present the information on this item.

3.2.8. Additional requirements to the issuers, the primary activity of which is extraction of minerals:

The issuer does not present the information on this item.

3.2.9. Additional requirements to the issuers, the primary activity of which is rendering communication services:

The issuer does not present the information on this item.

3.3. Plans of the future activity of the issuer

The brief description of plans of the issuer concerning future activity of the issuer and sources of the future incomes:

According to the tasks of electric power industry reform and Charter of the issuer, the purposes of its activity are:

- Realization of state policy in the field of electric power industry;
- Creation of conditions for effective functioning of the distribution grid complex of the Central part of Russia;
- Realization of effective operation and centralized technological management of electronetwork objects;
- Realization of the uniform strategy in the field of investments and attraction of the capital for solution of common system tasks of development of the distribution grid complex;
- Development and realization of scientific and technical policy and implementation of new progressive kinds of equipment and technologies;
- Reception of profit.

The issuer receives the principle income from activity on transmission of electric energy and technological connection of consumers to electric networks.

The main purpose of financial and economic activity of the issuer is the increase in cost of the company.

For achievement of the given purpose, the following sub goals are formulated:

- To generate the system of the cost-focused management of the company;
- To increase free float;
- To raise efficiency of business.

Value management is an integrating process aimed to qualitative improvement of strategic and operative decisions at all levels of the organization due to concentration of efforts on key factors of value. Thus, value management means construction of the precise cost-focused system allowing to estimate influence of each administrative decision on cost of the company.

For this purpose, solution of tasks in many fields of activity of the company is necessary: construction of the multifactor financial value-focused model of business; formation of the system of business processes in view of the chain of creation of the added value; acceptance of administrative decisions on the basis of the value-focused approach.

Application of principles of the value-focused management creates in the company a control system of factors of the cost allowing - having concentrated on the main thing - to operate the company with a view of long-term escalating of its value and maintenance of stability in the astable environment. For increase of value, it is necessary to support, first of all, rates of development and to show efficiency of activity at the level exceeding the average in the branch.

The issuer develops the program of actions of value management aimed at:

1. Increase of financial efficiency

- Estimation of efficiency of other possible ways of loans;
- Organization and short-term placement of temporarily free money resources of subordinated branches;
- Support of a worthy rating of credit status at transition to the UOC;
- Attraction of credit resources in the amount of RUR 10 billion for IDGC as a UOC, including RUR 3 billion of long-term credits;
- Formation of the leasing program for 2008 in the amount of RUR 1.5 billion

2. Increase of operational efficiency of business

- Decrease in the level of long-term and deferred debt receivable of branches;
- Optimization of the structure of balance;
- Improvement and automation of the processes of budgetary management;
- Organization of normalization of expenses on the basis of benchmarking;
- Development of effective outsourcing policies;
- Realization of the program of increase of efficiency of assets use;
- Optimization of the dividend policies;
- Development of anti-recessionary actions on problem branches;
- Organization of work on duplicating successful experience of branches (implementation of systems increasing efficiency of branches activity);
- Maintenance of unconditional performance of cash flow control parameters;
- Development of projects inter-organizational normative documents on interaction with grid companies (GC);
- Non-admission of interruptions of insurance protection;
- Duly conclusion and financing of contracts of insurance within the limits of the approved program of insurance protection;
- Increase of overall performance with the insurance companies, in particular settlements of insurance cases;
- Maintenance of establishment of tariff balance decisions for IDGC of Centre for 2008 - since 01.04.2008;
- Achievement of growth of NGP to be not below the growth of average supply tariff for electric energy for 2009 across the Russian Federation;
- Introduction of the system of the tariff regulation based on fair market profitability of the capital involved in branches;

3. Increase of investment efficiency

- Inclusion in the investment program of the projects having higher parameters of economic efficiency;
- Maintenance of attraction of target credits for effective investment projects.

Primary plans of the issuer for the following 3 years of activity in the field of investments:

| Branch of IDGC of Centre | The capacity planned to be put in operation, km/MVA | | | |
|--------------------------|---|---------|---------|-----------|
| | 2008 | 2009 | 2010 | Total |
| Belgorodenergo | 689/116 | 697/91 | 909/33 | 2,294/240 |
| Bryanskenergo | 89/40 | 27/66 | 57/0 | 173/106 |
| Voronezhenergo | 190/126 | 50/128 | 3/0 | 243/254 |
| Kostromaenergo | 174/10 | 176/55 | 178/12 | 528/77 |
| Kurskenergo | 395/41 | 452/75 | 496/18 | 1,342/134 |
| Lipetskenergo | 376/115 | 493/193 | 567/183 | 1,436/491 |
| Orelenergo | 61/126 | 125/100 | 73/90 | 259/316 |
| Smolenskenergo | 131/21 | 136/3 | 129/3 | 396/27 |
| Tambovenergo | 27/105 | 170/0 | 125/0 | 322/105 |
| Tverenergo | 74/16 | 197/37 | 219/80 | 489/133 |

| | | | | |
|--------------|------------------|------------------|------------------|--------------------|
| Yarenergo | 116/80 | 152/50 | 113/80 | 381/210 |
| Total | 2,321/795 | 2,674/799 | 2,867/499 | 7,863/2,093 |

Plans of the future activity of the issuer are also reflected in the internal document developed by the issuer - Regulations for the Technical Policy in the Distribution Grid Complex (approved by Order of the issuer No.228 of 14.11.2006) which defines main goals, priorities, principles of and restrictions for applied technical solutions in the designed and constructed facilities of electric grids.

3.4. Participation of the issuer in industrial, bank and financial groups, holdings, concerns and associations

The issuer does not participate in industrial, bank and financial groups, concerns and associations.

As of 30 June 2008, the issuer is included in the group of the companies headed by "UES of Russia" Joint-Stock Company (hereinafter referred to as the "Holding").

Place and functions of the Issuer in the Holding of RAO UES of Russia:

The issuer is a 100 % affiliate of RAO UES of Russia from the moment of its establishment (17 December 2004) and as of the reporting date (30 June 2008) is a subsidiary of RAO UES of Russia, JSC. The issuer plays a significant role in formation of the power industry of Russia regarding the distribution grid complex and is focused on performance of the following functions:

- Realization of the uniform power policy pursued by the Government of the Russian Federation and RAO UES of Russia on the regional level;
- Maintenance of reliability of functioning of the grid complex of subordinated regions;
- Realization of long-term investment programs in the electric power industry;
- Prevention of the crisis phenomena in economy of the complex;
- Creation of the values for consumers and shareholders.

Term of participation of the issuer in the Holding:

The issuer participates in the Holding of RAO UES of Russia since the date of the state registration of the issuer as a legal entity - 17.12.2004.

Dependence of results of the issuer's activity from other members of the Holding of RAO UES of Russia:

Results of financial and economic activity of the issuer essentially do not depend on members of the Holding of RAO UES of Russia.

3.5. Associated and dependent economic entities of the issuer

1. Full and reduced company names: Kostroma Television Channel, Limited Liability Company KTC Ltd.

Location: 156000, Russian Federation, Kostroma, Yunosheskaya street 1, office 102.

Reasons of recognition of the company to be a subsidiary or dependent in relation to the issuer: prevailing participation in the authorized capital

Stake of the issuer in the authorized capital of the subsidiary and/or dependent company: 61.59 %

Stake of the subsidiary and/or dependent company in the authorized capital of the issuer, and when the issuer is a joint-stock company - also ordinary shares of the issuer belonging to the subsidiary and/or dependent company: 0 %

Description of the main kind of activity of the company: rendering services on broadcasting of television programs, manufacture of video products and television programs, publishing and polygraphic activity.

Description of the value of such company for activity of the issuer: rendering services on broadcasting of television programs, realization of information support during the reform of the sector.

Personal structure of the board of directors (supervisory council) of the subsidiary company: is not stipulated by the charter

Personal structure of the collegial agency (board, management) of the subsidiary company: is not

stipulated by the charter

The person who carries out functions of the sole executive body of the subsidiary companies: director

Surname, name, patronymic: Vladimir Vyacheslavovich Buhvits

Year of birth: 1960

Stake in the authorized capital of the issuer: none

Ordinary shares of the issuer: none

2. Full and reduced company names: "Energetik" Preventorium Sanatorium, Open Joint-Stock Company

Reduced company name: "Energetik" Preventorium Sanatorium, OJSC

Location: Tambov area, Tambov region, Novaya Lyada workers settlement, Sanatornaya street 1.

Post address: 392515, Tambov area, Tambov region, Novaya Lyada workers settlement, Sanatornaya street 1

Reasons of recognition of the company to be a subsidiary or dependent in relation to the issuer: prevailing participation in the authorized capital

Stake of the issuer in the authorized capital of the subsidiary and/or dependent company: 100 %

Ordinary shares of the subsidiary or dependent company belonging to the issuer: 100 %

Stake of the subsidiary and/or dependent company in the authorized capital of the issuer, and when the issuer is a joint-stock company - also ordinary shares of the issuer belonging to the subsidiary and/or dependent company: 0 %

Description of the main kind of activity of the company: organization and realization of sanatorium treatment, health-improving holidays of citizens and other service connected with this, development and introduction of new organizational forms of rendering medical aid.

Description of the value of such company for activity of the issuer: opportunity of granting a package of social programs

Personal structure of the board of directors (supervisory council) of the subsidiary company:

Surname, name, patronymic: Ivan Anatolievich Polukhin (Chairman of the Board of Directors)

Year of birth: 1960

Stake in the authorized capital of the issuer: none

Ordinary shares of the issuer: none

Surname, name, patronymic: Tatyana Anatolievna Kulbakina

Year of birth: 1973

Stake in the authorized capital of the issuer: none

Ordinary shares of the issuer: none

Surname, name, patronymic Konstantin Sergeevich Serebryakov

Year of birth: 1981

Stake of the authorized capital of the issuer: none

Ordinary shares of the issuer: none

Surname, name, patronymic Alexander Anatolevich Sopenko

Year of birth: 1962

Stake of the authorized capital of the issuer: none

Ordinary shares of the issuer: none

Surname, name, patronymic: Alexander Evgenievich Shilaev

Year of birth: 1974

Stake of the authorized capital of the issuer: none

Ordinary shares of the issuer: none

Personal structure of the collegial executive body (board, directorate) of the subsidiary: the collegial executive body was not generated according to the Charter.

The person who carries out functions of the sole executive body of the subsidiary:

General Director

Surname, name, patronymic: Alexander Anatolievich Sopenko

Year of birth: 1962

Stake of the authorized capital of the issuer: none

Ordinary shares of the issuer: none

3. Full and reduced company names: "Strukovo" Joint-Stock Company

Reduced company name: "Strukovo" JSC

Location: 215770 Dorogobuzhie district, Strukovo village.

Postal address: 215770 Dorogobuzhie district, Strukovo village

Reasons of recognition of the company to be a subsidiary or dependent in relation to the issuer: prevailing participation in the authorized capital

Stake of the issuer in the authorized capital of the subsidiary and/or dependent company: 100 %

Ordinary shares of the subsidiary or dependent company belonging to the issuer: 100 %

Stake of the subsidiary and/or dependent company in the authorized capital of the issuer, and when the issuer is a joint-stock company - also ordinary shares of the issuer belonging to the subsidiary and/or dependent company: 0 %

Description of the main kind of activity of the company: agricultural product manufacturing.

Description of the value of such company for activity of the issuer: profit from participation in long-term financial investments

Personal structure of the board of directors (supervisory council) of the subsidiary company:

It ceased to exist due to the liquidation process

Liquidation Committee:

Chairman of the Liquidation Committee: M.V. Grashchenkov

Deputy Chairman: A.M. Bystrov

Liquidation Committee's members:

T.V. Levina

E.A. Sergeeva

N.E. Isakova

Personal structure of the collegial executive body (board, directorate) of the subsidiary: the collegial executive body was not generated according to the Charter.

The person who carries out functions of the sole executive body of the subsidiary:

The Liquidation Committee

4. Full and reduced company names: "Bogatyr" Joint-Stock Company

Reduced company name: "Bogatyr" JSC

Location: 216239 Dukhovshchina district, Velisto village.

Postal address: 216239 Dukhovshchina district, Velisto village

Reasons of recognition of the company to be a subsidiary or dependent in relation to the issuer: prevailing participation in the authorized capital

Stake of the issuer in the authorized capital of the subsidiary and/or dependent company: 100 %

Ordinary shares of the subsidiary or dependent company belonging to the issuer: 100 %

Stake of the subsidiary and/or dependent company in the authorized capital of the issuer, and when the issuer is a joint-stock company - also ordinary shares of the issuer belonging to the subsidiary and/or dependent company: 0 %

Description of the main kind of activity of the company: agricultural product manufacturing.

Description of the value of such company for activity of the issuer: profit from participation in long-term financial investments

Personal structure of the board of directors (supervisory council) of the subsidiary company:

It ceased to exist due to the bankruptcy process

The functions are exercised by the court-appointed manager (Decision of the Smolensk Arbitration Court as of 10 April 2008, case No. A-62-1211/2008): Tatyana Konstantinovna Savina

Personal structure of the collegial executive body (board, directorate) of the subsidiary: the collegial executive body was not generated according to the Charter.

The person who carries out functions of the sole executive body of the subsidiary:

Court-appointed manager

3.6. Composition, structure and value of the fixed assets of the issuer, information on plans for the

fixed assets purchase, replacement, retirement, as well as on all facts of the issuer's means charging

3.6.1. Fixed assets

Value and structure of the fixed capital on **31.12.2007** of IDGC of Centre is presented in the table:
(thousand rubles)

| No. | Group name | Initial cost | Accrued amortization | Residual cost |
|------------|--|---------------------|-----------------------------|----------------------|
| 1 | Land | - | | |
| 2 | Land | - | | |
| 3 | Constructions and transfer mechanisms | - | | |
| 4 | Material-working machinery and equipment | 24, 237 | 10, 101 | 14, 136 |
| 5 | Transport | | | |
| 6 | Inventory | 6, 794 | 2, 389 | 4, 405 |
| | Total | 31, 031 | 12, 490 | 18, 541 |

On 31.03.2008, according to the contract of connection without number as of 03.12.2007, as a result of the reform by consolidation of DGC with IDGC of Centre, the cost of the fixed assets increased by 40, 477, 310 thousand rubles.

Value and structure of the fixed capital of IDGC of Centre on **31 March 2008** is presented in the table:
(thousand rubles)

| No. | Group name | Initial cost | Accrued amortization | Residual cost |
|------------|--|---------------------|-----------------------------|----------------------|
| 1 | Land | 87, 205 | 0 | 87, 205 |
| 2 | Land | 4, 916, 826 | 0 | 4, 916, 826 |
| 3 | Constructions and transfer mechanisms | 25, 007, 572 | 0 | 25, 007, 572 |
| 4 | Material-working machinery and equipment | 9, 954, 853 | 11, 650 | 9, 943, 203 |
| 5 | Transport | 396, 536 | 0 | 396, 536 |
| 6 | Inventory | 144, 992 | 2, 724 | 142, 268 |
| | Total | 40, 507, 984 | 14, 374 | 40, 493, 610 |

Value and structure of the fixed capital of IDGC of Centre on **30 June 2008** is presented in the table:
(thousand rubles)

| No. | Group name | Initial cost | Accrued amortization | Residual cost |
|------------|--|---------------------|-----------------------------|----------------------|
| 1 | Land | 87, 376 | 0 | 87, 376 |
| 2 | Land | 4, 967, 598 | 41, 284 | 4, 926, 314 |
| 3 | Constructions and transfer mechanisms | 25, 677, 699 | 451, 960 | 25, 225, 739 |
| 4 | Material-working machinery and equipment | 10, 571, 363 | 359, 198 | 10, 212, 165 |
| 5 | Transport | 406, 131 | 26, 196 | 379, 935 |
| 6 | Inventory | 86, 370 | 16, 390 | 69, 980 |
| | Total | 41, 796, 537 | 895, 028 | 40, 901, 509 |

Amortization on the Company is accrued by linear way.

Results of the previous reassessment of the fixed assets and the fixed assets rented on a long term basis:

As of 1 January 2007 according to the order of RAO UES of Russia No.615 of 5 September 2006 "On carrying out reassessment of the fixed assets value under RAS and estimation of value of assets of the Group of RAO UES of Russia according to the requirements of IFRS", the Company held reassessment of the fixed assets.

Changes during the reassessment held on 1 January 2007 are presented in the table:

(RUR)

| N | Name of the fixed assets group | Full cost before carrying out the reassessment for 31.12.2006 | Residual (net of amortization) cost before carrying out reassessment | Date of reassessment holding | Full cost before carrying out the reassessment for 01.01.2007 | Residual (net of amortization) cost before carrying out reassessment |
|--------------------|--|---|--|------------------------------|---|--|
| 1 | Buildings | 0 | 0 | | 0 | 0 |
| 2 | Constructions (including the transmission) | 0 | 0 | | 0 | 0 |
| 3 | Machined and equipment | 22, 416, 378 | 19, 314, 670 | 01.01.2007 | 22, 364, 780 | 19, 304, 904 |
| 4 | Vehicles | 0 | 0 | | 0 | 0 |
| 5 | Inventory | 5, 840, 212 | 4, 781, 526 | 01.01.2007 | 6, 359, 959 | 5, 189, 635 |
| 6 | Others | 0 | 0 | | 0 | 0 |
| Total, RUR: | | 28, 256, 590 | 24, 096, 196 | | 28, 724, 739 | 24, 494, 539 |

Way of carrying out reassessment of the fixed assets:

The estimation was held by a consortium of appraisers in the structure of Deloitte & Touche CIS - JSC, JSC Institute of Business Problems and LLC AKF Top-Audit with application of cost-in-no-object approach based on definition of expenses for creation/purchase of assets and property complex as a whole.

As of 1 January 2008, the IDGC of Centre did not hold reassessment.

Data on plans on purchase, replacement, retirement of the fixed assets, the value of which is 10 and more percent of the value of the fixed assets of the issuer, and other fixed assets under the discretion of the issuer: no such plans.

Data on all facts of encumbrance of the fixed assets of the issuer: the issuer has the fixed assets encumbered (including real estate, cars, office equipment), transferred for lease.

IV. Data on financial and economic activities of the issuer:

4.1. Results of financial and economic activities of the issuer

4.1.1. Profit and losses

Indicators characterizing profitability and unprofitability of the issuer for the 1st half of the year 2008 are presented in the table below.

| Indicator | Method recommended for calculation | As of 30 June 2007 | As of 30 June 2008 |
|---|--|--------------------|--------------------|
| Proceeds, RUR | Total amount of proceeds from sale of goods, products, works, and services | 522, 837, 000 | 13, 798, 008, 000 |
| Gross profit, RUR | Proceeds - production cost of sold goods, works, services (except business and managerial expenses) | 93, 934, 000 | 3, 073, 045, 000 |
| Net profit, RUR | Net profit (loss) of the reporting period | 58, 409, 000 | 1, 721, 389, 000 |
| Return on equity, % | (net profit) / (capital and reserves – target financing and receipts + profit of future periods - own shares redeemed from shareholders) x 100 | 71.2 | 4.4 |
| Return on assets, % | (net profit) / (balance sheet assets) x 100 | 14.0 | 3.2 |
| Net profit ratio, % | (net profit) / (proceeds) x 100 | 11.17 | 12.48 |
| Product profitability (return on sales), % | (return on sales) / (proceeds) x 100 | 18.0 | 20.8 |
| Capital turnover, times | (proceeds) / (balance sheet assets - short-term liabilities) | 1.26 | 0.30 |
| Amount of uncovered loss as of the reporting date, RUR | Uncovered loss of past years + uncovered loss of the reporting period | - | - |
| Relation of uncovered loss as of the reporting date to the total balance, % | (amount of uncovered loss as of the reporting date) / (balance sheet assets) | - | - |

The methods recommended by the Regulations for Disclosure of the Information by Issuers of Issue Securities approved by Order No. 06-117/pz-n of the Federal Financial Markets Service on 10.10.2006 (as amended) was used for calculation of these figures.

Following the results of 2008, IDGC of Centre, JSC received net profit in the amount of RUR 1,721,389 thousand rubles that is by 2,847% more than following the results of the similar period of the preceding year. Material factor which influenced such significant increase in the net profit and accordingly own capital is restructuring of the issuer in the form of eleven regional grid companies merging with it.

Decrease in return on equity for the 1st half of the year 2008 was caused by actions on restructuring.

Opinions of the issuer's governance bodies concerning the mentioned reasons and/or degrees of influence on the indicators of financial and economic activity of the issuer coincide.

There is no special opinion of members of the issuer's Board of Directors concerning the mentioned

reasons and/or the degree of influence on indicators of financial and economic activity of the issuer.

4.1.2. The factors which influenced change of the amount of the receipt by the issuer of the goods, products, works, services, and profit (loss) of the issuer from primary activity.

The essential factor which influenced increase of profit in the 1st half of the year 2008 in comparison with the 1st half of the year 2007 by RUR 1,662,980 thousand (2,847 %) is reorganization of the issuer in the form of merging of eleven regional grid companies with it.

The proceeds considerably increased due to change of primary types of the company's business.

Before the reorganization, primary type of IDGC of Centre activity was rendering services on exercise of services on transmission of the electric energy on the territory of 11 regional entities.

In this connection, analysis of the factors rendering influence on change of the proceeds from sale of goods, products, works, services and profit (loss) of the issuer for the 1st half of the year 2008 and the similar period of the preceding year (the 1st half of the year 2007) cannot serve for unbiased estimation of the issuer.

4.2. Liquidity of the issuer, sufficiency of the capital and circulating assets

| Indicator | 30 June 2007 | 30 June 2008 |
|--------------------------------------|--------------|--------------|
| Own circulating assets, RUR thousand | 32, 696 | -5, 421, 656 |
| Constant asset index | 0.60 | 1.14 |
| Current liquidity ratio | 1.10 | 1.15 |
| Acid ratio | 1.08 | 0.85 |
| Equity ratio | 0.20 | 0.74 |

Own circulating assets, RUR thousand: capital and reserves (net of own shares redeemed from shareholders) - target financing and receipts + incomes of future periods - non-circulating assets.

Constant asset index – (non-circulating assets + long-term debt receivable / (capital and reserves (net of own shares redeemed from shareholders) - target financing and receipts + incomes of the future periods).

Current liquidity ratio: (circulating assets - long-term debt receivable / (short-term liabilities (incomes of the future periods excluded)).

Acid ratio - (circulating assets - stocks - value-added tax on the values purchased - long-term debt receivable) / (short-term liabilities (incomes of the future periods excluded)).

Equity ratio: capital and reserves (net of own shares redeemed from shareholders) - target financing and receipts + incomes of the future periods / (non-circulating assets + circulating assets).

Specification of factors which led to such change: significant deviations of values of factors on 30 June 2008 in comparison with values on 30 June 2007 are connected with reorganization of the issuer in the form of connection to it of the distribution grid companies on 31.03.2008.

The amount of non-current assets considerably exceeds the amount of own capital since the issuer pursues the policy of financing of the investment program aimed at updating of the fixed production assets, due to attraction of long-term financing that affected values of parameters "Own circulating assets" and "Constant assets index".

One of the enterprise financial position indicator is its solvency and liquidity, i.e. an opportunity in due time to repay its liabilities. The amount of factors of current and fast liquidity exceeds normative values that proves high solvency of the company.

The analysis of equity ratio proves growth of own capital of the organization (from 0.20 up to 0.74) that is the positive tendency and proves increase in financial independence of the issuer from the borrowed capital.

Opinions of the issuer's governance bodies concerning the mentioned reasons and/or degrees of influence on the indicators of financial and economic activity of the issuer coincide.

There is no special opinion of members of the issuer's Board of Directors concerning the mentioned reasons and/or the degree of influence on indicators of financial and economic activity of the issuer.

4.3. Amount and structure of the capital and circulating assets of the issuer

4.3.1. Amount and structure of the capital and circulating assets of the issuer

RUR thousand

| Indicator | 30 June 2008 |
|--|---------------------|
| Authorized capital | 4, 221, 794 |
| Own shares repurchased from shareholders | 0 |
| Additional capital | 33, 269, 936 |
| Reserve capital | 0 |
| Unallotted profit | 1, 721, 389 |
| Total own capital | 39, 213, 119 |

Structure and amount of circulating assets of the issuer in accordance with the financial statements:

| Indicator | 30 June 2008 |
|--|--------------------|
| Stocks, RUR thousand | 2, 166, 889 |
| To the circulating assets, % | 25.3% |
| Value Added Tax per purchased values, RUR thousand | 50, 020 |
| To the circulating assets, % | 0.6% |
| Debt receivable (the maturity of which is more than 12 months after the date under report), RUR thousand | 31, 958 |
| To the circulating assets, % | 0.4% |
| Debt receivable (the maturity of which is within 12 months after the date under report), RUR thousand | 5, 965, 030 |
| To the circulating assets, % | 69.7% |
| Short-term financial investment, RUR thousand | 0 |
| To the circulating assets, % | 0.0% |
| Monetary funds, RUR thousand | 335, 508 |
| To the circulating assets, % | 3.9% |
| Other circulating assets, RUR thousand | 9, 763 |
| To the circulating assets, % | 0.1% |
| Total circulating assets, RUR thousand | 8, 559, 168 |

Sources of the issuer's circulating assets financing (own sources, loans, credits): proceeds from rendering services, borrowed funds.

Policy of the issuer on financing the circulating assets: preservation of the liquidity ratio, turnaround of accounts payable, debt receivable and solvency of the issuer in the level providing on-time execution of liabilities to creditors.

Factors which can entail changing in the policy of circulating assets financing, and estimation of probability of their occurrence: the policy of financing of circulating funds is based on formation of the balanced budget of cash flow. The current financing of the circulating assets is carried out thanks to the proceeds received from primary activity and short-term borrowed funds. Taking into account economic stability in the Russian Federation, one can conclude that possibility of occurrence of the factors which can entail negative changes in the policy of the issuer's circulating assets financing is minimal.

4.3.2. Financial investments of the issuer

The issuer's financial investments which are at least 5 and more percent of its all financial investments as of the date of the reporting period end:

| No. | Financial investment | Amount of financial investment, RUR '000 | Share of the financial investment in the total amount of the financial investments, % |
|----------|---|--|---|
| 1 | Equity securities, including investments into securities which at least 5% of all financial investments: | 349, 475.5 | 100 |
| | TGC-4, JSC | 91, 832.1 | 26.28 |
| | WGC-4, JSC | 236, 571.25 | 67.69 |
| 2 | Non-equity securities | - | - |
| 3 | Other financial investments | - | - |

1) "Territorial Generation Company No. 4", Joint Stock Company (JSC "TGC-4")

Type of securities:

- Registered ordinary uncertificated shares
- Registered preferred uncertificated shares

Full company name: "Territorial Generation Company No. 4", Joint Stock Company

Shortened company name: JSC "TGC-4"

Location: Russian Federation, 392030, Tambov city, Energetikov passage, 7

State registration number of the issue of equity securities:

- Ordinary shares: 1-01-43069-A
- Preferred shares: 2-01-43069-A

Date of the state registration: 20 June 2005

Registering agency which carried out the state registration of the issue: FFMS of Russia

Number of the securities which are owned by the issuer:

- Ordinary shares: 2,914,248,848 (two billion nine hundred and fourteen million two hundred and forty-eight thousand eight hundred and forty-eight) pieces;
- Preferred shares: 526,543,537 (five hundred and twenty-six million five hundred and forty-three thousand five hundred and thirty-seven) pieces.

Total par value of the securities owned by the Company:

- ordinary shares: 29,142,488.48 (twenty nine million one hundred and forty-two thousand four hundred and eighty-eight) rubles and 48 kopecks;
- Preferred shares: 5,265,435.37 (five million two hundred and sixty-five thousand four hundred and thirty-five) rubles and 37 kopecks.

Total balance value of the securities owned by the Company:

- Ordinary shares: 82,406,967.31 (eighty two million four hundred and six thousand nine hundred and sixty-seven) rubles and 31 kopecks;
- Preferred shares: 9,425,129.31 (nine million four hundred and twenty-five thousand one hundred and twenty-nine) rubles and 31 kopecks.

Amount of the fixed interest or other income under bonds and other promissory equity securities or the procedure of its definition, term of payment: this information is not specified for this type of securities.

Amount of the dividend under preferred shares or the procedure of its definition in case it is defined in the charter of the joint stock company:

The total amount paid as a dividend per each preferred share is established in the amount of 10 (ten) percent of the Company's net profit following the results of the fiscal year, divided by a number of shares which equal 25 (twenty-five) percent of the Company's authorized capital.

Term of payment: Term of payment of dividends is defined by the Company's general shareholders meeting but shall not exceed 60 (sixty) days after decision-making on their payment

Amount of the declared dividend per ordinary shares, term of payment:

The amount of dividends per the Company's ordinary shares following the results of a half of the year 2007 was RUR 0.0000358045 per one ordinary share of the Company

Term of payment: within 60 days from the date of decision-making on their payment.

Data on increase in the amount of investments of the issuer into the shares of the joint stock companies: the increase in the authorized capital of JSC "TGC-4" which was carried out due to the property of JSC "TGC-4" did not take place.

The information on the created reserves for depreciation of securities: the reserve for depreciation of securities was not created.

2) "The Forth Generation Company of the Wholesale Electric Power Market", Joint Stock Company (JSC "WGC-4")

Type of securities:

- Registered ordinary uncertificated shares

Full company name: "The Forth Generation Company of the Wholesale Electric Power Market ", Joint Stock Company

Shortened company name: JSC "WGC-4"

Location: Russian Federation, Tyumen region, Khanty-Mansi Autonomous area – Yugra, Surgut city, Energostroiitelei Street 23, bld.34

State registration number of the issue of equity securities: 1-02-65104-D

Date of the state registration: 19 April 2007

Registering agency which carried out the state registration of the issue: FFMS of Russia

Number of the securities which are owned by the issuer:

72,456,737 (seventy-two million four hundred and fifty-six thousand seven hundred and thirty-seven) pieces

Total par value of the securities owned by the Company:

28, 982, 694.8 (twenty-eight million nine hundred and eighty-two thousand six hundred and ninety-four) rubles and 80 kopecks

Total balance value of the securities owned by the Company:

236,571,246.31 (two hundred and thirty-six million five hundred and seventy-one thousand two hundred and forty-six) rubles and 31 kopecks

Amount of the fixed interest or other income under bonds and other promissory equity securities or the procedure of its definition, term of payment: this information is not specified for this type of securities.

Amount of the dividend under preferred shares or the procedure of its definition in case it is defined in the charter of the joint stock company:

The Company did not issue preferred shares.

Amount of the declared dividend per ordinary shares, term of payment:

The amount of dividends per one ordinary share of the Company following the results of the 1st quarter of 2007 was RUR 0.0030531. **Term of payment:** within 60 days from the date of decision-making on their payment.

Data on increase in the amount of investments of the issuer into the shares of the joint stock companies: the increase in the authorized capital of JSC "WGC-4" which was carried out due to the property of JSC "WGC-4" did not take place.

The information on the created reserves for depreciation of securities: the reserve for depreciation of securities was not created.

For the period from 17 December 2004 to the date of the end of quarter 2, 2008, the issuer did not carry out short-term financial investments.

Securities of the issuer (shares) started trading on the leading exchanges on 21 May 2008.

4.3.3. Immaterial assets of the issuer

Value and structure of immaterial assets of IDGC of Centre is presented in the following table:

(thousand rubles)

| No. | Group name | Initial cost | Accrued amortization | Residual cost |
|-----|---------------------------------|----------------|----------------------|----------------|
| | As of 01.01.2008 | | | |
| | - | - | - | - |
| | As of 31.03.2008 | | | |
| 1 | Trade mark | 125 | - | 125 |
| 2 | Software | 51, 865 | - | 51, 865 |
| | Total immaterial assets: | 51, 990 | - | 51, 990 |
| | As of 01.07.2008 | | | |
| | Trade mark | 125 | 4 | 121 |
| | Software | 51, 865 | 2, 386 | 49, 479 |
| | Total immaterial assets | 51, 990 | 2, 390 | 49, 600 |

Immaterial assets are reflected in the accounting records at the residual cost, according to item 7 of Order No.44n as from 20.05.2003 "Methodical Instructions on Formation of the Accounting Reports at Realization of Reorganization of the Organizations". The accounting of immaterial assets is carried out according to RAS No.14/2007 "Account of immaterial assets" approved by Order No.153n as of 27.12.2007. Amortization will be charged starting from 1 April 2008 using a linear way.

There are no cases of gratuitous payment of immaterial assets to the authorized (joint-stock) capital (share fund).

4.4. Data on the policies and charges of the issuer in the field of scientific and technical development, concerning licenses and patents, new development and researches

The information on the policy in the field of scientific and technical development

According to the Regulations about to the technical policy for the period till 2015, IDGC of Centre, JSC for 2008 accepted and carries out the following works:

- Application at modernization, reconstruction, new construction, and also repairs activity of the new hi-tech equipment and materials, including: high-voltage inputs with solid isolation, vacuum switches of 6-10-35 kV, SF 6 circuits of 110 kV, nonlinear stops of the overvoltage, isolated self-bearing wires (SBW), modern systems of accounting and the control over electric energy, etc.;
- Introduction of new technologies in the power repairs manufacture, such as chemical clearing of routes for overhead lines, complex repairs of equipment and grids;
- Development, together with the design organizations, of the standard projects of power facilities;
- Positioning of IDGC of Centre in the market of electric equipment, by means of carrying out open technical seminars with manufacturers and suppliers of the equipment.

In the second quarter 2008, with organizational support from IDGC of Centre, JSC, a meeting seminar "Innovations are the Basis of Reliability Development and Improvement of IDGC of Centre's Distribution Grid Complex" was held. IDGC of Centre's technical specialists showed to manufacturers of new equipment and technologies main directions of application of new equipment and new technologies, pointed out to out-of-date devices and technologies which will not be applied in IDGC of Centre, JSC, and also specified directions of mutual cooperation with suppliers and contractors.

According to Order No. 134 of IDGC of Centre as of 28 May 2008, the Scientific and Technical Council was created, the functions of which is decision-making on implementation of new equipment and technologies, expert estimation of application of innovative proposals, and analysis of the market of new equipment.

The information on creation and reception of the legal protection of the main objects of intellectual property

Development of objects of intellectual property, reception of patents and use of trade marks in the first quarter of 2008 was not performed.

The information on risk factors

There are no risks connected with an opportunity of the expiration of validity of the patents and licenses for use of trade marks.

4.5. Analysis of tendencies of development in the sphere of primary activity of the issuer

The issuer was created during reorganization of the electric power industry. Creation of the issuer was an integral part of the "5+5" Strategy Concept of RAO UES of Russia (approved by the Decision of Board of Directors of RAO UES of Russia, Minutes No. 168 of 23.04.2004) which provides interregional integration of the newly created enterprises after division of the power companies by kinds of business.

The issuer carries out now and will continue to carry out activity in the sphere of electric power industry. This industry passed restructuring. The competitive (generation and sale) and exclusive (transmission, dispatching) kinds of activity in the electric power industry were divided. At the moment, there is a territorial integration of companies which carry out the same kind of activity (generation - TGC, WGC, transmission of the electric power - IDGC, FGC). According to the reform action plan, under the decisions of the government, decisions of general shareholders meetings of IDGC of Centre, JSC, JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo, JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Tambovenergo, JSC Smolenskenergo, JSC Tverenergo, JSC Yarenergo, the reorganization of IDGC of Centre, JSC was carried out in the form of merging of the specified 11 DGC with the issuer. The reorganization was carried out on 31 March 2008: An entity was made in the Uniform State Register of Legal Entities on termination of activity of the above stated entities merged with the issuer.

Now the issuer carries out its activity in two main directions: transmission of electric energy and technological connection to electric grids. Thus technological connection to electric grids defines development of the company, growth of volumes of transmission of electric energy, expansion of geographical covering of territories with electric grids, and increase in capitalization. Development of the given kind of activity is defined by development of regions of the zone of activity of the issuer: development of the industry, agriculture, household sector, construction of habitation, etc.

For creation of favorable conditions of development of regions, the issuer actively cooperates with local enforcement authorities and large consumers in the sphere of planning. The result of this work is steady demand for electric capacity.

The above-stated information is given according to the opinions expressed by the issuer's governance bodies.

Opinions of the issuer's governance bodies concerning the presented information coincide.

There is no a special opinion of members of the issuer's Board of Directors concerning the presented information.

4.5.1. Analysis of factors and conditions influencing the issuer's activity

Factors and conditions influencing activity of the issuer and results of such activity: Within the limits of realization of the regulated business, the main factor influencing the issuer's activity is state regulation of tariffs. Regional regulatory bodies establish tariffs for services on transmission of the electric energy within the limiting levels of tariffs for electric energy established by the Federal Tariffs Service of Russia. On the average across the Russian Federation, for the last two years, this figure is 9-11 % a year.

The most significant factors influencing activity of the issuer and results of its activity is changes in legislative framework in the sector and Russian Federation, and also plans of economic development of regions of Russia developed by the Government of the Russian Federation and MERT (Russian Ministry of Economic Development and Trade) for the reporting and next years and in the long term for 3, 5 and 10 years.

The forecast concerning duration of the effect of the specified factors and conditions: In conditions of realization by the issuer of an exclusive kind of activity (rendering services on transmission of electric energy), there will not be changes regarding the authority under regulation of tariffs for services on transmission of electric energy in the near future. As for the limiting levels of tariffs for services on transmission of electric energy, the issuer does not predict sharp fluctuations of the given indicator aside increases or reduction in the near future.

The actions taken by the issuer and actions to be taken by the issuer in the future for an effective use of the given factors and conditions: the issuer cannot have any influence on the effect of this

factor.

The ways applied by the issuer, and ways to be applied by the issuer in the future for decrease in negative effect of factors and conditions influencing activity of the issuer: Scheduled transition to long-term regulation of tariffs for services on transmission with use of RAB method.

Material events/factors which may greatly affect an opportunity of reception by the issuer in the future of the same or higher results in comparison with the results obtained for the last reporting period, and also probability of occurrence of such events (occurrence of factors):

The most essential risk which can have significant negative influence on results of activity of the issuer is:

Possible implementation of the mechanism of the economic responsibility for infringement of client service standards. The industry authorities have recently studied the issue of possible implementation of the economic responsibility for infringement of service standards of consumers. This initiative was connected with formation of a new client-oriented management system of the regional distribution grid complex and significantly corresponds to the universal experts in the power industry. In connection with the fact that the RF-electric power industry restructuring in many respects is based on the mechanism of benchmarking with regard to the western analogues, we consider the risk of implementation of the economic responsibility for observance of consumer service standards as one of significant risks, with low probability of occurrence. As the opportunity of observance of standards of consumers relations is mainly connected with technological parameters of the network, and networks at present have a high degree of deterioration, the issuer considers the given risk as the risk able in the future to have a significant negative influence on financial result of activity of the issuer as the issuer cannot drastically improve the condition of networks in the short-term prospect.

At the same time, the issuer estimates probability of occurrence of the given risk as low.

Essential events/factors which may improve results of activity of the issuer, and probability of their occurrence and also duration of their action:

The essential event which may have a significant positive influence on results of the issuer's activity is transition to a new system of the regulation based on fair RAB (Regulated Asset Base). Now the main regulating and normative documents in the given area were prepared; pilot regions of the issuer were determined, in which the new method will be implemented. They are the Belgorod and Tver regions. Nevertheless, at present the RAB system has not been launched yet in pilot regions, therefore now it is difficult with a sufficient degree of definiteness to predict financial consequences of occurrence of this event.

Other essential factor which can positively influence estimation of the company in long-term prospect is an active innovative activity in the field of construction of the management system and introduction of the modern software products for management of distributive grid complex of the issuer. Already now the issuer invests much money in implementation of such modules of the transaction systems as SAP IS-U, TORO; the company participates in a number of pilot projects, including the project of construction of the enterprise asset management system. Besides, the active policy in the field of formation of the integral system of stakeholder relations is performed. The company holds regular meetings with representatives of the investment community for increase of the level of openness and transparency of business. Results of innovative activity will be estimated and put on the balance of the issuer as immaterial assets in the process of estimation carrying out. We estimate duration of the given factor as a constant process.

Besides, the essential factor which may have a significant positive influence on financial result is at present a high level of losses in networks. IDGC of Centre, JSC developed and realizes the program of AIMEMS (automated information and measuring energy metering system) which in the intermediate term prospect will have a significant influence on behavior of commercial losses aside their decrease. The given factor will have a significant positive influence in the intermediate term prospect.

4.5.2. Competitors of the issuer

The main kind of activity of the issuer is transfer of electric energy and technological connection of consumers to the grid infrastructure. The issuer is an entity of the natural monopoly; all branches are grid companies of the 1st level having points of connection to the Uniform National Power Grid; in this connection, the issuer does not have competitors in the ordinary sense of the word.

In a number of areas of the issuer's responsibility zone, there are other territorial grid organizations rendering similar services on transport of the electric power. In their majority, these organizations are

owned by the State and municipal entities and have organizational and legal forms of municipal unitary enterprises or state unitary enterprises.

The share of other territorial grid organizations in the market of the electric power transmission following the results of 2007 was 18.4 % of the volume of the market that in kind is 29,799 million kWh.

At present the issuer holds active work with local authorities on connection of the territorial network organizations to the issuer.

In connection with the present and prospective absence of competitors of the issuer, the factors of competitiveness of the issuer (with description of the degree of their influence on competitiveness of products manufactures) are not specified in this prospectus.

V. Detailed data on the persons forming a part of governance bodies of the issuer, bodies of the issuer undertaking control over its financial and economic activities, and brief data on the staff (employees) of the issuer:

5.1. Data on the structure and competence of the issuer's governance bodies

Structure of the issuer's governance bodies in accordance with the issuer's Charter.

The governance bodies of the Company shall be:

- 1) General Shareholders Meeting
- 2) Board of Directors
- 3) Board
- 4) Director General

General Shareholders Meeting is the highest governance body of the issuer

The competence of the issuer's governance bodies in accordance with the issuer's Charter.

The competence of the issuer's general shareholders meeting is stipulated by the issuer's Charter:

- 1) introduction of alternations and amendments in the By-Law and approval of the revised By-Law;
- 2) restructuring of the Company;
- 3) liquidation of the Company; appointment of the Liquidation Commission and the approval of the interim and final liquidation balances;
- 4) determination of the quantity, nominal value, category "type" of the declared shares and the rights provided by the said shares;
- 5) decrease of the charter capital by way of the reduction of the nominal value of shares or by way of placement of additional shares;
- 6) reduction of the charter capital of the Company by way of decreasing the nominal value of the shares, through the acquisition by the Company of the part of shares with the view of reducing their total amount or with the view of repaying of the acquired or paid out shares;
- 7) fractioning and consolidation of the shares of the Company;
- 8) making the decision on the placement by the Company of bonds converted into shares and other emission securities, converted into shares;
- 9) determination of the quantitative structure of the Board of Directors, the election of its members and the early termination of their powers;
- 10) election of the members of the Auditing Commission of the Company and the early termination of their powers;
- 11) confirmation of the Auditor of the Company;
- 12) making the decision on the transfer of powers of the single executive organ of the Company to the managing organization "manager" and on the early termination of his/her powers;
- 13) approval of annual reports, annual accounting balances, including the report on profit and losses of the Company, distribution of its profits including payment "announcement" of dividends, except for the profit distributed as a dividend by the results of the first quarter, half a year, nine months of the financial year and the losses of the Company by the results of the financial year;
- 14) payment "announcement" of dividends by the results of the first quarter, half a year, nine months of the financial year;
- 15) determination of the procedure for holding the general meeting of the shareholders of the Company;

16) making the decision on the approval of deals in cases envisaged by Article 83 of the Federal Law “On Joint Stock Companies”;

17) making the decision on the approval of large deals in cases envisaged by Article 79 of the Federal law “On Joint Stock Companies”;

18) making the decision on the participation in holding companies, financial and industrial groups, associations and other unions of for-profit organizations;

19) approval of the internal documents regulating the activity of the organs of the Company;

20) making the decision on paying the members of the Auditing Commission of the Company of remunerations and/or compensations;

21) making the decision on paying the members of the Board of Directors of the Company of remunerations and/or compensations;

22) solution of other questions envisaged by the Federal law “On Joint Stock Companies”.

The competence of the Board of Directors stipulates as follows:

1) setting the priority directions of the activity of the Company;

2) convocation of the annual and extraordinary general shareholders meetings of the Company, except for the cases stipulated by item 14.8 of Article 14 of this Charter;

3) Approval of the Company general shareholders meeting agenda;

4) Election of the Secretary of the Company general shareholders meeting;

5) Definition of the date of drawing up the list of persons entitled to participate in the Company general shareholders meeting, and solution of other issues connected with preparation and carrying out of the Company general shareholders meeting;

6) introduction for the decision of the general meeting of the shareholders of the Company of issues envisaged by subparagraphs 2,5,7,8,12-20 of Item 10.2 of Article 10 of this Charter, as well as on the reduction of the authorized capital of the Company through the reduction of the par value of the shares;

7) placement by the Company of bonds and other emission securities except for the cases stipulated by the legislation of the Russian Federation and this Charter;

8) approval of the decision on the emission of securities, emission prospect of securities, the report on the results of the emission of securities, approval of the reports on the results of the acquisition of the shares of the Company from its shareholders, reports on the redemption of shares, reports on the results of the demands by the shareholders of the Company on the redemption of the shares owned by them;

9) determining the price (monetary value) of the property, the price of the placement and acquisition of emission securities in cases envisaged by the Federal Law “On Joint Stock Companies” as well as while solving issues stipulated in subitems 11, 23, 24, 40 of Item 15.1. of Article 15 of this Charter;

10) acquisition of the shares, bonds and other securities placed by the Company in cases envisaged by the Federal Law “On Joint Stock Companies”;

11) alienation (sale) of the shares of the Company at the disposal of the Company as a result of their acquisition or redemption from the shareholders of the Company, as well as in other cases envisaged by the Federal Law “On Joint Stock Companies”;

12) election of the Director General of the Company and early termination of his/her powers including the decision making on early termination of the labor contract with him/her;

13) Definition of the quantitative structure of the Board of the Company, election of members of the Company Board, establishment of compensations and remunerations paid to them, preschedule termination of their powers, including early termination of labour contracts with them;

14) recommendations to the general meeting of the shareholders of the Company on the amount of remunerations and compensations paid to the members of the Auditing Committee and determination of the remuneration of the Auditor’s services;

15) recommendations on the amount of the dividend per shares and the procedure for its payment;

16) approval of the internal documents of the Company determining the procedure for the formation and use of the funds of the Company;

17) making the decision on the use of the funds of the Company, approval of the cost estimates for

the use of special purpose funds and consideration of the results of the implementation of cost estimates for the use of special purpose funds;

18) approval of the internal documents of the Company except for internal documents, the approval of which is referred to the competence of the general meeting of the shareholders of the Company and other internal documents of the Company, the approval of which is referred to the competence of the executive bodies of the Company;

19) approval of the business plan (revised business plan) and the report of its implementation;

20) approval (correction) of control figures of the cash flows of the Company;

21) Approval and change of terms, and termination of realization of the large and medium-scale investment projects defined thereof according to the Regulations about the investment activity, and also approval of quarterly reports on the course of performance of the specified projects

22) foundation of branches and opening of the offices of the Company, their liquidation, as well as introduction of alternations in the Charter of the Company connected with the creation of branches and opening of offices of the Company, including changes in the information on the names and locations of the branches and offices of the Company and their liquidation;

23) making the decision on the participation of the Company in other organizations (entering in the acting organization or creation of a new organization, including coordination of constituent documents and (in view of the provisions of subitem 24 of item 15.1. of Article 15 of this Charter) on purchase, alienation and encumbrance of shares and stakes in the authorized capitals of the organizations, in which the Company participates, change of the stake of participation in the authorized capital of the corresponding organization, and termination of participation of the Company in other organizations;

24) making the decision on one or several associated deals of the Company on the alienation, pledging or other encumbrance of shares and stakes of SDEC which are not engaged in production, transmission, dispatching, distribution and sales of electric and heating power in case if the market value of shares or stakes being the subjects of the deal determined according to the report of the independent appraiser exceeds 30 million rubles and in other cases (amount) determined by the separate decisions of the Board of Directors of the Company;

25) determination of the credit policy of the Company as to provision by the Company of loans, making credit contracts and loan contracts, issuing of guarantees, acquisition of liabilities on bills (issuing of ordinary and transfer bill), transfer of property in pledge and making the decision on the above mentioned deals of the Company in cases when the procedure for the decision-making of them is not determined by the credit policy of the Company as well as decision making in the order envisaged by the credit policy of the Company on bringing the debt situation of the Company in the limits determined by the credit policy of the Company;

26) approval of the large deals in cases envisaged by Chapter X of the Federal Law “On Joint Stock Companies”;

27) approval of deals in cases envisaged by Chapter XI of the Federal Law “On Joint Stock Companies”;

28) approval of the Registrar of the Company, terms of contract with him/her and its termination;

29) election of the Company Board of Directors Chairperson and the early termination of his/her powers;

30) election of the Company Board of Directors Deputy Chairperson and the early termination of his/her powers;

31) election of the Company Board of Directors Corporate Secretary and the early termination of his/her powers;

32) tentative approval of decisions on deals of the Company connected with the gratuitous transfer of property of the Company or property rights (requirement) to itself or the third party, deals connected with the liberation from property liabilities before itself or the third party, deals connected with the gratuitous provision of services by the Company (carrying out of works) to the third party, in cases (amount) determined by the separate decision of the Board of Directors of the Company, decision-making on the given deals by the Company in cases when the above-mentioned cases (Amount) are not determined;

33) decision-making on temporary termination of the powers of the managing organization (managing director);

34) decision-making on the appointment of the acting Director General of the Company and his calling to an account;

35) calling to an account of the Director General of the Company and his/her remuneration in accordance with the labor legislation of the Russian Federation;

36) consideration of the reports of the Director General on the activity of the Company (including the report on carrying out of his/her functions, on the implementation of the decisions of the general meeting of the Company and its Board of Directors);

37) approval of the procedure for the interaction of the Company with the organizations, in which the Company participates;

38) Definition of the position of the Company (representatives of the Company), including the assignment to take or not to take part in voting on the agenda items, to vote under draft decisions "for", "against" or "refrained", on the following items of the agenda of general shareholders (participants) meetings of subsidiaries and dependent economic entities (further on called SDEC) (except for cases when functions of the SDEC general shareholders meetings are carried out by the Board of Directors of the Company), and meetings of the SDEC boards of directors (except for an item on approval of the agenda of the general meetings of shareholders SDEC when functions of the SDEC general shareholders meeting are carried out by the Board of Directors of the Company):

i) on the determination of the agenda of the general meeting of the shareholders (participants of SDEC);

ii) on the reorganization and liquidation of SDEC;

iii) on the determination of the quantitative composition of the Board of Directors of SDEC, nomination and election of its members and the early termination of their powers;

iv) on the determination of the number, nominal value, category (type) of the announced shares of SDEC and the rights provide by the given shares;

v) on the increase of the authorized capital of SDEC through the increase of the nominal value of shares or through the placement of additional shares;

vi) on the placement of securities of SDEC converted into ordinary shares;

vii) on the fractioning and consolidation of the shares of SDEC;

viii) on the approval of large deals, made by the SDEC;

ix) on the participation of SDEC in other organizations (on entering the existing organization or on the foundation of the new one), as well as on the acquisition, alienation, encumbrance of shares and parts in the authorized capitals of the organizations, in which SDEC participates, changes in the part of the participation in the authorized capital of the respective organization;

x) on the deals made by SDEC (including several associated deals) connected with the alienation or the possibility of alienation of property, representing fixed assets, non-material assets, objects of unfinished construction, the purpose of the use of which is the production, transmission, dispatching, distribution of electric and heating power in cases (amount) by the procedure of interrelations of the Company with organizations in which the Company participates, approved by the Board of Directors of the Company;

xi) on the introduction of alternations and amendments in the constituent documents of SDEC;

xii) on the determination of the procedure of remuneration payments to the members of the Board of Directors and Auditing Committee of SDEC;

xiii) on the approval of target meanings of key performance indicators (corrected target meanings of key performance indicators);

xiv) on the approval of the report on the implementation of planned meanings of annual and quarter key performance indicators;

xv) on the approval of business plan (revised business plan);

- xvi) on the approval (consideration) of the report on business plan implementation;
- xvii) on the approval of the distribution of profits and losses on the results of the financial year;
- xviii) on the recommendations on the amount of dividend on shares and the procedure of its payment;
- xix) on payment (declaration) of dividends following the results of the first quarter, half of a year, nine months of a financial year as well as following the results of a financial year;
- xx) on the approval (revision) of the investment program;
- xxi) on the approval (consideration) of the report on the investment program implementation;
- xxii) on the approval of the Regulations on ensuring SDEC insurance protection;
- xxiii) on the approval of SDEC insurers (approval of the results of SDEC insurers elections);
- xxiv) on the approval of insurance broker carrying out the selection of SDEC insurers;
- xxv) on the approval of SDEC insurance protection program;
- xxv) on the approval of alternations in SDEC insurance protection program;
- xxvi) on the consideration of the single executive SDEC body's report on insurance protection assurance.

39) determination of the position of the Company (representatives of the Company) on the following items of the agenda of the SDEC Board of Directors meetings (including the order to participate or not to participate in the vote on the items of the agenda, to vote on draft decisions "for" or "against", or "abstain"):

- a) on the determination of the SDEC representatives position on the items of the agenda of the general meetings of shareholders (participants) and the meetings of the Board of Directors of the affiliated and dependent entities in respect of SDEC, concerning the approval of deals, including several associated deals, connected with alienation or the possibility of alienation of the property representing fixed assets, immaterial assets, objects of unfinished construction, the purpose of the use of which is the production, transmission, dispatching, distribution of electric and heating power in cases (amount) determined by the procedure of interrelations of the Company with organizations in which the Company participates, approved by the Board of Directors of the Company;
- b) on the determination of the SDEC representatives position on the items of the agenda of the general meetings of shareholders (participants) and the meetings of the Board of Directors of the affiliated and dependent entities in respect of SDEC, participating in the production, transmission, dispatching, distribution of electric and heating power, reorganization and liquidation, increase of the authorized capital of the given entities through the increase of the nominal value of shares or through the placement of additional shares, securities converted into ordinary shares;

40) tentative approval of the decisions on the accomplishment by the Company:

- a) of deals, the subject of which shall be non-current assets of the Company in the amount exceeding 10 percent of the balance sheet value of the given assets on the date of decision-making on the accomplishment of the given deal;
- b) deals (including several associated deals) connected with any way of disposal (or transfer of the rights in any sequence) of the real estate and/or equipment used directly for realization of the main kinds of activity of the Company, the balance sheet value of which is over 5 percent of the balance sheet value of the Company assets, or any kind of encumbrance of the specified property;
- c) deals (including several associated deals) connected with alienation or an opportunity of alienation of the property forming the fixed assets, immaterial assets, objects of incomplete construction, the purpose of use of which is production, transmission, dispatching, distribution of electric and thermal energy in the cases (amount) determined by separate decisions of the Company Board of Directors;
- d) deals (including several associated deals) connected with alienation or an opportunity of alienation of the property forming the fixed assets, immaterial assets, objects of incomplete construction, the purpose of use of which is production, transmission, dispatching, distribution of

electric and thermal energy in the cases (amount) determined by separate decisions of the Company Board of Directors;

- 41) nomination by the Company of persons for the elections to the position of the single executive body, to other bodies of management, bodies of control, and nominations for the Auditor of the organizations, in which the Company participates, carrying out production, transmission, dispatching, distribution and sales of electric and heating power, as well as the repairs and maintenance types of activities;
- 42) determination of the directions of ensuring insurance protection of the Company including the approval of the Insurer of the Company;
- 43) approval of the structure of the executive body of the Company and its amending;
- 44) coordination of nominees for separate positions of the executive body of the Company defined by the Company Board of Directors;
- 45) Preliminary approval of the collective agreement, the agreements concluded by the Company within the limits of regulation of social and labor relations;
- 46) Establishment of committees under the Company Board of Directors, election of members of the Committees of the Company Board of Directors and early termination of their powers, election and preschedule termination of powers of chairmen of committees of the Company Board of Directors;
- 47) approval of the nomination of the independent appraiser (appraisers) for the determination of the shares value, property and other assets of the Company in cases envisaged by the Federal Law “On Joint Stock Companies”, this Charter and separate decisions of the Board of Directors of the Company;
- 48) approval of the nomination for the financial consultant involved in accordance with the Federal Law “On the Market of Securities” as well as the nominees of securities emission organizers and consultants on deals directly connected with the attraction of means in the form of public loans;
- 49) tentative approval of deals, which could lead to the appearance of liabilities, expressed in foreign currency (or liabilities the volume of which is pegged to foreign currency) in cases and volumes determined by separate decisions of the Board of Directors of the Company and if the said cases (amounts) are not determined by the Board of Directors of the Company;
- 50) determination of the purchasing policy of the Company, including the approval of the Regulations on the procedure for carrying out the specified purchases of goods, works and services, approval of the head of the Central purchasing unit of the Company and its members, and approval of the annual comprehensive program of purchases and decision making on other items in accordance with the documents approved by the Company regulating the purchasing activity of the Company;
- 51) decision making on the nomination of the Director General of the Company for state orders award;
- 52) approval of the target figures (revised figures) of the key performance indicators (KPI) of the Company and the reports on their implementation;
- 53) determination of the policy of the Company directed at the improving the stability of the power grids distribution complex and other objects of the power energy complex, including the approval of the Company strategic programs on the improvement of the stability of the power grid complex, its development and its safety;
- 54) determination of the housing policy of the Company including in the part of providing corporate aid to the employees of the Company for improving their living conditions in the form of subsidies, compensation of their costs, interest free loans and decision making on the provision by the Company of the said aid in cases, when the procedure of its provision is not determined by the housing policy of the Company;
- 55) other issues falling within the competence of the Board of Directors in accordance with the Federal Law “On Joint Stock Companies” and this Charter.

The issues referred to the competence of the Board of Directors of the Company cannot be transferred for decision to the Company’s General Director and the Company’s Board.

The following issues shall fall within the competence of the Board of the Company:

- 1) Working-out of the Company development strategy and its submission for consideration to the Board of Directors;
- 2) Preparation of the annual (quarter) business plan, including the investment program and the report on results of their performance, and also approval (revising) of cash (budget) flow of the Company;
- 3) Preparation of the annual report on financial and economic activity of the Company, about performance by the Board of the decisions of the Company general shareholders meeting and Board of Directors;
- 4) Consideration of reports of deputies General Director of the Company, heads of the isolated structural divisions of the Company about results of performance of the approved plans, programs, instructions, consideration of reports, documents and other information on activity of the Company and its affiliated and dependent economic entities;
- 5) Decision-making concerning the items referred to the competence of the supreme bodies of management of the economic entities, 100 (one hundred) percent of the authorized capital of which belongs to the Company (in view of subitems 38, 39 of item 15.1. of Article 15 of this Charter);
- 6) Preparation of the reports on financial and economic activity of the economic entities, 100 (one hundred) percent of the authorized capital of which belongs to the Company, and their submission for consideration to the Board of Directors;
- 7) Decision-making on conclusion of transactions, the subject of which is the property, works and services, the cost of which equals from 5 to 25 percent of the balance sheet value of the Company assets determined on the date of decision-making on the conclusion of the transaction (except for the cases stipulated by subitem 40 of item 15.1 of this Charter);
- 8) Decision of other issues of the Company's current activity management according to the decisions of the general shareholders meeting, the Board of Directors of the Company, and also the issues which were submitted to consideration to the Board by the Company General Director.

The competence of the General Director shall include

all the issues of the current activity management of the Company, except for the issues referred to the competence of the general meeting of shareholders, the Board of Directors and the Board.

The Director General shall act without a Power of Attorney on behalf of the Company taking into account the limitations envisaged by the legislation of the Russian Federation, the present By-Law and decisions of the Board of Directors of the Company the General Director shall:

- ensure the fulfillment of the activity plans of the Company necessary for the solution of its tasks;
- organize bookkeeping and accounting in the Company;
- make use of the property of the Company and accomplish deals on behalf of the Company, issue Powers of Attorney, open settlement and other accounts of the Company with the banks and other credit institutions as well as in cases envisaged by the law in the organizations and professional agents of the securities market;
- issue orders, approve (accept) instructions, local regulation reports and other internal documents of the Company on the issues of his/her competence, give instructions necessary for the execution by all employees of the Company;
- approve Regulations on subsidiaries and representative offices of the Company;
- approve organizational structure, as well as personnel arrangements and official salaries and wages of the Company's employees;
- exercise in respect of the Company's employees the rights and obligations of the employer, envisaged by the labor law;
- distribute obligations among the Deputies of the Director General;
- submit for the consideration of the Board of Directors reports on financial and business activity of subsidiaries and dependent entities, the shares (parts) of which belong to the Company, as well as information on other organizations in which the Company participates, except for the cases stipulated by subitem 6 of item 22.2 of Article 22 of the Charter;
- not later than 45 (forty five) days prior to the holding of the annual general meeting of the shareholders of the Company, submit for the consideration of the Board of Directors of the Company Annual Report, Accounting Balance Sheet, the Profit and Loss Statement of the Company and distribution of profit and loss of the Company;

- settle other issues of the Company's current activity, except for the issues referred to the competence of the general meeting of shareholders, the Board of Directors and the Board of the Company."

Data on amendments for the last reporting period in the Charter and internal documents regulating activity of the issuer's bodies:

On 30 May 2008, the decision of the issuer's general shareholder meeting (Minutes No.1 as of 3 June 2008) adopted the revised Regulations on Payment of Remuneration and Compensation to the Board of Directors of IDGC of Centre.

The Internet website containing the Charter of the issuer: <http://www.mrsk-1.ru/about/administration/documents/regulations/>.

The Internet website containing the Corporate Governance Code and internal documents of the issuer regulating activity of bodies of the issuer: <http://www.mrsk-1.ru/about/administration/documents1/>.

5.2. Information on the persons forming a part of governance bodies of the issuer

5.2.1. Board of Directors

Data on members of the Board of Directors of the issuer

| Aleksandr Markovich Branis | |
|--|--|
| Year of birth | 1977 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 08.1998 – 08.2006 Moscow representative office of Prosperity Capital Management (Russian Federation) Ltd., Director 2006 – current ² Representative office of Prosperity Capital Management Ltd., Director |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may | Has no such shares |

² Here and further at indication in the present report that the person holds the position "current" means that the person held the given post as of the date of termination of the reporting quarter. Thus the information is given on the basis of the biographical details given by the given person to the issuer.

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| be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| | |
|---|---|
| Dmitry Aleksandrovich Burnashev | |
| Year of birth | 1964 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 02.2001 – 10.2002 Deputy Chief of the Department for Holding and Subsidiaries Economy of JSC RAO UES of Russia 10.2002 – 06.2004 Chief of the Department for Holding and Subsidiaries Economy of JSC RAO UES of Russia 06.2004 – current Chief of the Business Planning Department of JSC RAO UES of Russia Corporate Centre |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control | Has no sibs with the specified persons |

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| over financial and economic activity of the issuer | |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| Andrey Aleksandrovich Demin, Chairman of the Board of Directors | |
|---|--|
| Year of birth | 1974 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | <p>03.2001 - 07.2002- Chairman of the Management Board of JSC Poltavaoblenergo</p> <p>08.2004 – 09.2004 Chief Expert of the Corporate Center of the Department for Business Planning of JSC RAO UES of Russia</p> <p>03.2005 –09.2005 – Chief of the Department for Management of JSC UES FGC distributive grid company.</p> <p>09.2005 -04.2007 – Chief Expert of the Corporate Centre of the Business Planning Department of JSC RAO UES of Russia</p> <p>04.2007 - current Deputy Chairman of the Management Board of JSC UES FGC</p> |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control | Has no sibs with the specified persons |

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| over financial and economic activity of the issuer | |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| | |
|--|--|
| Aleksey Romanovich Kachai | |
| Year of birth | 1977 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 10.2002 – current Deputy Chief (before this position – Principal Expert, Chief of the Division) of the Strategy Department of JSC UES FGC |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| Aleksey Vitalievich Klaptsov | |
|--|--|
| Year of birth | 1978 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order ³ | 05.2005- current Vice President of Halcyon Advisors |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| Vyacheslav Mikhailovich Kravchenko | |
|---|--|
| Year of birth | 1967 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 03.2001 – 04.2004 Head of the Department for Restructuring of Natural Monopolies of the Ministry of Economic Development and Trade of the Russian Federation 05.2004 – 07.2007 Deputy Director of the structural and investment |

³ Proceeding from the personnel data of the given member of the Board of Directors, the latter did not occupy any positions for the past 5 years except for those specified in this item

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| | policy department in the industry and power 08.2007 – current Director of the Electric Power Industry Department - Ministry of Industry and Power of the Russian Federation |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| | |
|---|--|
| Evgeniy Fyodorovich Makarov, General Director | |
| Year of birth | 1955 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 09.1997 - 03.2005 General Director of JSC Belgorodenergo 04.2005 - current General Director of JSC IDGC of Centre |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | 0.0761% |
| Ordinary shares of the issuer belonging to the person | 0.0761% |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of | Has no such shares |

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| exercise of the rights under the issuer's options belonging to the person | |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| | |
|---|---|
| Misrikhan Shapievich Misrikhanov | |
| Year of birth | 1955 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 08.2002 - current General Director of Branch of JSC UES FGC - Transmission Electric Networks |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the | Has no sibs with the specified persons |

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| issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

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|--|--|
| Pavel Ivanovich Okley | |
| Year of birth | 1970 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | <p>11.2001 - 09.2003 Chief of Sherbakulsk EGA of JSC AK Omskenergo, Western Electric Networks branch</p> <p>09.2003 - 02.2004 Chief of the Electric Networks Service of JSC AK Omskenergo, Western Electric Networks branch</p> <p>02.2004 - 08.2005 Deputy Chief Engineer of JSC AK Omskenergo, Grid Enterprise branch</p> <p>09.2005 - 12.2005 Director for the Electric Power Transport of AK Omskenergo</p> <p>12.2005 - 04.2007 Deputy Head of IDGC Management Center of JSC UES FGC</p> <p>04.2007 - current Head of the IDGC Management Center of JSC UES FGC</p> |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock | Has no stake |

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| companies) | |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| | |
|---|---|
| Alexander Grigorievich Starchenko | |
| Year of birth | 1968 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | <p>04.2003 - 03.2004 Deputy Chief of the Corporate Finance Management of the Investment Bank Department of JSCB Moscow Business World, JSC</p> <p>04.2004 - 10.2007 Deputy General Director for Power Complex of RUMELKO Ltd.</p> <p>11.2007 - current Director for Power Industry of Novolipetsl Metallurgical Complex</p> |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |

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| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| | |
|---|--|
| Sergey Borisovich Syutkin | |
| Year of birth | 1959 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 2003 - current General Director of Operational Dispatch Administration of Centre – a branch of UES SO-CDA |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency | The person did not occupy such positions |

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| (bankruptcy) were initiated against the specified organizations. | |
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5.2.2. Collegial executive body

| Evgeniy Fyodorovich Makarov, Chairman of the Board, General Director | |
|--|--|
| Year of birth | 1955 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 09.1997 - 03.2005 General Director of JSC Belgorodenergo 04.2005 - current General Director of JSC IDGC of Centre |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | 0.0761% |
| Ordinary shares of the issuer belonging to the person | 0.0761% |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| Anatoly Kuzmich Merzlyakov, Deputy Chairman of the Company Board, First Deputy General Director of IDGC of Centre, JSC | |
|---|--|
| Year of birth | 1952 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 02.10.1998-30.01.2006 General Director of Lipetskenergo Joint Stock Company of power industru and electrification |

| | |
|--|--|
| | 17.05.2006 - current First Deputy General Director of IDGC of Centre, JSC |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | 0.0001% |
| Ordinary shares of the issuer belonging to the person | 0.0001% |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

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|---|---|
| Evgeny Alekseevich Bronnikov, Deputy General Director for Economy and Finance of IDGC of Centre, JSC | |
| Year of birth | 1974 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 11.2003 - 04.2005 Deputy General Director Belgorodenergo Joint Stock Company of Power and Electrification 04.2005 - current Deputy General Director of IDGC of Centre for economy and finances |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of | Has no such shares |

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| exercise of the rights under the issuer's options belonging to the person | |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

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|--|--|
| Konstantin Viktorovich Kotikov, Deputy General Director for Corporate Governance of IDGC of Centre, JSC | |
| Year of birth | 1974 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 09.2003 - 10.2004 JSC Taimyrenergo Deputy General Director for Corporate Governance 10.2004 - 04.2005 JSC Taimyrenergo First General Director - Deputy General Director for Corporate Governance 04.2005 - current Deputy General Director for Corporate Governance of IDGC of Centre |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of | Has no stake |

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| the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

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|---|--|
| <i>Vladislav Lvovich Nazin, Deputy General Director for Capital Construction of IDGC of Centre, JSC</i> | |
| Year of birth | 1966 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 20.11.2005-07.06.2005 Mosenergo Joint Stock Company of Power Industry and Electrification Deputy General Director for Economy 03.10.2005-19.06.2006 RAO UES of Russia, JSC Deputy Head of the financial consulting project group 20.06.2006 - current Deputy General Director for capital construction of IDGC of Centre, JSC |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |

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| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

Pavel Andreevich Obukhov, Deputy General Director for IT and Business Modelling of IDGC of Centre

| | |
|---|---|
| Year of birth | 1958 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 01.08.2003-31.03.2005 Belgorodenergo Joint Stock Company of power and electrification Director for Management Systems and Technologies Development 01.04.2005- current Deputy General Director for IT and Business Modelling of IDGC of Centre, JSC |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of | The person did not occupy such positions |

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| bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | |
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Sergey Anatolievich Shumakher, Deputy General Director for Technical Policy of IDGC of Centre, JSC

| | |
|--|--|
| Year of birth | 1955 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 01.07.1989-03.05.2005 Tulenergo Joint Stock Company of Power Industry and Electrification, Deputy General Director 03.05.2005- current Deputy General Director for Technical Policy of IDGC of Centre, JSC |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

Dmitry Nikolaevich Alechin, Director for Organizational Developmnet of IDGC of Centre

| | |
|---|---|
| Year of birth | 1974 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 17.11.2003-15.06.2004 Ministry for Power Industry of the Russian Federation, Deputy Chief of the Division for |

| | |
|--|--|
| | reconstruction of power facilities 13.04.2005- current Director for Organizational Development of IDGC of Centre, JSC |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

Vadim Nikolaevich Fedorov, Deputy General Director of IDGC of Centre JSC for grid services realization

| | |
|--|--|
| Year of birth | 1972 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 03.12.2002-17.06.2005 JSC Astrakhanenergo Deputy Chief Engineer, Deputy General Director for electric power transmission 20.06.2005- current Deputy general director of IDGC of Centre JSc for grid services realization |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint- | Has no stake |

| | |
|--|---|
| stock) capital (share fund) of subsidiaries and dependent entities of the issuer | |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

5.2.3. The sole executive body

General Director

| | |
|--|--|
| Evgeniy Fyodorovich Makarov, General Director | |
| Year of birth | 1955 |
| Education | Higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 09.1997 - 03.2005 General Director of JSC Belgorodenergo 04.2005 - current General Director of JSC IDGC of Centre |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | 0.0761% |
| Ordinary shares of the issuer belonging to the person | 0.0761% |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of | Has no such shares |

| | |
|--|---|
| the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

5.3. Data on amount of remuneration, privileges and/or indemnifications of charges concerning each governance body of the issuer

Remuneration of the Board of Directors members

According to item 2 of Article 64 of FZ "On joint-stock companies", the decision on payment of remuneration to members of the Board of Directors of the issuer may be taken only by the general shareholders meeting or by adoption of the regulations for the procedure of payment of such remuneration, or by decision-making on payment of remuneration at the general shareholders meeting of the issuer.

The issuer applies the Regulations for payment of remuneration and compensation to members of the Board of Directors of IDGC of Centre, JSC approved by the decision of the sole shareholder on 30 May 2008.

According to the above stated Regulations, the issuer applies procedure of payment of remuneration to non-executive and independent members of the Board of Directors that is a necessary condition of the board of directors' members taking an interest in the work of the board of directors.

The remuneration paid to members of the Board of Directors of the issuer depends on results of the issuer's activity. Parameters of activity for remuneration payment are parameter of net profit of the issuer according to the annual accounting reporting, and market capitalization of the issuer.

Data on kinds of remuneration, including wages, bonuses, commission, privileges and/or indemnifications of charges, and also other property granting which were paid by the issuer for 2007 and the 2nd quarter of 2008:

| Name of the issuer's governance body | Remuneration type | Period under report, 2007, RUR | Period under report, quarter II, 2008, RUR |
|--------------------------------------|--|--------------------------------|--|
| Board of Directors | Remuneration for participation in meetings | 1, 276, 869 | 825, 941 |
| | Wages | 0 | 0 |
| | Bonuses | 0 | 0 |
| | Commission fees | 0 | 0 |

| | | | |
|--|---|--------------------|-----------------|
| | Privileges and/or indemnification of charges | 0 | 0 |
| | Extra fees | 125, 021 | 0 |
| | Total: | 1, 401, 890 | 825, 941 |

The issuer did not conclude additional agreements for 2008 with members of the Board of Directors concerning payments.

In the current 2008 financial year, compensation and remuneration will be paid to members of the Board of Directors of the issuer according to the Regulations for remuneration and compensation payment to members of the Board of Directors of IDGC of Centre, JSC approved by the decision of the annual general shareholders meeting as of 30 May 2008 (Minutes No. 3 as of 3 June 2008).

Remuneration paid to members of the issuer's Board

Members of the Board are employees who along with the duties stipulated by the Labour Contract undertake responsibility of realization of powers of a member of the Company collegial executive body - the Board - according to the Charter of the Company and Regulations for the Company Board (Minutes of the meeting of the Board of RAO UES of Russia as of 28 February 2008 No. 1829pr/1).

At realization of powers of the Board member, compensation in the amount of RUR 15,830.00 (fifteen thousand eight hundred and thirty) is paid to employees monthly according to the terms of additional agreements to labour contracts.

Remuneration of the issuer's General Director

Criteria of remuneration and amount of remuneration of General Director were determined by the labour contract concluded according to the Charter of the issuer, and Regulations for material stimulation of General Director of IDGC of Centre, JSC approved by the Board of Directors (as amended) (Minutes No. 05/07 as of 19.06.2007).

Awarding General Director of the issuer is carried out following the results of execution of key performance indicators determined by the Board of Directors of the issuer for the reporting periods (a quarter and a year) and approved by Chairman of the issuer's Board of Directors.

In 2007 and the 2nd quarter 2008, the remuneration was paid to General Director according to the terms of its labour contract and Regulations for material stimulation of General Director of IDGC of Centre, JSC.

5.4. Data on structure and competence of the issuer's financial and economic activities control bodies

Structure of the issuer's financial and economic activities control bodies and their competence in accordance with the Charter

In accordance with the Charter of the issuer, the body of control over the financial and business activity of the issuer is the Auditing Committee elected by the general meeting of shareholders for the period till the next annual general meeting of shareholders.

Should the Auditing Commission of the Company be elected at the extraordinary meeting of shareholders the members of the Auditing Commission shall be considered elected for the period till the date of the holding of the annual meeting of the shareholders of the Company.

The quantitative structure of the Auditing Commission shall be 5 (five) persons.

The following issues fall within the competence of the Auditing Committee:

- confirmation of the correctness of the information contained in the annual report, annual accounting balance sheet, report on profits and losses of the Company;
- analysis of the financial situation in the Company, reveal of the reserves for the improvement of the financial situation in the Company and working out of recommendations for the management organs of the Company;
- organization and carrying out of examination (audit) of the financial and business activity of the Company, in particular:

- examination (audit) of the financial, accounting, settlement and other documentation of the Company, connected with the carrying out by the Company of financial and business activity in order to ensure its correspondence with the legislation of the Russian Federation, the By-Law, internal and other documents of the Company;
- control over safe keeping and use of fixed capital;
- control over the adherence to the order of writing off the losses of the Company of the indebtedness of the insolvent debtors;
- control over cash spending of the Company in accordance with the approved business plan and budget of the Company;
- control over the build up and use of the reserve and other specialized funds of the Company;
- check of correct and timely allocation and payment of dividends on the shares of the Company, interests on bonds and earnings on other securities;
- check of the regulations issued before on the correction of violations and shortages revealed by the previous examinations (audit);
- carrying out of other actions “measures” connected with the examination of financial and business activity of the Company”

The procedure of activity of the Auditing Committee of the issuer is determined by the Regulations for the Auditing Committee of the issuer approved by the general meeting of shareholders of the issuer. The regulations for the Auditing Committee of IDGC of Centre, JSC were approved by the decision of the sole shareholder of the issuer - Minutes No. 1429pr/1 on 30.03.2006.

The Auditing Committee according to the decision on carrying out check (audit) has the right to involve experts from the corresponding areas of law, economy, finance, book keeping, management, economic safety and others, including the specialized organizations for carrying out the check (audit).

Check (audit) of financial and economic activity of the issuer can be carried out at any time under the initiative of the Auditing Committee of the issuer, the decision of general meeting of shareholders, Board of Directors of the issuer or upon request of the shareholder (shareholders) of the issuer owning in aggregate at least 10 percent of voting shares of the issuer.

The text of the Regulations for the Auditing Committee of the issuer is placed on the issuer's Internet website at: <http://www.mrsk-1.ru/about/administration/documents1/>.

The internal control is understood by the issuer as the control over realization of its financial and economic activity (including over execution of the business plan of the issuer) by the structural divisions and bodies of the issuer.

The internal control system represents a set of entities of the internal control, functions and procedures of the internal control established by the legislation of the Russian Federation, the Charter and other internal documents of the issuer, and the purposes of the internal control providing achievement. The system of the internal control is considered as a component of a control system by the issuer allowing the issuer's governance bodies to make the most effective decisions.

Entities of the internal control of the issuer are the Auditing Committee, Board of Directors, executive bodies of the issuer, and structural divisions and other bodies of the issuer which are authorized to perform the internal control. Differentiation of the competence of the above stated bodies concerning the internal control is carried out by internal documents of the issuer.

One of the main directions of the internal control is control over performance of the established industrial and economic parameters of activity that is key performance indicators (KPI). This control activity includes:

- .-Establishment of limits and control parameters in activity directions;
- .-Estimation of actually reached results quarterly and annually;
- .-Execution of correcting actions on improvement of activity of divisions at occurrence of deviations.

The system of control parameters is established both for all divisions, and for the top managers of the issuer. The most significant parameters are the basis for material stimulation.

The information on presence of the internal audit service, term of its work and its key employees:

IDGC of Centre, JSC created the internal control and audit department of IDGC of Centre, JSC which carries out functions of internal audit, including functions according to the system of efficiency of management by risks and systems of the internal control that is a necessary condition of maintenance of the

system of efficiency of management of risks and systems of the internal control.

The work of the internal control and audit department is regulated by the respective Regulations that formalizes work of the specified body and, that, promotes efficiency of its work.

The term of work of the internal control and audit department of IDGC of Centre, JSC as of the date of adoption of the prospectus equals 2 (two) years and 9 (nine) full months (the financial control and analysis department was created on 1.04.2005 and transformed into the internal control and audit department on 6.08.2007).

The key official of the internal control and audit department of IDGC of Centre, JSC is Vadim Evgenievich Bunin, Chief of the Internal Control and Audit Department of IDGC of Centre, JSC.

The main functions of Internal Audit Service:

According to the Regulations for the Internal Control and Audit Department, approved by the General Director of IDGC of Centre, JSC, the main functions of the Department shall be:

- Carrying out various kinds of scheduled and off-schedule audits (audit of the financial reports, audit of business processes efficiency, audit of conformity of actions/inactivity of management and employees of the issuer with the legal acts of the Russian Federation and internal normative documents of the issuer, audits for revealing plunders, and other kinds of audit);
- Check of operations and actions of management and employees of the issuer for their conformity with the established and approved policies, business plan, with other plans, procedures of other internal and external regulatory statutory acts. At lack of conformity of results of operations and actions with those planned - finding the reasons of failure to execute plans;
- .-Estimation of operating ways and methods of maintenance of safety and protection of assets. If necessary, stock-taking of assets;
- .-Estimation of economic efficiency of resources use;
- .-Check of separate actions and operations under the tasks of management of the issuer;
- .-Monitoring and estimation of the system of efficiency of the issuer's risk management;
- .-Estimation of the system of the internal control efficiency;
- .-Interaction with external auditors, other advisers on audit issues;
- .-Development of recommendations and proposals following the results of the audits held. Preparation of proposals on amending normative documents of the issuer and recommendations on increase of the system of efficiency of the internal control and risk management;
- .-Participation in development and monitoring of performance of the measures directed to elimination of lacks of activity of the issuer, revealed during the audit;
- .-Participation in work of the commissions created under the decision of the General Director for investigation of plunders, swindles and various abusing of service powers of employees of the issuer;
- .-Monitoring the execution of the recommendations made following the results of audit (elimination/non-elimination of the lacks revealed during audit);
- .-Interaction with officials of all levels of the issuer for the purpose of improvement of risk management system, the internal control and management. Rendering consulting services on request of the issuer's management;
- .-Interaction with the Audit Committee of the issuer and monitoring of elimination of the infringements revealed by the Audit Committee of the issuer.

The primary goals of the Department shall be:

- .-Check of authenticity and reliability of the financial, administrative reporting and other economic information;
- .-Monitoring the urgency and the system of efficiency of the internal control;
- .-Revealing the facts of economic endangerment, failure to execute decisions of governance bodies, failure to meet requirements of internal documents;
- .-Duly revealing and analysis of risks at achievement of the purposes of the issuer. Development of measures to increase efficiency and productivity of business processes and procedures in the issuer;
- .-Granting consultations on request of the issuer's management.

The accountability of internal audit service, interaction with executive bodies of management of the issuer and board of directors of the issuer, interaction of the internal and external auditor service of the issuer:

According to the Regulations for the Internal Control and Audit Department, the Department is directly

accountable to First Deputy General Director.

The personnel of the Department perform their activities in accordance with the duty regulations developed by the Chief of Department and approved by the General Director of the issuer.

Employees of the Department in its professional work are independent of executive bodies of the issuer and management of those branches and structural divisions, the work of which is exposed to check.

Data on the internal document of the issuer establishing rules on prevention of use of service (insider) information:

IDGC of Centre, JSC applies the Regulations for the Insider Information of the issuer (Minutes of the meeting of the Board of Directors No. 008/05 as of 14.10.2005). The text of the Regulation for the Insider Information is constantly available in the Internet at the issuer's website: <http://www.mrsk-1.ru/about/administration/documents1/>.

5.5. Information on the persons forming a part of financial and economic activities of control bodies of the issuer

Data on the Auditing Committee's members:

| <i>Anatoly Valerievich Baitov</i> | |
|---|---|
| Year of birth | 1977 |
| Education | higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 2002-2003 Adviser for Work of the Auditing Committees of the Representative Office of RAO UES of Russia - Centrenergo 2003 - 2004 Deputy General Director of the "Institute of Professional Directors" Fund 2004 - current Head of the Management for the Financial Control and Internal Audit of UES FGC. |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility | Proceedings were not initiated against the |

| | |
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| for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| | |
|---|--|
| <i>Marina Alekseevna Lelekova</i> | |
| Year of birth | 1961 |
| Education | higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | <p>2001 - 2004 Director for audit, AKFA Auditor Firm</p> <p>2001 - 2003 Adviser to the General Director of the Representative Office for Work of the Auditing Committees. The Representative Office of RAO UES of Russia for Management by the Joint-Stock Companies of the Eastern Part of Russia - Vostokenergo</p> <p>2003 - 2004 Adviser for the Work of Auditing Committees of the "Institute of Professional Directors" Fund</p> <p>2004 - current. Deputy Head, Leading Expert, Principle Expert of the Management of the Financial Control and Internal Audit of UES Federal Grid Company, Joint-Stock Company</p> |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility | Proceedings were not initiated against the |

| | |
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| for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| | |
|--|---|
| <i>Luydmila Romanovna Matyunina</i> | |
| Year of birth | 1950 |
| Education | higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 1998 - 2004 Deputy Chief of the Financial Audit Department of RAO UES of Russia 2004 - current First Deputy Chief of the Internal Audit Department of the Corporate Centre, RAO UES of Russia; |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| <i>Dmitry Vladimirovich Sklyarov</i> | |
|--|--|
| Year of birth | 1979 |
| Education | higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 2001 - 2002 - JSC Modern Technologies, Adviser for the Financial Administration of the Financial Consulting Department 2002 - 2003 - RAO UES of Russia, Leading Expert of the Financial Audit Department 2003 - 2004 - RAO UES of Russia, Principle Expert of the Financial Audit Department 2004 - 2007 - RAO UES of Russia, Leading Expert of the Internal Audit Department of the Corporate Centre 2007 - current - IDGC of Centre, JSC, Chief of the Internal Control and Audit Department |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

| <i>Igor Alikovich Zenyukov</i> | |
|---|--|
| Year of birth | 1966 |
| Education | higher |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 2001 - 2004 – Leading expert of the Corporate Policy Department of JSC Yarenergo ; 2004 - 2005 – Chief of the Corporate Information |

| | |
|--|---|
| | Division of RAO UES of Russia, JSC; 2005 - 2005 – Chief of the Corporate Information Services Division of RAO UES of Russia, JSC; 2005 – 2006 Chief of the Information and Analytical Division of RAO UES of Russia, JSC. 2006 - current Deputy Chief of the Corporate Governance and Shareholder Relations of the Corporate Centre of RAO UES of Russia, JSC |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

Data on employees of the system of the internal control over financial and economic activity of the issuer - the internal control and audit department of IDGC of Centre, JSC.

| | |
|---|--|
| <u>Vadim Evgenievich Bunin</u> | |
| Year of birth | 1976 |
| Education | Higher Kostroma State Technological University, 1996 – 2002. |
| Citizenship | Russia |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 07.2001 - 05.2004 – JSC Kostromaenergo, Deputy Chief Accountant; 05.2004 - 06.2006 – “Vedis” Investment Building Company JSC, Chief Accountant; 06.2006 - 08.2006 – “Vedis” Investment |

| | |
|--|---|
| | Building Company, JSC, Deputy Financial Director; 08.2006 - 10.2007 – IDGC of Centre and North Caucasus JSC, Deputy Director for Economy and Finances of the Southern Directorate; 11.2007 - 06.2008 – IDGC of Centre JSC, Regional Manager for Investment and Logistics; 06.2008 current – IDGC of Centre JSC, Chief of the Internal Control and Auditor Department |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing of the member of issuer's body for control over its financial and economic activity to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions of the member of issuer's body for control over its financial and economic activity in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |

Elena Vitalievna Kochkurova

| | |
|---------------|---|
| Year of birth | 1978 |
| Education | Academy of National Economy under the Government of the Russian Federation, economist; Far East State University, lawyer; "Link" Management Institution, postgraduate study |
| Citizenship | Russian Federation |

| | |
|--|---|
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 07.2002 12.2005-RAO UES of Russia, Principle Expert of the Book Keeping and Reporting Department; 01.2006 - current - IDGC of Centre, JSC, Principle Expert of the Internal Control and Audit Department |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Has no stake |
| Ordinary shares of the issuer belonging to the person | Has no stake |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | Has no such shares |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no sibs with the specified persons |
| Data on bringing of the member of issuer's body for control over its financial and economic activity to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Proceedings were not initiated against the person |
| Data on positions of the member of issuer's body for control over its financial and economic activity in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | The person did not occupy such positions |
| <u>Danil Yurievich Tkalichev</u> | |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | 1982 |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | 1999-2004 - Russian Economic Academy named after G.V.Plehanov; Speciality: "Finance and Credit", Specialization "Financial Management" |
| Ordinary shares of the issuer belonging to the person | Russia |
| Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person | 08.2004 - 03.2006 - RAO UES of Russia - on the basis of the works contract (Financial and Economic Management of the "Service" Business Unit) 03.2006 - current - IDGC of Centre, JSC - Leading Expert of the Internal Control and |

| | |
|--|---|
| | Audit Department; |
| Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer | Has no stake |
| Ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies) | Has no stake |
| Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person | Has no such shares |
| Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer | Has no stake |
| Data on bringing of the member of issuer's body for control over its financial and economic activity to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government | Has no stake |
| Data on positions of the member of issuer's body for control over its financial and economic activity in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations. | Has no such shares |
| Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order | Has no sibs with the specified persons |
| Stake of this person in the authorized capital of the issuer which is a commercial organization | Proceedings were not initiated against the person |
| Ordinary shares of the issuer belonging to the person | The person did not occupy such positions |

5.6. Data on amount of remuneration, privileges and/or indemnification of charges on the body of control over financial and economic activity of the issuer

The system of compensation to members of the Auditing Committee of the issuer is determined by the Regulations for remuneration and compensation payment to members of Auditing Committee of IDGC of Centre and North Caucasus, JSC, the amended version of which was adopted by the decision of the sole shareholder of IDGC of Centre, JSC on 30.03.2006, Minutes No.429pr/1.

According to item 3.1. of the specified Remuneration, the lumpsum compensation is paid for participation in check (audit) of financial and economic activity to a member of the Company Auditing Committee in the amount equal to five minimal monthly base salaries of the worker of the first category established by the industry tariff agreement in the grid complex of the Russian Federation (hereinafter referred to as the Agreement) for the period of carrying out check (audit), in view of the indexation established by the Agreement. Payment of the compensation specified in item 3.1. of the Regulations for remuneration shall be made in a week term after drawing up the report following the results of the check (audit) held. According to item 3.3. of the Regulations, the amount of the remuneration paid to Chairman of the Auditing Committee increases by 50 %.

According to item 3.2. of these Regulations, for each check (audit) of financial and economic activity of the Company, members of the Auditing Committee may receive additional remuneration in the amount which does not exceed twenty minimal month wages of the first category worker established by the Agreement, taking into account the indexation set by the Agreement.

According to item 2.1. of the specified Regulation, charges connected with participation in the issuer's Auditing Committee meeting and carrying out checks are indemnified to a member of the issuer's Auditing Committee on the basis of the regulations for the business travel expenses applicable at the moment of carrying out meetings or checks.

Data on kinds of remuneration, including wages, bonuses, commission, privileges and/or indemnifications of charges, as well as other property granting which were paid by the issuer for the last completed reporting year and quarter 1 of the year 2008:

| Name of the issuer's control body | Remuneration type | Year 2007, RUR, (for audit of the financial and economic activity of the issuer for the fiscal year 2006) | Quarter II 2008, RUR, (for audit of the financial and economic activity of the issuer for the fiscal year 2007) |
|--|--|--|--|
| Auditing Committee | Remuneration for participation in the check | 74, 250 | 87, 065 |
| | Wages | 0 | 0 |
| | Bonuses | 0 | 0 |
| | Commission fees | 0 | 0 |
| | Privileges and/or indemnification of charges | 0 | 0 |
| | Extra fees | 297, 000 | 348, 260 |
| | Total: | 371, 250 | 435, 325 |

Additional agreements concerning payments were not concluded between members of the Auditing Committee and the issuer.

Payment of compensations to employees of the Department for the internal control and audit of IDGC of Centre, JSC was made according to the labour contracts terms.

Additional agreements concerning payments were not concluded between employees of the Department of the internal control and audit of IDGC of Centre, JSC and the issuer.

5.7. Data on the number and the generalized data on education and structure of the staff (employees) of the issuer, and also on change of number of the staff (employees) of the issuer

| Indicator | Period under report, quarter II 2008 |
|--|---|
| Average list amount of employees, people | 24, 077 |
| Amount of the issuer's employees having higher vocational education, % | 26 |
| Amount of the money resources directed for payment, RUR thousand | 1, 444, 976 |
| Volume of the money resources directed to social security, RUR thousand | 39, 550 |
| Total amount of money resources spent, RUR thousand | 1, 484, 526 |

Change of the number of the issuer's employees in the 2nd quarter 2008 is connected with reorganization of the Company in the form of merger of 11 distribution grid companies with it on 31 March 2008.

5.8. Data on any obligations of the issuer to the staff (employees) concerning the possibility of their participation in the authorized (joint-stock) capital (share fund) of the issuer

Agreements or liabilities of the issuer concerning opportunities of participation of the issuer's employees (staff) in its authorized (joint-stock) capital (share fund): there are no the specified agreements or liabilities.

The stake in the authorized (joint-stock) capital (share fund) of the issuer (amount of ordinary shares of the issuer which is a joint-stock company) which may be purchased by employees (staff) of the issuer under agreements or liabilities of the issuer concerning opportunities of participation of employees (staff) of the issuer in its authorized (joint-stock) capital (share fund): there are no specified agreements or liabilities.

Data on granting or opportunity of granting the issuer's options to the issuer employees (staff): the issuer did not carry out issuing options. There is no opportunity of granting the specified options of the issuer to employees at the moment.

VI. Data on participants (shareholders) of the issuer and on deals containing an interest made by the issuer:

6.1. Data on total amount of shareholders of the issuer

Total amount of persons registered in the issuer's shareholder register as of 30 June 2008: 15,630,
Including a total of nominal shareholders as of 30 June 2008: 25.

6.2. Data on the participants (shareholders) of the issuer owning at least 5 percent of its authorized (joint-stock) capital (share fund) or at least 5 percent of its ordinary shares, as well as data on participants (shareholders) of such persons owning at least 20 percent of the authorized (joint-stock) capital (share fund) or at least 20 percent of their ordinary shares

Full name: Depository and Corporate Technologies Limited Liability Company

Abbreviated name: DCT Ltd.

Location: 119607, Moscow, Ramenki street 17, building 1

Contact phone: (495) 641-30-31

Fax: (495) 641-30-31

E-mail: dkt@depotech.ru

Number, date of delivery and validity of the license for realization of depository activity: No. 177-11151-000100, 3 April 2008, without restriction of validity.

Name of body which issued the license: FFMS of Russia

Amount of ordinary shares of the issuer registered in the register of shareholders of the issuer for the name of the nominal holder: 21, 206, 473, 501 pieces.

Type of the registered person: nominal holder

Shareholders (participants) owning at least 20 percent of the authorized capital of the shareholder (participant) of the issuer: no data

Full name: Depository Clearing Company, Closed Joint-Stock Company

Abbreviated name: DCC, JSC.

Location: 115162, Moscow, Shabolovka Street, 31, bld. "B."

Contact phone: (495) 956-0999

Fax: (495) 232-68-04

E-mail address: dcc@dcc.ru

Number, date of delivery and validity of the license: 177-06236-000100, 9.10.2002, termless.

Name of the body which issued the license: FFMS of Russia

Amount of ordinary shares of the issuer registered in the register of shareholders of the issuer for the name of the nominal holder: 8,942,861,336 pieces

Type of the registered person: nominal holder

Shareholders (participants) owning at least 20 percent of the authorized capital of the shareholder (participant) of the issuer: no data

Full name: Deutsche Bank Limited Liability Company.

Abbreviated name: Deutsche Bank Ltd.

Location: 115035, Moscow, Sadovnicheskaya Street, 82, bld. 2

Contact phone: (495) 797 5000

Fax: (495) 797 5017

E-mail address: db.moscow@db.com

Number, date of delivery and validity of the license: No.177--05616-000100, 4.09.2001, without restriction of validity.

Name of the body which issued the licensed: Federal Commission for the Securities of Russia

Amount of ordinary shares of the issuer registered in the register of shareholders of the issuer for the name of the nominal holder: 6, 083, 423, 761 pieces

Type of the registered person: nominal holder

Shareholders (participants) owning at least 20 percent of the authorized capital of the shareholder (participant) of the issuer: no data

6.3. Data on the stake of the state or municipal formation in the authorized (joint-stock) capital (share fund) of the issuer, presence of the special right ("golden share")

Type of the property: federal

Amount of the share in the authorized capital of the issuer: 0.4552 %

Package holder: the Russian Federation on behalf of the Federal Agency for Federal Property Management

Presence of the special right to participation of the Russian Federation, entities of the Russian Federation, municipal formations in management of the issuer ("golden share"): it is not stipulated.

6.4. Data on restrictions on participation in the authorized (joint-stock) capital (share fund) of the issuer

The Charter of the issuer does not stipulate restriction of amount of the shares belonging to one shareholder, and/or their total par value, and/or maximal amount of votes given to one shareholder.

6.5. Data on changes in the composition and stake of shareholders (participants) of the issuer owning at least 5 percent of its authorized (joint-stock) capital (share fund) or at least 5 percent of its ordinary shares

| Full shareholder name | 17.12.2004⁴ | 18.04.2008⁵ |
|---|--|---|
| Russian Joint Stock Company of Power Industry and Electrification "RAO UES of Russia" | 100% of the authorized capital 100% of the issuer's ordinary shares | 50.23% of the authorized capital 50.23% обыкновенных акций эмитента |
| Deutsche Bank AG London branch | 0% | 15.15% of the authorized capital 15.5% of the issuer's ordinary shares |
| Citigroup Global Markets Limited | 0% | 5.31% of the authorized capital 5.31% of the issuer's ordinary shares |

6.6. Data on the interested-party deals of the issuer

| No. | Indicator | Quarter II 2008 |
|------------|---|--|
| 1. | Total number and total amount in money terms of the interested-party transactions requiring approval by the issuer's authorized governance bodies, completed by the issuer for the reporting period, pcs/RUR | 1 /RUR 2,800 (VAT included (18%)) |
| 2. | Total number and total amount in money terms of the interested-party transactions completed by the issuer for the reporting period which were approved by the general shareholders (participants) meeting, pcs./RUR | - |
| 3. | Total number and total amount in money terms of the interested-party transactions completed by the issuer for the reporting period which were adopted by the Board of Directors (the issuer's supervisory board), pcs/RUR | 1 /RUR 2,800 (VAT included (18%)) |

⁴ 17.04.2004- date of creation of the issuer. From the moment of the issuer creation and up to 31.03.2008, the issuer was a 100% subsidiary of RAO UES of Russia; accordingly, lists of the persons entitled to take part in the general shareholders meeting was not drawn up

⁵ Date of drawing up the list of the persons entitled to take part in the annual shareholder meeting held on 30.05.2008.

| | | |
|----|--|---|
| 4. | Total number and total amount in money terms of the interested-party transactions which required approval by the issuer's authorized governance bodies, but were not approved by the issuer's governance bodies, completed by the issuer for the reporting period, pcs/RUR | - |
|----|--|---|

Transactions (groups of associated transactions), the price of which is 5 and more percent of the issuer's total assets defined according to its accounting reporting for the last reporting date before completion of the transaction completed for the last reporting quarter were not made.

Transactions (groups of associated transactions) which are interested-party transactions and which require approval, but were not approved by the issuer's authorized governance body (the decision on approval of which was not taken by the issuer's board of directors (supervisory council) or the general participants (shareholders) meeting in cases when such approval was obligatory according to the legislation of the Russian Federation) were not concluded.

6.7. Data on debt receivable amount

| ‘000 RUR | |
|--|--------------|
| Debt receivable | 30 June 2008 |
| Debt receivable | 5,996,988 |
| Including the deferred debt receivable | 0 |

Structure of the issuer's debt receivable as of 30 June 2008

| ‘000 RUR | | |
|--|------------------|---------------|
| Debt receivable name | Maturity | |
| | Under one year | Over one year |
| Debt receivable of buyers and customers | 3,458,837 | 0 |
| Including the deferred debt | 0 | 0 |
| Debt receivable under promissory notes receivable | 0 | 0 |
| Including the deferred debt | 0 | 0 |
| Debt receivable of participants (founders) under contributions to the authorized capital | 0 | 0 |
| Including the deferred debt | 0 | 0 |
| Debt receivable under the advance payments given out | 1,474,780 | 0 |
| Including the deferred debt | 0 | 0 |
| Other debt receivable | 1,031,413 | 31,958 |
| Including the deferred debt | 0 | 0 |
| Total | 5,965,030 | 31,958 |
| Including the deferred debt | 0 | 0 |

The debtors owing at least 10% of the total amount of accounts payable of 30 June 2008:

| | |
|--|---|
| Full company name | Tver Power Sales Company, Joint Stock Company |
| Abbreviated company name | Tverenergosbyt, JSC |
| Location (legal address) | 170 003, Tver, Peterburgskoe avenue, 2 |
| Amount of debt receivable, ‘000 RUR | 642,936 |
| Amount and terms of overdue debt receivables (interest rate, fines, penalties). | The debt receivable is current. |

The specified debtor is not affiliated with the issuer.

VII. Accounting reporting of the issuer and other financial information:

7.1. Annual accounting reporting

Accounting Statements for the period under report was made up according to the requirements of the legislation of the Russian Federation; it is presented in Appendix 1:

Accounting Statements for the year under report drawn up in accordance with the requirements of the legislation of the Russian Federation is not provided in the quarterly report for the 2nd quarter

Accounting statements for the year ended 31 December 2007 drawn up in accordance with the International Financial Reporting Standards is included in this report for the 2nd quarter 2008, as it was drawn up in the 2nd quarter 2008. This reporting is provided in Appendix 1.

Structure of the issuer's annual accounting statements for the year ended 31 December 2007 drawn up in accordance with the International Financial Reporting Standards applied to the quarterly report:

- Independent Auditor's Report;
- Profit and Loss Statement;
- Accounting balance sheet;
- Cash Flow Statement;
- Statement of Changes in Equity;
- Notes to the Financial Reporting.

7.2. Quarter accounting reporting of the issuer for the last completed reporting quarter

Accounting Statements for the period under report was made up according to the requirements of the legislation of the Russian Federation; it is presented in Appendix 2:

Form 1 "Accounting Balance Sheet";

Form 2 "Profit and Loss Statement";

7.3. Summary accounting reporting of the issuer for the last completed fiscal year

The summary (consolidated) accounting statements are not stipulated by IDGC of Centre.

7.4. Data on the accounting policy of the issuer

Accounting policy of the issuer is not reflected in this Quarterly Report as the Company accounting policy adopted for the current fiscal year was not amended in the reporting (second) quarter.

The information disclosed by IDGC of Centre according to the regulations for the information policy of IDGC of Centre:

The accounting policy of IDGC of Centre is placed on the website of the Company at: http://www.mrsk-1.ru/stockholder/inform/fin_bux/uchpolitik/

7.5. Data on total sum of export, and on export share in the total amount of sales

The issuer does not carry out export of products (goods, works, and services) abroad.

7.6. Data on cost of real estate of the issuer and the essential changes which occurred in the structure of property of the issuer after the date of the last completed fiscal year

Cost of real estate of IDGC of Center as of 1 July 2008 is presented in the following table:

| ('000 RUR) | | | | |
|------------|-------------|--------------|----------------------|---------------|
| No. | Name | Initial cost | Accrued amortization | Residual cost |
| 1 | Real estate | 21,765,531 | 348,828 | 21,416,703 |

There is no immovable property purchased and retires in the first half of 2008 which exceed 5% of the total company assets.

As of 1 January 2008, IDGC of Centre did not carry out reassessment.

Essential changes in the structure of immovable property of the issuer, which took place within 12 months before the date of termination of the reporting quarter: none.

Purchases or retirement on any bases of any other property of the issuer if the balance cost of such property exceeds 5 percent of the balance cost of assets of the issuer, and also other changes essential for the issuer which occurred in the structure of other property of the issuer after the date of termination of the last completed fiscal year before the date of termination of the reporting quarter: none.

7.7. Data on participation of the issuer in litigations if such participation can essentially influence financial and economic activities

Within 3 years prior to the date of termination of the 1st quarter 2008, the issuer did not participate in litigations, participation in which can essentially be reflected in financial and economic activity of the issuer.

VIII. Additional data on the issuer and on the equity securities floated by it:

8.1. Additional data on the issuer

8.1.1. Data on the amount, structure of the authorized (joint-stock) capital (share fund) of the issuer

Authorized (joint-stock) capital (share fund) of the issuer as of the date of adoption of the prospectus for securities: 4,221,794,146 (four billion two hundred and twenty-one million seven hundred and ninety four thousand one hundred and forty-six) rubles and 80 kopecks.

Total par value of ordinary shares: 4,221,794,146 (four billion two hundred and twenty-one million seven hundred and ninety four thousand one hundred and forty-six) rubles and 80 kopecks.

Total par value of preferred shares: preferred shares were not issued by the issuer.

Amount of the ordinary shares in the authorized capital of the issuer: 100 %

Amount of the preferred shares in the authorized capital of the issuer: 0 %

The shares of the issuer are not circulated outside the Russian Federation by means of circulation according to the foreign right of securities of the foreign issuers certifying the rights concerning shares of the issuer.

8.1.2. Data on change of the amount of the authorized (joint-stock) capital (share fund) of the issuer

Amount of the authorized (joint-stock) capital (share fund) of the issuer as of the date of the beginning of the last reporting quarter: RUR 10,000,000 (ten million)

Total par value of ordinary shares as of the date of the beginning of the last reporting quarter: RUR 10,000,000 (ten million).

Total par value of preferred shares of the date of the beginning of the last reporting quarter: preference shares were not issued by the issuer.

Amount of ordinary shares in the authorized capital of the issuer as of the date of the beginning of the last reporting quarter: 100 %

Amount of preferred shares in the authorized capital of the issuer as of the date of the beginning of the last reporting quarter: 0 %

Name of the governance authority of the issuer who made a decision to change the amount of the authorized (joint-stock) capital (share fund) of the issuer: general shareholders meeting (the decision of the sole shareholder).

Date of drawing up and number of the minutes of the meeting (proceedings) of the issuer's governance authority, where the decision on change of the amount of the authorized (joint-stock) capital (share fund) of the issuer was taken: 25 December 2007, No. 1795pr/3.

Amount of the issuer's authorized (joint-stock) capital (share fund) issuer after the change: 4,221,794,146 (four billion two hundred and twenty-one million seven hundred and ninety-four thousand one hundred and forty-six) rubles and 80 kopecks.

8.1.3. Data on formation and use of the reserve fund and of other funds of the issuer

Name of the fund: Reserve Fund.

Amount of the fund established by constituent documents: the issuer creates the Reserve Fund in the amount of 5 (five) percent of the authorized capital of the issuer.

Amount of the fund in money terms on the date of termination of each completed fiscal year and expressed in percentage of the authorized (joint-stock) capital (share fund):

On 30 June 2008: 0.0 thousand rubles (0%).

Amount of deductions to the fund within each completed fiscal year:

In the 2nd quarter 2008: 0.0 thousand rubles (0%).

8.1.4. Data on the procedure of convocation and carrying out the meeting (conference) of the issuer supreme management body

The name of the supreme governance body of the issuer: General Shareholders Meeting.

The notification procedure of shareholders (participants) about carrying out the meeting of the supreme governance body of the issuer: the notice on carrying out the general meeting of shareholders in the form of a meeting is published by the Company in the *Vedomosti* newspaper and is placed in the Internet website of the Company not later than 30 (thirty) days prior to the date of its carrying.

The notice on carrying out the general meeting of shareholders by correspondence voting is published by the Company in the *Vedomosti* newspaper and is placed in the Internet website of the Company not later than 30 (thirty) days prior to the date of its carrying

In case the person registered in the register of shareholders of the Company is the person - nominal holder of shares, the notice on carrying out the general shareholders meeting is sent to the address of the nominal holder of shares if another postal address for sending the notice is not indicated in the list of the persons who have the right to participation in the general shareholders meeting.

Persons (bodies) who have the right to convoke (to demand carrying out) of the extraordinary meeting of the supreme governance body of the issuer, and also the order of sending (presentation) of such requirements.

Extraordinary general shareholders meeting of the Company is held under the decision of the Board of Directors of the Company on the basis of its own initiative, the requirement of the Revision committee of the Company, the Auditor of the Company, and also the shareholder (shareholders), being owner(s) of at least 10 (ten) percent of voting shares of the Company for the date of presentation of the requirement.

Procedure of definition of the date for carrying out the meeting of the supreme governance body of the issuer.

Annual general shareholders meeting of the Company is held not earlier than two months and not later than six months after the termination of a fiscal year.

Convocation of the extraordinary general shareholders meeting on demand of the Auditing Committee of the Company, the Auditor of the Company or the shareholders (shareholder) being owners of at least 10 (ten) percent of voting shares of the Company is carried out by the Board of Directors of the Company.

Such general shareholders meeting should be held within 40 (forty) days from the moment of representation of the requirement about carrying out the extraordinary general meeting shareholders of the Company, except for the case stipulated by item 14.9. of the charter.

In case the proposed agenda of the extraordinary general shareholders meeting contains a question on election of members of the Board of Directors of the Company, the general shareholders meeting should be held within 90 (ninety) days from the moment of representation of the requirement about carrying out the extraordinary general meeting shareholders of the Company.

Persons who are enabled to make proposals in the agenda of the meeting of the supreme governance body of the issuer, and also the order of making such proposals.

The shareholders (shareholder) of the Company enables in aggregate by owners of at least 2 (two) percent of voting shares of the Company, in time not later than 60 (sixty) days after the termination of a fiscal year have the right to propose items in the agenda of the annual general meeting of shareholders and to propose candidates for the Board of Directors and the Auditing Committee of the Company, the number of which cannot exceed the quantitative structure of the corresponding body.

The proposal on inclusion of items in the agenda of the general shareholders meeting and the proposal on nomination of candidates are made in writing with indication of the name of the shareholders (shareholder) who presented them, amount and category (type) of shares belonging to them and should be signed by shareholders (shareholder).

The offer on inclusion of items in the agenda of general shareholders meeting should contain the formulation of each proposed item, and the proposal on nomination of candidates - the name and data of the document proving the identity (series and (or) number of the document, date and place of its delivery,

the body which issued the document) of each proposed candidate, name of the body, for election to which he/she is proposed.

The requirement about carrying out the extraordinary general meeting of shareholders of the Company should have the items which are subject to inclusion in the agenda of the meeting.

The persons (person) demanding convocation of the extraordinary general shareholders meeting of the Company, have the right to present the draft decision of the extraordinary general shareholders meeting of the Company, the proposal on the form of carrying out the general shareholders meeting. In case the requirement about convocation of the extraordinary general meeting of shareholders contains the proposal on nomination of candidates, the corresponding provisions of Article 13 of the Charter extend to such proposal.

In case the requirement about convocation of the extraordinary general meeting of shareholders of the Company comes from the shareholder (shareholders), it should contain the name of the shareholder (shareholders) demanding convocation of the meeting, with the indication of amount, category (type) of shares of the Company belonging to them.

The requirement about convocation of the extraordinary general meeting of shareholders of the Company is signed by the person (persons) demanding convocation of the extraordinary general shareholders meeting of the Company.

In case the proposed agenda of the extraordinary general shareholders meeting contains an item on election of members of the Board of Directors of the Company:

The general shareholders meeting should be held within 90 (ninety) days from the moment of representation of the requirement about carrying out the extraordinary general meeting of shareholders of the Company.

The shareholders (shareholder) of the Company being in aggregate owners of at least 2 percent of voting shares of the Company have the right to propose candidates for election to the Board of Directors of the Company, the number of which cannot exceed the quantitative structure of the Board of Directors of the Company.

Such proposals should be received by the Company at least 30 (thirty) days prior to the date of carrying out the extraordinary general meeting shareholders.

Persons who have the right to examine the information (documents) given for preparation and carrying out of the meeting of the supreme governance body of the issuer, and also the order of examination of such information (documents).

The information (documents) concerning the agenda of general shareholders meeting within 20 (twenty) days, and in case of carrying out the general shareholders meeting, the agenda of which contains an item on reorganization of the Company, within 30 (thirty) days prior to carrying out of general shareholders meeting should be available to the persons enabled for participation in the general shareholders meeting, for examination in the governance body of the Company and other places, the addresses of which are specified in the notice on carrying out the general shareholders meeting. The specified information (materials) should be available to the persons who take part in the general shareholders meeting during its carrying out.

The order of examination of the persons enabled for participation in general shareholders meeting, with the information (documents) concerning the agenda of general shareholders meeting and the list of such information (documents) are defined by the decision of the Board of Directors of the Company.

The order of announcement (bringing to the notice of shareholders (participants) of the issuer) of the decisions taken by the supreme governance body of the issuer, and also results of voting.

Results of voting and decisions taken by the general shareholders meeting of the Company, held by the meeting can be announced at the general shareholders meeting of the Company.

In case the results of voting and the decisions taken by the general shareholders meeting of the Company held as a meeting were not announced at the general shareholders meeting of the Company, than not later than 10 (ten) days after drawing up the minutes on results of voting - the decisions taken by the general shareholders meeting of the Company, and also results of voting in the form of the report on results of voting are brought to the notice of the persons who have the right to participation in the general shareholders meeting of the Company in accordance with the procedure stipulated by item 11.5. of the Charter of the Company, namely: published in the *Vedomosti* newspaper, and also placed on the web-site of the Company in the Internet.

The decisions taken by the general shareholders meeting, held in the form of the correspondence voting, and also results of voting in the form of the report on results of voting not later than 10 (ten) days

after drawing up of the minutes on results of voting are brought to the notice of the persons who have the right to participation in the general shareholders meeting of the Company, by the publication in the *Vedomosti* newspaper, and also are placed on the Company Internet web-site.

8.1.5. Data on the commercial organizations, in which the issuer owns at least 5 percent of the authorized (joint-stock) capital (share fund) or at least 5 percent of ordinary shares:

1. Full and reduced company names: Kostroma television channel, Limited liability company.

Location: 156000, Russian Federation, Kostroma, Molodezhnaya street 1, office 102.

Stake the issuer in the authorized capital of KTC Ltd.: 61.59 %

Ordinary shares of KTC Ltd. belonging to the issuer: 0 %

Stake of KTC Ltd. in the authorized capital of the issuer: none

Ordinary shares of the issuer belonging to KTC Ltd.: none

2. Full and reduced company names: "Energetik" Preventorium Sanatorium, Open joint-stock company

Reduced company name: "Energetik" Preventorium Sanatorium, OJSC

Location: Tambov area, Tambov region, Novaya Lyada workers settlement, Sanatornaya street 1.

Post address: 392515, Tambov area, Tambov region, Novaya Lyada workers settlement, Sanatornaya street 1

Stake of the issuer in the authorized capital of "Energetik" Preventorium Sanatorium, OJSC: 100 %

Ordinary shares of "Energetik" Preventorium Sanatorium, OJSC belonging to the issuer: 100 %

Stake of "Energetik" Preventorium Sanatorium, OJSC in the authorized capital of the issuer: none

Ordinary shares of the issuer belonging to "Energetik" Preventorium Sanatorium, OJSC: none

3. Full and reduced company names: "Strukovo" Open Joint-Stock Company

Reduced company name: "Strukovo" OJSC

Location: 215770, Dorogobuzhsky district, Strukovo village.

Post address: 215770, Dorogobuzhsky district, Strukovo village.

Stake of the issuer in the authorized capital of "Strukovo" OJSC: 100 %

Ordinary shares of "Strukovo" OJSC belonging to the issuer: 100 %

Stake of "Strukovo" OJSC in the authorized capital of the issuer: none

Ordinary shares of the issuer belonging to "Strukovo" OJSC: none

4. Full and reduced company names: "Bogatyr", Open Joint-Stock Company

Reduced company name: "Bogatyr" OJSC

Location: 216239, Dukhovschinsky district, Velisto village.

Post address: 216239, Dukhovschinsky district, Velisto village.

Stake of the issuer in the authorized capital of "Velisto" OJSC: 100 %

Ordinary shares of "Velisto" OJSC belonging to the issuer: 100 %

Stake of "Velisto" OJSC in the authorized capital of the issuer: none

Ordinary shares of the issuer belonging to "Velisto" OJSC: none

8.1.6. Data on material transactions completed by the issuer

Within the 2nd quarter 2008, IDGC of Centre did not make transactions (group of associated transactions), the amount of obligations under which is 10 (ten and more) percent of the total balance assets of the issuer according to the accounting reporting for the last reporting quarter prior to the date of fulfilment of the transaction (as of 31 March 2008).

8.1.7. Data on credit ratings of the issuer

Object of assignment of the credit rating: the issuer

Value of the credit rating at the date of termination of the reporting quarter: "A" - high credit status, second level.

The high level of credit status means that the company is capable to exercise in full the credit and promissory notes without loss of solvency and financial stability. The enterprise possesses low risk of loss

of solvency in case of increase in debt loading concerning the existing obligations.

History of change of values of the credit rating for the last 5 completed financial years: the rating was appropriated for the first time

The name of the rating agency: National Rating Agency Ltd.

Location: 107023, Moscow, B.Semenovskaya Street, 15, floor 3

The Internet website containing the information on the method of assignment of the credit rating: www.ra-national.ru

Other data: National Rating Agency is private and has been carrying out activity on assignment ratings to participants of the financial market since 2002. Now remote and individual ratings are assigned to over 500 companies and banks of Russia. The analysis is carried out more than on 50 parameters quarterly and monthly. Ratings are divided into two components - remote and individual. The first are based only on the analysis of financial reporting; the methods of the second include the qualitative analysis. The rating of business activity of NCO is supported. The NRA individual ratings are assigned to the largest players of the financial market. Periodicals and electronic mass media on a regular basis publish our materials (*Vedomosti, Kommersant, Delovoy Peterburg, D-Shtrih, Popularnye Financy, Finance, Izvestiya, RBK*, etc.)

8.2. Data on each category (type) of shares of the issuer:

Category of shares: ordinary

Par value of each share: 10 (ten) kopecks

Amount of the shares which are in circulation (amount of shares which are not repaid or cancelled): 42,217,941,468 (forty-two billion two hundred and seventeen million nine hundred and forty-one thousand four hundred and sixty-eight) pieces.

Amount of the additional shares which are in process of placement (amount of shares of additional issue concerning which the state registration of the report on results of their release is not carried out): none.

Amount of the declared share fixed in the issuer's Charter as of the date of the end of the reporting period: 258,532 (two hundred and fifty-eight thousand five hundred and thirty-two) pieces of ordinary registered shares, par value of which is 10 (ten) kopecks.

Amount of additional shares which may be placed as a result of converting the placed securities convertible into shares, or as a result of exercise of liabilities under options of the issuer: none.

State registration number and date of the state registration of the issue: 1-01-10214-A as of 24 March 2005.

Additional issues: 1-01-10214-A-001D, 1-01-10214-A-002D, 1-01-10214-A-003D, 1-01-10214-A-004D, 1-01-10214-A-005D, 1-01-10214-A-006D, 1-01-10214-A-007D, 1-01-10214-A-008D, 1-01-10214-A-009D, 1-01-10214-A-010D, 1-01-10214-A-011D, 1-01-10214-A-012D, 1-01-10214-A-013D, 1-01-10214-A-014D, 1-01-10214-A-015D, 1-01-10214-A-016D, 1-01-10214-A-017D, 1-01-10214-A-018D, 1-01-10214-A-019D, 1-01-10214-A-020D, 1-01-10214-A-021D as of 21 March 2008.

Rights provided by each security of the issue:

According to Item 6.2. of the Charter of the issuer: «6.2. Each ordinary share of the Company shall provide a shareholder - its owner - an equal volume of rights.

The rights of shareholders owners of the ordinary shares of the Company shall be the following:

- 1) to participate personally or through representatives in general shareholders meeting of the Company with the right of vote on all items in its competence;
- 2) to introduce moves in the agenda of the general meeting according to the legislation of the Russian Federation and this Charter;
- 3) to obtain information on the activity of the Company and get acquainted with the documentation of the Company in accordance with Article 91 of the Federal Law "On Joint Stock Companies" and other regulatory and legal statements and this Charter;
- 4) to receive dividends announced by the Company;

5) to preferential right to acquire additional shares and emission securities placed through the open subscription, converted into shares in the amount proportional to the number of ordinary shares possessed by them;

6) to receive a part of the Company's property in case of its liquidation;

7) to exercise other rights stipulated in the legislation of the Russian Federation and this Charter».

The issuer did not issue preferred shares.

8.3. Data on the previous issues of equity securities of the issuer except for shares of the issuer

8.3.1. Data on the issues all the securities of which are repaid (annulled)

Securities, except for shares, were not placed by the issuer.

8.3.2. Data on the issues, the securities of which are in circulation

Securities, except for shares were not placed by the issuer.

8.3.3. Data on the issues, the obligations of the issuer under the securities of which were not executed (Default)

Securities, except for the shares, were not placed by the issuer.

8.4. Data on the person (persons), who provided security on bonds of the issue

Data are absent, as the issuer did not carry out issuing bonds.

8.5. Data of security of obligations execution on bonds of the issue

Data are absent, as the issuer did not carry out issuing bonds.

8.5.1. Conditions of maintenance of execution of obligations under bonds with mortgage covering

Data are not specified, as the issuer did not carry out issue of bonds.

8.6. Data on the organizations which carry out accounting of the rights to the equity securities

| | |
|--|--|
| Person performing keeping the register of owners of the issuer's registered securities | Registrar |
| Full company name of the registrar | “Central Moscow Depository” Open Joint-Stock Company |
| Abbreviated company name of the registrar | JSC “CMD” or “Central Moscow Depository” |
| Location of the registrar | 107078, Moscow, Orlikov lane, 3, bld. «B» |
| License for realization of the securities owners register keeping | 10-000-1-00255 |
| Date of deliver of the specified license | 13.09.2002 |
| Date of expiry of the specified license | Term less |
| Authority which issued the license | FCSM of Russia |
| Other data on keeping the register of owners of the issuer's securities which are specified by the issuer on its own discretion | Postal address of the registrar: 105082, Moscow, B.Pochtovaya street, d. 34, bld. 8 Phone/fax: (495) 221-13-34, 221-13-30, 221-13-33, (495) 221-13-83 E-mail of the registrar: dr@mcd.ru |

The issuer did not issue certificated equity securities.

8.7. Data on the legislative acts regulating questions of import and export of the capital, which can influence payment of dividends, interests and other payments to non-residents

Names and data of acts of the Russian Federation applicable on the date of adoption of the prospectus for securities which regulate issues of import and export of the capital and can have effect on payment of dividends to non-residents per shares of the issuer:

Main principles of realization of the currency transactions in the Russian Federation, rights and duties of legal entities and physical persons at ownership, use and disposal of the foreign currency and currency of the Russian Federation, the responsibility for infringement of the currency legislation are established by the Federal Law of the Russian Federation "About currency regulation and currency control of 12/10/2003 173-FZ;

At the same time, the acts specified below also contain the corresponding norms establishing the order of fulfilment of transactions and calculations with use of Russian and the foreign currency:

Civil Code of the Russian Federation (Part I) of 30.11.1994 N 51-FZ;

Civil Code of the Russian Federation (Part III) of 26.11.2001 N 146-FZ;

Tax Code of the Russian Federation (Part I) of 31.07.1998 N 146-FZ;

Tax Code of the Russian Federation (Part II) of 5.08.2000 N 117-FZ;

Federal Law of the Russian Federation of 9.07.1999 N 160-FZ (as amended on 26.06.2007) "On foreign investments into the Russian Federation";

Federal Law of 7.08.2001 No.115-FZ "On countermeasures to legalization (laundering of proceeds) of the incomes, received by criminal way and financing of terrorism".

International agreements (contracts) of Russia with the foreign countries ratified by Federal Laws of the Russian Federation, and establishing the mode of avoidance of the double taxation on the territory of the countries which are participants of these agreements (contracts):

Agreement between the Government of the Russian Federation and the Government of the Republic of Uzbekistan of 2.03.1994 "On avoidance of the double taxation of incomes and property" (Agreement was ratified by the Federal Law of the Russian Federation of 24.04.1995 N 51-FZ);

Agreement between the Government of the Russian Federation and the Government of the Ukraine of 8.02.1995 "On avoidance of the double taxation of incomes and property and prevention of evasion from payment of taxes" (Agreement is ratified by the Federal law of the Russian Federation of 8.07.1999 N 145-FZ);

Agreement between the Government of the Russian Federation and the Government of Belarus of 21.04.1995 "On avoidance of the double taxation and prevention of evasion from payment of taxes concerning taxes to incomes and property" (Agreement was ratified by the Federal Law of the Russian Federation of 10.01.1997 N 14-FZ);

Agreement between the Government of the Russian Federation and the Government of the Republic of Moldova of 12.04.1996 "About avoidance of the double taxation of incomes and property and prevention of evasion from payment of taxes" (the Agreement was ratified by the Federal Law of the Russian Federation of 28.04.1997 N 72-FZ);

Convention between the Government of the Russian Federation and the Government of the Republic of Kazakhstan of 18.10.1996 "On elimination of the double taxation and prevention of evasion from payment of taxes to incomes and the capital" (the Convention was ratified by the Federal Law of the Russian Federation of 28.04.1997 N 74-FZ);

Agreement between the Government of the Russian Federation and the Government of the Republic of Armenia of 28.12.1996 "On elimination of the double taxation on incomes and property" (the Agreement was ratified by the Federal Law of the Russian Federation of 17.12.1997 N 151-FZ);

The Agreement between the Government of the Russian Federation and the Government of the Kirghiz Republic of

13.01.1999 "On avoidance of the double taxation and prevention of evasion from payment of taxes to incomes" (the Agreement was ratified by the Federal Law of the Russian Federation of 8.07.1999 N 146-FZ);

Agreement between the Government of the Russian Federation and the Government of the Lithuanian Republic of 29 June 1999 "On avoidance of the double taxation and prevention of evasion from payment of taxes concerning taxes to incomes and the capital" (the Agreement was ratified by the Federal

Law of the Russian Federation of 26.04.2005 N40-FZ);

Contract between the Russian Federation and the USA from 17.06.1992 "On avoidance of the double taxation and prevention of evasion from the taxation concerning taxes to incomes and the capital" (the Contract was ratified by the Decision of the Supreme Council of the Russian Federation of 22.10.1992 N 3702-1);

Convention between the Government of the Russian Federation and the Government of the State of Israel of 25.04.1994 "On avoidance of the double taxation and prevention of evasion from the taxation concerning taxes to incomes" (the Convention was ratified by the Federal law of the Russian Federation of 8.10.2000 N 126-FZ);

The Convention between the Government of the Russian Federation and the Government of the United Kingdom of the Great Britain and Northern Ireland of 15.02.1994 "On avoidance of the double taxation and prevention of evasion from the taxation concerning taxes to incomes and increase in value of property (together with exchange of the Notes of 15.02.1994 "Between the plenipotentiary Ambassador of the United Kingdom of the Great Britain and Northern Ireland in the Russian Federation and the deputy minister of foreign affairs of the Russian Federation) (the Convention and the Agreement concluded in the form of an exchange by notes, on application of separate provisions of the Convention, were ratified by the Federal Law of 19.03.1997 N 65-FZ);

Agreement between the Russian Federation and Federal Republic Germany of 29.05.1996 "On avoidance of the double taxation concerning taxes to incomes and property" (the Agreement was ratified by the Federal Law of the Russian Federation of 18.12.1996 N 158-FZ);

Agreement between the Government of the Russian Federation and the Government of the Republic of Cyprus of 5.12.1998 "On avoidance of the double taxation concerning taxes to incomes and the capital" (the Agreement was ratified by the Federal Law of 17.07.1999 N 167-FZ).

8.8. Description of incomes taxation procedure of the issuer's floated equity securities and equity securities which are in the process of floatation

Taxation of incomes from the placed issuer's equity securities and the securities in the process of placement are regulated by the Tax Code of the Russian Federation (further on called "TC"), and also other normative legal acts of the Russian Federation adopted according to the Tax Code of the Russian Federation.

TAXATION RATES

| Profit type | Legal entities | | Physical persons | |
|---------------------------------|---|---------------|------------------|---------------|
| | Residents | Non-residents | Residents | Non-residents |
| Coupon profit | 24% (including: federal budget – 6.5%, budget of the federation entity– 17.5%) | 20% | 13% | 30% |
| Profit from sale of securities | 24% (including: federal budget – 6.5%, budget of the federation entity – 17.5%) | 20% | 13% | 30% |
| Profit in the form of dividends | 0% (subitem 1 item 3 Article 284 of the RF-TC) and 9%(subitem 2 item 3 Article 284 of the RF-TC | 15% | 9% | 15% |

TAX ASSESSMENT METHOD FOR PHYSICAL PERSONS

Tax - the income tax.

The sources of income of the Russian Federation include:

- Dividends and interest received from the Russian organization, and also the interest received from the Russian individual businessmen and (or) the foreign organization in connection with activity of its permanent mission in the Russian Federation;
- Incomes of sale in the Russian Federation of shares or other securities, and also stakes in the authorized capital of the organizations.

Tax base.

The income of the tax bearer received in the form of material benefit is material benefit received from purchase of securities. The tax base is defined as excess of the market cost of the securities defined in view of the limiting border of fluctuations of the market price of securities, over the amount of actual charges of the tax bearer on their purchase. The order of definition of the market price of securities and the limiting border of fluctuations of the market price of securities is established by the federal authority which carries out regulation of the securities market.

At definition of the tax base under incomes from operations with securities, the incomes received on the following operations are considered:

- Sale and purchase of the securities circulating on the organized securities market;
- Sale and purchase of the securities which are not circulating on the organized securities market.

The income (loss) under securities sale and purchase operation is defined as a difference between the amount of incomes received from realization of securities, and documentary confirmed charges on purchase, realization and storage of the securities actually made by the tax bearer, or the property deductions accepted in the part of reduction of incomes of the transaction of sale and purchase.

The specified charges include:

- Amounts paid to the seller according to the contract;
- Payment of the services rendered by the depositary;
- Commission deductions to professional participants of the securities market, the discount paid (compensated) to the management company of the share investment fund at sale (repayment) by the investor of the investment contribution defined according to the order established by the legislation of the Russian Federation about the investment funds;
- Exchange collections (commission fee);
- Payment of services of the registrar;
- Other charges directly connected with the purchase, sale and safe keeping of the securities made for the services rendered by professional participants of the securities market within the limits of their professional work.

The income (loss) on operations of sale and purchase of the securities circulating on the organized securities market, decreases (increases) by the sum of the percent paid for using money resources involved for fulfillment of the transaction of sale and purchase of securities, within the limits of the sums calculated proceeding from the current rate of refinancing of the Central Bank of the Russian Federation.

Under operations with the securities circulating on the organized securities market - the amount of the loss is defined in view of the limiting border of fluctuations of the market price of securities.

The securities circulating on the organized securities market include securities admitted to circulation at organizers of trade who have the license of the federal body which is carrying out regulation of the securities market.

The market quotation of the securities circulating on the organized securities market is the average price of the securities under the transactions completed within the trading day through the organizer of trade. If under one and the same security, the transactions were made through two and more organizers of trade, the tax bearer is entitled to choose independently the market quotation of the securities developed at one of organizers of trade. In case the organizer does not calculate the average price, a half of the sum of the maximal and minimal prices of the transactions completed within the trading day through this organizer of trade is accepted as the average price.

If charges of the tax bearer on purchase, realization and storage of securities cannot be related directly to charges on purchase, realization and storage of the specific securities, the specified charges are distributed proportionally to the cost of estimation of securities, the specified charges are related to. The cost estimation of securities is defined for the date of realization of these charges.

In case charges of the tax bearer cannot be confirmed documentary, he has the right to use the property tax deduction stipulated by paragraph 1 of subitem 1 of item 1 of Article 220 TC.

The loss under operations with the securities circulating on the organized securities market received following the results of the specified operations completed in the tax period reduces the tax base on operations of sale and purchase of securities of the given category.

The income on operations of sale and purchase of the securities which are not circulating on the organized securities market which at the moment of their purchase met the requirements established for the securities circulating on the organized securities market can be reduced by the sum of the loss received in the tax period from operations of sale and purchase of the securities circulating on the organized securities market.

Date of actual reception of the income:

- Day of payment of the income, including transfer of the income to bills of the tax bearer in banks or under its assignment - to bills of the third parties - at reception of incomes in the monetary form;
- Day of purchase of securities.

The tax base under operations of sale and purchase of securities and operations with financial tools of futures deals is defined upon termination of the tax period. Calculation and payment of the sum of the tax are carried out by the tax agent upon termination of the tax period or at realization of payment of money resources by it to the tax bearer before the expiration of the next tax period.

At realization of payment of money resources by the tax agent before the expiration of the next tax period, the tax is paid from the share of the income corresponding to the actual sum of paid money resources. The share of the income is defined as product of a total sum of the income and the relation of the sum of payment to the cost estimation of securities defined for the date of payment of money resources on which the tax agent represents itself as the broker. At realization of payment of money resources to the tax bearer more than once during the tax period, the calculation of the sum of the tax is made by an accruing result including earlier paid sums of the tax.

The cost estimation of securities is defined proceeding from actually made and documentary confirmed charges on their purchase.

Payment of money resources is payment of cash money resources, transfer of money resources to the bank account of the physical person or to the account of the third party on demand of the physical person.

At impossibility to withhold the estimated sum of the tax from the tax bearer, the source of payment of the income, the tax agent (the broker, the confidential managing director or another person making operations under the contract of the assignment, to the contract of commission, other contract in favor of the tax bearer) within one month from the moment of occurrence of this circumstance in writing notifies tax body at the place of its accounting on impossibility of the specified deduction and the sum of debt of the tax bearer. Payment of the tax in this case is made in conformity with Article 228 TC.

TAX ASSESSMENT METHOD FOR LEGAL ENTITIES

Tax - the profit tax.

The income includes:

- Proceeds from realization of property rights (incomes of realization);
- Extraordinary incomes in the form of interest under securities and other promissory notes and/or from individual share in other organizations.

Tax base.

Incomes of the tax bearer from operations on realization or other retirement of securities (including repayment) are defined proceeding from the price of realization or other retirement of the securities, and also the sum of the accumulated interest (coupon) income paid by the buyer to the tax bearer, and the sum of the interest (coupon) income paid to the tax bearer by the issuer. Thus, the income of the tax bearer from realization or other retirement of securities does not include the amounts of the interest (coupon) income earlier considered at tax assessment.

Charges at sale (or other retirement) of securities are defined proceeding from the price of purchase of the securities (including charges on its purchase), expenses for its realization, the amount of discounts from settlement cost of the investment contributions, the sum of the accumulated interest (coupon) income paid by the tax bearer to the seller of the securities. Thus, the charges do not include the sums of the accumulated interest (coupon) income earlier considered at tax assessment.

Securities are recognized to be circulating on the organized securities market only at the simultaneous observance of the following terms:

- 1) if they are admitted to circulation at least by one organizer of trade who is entitled for making such permission according to the national legislation;
- 2) if the information on their prices (quotations) is published in mass media (including the electronic mass media) or may be presented by the organizer of trade or other authorized person to any interested person within three years after the date of fulfillment of operations with securities;
- 3) if the market quotation is calculated on their basis when it is stipulated by the corresponding national legislation.

Market price of the securities circulating on the organized securities market, for the purposes of tax assessment is an actual price of sale or other retirement of securities if this price is in the interval between the minimal and maximal prices of transactions (an interval of the prices) with the specified securities registered by the organizer of trade on the securities market for the date of fulfillment of the corresponding

transaction. In case sale of the securities circulating on the organized securities market as for its price is below the floor price of transactions for the organized securities market, at definition of financial result the floor price of the transaction for the organized securities market is considered.

The accumulated interest (coupon) income is a part of the interest (coupon) income, the payment of which is stipulated by terms of the issue of these securities calculated proportionally to the quantity of the days which passed from the date of issue of the securities or date of payment of the previous coupon income till the date of fulfillment of the transaction (date of transfer of the securities).

Concerning the securities which are not circulating on the organized securities market, for the purposes of tax assessment the actual price of realization or other retirement of the given securities is accepted at performance at least of one of the following terms:

1) if the actual price of the corresponding transaction is in an interval of the prices on similar (identical, homogeneous) security registered by the organizer of trade on the securities market for the date of completion of the transaction or for the date of the nearest tenders which took place before the day of completion of the corresponding transaction if the tenders under these securities were held at the organizer of trade even once within the last 12 months;

2) if the deviation of the actual price of the corresponding transaction is within the limits of 20 percent aside increases or downturn from the average price of the similar (identical, homogeneous) security calculated by the organizer of trade on the securities market according to the rules established by it following the results of the tenders at the date of conclusion of such transaction or at the date of the nearest tenders which took place before the day of completion of the corresponding transaction if the tenders under these securities were held at the organizer of trade even once within the last 12 months.

The tax base under operations with securities is defined by the tax bearer separately, except for the tax base on operations with the securities defined by professional participants of the securities market. Thus, tax bearers (except for the professional participants of the securities market who carry out dealer activity) define tax base on operations with the securities circulating on the organized securities market, separately from tax base on operations with the securities which are not circulating on the organized securities market.

At sale or other retirement of securities, the tax bearer independently according to the accounting policy accepted with a view of the taxation chooses one of the following methods of write-off of the cost of the retired securities to charges:

1) First In First Out (FIFO);

2) Last In First Out (LIFO);

3) cost of a unit.

The tax bearers who received the loss (losses) from operations with securities in the previous tax period or during the previous tax periods, have the right to reduce the tax base received from operations with securities in the accounting (tax) period (to transfer the specified losses on the future) in accordance with the procedures and on terms established by Article 283 TC.

Thus losses from operations with the securities which are not circulating on the organized securities market received in the previous tax period (the previous tax periods) may be referred to reduction of tax base from operations with such securities defined in the accounting (tax) period. Losses from operations with the securities circulating on the organized securities market received in the previous tax period (the previous tax periods) may be referred to reduction of tax base from operations on sale of the given category of securities.

During the tax period, carryover of the losses occurred in the corresponding reporting period from operations with securities circulating on the organized securities market, and the securities which are not circulating on the organized securities market, is referred separately to the specified categories of securities accordingly within the limits of the profit received from operations with such securities.

In case the payment by the foreign organization tax agent of incomes which according to the international contracts (agreements) are assessed in the Russian Federation under the lowered rates, calculation and deduction of the sum of the tax from incomes are made by the tax agent under the corresponding lowered rates under condition of presentation by the foreign organization to the tax agent of the acknowledgement stipulated by item 1 of Article 312 TC of the Russian Federation. Thus, in case of payment of incomes by the Russian banks on operations with foreign banks acknowledgement of the fact of a constant location of foreign bank in the state with which there is the international contract (agreement) regulating issues of the taxation is not required, if such location proves to be true data of popular information directories.

8.9. Data on declared (added) and paid dividends per shares of the issuer

The year 2005

The amount of the declared (accrued) dividends per one share of the issuer, rubles: 0.01549

Total sum of the declared (accrued) dividends per the share of the issuer, rubles: 1, 549, 000

The name of the of the issuer governance body which made a decision (declared) on payment of dividends per shares of the issuer: annual general shareholders meeting

Date of carrying out the meeting of the issuer's governance body where the decision on payment (declaration) of dividends was taken: 24 June 2006

Number of the minutes of the issuer governance body meeting, where the decision on payment (declaration) of dividends was taken: 1484pr/6

Date of the minutes of the meeting of the issuer governance body where the decision on payment (declaration) of dividends was taken: 24 June 2006

The term allocated for payment of declared dividends per shares of the issuer: within 60 days from the date of decision-making on their payment

The form and other terms of payment of the declared dividends per shares of the issuer: the form and other terms of payment of the declared dividends per the shares of the issuer: in the monetary form by transfer of the corresponding sums of money from the account of the issuer to the bank account (postal address) containing in the system of keeping the register of the issuer's shareholders.

The reporting period (year, quarter) for which the declared dividends per shares of the issuer were paid: 2005

The total amount of the dividends paid per all shares of the issuer on the reporting period, for which the decision on payment (declaration) of dividends was taken, rubles: 1, 549, 000

The reasons of incomplete payment of the declared dividends: dividends were paid in full

Other data on the declared and/or paid dividends per shares actions of the issuer: no such data

The year 2006

The amount of the declared (accrued) dividends per one share of the issuer, rubles: 0.0283

Total sum of the declared (accrued) dividends per the share of the issuer, rubles: 2, 830, 000

The name of the of the issuer governance body which made a decision (declared) on payment of dividends per shares of the issuer: annual general shareholders meeting

Date of carrying out the meeting of the issuer's governance body where the decision on payment (declaration) of dividends was taken: 29 June 2007

Number of the minutes of the issuer governance body meeting, where the decision on payment (declaration) of dividends was taken: 1694pr/2

Date of the minutes of the meeting of the issuer governance body where the decision on payment (declaration) of dividends was taken: 29 June 2007

The term allocated for payment of declared dividends per shares of the issuer: within 60 days from the date of decision-making on their payment

The form and other terms of payment of the declared dividends per shares of the issuer: the form and other terms of payment of the declared dividends per the shares of the issuer: in the monetary form by transfer of the corresponding sums of money from the account of the issuer to the bank account (postal address) containing in the system of keeping the register of the issuer's shareholders.

The reporting period (year, quarter) for which the declared dividends per shares of the issuer were paid: 2006

The total amount of the dividends paid per all shares of the issuer on the reporting period, for which the decision on payment (declaration) of dividends was taken, rubles: 2, 830, 000

The reasons of incomplete payment of the declared dividends: dividends were paid in full

Other data on the declared and/or paid dividends per shares actions of the issuer: no data

The year 2007

The Annual General Shareholders Meeting held on 30 May adopted the resolution not to pay a dividend per the Company's ordinary shares following the results of 2007.

The issuer did not carry out issue of bonds and, accordingly, did not pay incomes per bonds for all time of realization of its activity.

The information is disclosed by IDGC of Centre, JSC according to the Regulations for the information policy of IDGC of Centre: the information about the dividend history of IDGC of Centre, JSC for the period 2005-2006 is placed on the website of the Company at: <http://www.mrsk-1.ru/about/administration/dividend/>

8.10. Other data

According to the Regulations for the information policy of IDGC of Centre, item 8.10. of the quarterly report in addition discloses the information on activity of the Company.

8.10.1 Data on the structures of the committees under the Board of Directors of the Company.

As of 30 June 2008, IDGC of Centre set up 4 Committees under the Company Board of Directors: Reliability Committee, Committee for Personnel and Remuneration, Committee for Audit, Committee for Strategy and Development under the Board of Directors. The information on the structure of the Committees under the Board of Directors of IDGC of Centre is placed on the website of the Company at: http://www.mrsk-1.ru/about/administration/apparatus/sostav_2008/

8.10.2. The statistical information on shareholders of the Company

Structure of the capital as of 30 June 2008

| Holder name | % from the placed securities and the securities which are in process of placement (reports on results of issue and placement on which are not registered as of the accounting date) |
|---------------------------|---|
| Owners – physical persons | 4.54% |
| Owners – legal entities | 1.84% |
| Nominal holders | 93.34% |
| Trustees | 0.29% |
| Total: | 100% |

8.10.3. Data on the companies, the which the Company owns at least 5 % of voting shares

The information on the companies, in which the Company owns at least 5 % of voting shares, is given in item 3.5. of the given report.

8.10.4. The description of organizational structure of the Company and main, functional relations between key operational divisions

The organizational structure of IDGC of Centre is placed on the website of the Company on the website: <http://www.mrsk-1.ru/about/structure/struktura/>

8.10.5. Calendar of key events and news of the Company

The key events and news of the Company is placed on the website of the Company at page: <http://www.mrsk-1.ru/stockholder/developments/>

8.10.6. The information on participation of the Company in exhibitions and conferences,

activity**The international organizations**

The information on participation of the company in exhibitions and conferences, activity of the international organizations is placed on the website of the Company at: <http://www.mrsk-1.ru/about/konferenc/>

8.10.7. The information on transfer agents of the Company registrar

| No. | Name of the transfer agent | Legal address | Postal address | Contact telephones |
|-----|--|--|---|---|
| 1 | Smolensk branch of Irkol, JSC | 214000, Smolensk, 2ya Ulitsa Krasnoarmeiskoy Slobody Street, 5 | 214000, Smolensk, 2ya Ulitsa Krasnoarmeiskoy Slobody Street, 5 | (495) 208-15-15 (4812) 38-87-89 |
| 2 | IDGC of Centre, JSC | 129090, Moscow, Glukharev lane 4/2 | 308060, Belgorod, Preobrazhenskaya street, 42. | (4722) 581539 |
| | | | Brbyansk, Sovetskaya street, 35. | (4722) 304242 |
| | | | 394033, Voronezh, Arzamasskaya street, 2 | (4832) 672316 |
| | | | 305029, Kursk, K.Marxa street, 27 | (4832) 672312 |
| | | | 398001, Lipetsk, 50 Let NLMK street, 33. | (4732) 547631 |
| | | | 302030, Orel, Mira square, 2 | (4712) 557224 |
| | | | 214019, Smolensnk, Tenishevvoi street, 33 | (4712) 557172 |
| | | | 392680, Tambov, Morshanskoe avenue, 23 | (4742) 228348 |
| 3 | Kursk branch of New Registrar, JSC | 305004, Kursk, Dmitrova street 76 | 305029, Kursk, Karla Marxa, 59a | (4712)51-27-30 (4712)56-57-20 |
| | | | 305000, Kursk, Radischeva 1 | 305000, Kursk, Radischeva lane, 1 |
| 4 | Kursk branch of JSC Moscow Stock Exchange Centre | 305000, Kursk, Radischeva 1 | 305000, Kursk, Radischeva lane, 1 | (4712) 58-14-84 |
| 5 | National Registration Company, JSC | 121357, Moscow, Veresaeva street 6 | 610017, Kirov, Gorkova street, 5, office 503 (floor 5) 392002, Tambov, Sovetskaya street, 34, office 507 | (8332) 40-56-30 (8332) 40-56-31 (4752) 75-94-10 |
| 6 | DonFAO Registrar Ltd. | 344002, Rostov-on-Don, Pushkinskaya street, 98-100 | 344002, Rostov-on-Don, Pushkinskaya street, 98-100 | (8632)69-88-02 |
| 7 | Accounting System, JSC | 432011, Ulyanovsk, Ryleeva street, 4 | 432011, Ulyanovsk, Ryleeva, 4 | (8422) 44-32-81 |

8.10.8. Data on the depository banks which are holders of the programs of depository receipts of the Company

Securities of IDGC of Centre are not stored in depository banks.

8.10.9. Local normative documents of the Company

Internal documents of IDGC of Centre are placed on the website of the Company at:
<http://www.mrsk-1.ru/about/administration/documents1/>

8.10.10. The information on activity of the Company governance bodies

Reports of the governance bodies and control of IDGC of Centre are placed on the website of the Company at: <http://www.mrsk-1.ru/stockholder/session/sovet/2008/>

8.10.11. Data on procedures of nomination of candidates for the Board of Directors of the Company, procedure of convocation, procedure of submission of items in the agenda of the annual and extraordinary general meetings of shareholders, procedure of submission of items to the Board of Directors of the Company

Data on the procedures of nomination of candidates for the Board of Directors of the Company, procedure of convocation, procedure of submission of items in the agenda of the annual and extraordinary general meetings of shareholders, procedure of submission of items for the Board of Directors of the Company are given in item 8.1.4. of this report and on the website of the Company at: <http://www.mrsk-1.ru/stockholder/session/>.

8.10.12. Data on the system of the internal control of the Company (division and procedures of the internal control).

Data on the system of the internal control of IDGC of Centre are placed on the website of the Company at: <http://www.mrsk-1.ru/about/administration/sistem/>

8.10.13. The information on corporate governance appraisal

In 2007 Consortium of the Russian Institute of Directors and the Expert RA rating agency - "RID - RA" appropriated IDGC of Centre the rating of corporate governance NCGR 6 + - "Developed practice of corporate governance" under the scale of the National Corporate Governance Rating".

From the moment of assignment of the National Corporate Governance Rating at the end of 2006, the practice of corporate governance of the Company underwent a number of changes that was the basis for revision and increase of the rating of corporate governance up to the level of NCGR 6 +.

The given class of the rating estimation proves that the practice of corporate governance of IDGC of Centre is estimated positively. Its level as a whole exceeds the average on the given rating class. The company possesses appreciable potential for its increase in the near future.

The certificate on assignment to the Company of the corporate governance rating is published on the Internet website of the Company at: <http://www.mrsk-1.ru/about/administration/corporative/rating/>.

8.10.14. Data on the shares of the Company which are in cross ownership (amount, stake of shares in cross ownership, data on persons who possess the specified shares, bases of occurrence of the cross ownership)

There are no shares in cross ownership.

8.10.15. Dividend policy of the Company

The information about the dividend policy of IDGC of Centre is placed on the website of the Company at: <http://www.mrsk-1.ru/about/administration/dividend/>

8.10.17. Data on financial and economic activity of the Company and its affiliated and dependent companies

Data on financial and economic activity of IDGC of Centre are given in sections 3 and 4 of the given reports and placed on the website of the Company at: http://www.mrsk-1.ru/stockholder/fh_account/analisis2/

8.10.18. Procedures of decision-making on payment of compensation to members of the Board of Directors and executive bodies of the Company

The information on procedures of decision-making on payment of compensation to members of the Board of Directors and executive bodies of IDGC of Centre is placed on the website of the Company at: http://www.mrsk-1.ru/about/administration/apparatus/sovet_2006/

8.10.19. Data on training of the members of the Board of Directors due to means of the Company

Training of members of the Board of Directors due to means of the Company was not held.

8.10.20. Data on the market environment

Data on the market environment are placed on the website of the Company at: http://www.mrsk-1.ru/about/information_environm/obzor/

8.10.21. Data on essential transactions

Data on essential transactions are placed on the website of the Company at: http://www.mrsk-1.ru/stockholder/inform/transaction/2007/1_2007/

8.10.22. Data on the amount of remuneration of the registrar of the Company paid for the last completed fiscal year, and also data on the existing agreements concerning such payments in the current financial year.

On the basis of the concluded contract between IDGC of Centre and Central Moscow Depository, the following remuneration, VAT included, was paid to the registrar:

- In 2007 - 36, 000 rubles for rendering services under the contract for keeping and storing of the register of owners of nominal issue securities;
- In quarter 1, 2008 - 9, 000 rubles for rendering services under the contract on keeping and storing of the register of owners of registered issue securities.
- In quarter 2, 2008 – 1,680,015.31 rubles for rendering services within the limits of the contracts concluded with JSC “CMD”.

8.10.23. Data on transactions (group of the associated transactions) with subsidiaries and dependent companies, data on intracorporate transactions, on transactions between and with subsidiaries and dependent companies, and also about transactions which do formally fall under definition of material ones, however, capable to influence activity of the Company.

Transactions (group of the associated transactions) with subsidiaries and dependent companies, data on intracorporate transactions, on transactions between and with subsidiaries and dependent companies, and also about transactions which do formally fall under definition of material ones, however, capable to influence activity of the Company are placed on the website of the Company at: http://www.mrsk-1.ru/stockholder/inform/transaction/2007/2_2007/.

8.10.24. The information additionally disclosed on the shares of the Company.

The Company’s shares were admitted to trading without the listing procedure at the following trade organizers/exchanges:

- “MICEX Stock Exchange”, JSC: 13 Bolshoi Kislovskiy lane, Moscow 125009
- “RTS”, JSC: 38 bld.1, Dolgorukovskaya street, Moscow 127006

Results of trading in the Company’s shares:

| Period | Number of transactions, pcs | Total amount, RUR | Total amount, USD. |
|-----------------------|-----------------------------|-------------------|--------------------|
| MICEX | | | |
| May2008 | 603 | 18,587,343.7 | |
| June 2008 | 1,108 | 53,543,116.6 | |
| Total on q2, 2008 | 1,711 | 72,130,460.3 | |
| RTS, classical market | | | |
| May 2008 | 6 | | 154,655 |
| June 2008 | 8 | | 278,895 |
| Total on q2, 2008 | 14 | | 433,550 |
| RTS, exchange market | | | |

| | | | |
|--------------------------|--------------|---------------------|----------------|
| May 2008 | 21 | 1,148,000 | |
| June 2008 | 28 | 807,678 | |
| Total on q2, 2008 | 49 | 1,955,678 | |
| Total on q2, 2008 | 1,774 | 74,086,138.3 | 433,550 |

8.10.25. Data on the market makers of the Company.

In the 2nd quarter of 2008, the Company did not make agreements with market-makers.

8.11. Data on the represented securities and the issuer of the represented securities, the property right to which is certified by Russian depositary receipts

Russian depositary receipts were not issued by the Company.

8.11.1. Data on represented securities

Russian depositary receipts were not issued by the Company.

8.11.2. Data on the issuer of represented securities

Russian depositary receipts were not issued by the Company.

Appendix 1

Annual Accounting Statements

Annual Accounting Statements of the issuer drawn up under IFRS

**Open Joint-Stock Company
«Interregional Distribution Grid
Company of the Central Region»**

**Financial Statements
for the year ended 31 December 2007**

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Independent Auditors' Report

To the Board of Directors of Open Joint Stock Company "IDGC of the Central Region"

Report on the financial statements

We have audited the accompanying financial statements of Open Joint Stock Company "IDGC of the Central Region" (the "Company"), which comprise the balance sheet as at 31 December 2007, and the income statement, cash flow statement and statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

ZAO KPMG, a company incorporated under the Laws of the Russian Federation and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2007, and its financial performance and its cash flows for the year then ended in accordance with IFRS.

ZAO KPMG

ZAO KPMG

31 May 2008

Moscow, Russia

*OJSC «IDGC of the Central Region»
Income Statement for the year ended 31 December 2007*

| | | 2007 | 2006 |
|--|------|-----------|-----------|
| | Note | '000 RUR | '000 RUR |
| Revenue | 5 | 987 123 | 747 371 |
| Operating expenses | 6 | (904 859) | (712 084) |
| Gross profit | | 82 264 | 35 287 |
| Other income | 7 | 4 367 | 1 113 |
| Results from operating activity | | 86 631 | 36 400 |
| Interest income | | 482 | 40 |
| Profit before income tax | | 87 113 | 36 440 |
| Income tax expense | 8 | (38 936) | (22 159) |
| Profit for the year | | 48 177 | 14 281 |

These financial statements were approved by management on 31.05.2008 and were signed on its behalf by:

General director

E.F. Makarov

Director on registration policy

S.Yu. Puzenko



The income statement is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 10 to 33.

*OJSC «IDGC of the Central Region»
Balance Sheet as at 31 December 2007*

| | Note | 2007 '000 RUR | 2006 '000 RUR |
|---------------------------------|------|------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 26 517 | 27 982 |
| Deferred tax assets | 10 | 43 462 | 17 280 |
| Loans to employees | 11 | 3 790 | - |
| Total non-current assets | | 73 769 | 45 262 |
| Current assets | | | |
| Inventories | | - | 804 |
| Income tax receivable | | 6 703 | - |
| Trade and other receivables | 12 | 48 071 | 244 681 |
| Advances and prepayments | 13 | 21 498 | 37 738 |
| Loans to employees | 11 | 2 451 | - |
| Cash and cash equivalents | 14 | 150 544 | 7 939 |
| Other current assets | | 2 183 | 5 496 |
| Total current assets | | 231 450 | 296 658 |
| Total assets | | 305 219 | 341 920 |

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The balance sheet is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 10 to 33.

| | Note | 2007 '000 RUR | 2006 '000 RUR |
|--------------------------------------|------|------------------|------------------|
| EQUITY AND LIABILITIES | | | |
| Equity | 15 | | |
| Share capital | | 10 000 | 10 000 |
| Retained earnings | | 58 134 | 12 787 |
| Total equity | | 68 134 | 22 787 |
| Non-current liabilities | | | |
| Deferred tax liabilities | 10 | 1 940 | 1 901 |
| Total non-current liabilities | | 1 940 | 1 901 |
| Current liabilities | | | |
| Trade and other payables | 16 | 46 180 | 61 979 |
| Employee benefits | 17 | 186 590 | 192 024 |
| Income tax payable | | - | 28 567 |
| Other taxes payable | 18 | 2 275 | 34 662 |
| Total current liabilities | | 235 145 | 317 232 |
| Total liabilities | | 237 085 | 319 133 |
| Total equity and liabilities | | 305 219 | 341 920 |

The balance sheet is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 10 to 33.

*OJSC «IDGC of the Central Region»
Statement of Cash Flows for the year ended 31 December 2007*

| | 2007 | 2006 |
|---|----------------|---------------|
| | '000 RUR | '000 RUR |
| Cash flows from operating activities | | |
| Profit for the period | 48 177 | 14 281 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation | 9 838 | 4 529 |
| Gain on disposal of property, plant and equipment | (370) | (331) |
| Interest income | (482) | (40) |
| Income tax expense | 38 936 | 22 159 |
| Operating profit/(loss) before changes in working capital and provisions | 96 099 | 40 598 |
| (Increase)/decrease in inventories | 804 | (434) |
| (Increase)/decrease in trade, other receivables, advances, prepayments and loans to employees | 206 693 | (194 600) |
| (Increase)/decrease in other current assets | 3 313 | (4 785) |
| Increase/(decrease) in trade and other payables | (15 799) | 43 884 |
| Increase/(decrease) in other taxes payable | (32 287) | 21 642 |
| Increase/(decrease) in employees benefits | (5 434) | 96 842 |
| Cash flows from operations before income taxes and interest paid | 253 389 | 3 147 |
| Income taxes (paid)/received | (100 349) | 19 872 |
| Cash flows from operating activities | 153 040 | 23 019 |

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The statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 10 to 33.

*OJSC «IDGC of the Central Region»
Statement of Cash Flows for the year ended 31 December 2007*

| | 2007 '000 RUR | 2006 '000 RUR |
|---|------------------|------------------|
| INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | 1 587 | 434 |
| Interest received | 165 | 40 |
| Acquisition of property, plant and equipment | (9 357) | (22 132) |
| Cash flows from investing activities | (7 605) | (21 658) |
| FINANCING ACTIVITIES | | |
| Dividends paid | (2 830) | (1 410) |
| Cash flows from financing activities | (2 830) | (1 410) |
| Net increase/(decrease) in cash and cash equivalents | 142 605 | (49) |
| Cash and cash equivalents at beginning of year | 7 939 | 7 988 |
| Cash and cash equivalents at end of year (note 14) | 150 544 | 7 939 |

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The statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 10 to 33.

*OJSC «IDGC of the Central Regions»
Statement of Changes in Equity for the year ended 31 December 2007*

'000 RUR

| | Share capital | Retained earnings | Total |
|------------------------------------|---------------|-------------------|---------|
| Balance at 1 January 2006 | 10 000 | 55 | 10 055 |
| Profit for the year | - | 14 281 | 14 281 |
| Dividends to shareholders | - | (1 549) | (1 549) |
| Balance at 31 December 2006 | 10 000 | 12 787 | 22 787 |
| Balance at 1 January 2007 | 10 000 | 12 787 | 22 787 |
| Profit for the year | - | 48 177 | 48 177 |
| Dividends to shareholders | - | (2 830) | (2 830) |
| Balance at 31 December 2007 | 10 000 | 58 134 | 68 134 |

The statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 10 to 33.

1 Background

(a) Organisation and operations

Open joint-stock company Interregional Distribution Grid Company of the Central and Caucasus Region (hereinafter the "Company") is a Russian open joint stock company as defined in the Civil Code of The Russian Federation. The Company was established as a state-owned enterprise on 17 December 2004 by Order of OJSC RAO UES of Russia No. 154r of 9 December 2004, in execution of the decision of the Board of Directors of OJSC RAO UES of Russia (minutes No. 178 of 1 October 2004) and the decision of the Management Board of OJSC RAO UES of Russia (minutes No. 1102pr/b of 15 November 2004). On April 27, 2007 the Company name was changed to the Open joint-stock company Interregional Distribution Grid Company of the Central Region.

The Company's registered office: 4/2 Glukharev alley, Moscow, Russia.

The Company's principal activity is the management of the electricity distribution grids of the Central region of Russian Federation, ensuring their reliable functioning and development, and comprises providing consulting and information services to regional grid companies (RGC) operating in the Central region of Russian Federation for improving their management systems.

The Company is wholly owned by OJSC RAO UES of Russia (the "Shareholder Group") The founding of the Company is an integral part of the approved plan reforming the Russian electrical power industry, which stipulates interregional integration of the new companies created after the energy companies are separated by line of business. In addition, the activities of the Company are closely linked with the requirements of the Shareholder Group and determination of the pricing of the Company's services to the Shareholders Group is undertaken in conjunction with other Shareholders Group companies. Related party transactions are detailed in note 22.

(b) Relations with the state and effective legislation

As at 31 December 2007 the state owned 52.7 percent of shares in OJSC RAO UES of Russia, the only Shareholder of the Company, which equals 52.3 percent of placed ordinary shares. Due to this fact, the policies of the Russian government in the economic, social and other spheres may have a significant impact on the Company's financial and business activity.

(c) Russian business environment

The Russian Federation has been experiencing political and economic change that has affected, and may continue to affect, the activities of enterprises operating in this environment. Consequently, operations in the Russian Federation involve risks that typically do not exist in other markets. The financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Company. The future business environment may differ from management's assessment.

2 Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(b) Basis of measurement

The consolidated financial statements are prepared on the historical cost basis.

(c) Functional and presentation currency

The national currency of the Russian Federation is the Russian Rouble ("RUR"), which is the Company's functional currency and the currency in which these financial statements are presented. All financial information presented in RUR has been rounded to the nearest thousand.

(d) Use of judgments, estimates and assumptions

Management has made a number of judgments, estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements in conformity with IFRSs. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 12 – Trade and other receivables
- Note 21 – Contingencies.

3 Significant accounting policies

The significant accounting policies applied in the preparation of the financial statements are described in note 3(a) to 3(k). These accounting policies have been consistently applied.

(a) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of Company at exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currency at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising in translation are recognised in the income statement.

(b) Financial instruments

(i) Financial instruments

Financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Financial assets and liabilities are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured at amortized cost.

A financial instrument is recognized if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial assets to another party without retaining control or substantially all risks and rewards of the assets. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the assets. Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(c) Share capital

Ordinary shares

Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase of shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effects, and is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

(d) Property, plant and equipment

(ii) Recognition and measurement

Items of property, plant and equipment, except for land, are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Borrowing costs related to the acquisition or construction of qualifying assets are capitalised as part of the cost of these assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are recognised net in "other income" in the income statement.

(iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

(iv) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated

The estimated useful lives for the current and comparative periods are as follows:

| | |
|---------------------------|------------|
| • Computers | 2-5 years |
| • Communication equipment | 1-15 years |
| • Furniture | 5-15 years |
| • Other | 3-20 years |

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Estimates in respect of certain items of plant and equipment were revised in 2007 (see note 9).

(v) Liquidation value

The liquidation value of an asset represents an assessment of the amount which the Company could currently receive from the sale of the asset minus selling costs, based on the assumption that the age of the asset and its technical condition already meet expectations at the end of its period of

useful life. If the Company plans to use the asset until the end of its physical service life, the liquidation value of the asset is set at zero. The liquidation value and periods of useful life of assets are reconsidered and adjusted, if necessary, at each reporting date.

(e) Impairment

(i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the income statement. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of the assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the

carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Employee benefits

Obligations for contributions to defined contribution pension plans, including Russia's State pension fund, are recognized as an expense in profit or loss when they are due.

(i) Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(g) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(h) Revenue

The Company renders consulting services, services of individual executive body and other services mainly to the Shareholder Group companies. (also discussed in Note 22).

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the surveys of work performed.

(j) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have

been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(k) New Standards and Interpretations

A number of new Standards, amendments to Standards and Interpretations are not yet effective as of 1 January 2007, and have not been applied in preparing these financial statements. Management believes that new Standards will not have any impact on Company's financial position or operating results.

4 Financial risk management

(a) Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Financial Analysis and Controls Department, which is responsible for developing and monitoring the Company's risk management policies. The Department reports to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Revision Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Revision Committee is assisted in its oversight role by the Financial Analysis and Controls Department, which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Revision Committee.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

(i) Trade and other receivables

At the balance sheet date there were no significant concentrations of credit risk as the majority of the Company's revenue is attributable to services provided to the Shareholder Group companies.

(ii) Investments

The Company limits its exposure to credit risk by only investing in liquid securities. In 2007 the Company did not carry out investment activities.

(iii) Guarantees

The Company's policy is to provide financial guarantees only to subsidiaries of the Shareholder Group. In 2007 the Company did not provide any guarantees (2006: none).

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As at 31 December 2007 the Company does not have any borrowings (2006: none).

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. As at 31 December 2007 the Company does not have any investments or borrowings (2006: none). During 2007 the Company did not buy or sell derivatives, and did not apply hedge accounting.

(i) Currency risk

At the balance sheet date there were no significant concentrations of currency risk as it carries out the activity in national currency.

(ii) Interest rate risk

The Company's policy is to analyse financial instruments to identify risk of interest rate changes. As at 31 December, 2007 the Company did not have any borrowings (2006: none).

(e) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors

monitors the return on capital, which the Company defines as net profit divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

5 Revenue

| | 2007 | 2006 |
|---|----------------|----------------|
| | '000 RUR | '000 RUR |
| Revenue from individual executive body services | 748 366 | 269 960 |
| Revenue from consulting services | 134 576 | 442 173 |
| Revenue from regulation of procurement procedures | 89 207 | 12 022 |
| Revenue from technical audit | 14 974 | 21 051 |
| Revenue from technical supervision | - | 2 165 |
| Total | 987 123 | 747 371 |

All revenue is derived from transactions with the Shareholder Group companies (also discussed in Note 22).

6 Operating expenses

| | 2007 | 2006 |
|---|----------------|----------------|
| | '000 RUR | '000 RUR |
| Salaries and wages | 427 174 | 452 767 |
| Advisory, legal and information services | 175 186 | 80 436 |
| Operating lease payments | 91 061 | 86 508 |
| Agent services | 88 915 | 11 437 |
| Telecommunications services | 28 838 | 16 951 |
| Insurance | 14 880 | 5 329 |
| Business trips | 11 484 | 9 541 |
| Depreciation of property, plant and equipment | 9 838 | 4 529 |
| Accounting and treasury services | 8 355 | 7 363 |
| State pension fund | 7 171 | 3 204 |
| Corporate functions | 7 011 | 6 551 |
| Seminars, meetings, training sessions | 5 515 | 4 576 |
| Entertainment | 4 110 | 1 398 |
| Purchase of materials | 3 155 | 5 011 |
| Taxes other than profit tax | 2 893 | 3 454 |
| Postal, telegraph and clerical cost | 1 606 | 874 |
| Repairs and technical maintenance | 955 | 303 |
| Bank charges | 917 | 1 100 |
| Software maintenance | 587 | 1 089 |
| Other | 15 208 | 9 663 |
| Total | 904 859 | 712 084 |

7 Other income

| | 2007 | 2006 |
|---|--------------|--------------|
| | '000 RUR | '000 RUR |
| Gain on disposal of property, plant and equipment | 370 | 331 |
| Other income | 3 997 | 782 |
| Total | 4 367 | 1 113 |

8 Income tax expenses

| | 2007 | 2006 |
|---|-----------------|-----------------|
| | '000 RUR | '000 RUR |
| <i>Current year tax expenses</i> | | |
| Current year income tax | (65 079) | (29 132) |
| | <u>(65 079)</u> | <u>(29 132)</u> |
| <i>Deferred tax income (expense)</i> | | |
| Origination and reversal of temporary differences | 26 143 | 6 973 |
| | <u>26 143</u> | <u>6 973</u> |

The Company's applicable tax rate is the income tax rate of 24% for Russian companies (2006: 24%).

Reconciliation of effective tax rate:

| | 2007 | | 2006 | |
|-----------------------------------|-----------------|------------|-----------------|------------|
| | '000 RUR | % | '000 RUR | % |
| Profit before tax | 87 113 | 100 | 36 440 | 100 |
| Income tax at applicable tax rate | (20 907) | 24 | (8 746) | 24 |
| Non-deductible expenses | (18 029) | 21 | (13 413) | 37 |
| Total | (38 936) | 45 | (22 159) | 61 |

9 Property, plant and equipment

| '000 RUR | Furniture | Computers | Communication Equipment | Other | Total |
|-----------------------------|---------------|---------------|----------------------------|--------------|---------------|
| <i>Cost</i> | | | | | |
| Balance at 1 January 2006 | 5 231 | 5 019 | 274 | 963 | 11 487 |
| Additions | 4 276 | 10 589 | 4 786 | 2 044 | 21 695 |
| Disposals | (275) | - | (21) | (12) | (308) |
| Balance at 31 December 2006 | <u>9 232</u> | <u>15 608</u> | <u>5 039</u> | <u>2 995</u> | <u>32 874</u> |
| Balance at 1 January 2007 | 9 232 | 15 608 | 5 039 | 2 995 | 32 874 |
| Additions | 1 467 | 6 180 | 1 289 | 473 | 9 409 |
| Disposals | (484) | (545) | (116) | (144) | (1 289) |
| Balance at 31 December 2007 | <u>10 215</u> | <u>21 243</u> | <u>6 212</u> | <u>3 324</u> | <u>40 994</u> |

| '000 RUR | Furniture | Computers | Communication Equipment | Other | Total |
|---|-----------|-----------|----------------------------|-------|----------|
| <i>Depreciation and Impairment losses</i> | | | | | |
| Balance at 1 January 2006 | (144) | (176) | (22) | (60) | (402) |
| Depreciation charge | (1 458) | (2 384) | (345) | (342) | (4 529) |
| Disposals | 35 | - | 3 | 1 | 39 |
| Balance at 31 December 2006 | (1 567) | (2 560) | (364) | (401) | (4 892) |
| Balance at 1 January 2007 | (1 567) | (2 560) | (364) | (401) | (4 892) |
| Depreciation charge | (1 983) | (5 755) | (1 532) | (568) | (9 838) |
| Disposals | 101 | 104 | 46 | 2 | 253 |
| Balance at 31 December 2007 | (3 449) | (8 211) | (1 850) | (967) | (14 477) |
| <i>Net book value</i> | | | | | |
| Balance at 1 January 2006 | 5 087 | 4 843 | 252 | 903 | 11 085 |
| Balance at 31 December 2006 | 7 665 | 13 048 | 4 675 | 2 594 | 27 982 |
| Balance at 31 December 2007 | 6 766 | 13 032 | 4 362 | 2 357 | 26 517 |

Depreciation expense of 9 838 kRUR has been charged to operating expenses (2006: 4 529 kRUR).

Fixed assets of the Company mainly comprise furniture, computers and other office equipment. Management believes that no signs of economic obsolescence of property, plant and equipment have been identified.

10 Deferred tax assets and liabilities

(a) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| '000 RUR | Assets | | Liabilities | | Net | |
|-------------------------------------|---------------|---------------|----------------|----------------|---------------|---------------|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| Property, plant and equipment | - | - | (1 462) | (1 212) | (1 462) | (1 212) |
| Trade and other receivable | - | - | (478) | (689) | (478) | (689) |
| Employee benefits | 42 636 | 17 280 | - | - | 42 636 | 17 280 |
| Other items | 826 | - | - | - | 826 | - |
| Tax assets/(liabilities) | 43 462 | 17 280 | (1 940) | (1 901) | 41 522 | 15 379 |
| Set off of tax | - | - | - | - | - | - |
| Net tax assets/(liabilities) | 43 462 | 17 280 | (1 940) | (1 901) | 41 522 | 15 379 |

(b) The tax effect of movement in temporary differences during the year

| '000 RUR | 1 January | Recognised | 31 December |
|-------------------------------|---------------|-----------------------------|---------------|
| | 2007 | in the income statements | 2007 |
| Property, plant and equipment | (1 212) | (250) | (1 462) |
| Trade and other receivables | (689) | 211 | (478) |
| Employee benefits | 17 280 | 25 356 | 42 636 |
| Other items | - | 826 | 826 |
| Total | 15 379 | 26 143 | 41 522 |

11 Loans to employees

| | 2007 | 2006 |
|-----------------------------|--------------|----------|
| | '000 RUR | '000 RUR |
| Less than one year | 2 451 | - |
| Between one and three years | 3 790 | - |
| Total | 6 241 | - |

During the year the Company issued loans to employees for the purpose of acquisition of apartments. The loans are repayable within 3 years and attract an interest rate equal to refinancing rate of the Central Bank of the Russian Federation (as at 31.12.2007 – 10%). According to the loan agreements the interest is payable upon the final payment of the principal amount.

12 Trade and other receivables

| | 2007 | 2006 |
|--|---------------|----------------|
| | '000 RUR | '000 RUR |
| Trade receivables from related parties | 46 557 | 242 893 |
| Trade receivables from other customers | 347 | 274 |
| Other receivables | 1 167 | 1 514 |
| Total | 48 071 | 244 681 |
| Impairment loss | - | - |

13 Advances and prepayments

| | 2007 | 2006 |
|-------------------------|---------------|---------------|
| | '000 RUR | '000 RUR |
| Other taxes prepayments | 20 036 | 8 650 |
| Advances | 1 462 | 29 088 |
| Total | 21 498 | 37 738 |

14 Cash and cash equivalents

| | 2007 | 2006 |
|---------------------------------------|----------------|--------------|
| | '000 RUR | '000 RUR |
| Bank balances, including: | | |
| OJSC «Alfa-Bank», Moscow | 95 005 | - |
| OJSC «NOTA-Bank», Moscow | 49 992 | - |
| OJCS «Vneshtorgbank», Belgorod | 3 172 | 1 826 |
| OJSC «Evrofinance Mosnarbank», Moscow | 2 366 | 1 113 |
| OJSC «Sberbank» | 9 | - |
| Cash in transit | - | 5 000 |
| Total | 150 544 | 7 939 |

15 Equity

(a) Share capital

| <i>Number of shares unless otherwise stated</i> | Ordinary shares | Ordinary shares |
|---|-----------------|-----------------|
| | 2007 | 2006 |
| Authorised shares | 100 000 000 | 100 000 000 |
| Par value | RUR 0.1 | RUR 0.1 |
| On issue at beginning of year | 100 000 000 | 100 000 000 |
| On issue at the end of year, fully paid | 100 000 000 | 100 000 000 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

(b) Dividends

In accordance with Russian legislation the Company's distributable reserves are limited to the balance of retained earnings as recorded in the Company's statutory financial statements prepared in accordance with Russian Accounting Principles. As at 31 December 2007 the Company had retained earnings, including the profit for the current year, of 63 878 kRUR (2006: 15 933 kRUR).

At the balance sheet date the following dividends have been declared by the Board of directors, but have not been approved and, therefore, have not been provided for:

| | 2007 | 2006 |
|-----------|----------|----------|
| | '000 RUR | '000 RUR |
| Dividends | - | 2 830 |
| | - | 2 830 |

16 Trade and other payables

| | 2007 | 2006 |
|-------------------|---------------|---------------|
| | '000 RUR | '000 RUR |
| Trade payables | 44 654 | 5 119 |
| Advances received | - | 55 787 |
| Other | 1 526 | 1 073 |
| Total | 46 180 | 61 979 |

17 Employees benefits

| | 2007 | 2006 |
|------------------------------|----------------|----------------|
| | '000 RUR | '000 RUR |
| Bonus accrual | 166 265 | 173 619 |
| Salary payables to employees | 10 612 | 7 345 |
| Unused vacations | 9 713 | 11 060 |
| Total | 186 590 | 192 024 |

18 Other taxes payable

| | 2007 | 2006 |
|---------------------|--------------|---------------|
| | '000 RUR | '000 RUR |
| Personal income tax | 1 503 | 806 |
| Unified social tax | 773 | 2 097 |
| Property tax | 99 | 125 |
| Value-added tax | - | 31 634 |
| Total | 2 375 | 34 662 |

19 Financial instruments

(a) Financial risk

The Company's operations are subject to various financial risks, including changes in the exchange rate, changes in interest rates and the possibility of repayment of accounts receivable. The Company does not use a hedging strategy for financial risks.

(b) Credit risk

The carrying amount of financial assets represents the maximum credit exposure. Financial assets on which potential credit risk may arise for the Company are mainly accounted in trade receivables and cash. Although the repayment of these account receivable is dependent on economic factors, Company management believes that there is no material risk of losses. Cash is deposited in financial institutions that had a minimum risk of default at the time of operating of accounts.

The maximum exposure to credit risk at the reporting date was:

| | 2007 | 2006 |
|---------------------------|----------|----------|
| | '000 RUR | '000 RUR |
| Cash and cash equivalents | 150 544 | 7 939 |
| Trade receivables | 46 904 | 243 167 |
| Other receivables | 1 167 | 1 514 |
| | | 26 |

| | | |
|--------------------|----------------|----------------|
| Loans to employees | 6 241 | - |
| Total | 204 856 | 252 620 |

There are no overdue trade and other receivables. No impairment losses were recognized during the period (2006: none).

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market position.

All trade and other payables are repayable within the next 6 months.

(d) Currency risk

At the balance sheet date there were no concentrations of currency risk, as the Company operates using only national currency.

(e) Interest rate risk

At the balance sheet date the Company has no financial obligations, the amount of financial assets is not material, therefore management considers, that interest rate risk is not significant.

(f) Fair value of financial instruments

Management believes that the fair value of the Company's financial assets and liabilities corresponds to their carrying value.

20 Operating leases

Non-cancellable operating lease rentals are payable as follows:

| | 2007 '000 RUR | 2006 '000 RUR |
|--------------------|------------------|------------------|
| Less than one year | 91 061 | 86 508 |
| Total | 91 061 | 86 508 |

The Company leases office building and vehicles under operating lease terms. The leases typically run for an initial term of one year, with an option to renew the lease at the end of the lease term.

21 Contingencies

(a) Insurance

The insurance industry in the Russian Federation is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The

Company does not have full coverage for its plant facilities, business interruption, or third party liability in respect of property or environmental damage arising from accidents on Company property or relating to Company operations. Until the Company obtains adequate insurance coverage, there is a risk that the loss or destruction of certain assets could have a material adverse effect on the Company's operations and financial position.

(b) Taxation contingencies

The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

These circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

22 Related party transactions

(a) Control relationships

The Company's parent company is OJSC RAO UES of Russia.

The party with ultimate control over the Company is the government of the Russian Federation, who holds 52,7% of shares of OJSC RAO UES of Russia.

(i) Management remuneration

Key management received the following remuneration during the year, which is included in personnel costs:

| | 2007 | 2006 |
|---|----------|----------|
| | '000 RUR | '000 RUR |
| Salaries and bonuses | 23 826 | 25 474 |
| Remuneration to the members of Board of Directors | 1 402 | 1 604 |
| | 25 228 | 27 078 |

(b) Transactions with other related parties

During the reporting period the Company received income from the provision on a contractual basis of advisory and information services on improving the management systems of the regional grid companies (RGC) that are subsidiaries of the Shareholder Group.

Pursuant to the strategic development plans, in 2006 the functions of the chief executive body of the following RGCs were transferred to the Company: OJSC «Belgorodenergo», OJSC «Yarenergo», OJSC «Vologdaenergo», OJSC «Ivenergo», OJSC «Nizhnovenergo», OJSC «Rostovenergo», OJSC «Vladimirenergo», OJSC «Tulaenergo», OJSC «Lipetskenergo», OJSC «Kostromaenergo».

In 2007 the functions of the chief executive body of the following RGCs were transferred to the Company: OJSC «Orelenergo», OJSC «Bryanskenergo», OJSC «Volgogradenergo», OJSC «Astrahanenergo», OJSC «Kalugaenergo», OJSC «Kurskenergo», OJSC «Ryazanenergo», OJSC «Smolenskenergo», OJSC «Tambovenergo», OJSC «Tverenergo», OJSC «Voronejenergo».

The variable component of remuneration under the contracts on the provision of services of the chief executive body is recognized in the revenue of the period in which the remuneration was approved by the Board of Directors of the relevant RGC.

Recognized expenses on related party transactions include expenses on lease of non-residential premises, property and vehicles, accounting and advisory services. Lease payments and prices for services provided are determined based on market conditions.

All accounts receivable and accounts payable on related party transactions are current assets and liabilities.

Determination of the pricing of the Company's services to and purchases from the Shareholder Group is undertaken in conjunction with other Shareholder Group companies.

(i) Revenue

| '000 RUR | Transaction value | Outstanding balance | Transaction value | Outstanding balance |
|------------------------|----------------------|------------------------|----------------------|------------------------|
| | 2007 | 2007 | 2006 | 2006 |
| Services provided to: | | | | |
| OJSC «Belgorodenergo» | 98 377 | 7 275 | 73 264 | 39 642 |
| OJSC «Rostovenergo» | 74 501 | - | 35 804 | 25 966 |
| OJSC «Volgogradenergo» | 70 305 | - | 30 383 | 1 953 |
| OJSC «Nizhnovenergo» | 59 653 | 4 351 | 42 243 | 28 663 |
| OJSC «Vologdaenergo» | 58 563 | 1 394 | 60 608 | 33 271 |
| OJSC «Lipetskenergo» | 55 074 | 1 640 | 39 156 | 12 244 |
| OJSC «Kubanenergo» | 50 732 | - | 2 185 | 2 578 |
| OJSC «Voronezhenergo» | 49 624 | 1 129 | 17 227 | 676 |
| OJSC «Kurskenergo» | 48 113 | 5 632 | 17 420 | 884 |

| '000 RUR | Transaction value | Outstanding balance | Transaction value | Outstanding balance |
|--|-------------------|---------------------|-------------------|---------------------|
| | 2007 | 2007 | 2006 | 2006 |
| OJSC «Tulaenergo» | 45 609 | 1 038 | 47 257 | 36 482 |
| OJSC «Vladimirenergo» | 41 101 | 488 | 15 941 | 10 685 |
| OJSC «Yarenergo» | 40 591 | 5 609 | 21 647 | 9 616 |
| OJSC «Kostromaenergo» | 38 068 | 2 061 | 31 426 | 8 407 |
| OJSC «Smolenskenergo» | 37 779 | 712 | 15 752 | 1 151 |
| OJSC «Tverenergo» | 35 230 | 826 | 16 327 | 1 929 |
| OJSC «Ryazanenergo» | 30 077 | 597 | 12 357 | 871 |
| OJSC «Bryanskenrgo» | 26 452 | 3 870 | 11 689 | 2 516 |
| OJSC «Kalugaenergo» | 25 305 | - | 12 306 | 1 171 |
| OJSC «Tambovenergo» | 24 311 | 3 696 | 11 285 | 1 289 |
| OJSC «Ivenergo» | 23 473 | 374 | 9 449 | 6 916 |
| OJSC «Astrakhanenergo» | 21 122 | - | 8 896 | 478 |
| OJSC «Orelenergo» | 17 782 | 5 454 | 7 117 | 1 434 |
| OJSC «Moskovskaya gorodskaya elektrosetevaya kompaniya» [Moscow City Grid Company] | 8 553 | - | - | - |
| OJSC «Moskovskaya oblastnaya elektrosetevaya kompaniya» [Moscow Region Grid Company] | 5 035 | - | 163 855 | 3 391 |
| OJSC «Stavropolenergo» | 772 | - | 30 000 | 16 900 |
| OJSC «KEYK» | 373 | - | - | - |
| OJSC «Dagenergo» | 362 | - | 1 061 | - |
| OJSC «Kalmenergo» | 186 | 411 | 809 | 191 |
| OJSC «FGC UES» | - | - | 11 907 | 14 051 |
| OJSC «Korporativnye servisnye sistemy» [Corporate service systems] | - | - | - | 707 |
| | 987 123 | 46 557 | 747 371 | 264 062 |

All outstanding balances with related parties at the end of reporting period are unsecured, interest free and settlements are usually made in cash.

(ii) *Expenses*

| '000 RUR | Transaction value | Outstanding balance | Transaction value | Outstanding balance |
|-------------------------|-------------------|---------------------|-------------------|---------------------|
| | 2007 | 2007 | 2006 | 2006 |
| Services received from: | | | | |
| Parent company | (46) | (54) | (50) | - |

| '000 RUR | Transaction | Outstanding | Transaction | Outstanding |
|---|------------------|-----------------|-----------------|-----------------|
| | value | balance | value | balance |
| | 2007 | 2007 | 2006 | 2006 |
| Subsidiaries of the Shareholder Group: | | | | |
| OJSC «MRSK Center and Privoljya» | (61 295) | (6 793) | - | - |
| OJSC «MRSK Yug» | (47 271) | (2 188) | - | - |
| OJSC «Belgorodenergo» | (41 951) | - | (34 300) | - |
| OJSC «MRSK Severo-Zapad» | (16 443) | (2 711) | - | - |
| OJSC «Kalugaenergo» | (2 508) | (220) | (5 465) | (74) |
| OJSC «Korporativnye servisnye sistemy» [Corporate service systems] | - | - | (15 614) | (84) |
| OJSC «Kubanenergo» | - | - | - | (55 787) |
| OJSC «Rostovenergo» | - | - | (6 192) | - |
| Other Shareholder Group subsidiaries | (2 026) | - | (4 310) | (925) |
| | (170 760) | (11 966) | (65 931) | (56 870) |

All outstanding balances with related parties at the end of reporting period are unsecured, interest free and settlements are usually made in cash.

(c) State-controlled companies

During its operations the Company performs transactions with other state-controlled companies, including the Shareholder Group and its subsidiaries, state-controlled banks, and various government agencies. Accrual and settlements on taxes are performed according to Russian tax legislation. The value of banking services is determined based on market conditions.

As at 31 December 2007 the cash balance on accounts opened in OJSC «Vneshtorgbank» and OJSC «Sberbank» equaled 3 181 kRUR (2006: 1 826 kRUR).

23 Events subsequent to the balance sheet date

In December 2007, the Board of Directors approved the legal merger with the following entities: OAO «Belgorodenergo», OAO «Bryanskenergo», OAO «Voronejenergo», OAO «Kurskenergo», OAO «Lipeckenergo», OAO «Orelenergo», OAO «Tambovenergo», OAO «Smolenskenergo», OAO «Tverenergo», OAO «Yarenergo», OAO «Kostromaenergo» (hereinafter referred together as "RGCs") through conversion of additionally issued 42 118 200 000 ordinary shares of the Company as follows:

- 78000/738687280 of ordinary shares of OAO «Belgorodenergo» with par value of 3,8 kRUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
- 78000/676489811 of preference shares of OAO «Belgorodenergo» with par value of 3,8 kRUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
- 78000/18572663 of ordinary shares of OAO «Bryanskenergo» with par value of 10 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
- 78000/17008845 of preference shares of OAO «Bryanskenergo» with par value of 10 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
- 78000/7453771 of ordinary shares of OAO «Voronejenergo» with par value of 10 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
- 78000/6826164 of preference shares of OAO «Voronejenergo» with par value of 10 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
- 78000/327431 of ordinary shares of OAO «Kostromaenergo» with par value of 0,25 RUR were converted into one additional issued ordinary share of Company with par value of 0,1 RUR;
- 78000/299862 of preference shares of OAO «Kostromaenergo» with par value of 0,25 RUR were converted into one additional issued ordinary share of Company with par value of 0,1 RUR;
- 78000/212429 of ordinary shares of OAO «Kurskenergo» with par value of 1 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
- 78000/194542 of preference shares of OAO «Kurskenergo» with par value of 1 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
- 78000/1798460 of ordinary shares of OAO «Lipeckenergo» with par value of 1 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
- 78000/542455 of ordinary shares of OAO «Orelenergo» with par value of 3,5 RUR were converted into one additional issued ordinary share of Company with par value of 0,1 RUR;
- 78000/496780 of preference shares of OAO «Orelenergo» with par value of 3,5 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
- 78000/918754 of ordinary shares of OAO «Smolenskenergo» with par value of 1 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
- 78000/841395 of preference shares of OAO «Smolenskenergo» with par value of 1 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;

- 78000/73076 of ordinary shares of OAO «Tambovenergo» with par value of 1 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
 - 78000/66923 of preference shares of OAO «Tambovenergo» with par value of 1 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
 - 78000/371625 of ordinary shares of OAO «Tverenergo» with par value of 1 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
 - 78000/340334 of preference shares of OAO «Tverenergo» with par value of 1 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
 - 78000/13948314 of ordinary shares of OAO «Yarenergo» with par value of 50 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR;
 - 78000/12773866 of preference shares of OAO «Yarenergo» with par value of 50 RUR were converted into one additional issued ordinary share of the Company with par value of 0,1 RUR.
- The merger was completed in March 2008.

Quarterly accounting statements

ACCOUNTING BALANCE

according to the internal standard of JSC RAO UES of Russia

for June 30, 2008

Company: IDGC of Centre, JSC (thousand rubles)

Taxpayer Identification Number

Activity: electric power transmission

form of incorporation \ form of ownership: open joint stock company

unit of measurement: thousand rubles

Location: 129090 Moscow, Glukharev lane 4/2

| | |
|-------------------------|------------|
| | codes |
| Form 1 under ARCMD | 0710001 |
| date [year, month, day] | 2008.06.30 |
| under ARCBO | 75720657 |
| TIN | 6901067107 |
| under ADCEA | 40.10.2 |
| under ARCFI \ ARCFO | 47\16 |
| under ARCM | 384 |

date of approval
date of sending
[reception]

| |
|--|
| |
| |

| ASSETS | note | code | as of the beginning of the fiscal year | as of the end of the fiscal year |
|--|------|------|--|----------------------------------|
| 1 | A | 2 | 3 | 4 |
| I. NON-CIRCULATION ASSETS | | | | |
| Immaterial assets | | 110 | - | 49599 |
| including: | | | | |
| right to patents, programs, trade marks (service marks), | | | | |
| other similar rights and assets | | 111 | - | 10824 |
| organisation costs | | 112 | - | |
| business reputation of the company | | 113 | - | |
| other kinds of immaterial assets | | 114 | - | 38775 |
| results of research and development | | 115 | - | |
| Fixed assets | | 120 | | 40 901 509 |

| | | | | |
|---|------|-------|--|----------------------------------|
| including: | | | 18 541 | |
| land areas and land use facilities | | 121 | - | 87376 |
| buildings, cars, equipment, constructions | | 122 | 14 136 | 40 364 218 |
| other kinds of fixed assets | | 123 | 4 405 | 449 915 |
| Construction-in-process | | 130 | - | 3 235 601 |
| including | | | | |
| <i>equipment to be installed</i> | | 13001 | - | 360 221 |
| <i>investment in the non-circulation assets</i> | | 13002 | - | 2 875 380 |
| interest-bearing investment in the material values | | 135 | - | - |
| including: | | | | |
| property for leasing | | 136 | - | |
| property provided under the rent contract | | 137 | - | |
| Long-term financial investment | | 140 | | 349 475 |
| including: | | | | |
| investment in the affiliated companies | | 141 | - | 15 440 |
| investment in the dependent companies | | 142 | - | 692 |
| investment in other companies | | 143 | - | 333 343 |
| loans given by companies for the term of more than 12 months | | 144 | - | |
| other long-term financial investments | | 145 | - | |
| <i>FOR THE SUMMARY REPORTING</i> | | | | |
| <i>Business reputation of affiliated companies</i> | | 146 | - | |
| <i>Estimation of participation of the parent organisation in the affiliated company</i> | | 147 | - | |
| deferred tax assets | | 148 | 40 306 | 144 647 |
| other non-circulating assets | | 150 | - | |
| TOTAL section I | | 190 | 58 847 | 44 680 831 |
| ASSETS | note | code | as of the beginning of the fiscal year | as of the end of the fiscal year |
| 1 | A | 2 | 3 | 4 |
| II. CIRCULATING ASSETS | | | | |
| Stocks | | 210 | 6 023 | 2 166 889 |
| including: | | | | |
| raw material, material and other similar values | | 211 | - | 1 389 680 |
| <i>including:</i> | | | | |
| <i>black oil</i> | | 21101 | - | |
| <i>coal</i> | | 21102 | - | |

| | | | |
|---|-------|-------|-----------|
| <i>diesel oil</i> | 21103 | - | |
| <i>other process fuel</i> | 21104 | - | |
| <i>spare parts</i> | 21105 | - | 359 911 |
| <i>other raw material and other material</i> | 21107 | - | 1 029 769 |
| rears and fatteners | 212 | - | |
| expenses in production-in-process | 213 | - | |
| end product and goods for resale | 214 | - | 16 447 |
| goods loaded out | 215 | - | |
| expenses of future periods | 216 | 6 023 | 760 762 |
| other stocks and expenses | 217 | - | |
| Value Added Tax on values purchased <i>including</i> | 220 | - | 50 020 |
| <i>Vat at purchase of electric power in</i> | 22001 | - | |
| Debt receivable (payments on which are expected in more than 12 months after the accounting date) including: | 230 | 5 923 | 31 598 |
| buyers and customers <i>including:</i> | 231 | - | - |
| <i>financed from the federal budget</i> | 23101 | - | |
| <i>financed from the budgets of RG constituent entities</i> | 23102 | - | |
| <i>financed from local funds</i> | 23103 | - | |
| <i>other buyers and customers</i> | 23104 | - | |
| notes receivable | 232 | - | |
| debt of affiliated and dependent companies | 233 | - | |
| advance payments given out | 234 | - | |
| other debtors <i>including:</i> | 235 | 5 923 | 31 958 |
| <i>debt under partnership agreements</i> | 23501 | - | |
| <i>promissory notes</i> | 23502 | - | |
| <i>other debtors</i> | 23503 | 5 923 | 31 958 |
| Debt receivable (payments under which are expected to be effected during 12 months after the accounting date) | 240 | | 5 965 030 |

| | | | | |
|---|------|-------|--|----------------------------------|
| including: | | | 79 865 | |
| buyers and customers | | 241 | 46 904 | 3 458 837 |
| <i>including:</i> | | | | |
| <i>at sale of the electric power inside the group</i> | | 24101 | - | |
| <i>middlemen at sale of the electric and thermal power</i> | | 24102 | - | |
| <i>companies financed from the federal fund</i> | | 24103 | - | |
| <i>companies financed from the RF funds</i> | | 24104 | - | |
| <i>companies financed from the local funds</i> | | 24105 | - | |
| <i>other consumers of the electric and thermal power</i> | | 24106 | - | |
| <i>debt under the customer payment</i> | | 24107 | - | |
| <i>other buyers and customers</i> | | 24108 | 46 904 | 3 458 837 |
| ASSETS | note | code | as of the beginning of the fiscal year | as of the end of the fiscal year |
| 1 | A | 2 | 3 | 4 |
| notes receivable | | 242 | - | |
| debt of affiliated and dependant companies | | 243 | - | |
| debt of participants (founders) under contributions in the | | | | |
| capital stock | | 244 | - | |
| advances given out | | 245 | 5 702 | 1 474 780 |
| <i>including to:</i> | | | | |
| <i>suppliers of the electric and thermal power</i> | | 24501 | - | 29 265 |
| <i>fuel suppliers</i> | | 24502 | - | 11 143 |
| <i>material suppliers</i> | | 24503 | 29 | 101 355 |
| <i>building companies</i> | | 24504 | - | 884 071 |
| <i>repair companies</i> | | 24505 | 13 | 34 502 |
| <i>services suppliers</i> | | 24506 | 1 420 | 324 637 |
| <i>other advances given out</i> | | 24507 | 4 240 | 89 807 |
| other debtors | | 246 | 27 259 | 1 031 413 |
| <i>including:</i> | | | | |
| <i>on penalties, fines, penal sums under the contracts</i> | | 24601 | - | 80 639 |
| <i>excess payment of taxes in the federal funds</i> | | 24602 | 21 036 | 43 145 |
| <i>excess payment of taxes in the budgets of RF constituent</i> | | 24603 | 4 890 | 123 378 |
| <i>entities</i> | | | | |
| <i>excess payment in the local budgets</i> | | 24604 | - | 414 |

| | | | |
|---|-------|---------|------------|
| <i>excess payment in the state non-budgetary funds</i> | 24605 | 166 | 1 271 |
| <i>debt to RAO UES of Russia for engineering services</i> | 24607 | - | |
| <i>debt of RAO UES of Russia for engineering services</i> | 24608 | - | |
| <i>debt to RAO UES of Russia for reconstruction and re-equipment</i> | 24609 | - | |
| <i>debt of RAO UES of Russia for reconstruction and re-equipment</i> | 24610 | - | |
| <i>settlement of shares purchase</i> | 24612 | - | |
| <i>promissory notes</i> | 24613 | - | |
| <i>other debtors</i> | 24611 | 1 167 | 782 566 |
| Short-term financial investments | 250 | - | - |
| including: | | | |
| loans provided to companies for not more than 12 months | 251 | - | |
| other short-term financial investments | 253 | - | |
| monetary funds | 260 | 150 544 | 335 508 |
| including: | | | |
| cash | 261 | - | 100 |
| settlement accounts | 262 | 148 279 | 329 890 |
| currency accounts | 263 | - | |
| other monetary funds | 264 | 2 265 | 5 518 |
| including: | | | |
| <i>special accounts in banks</i> | 26401 | 2 265 | 5 081 |
| <i>financial documents</i> | 26402 | - | 37 |
| <i>transfers in transit</i> | 26403 | - | 400 |
| other circulating assets | 270 | - | 9 763 |
| including: | | | |
| <i>intra-organizational settlements under current operations</i> | 27002 | - | |
| <i>intra-organizational settlements under construction</i> | 27003 | - | |
| <i>intra-organizational settlements under reconstruction and re-equipment</i> | 27004 | - | |
| <i>intra-organizational settlements under the cost sheet of facilities protection</i> | 27006 | - | |
| <i>intra-organizational settlements under VAT</i> | 27007 | - | |
| <i>other circulation assets</i> | 27005 | - | 9 763 |
| TOTAL section II | 290 | 242 355 | 8 559 168 |
| balance | 300 | 301 202 | 53 239 999 |

| LIABILITIES | note | code | as of the beginning of the fiscal year | as of the end of the fiscal year |
|--|------|-------|---|-------------------------------------|
| 1 | | | | |
| III. CAPITAL AND RESERVES | | | | |
| Capital stock | | 410 | 10 000 | 4 221 794 |
| <i>including:</i> | | | | |
| <i>in preferred shares</i> | | 41001 | - | |
| <i>in ordinary shares</i> | | 41002 | 10 000 | 4 221 794 |
| own shares reacquired from shareholders | | 415 | - | |
| Additional fund | | 420 | 497 | 33 269 936 |
| settlements on segregated property | | 423 | - | |
| Reserve capital | | 430 | 500 | - |
| <i>including:</i> | | | | |
| reserves formed in conformity with legislation | | 431 | 500 | |
| reserves formed in conformity with the constituent documents | | 432 | - | |
| Target financing | | 450 | - | |
| Unappropriated balance (uncovered loss) | | | | |
| Unappropriated balance of past years | | 460 | 63 878 | |
| Uncovered loss of past years | | 465 | - | |
| Unappropriated balance of the accounting period | | 470 | - | 1 721 389 |
| Uncovered loss of the reporting period | | 475 | - | |
| TOTAL section III | | 490 | 74 875 | 39 213 119 |
| <i>FOR THE SUMMARY REPORTING</i> | | | | |
| <i>business reputation of affiliated companies</i> | | 495 | - | |
| <i>minority interest</i> | | 500 | - | |
| IV. LONG-TERM LIABILITIES | | | | |
| Loans and credits | | 510 | - | 5 165 530 |
| <i>including:</i> | | | | |
| <i>credits of banks redeemable</i> | | | | |
| <i>more than 12 months after the accounting date</i> | | 511 | - | 4 819 882 |
| <i>loans redeemable</i> | | | | |
| <i>more than 12 months after the accounting date</i> | | 512 | - | 345 648 |
| deferred tax liabilities | | 515 | 813 | 1 411 292 |
| other long-term liabilities | | 520 | - | 5 267 |
| <i>including:</i> | | | | |
| accounts payable of suppliers and contractors | | 52001 | - | |
| accounts payable to social funds | | 52002 | - | - |
| <i>including:</i> | | | | |

| | | | |
|--|-------|-----|-----------|
| <i>to the RF-pension fund</i> | 52003 | - | |
| <i>to the obligatory health insurance fund</i> | 52004 | - | |
| <i>to the employment fund</i> | 52005 | - | |
| <i>to the fund of social insurance</i> | 52006 | - | |
| <i>under the fines and penalty payments in the state non-budgetary funds</i> | 52007 | - | |
| accounts payable to the budget (restructured taxes) <i>including:</i> | 52008 | - | - |
| <i>to the federal budget</i> | 52009 | - | |
| <i>to the budgets of the RF-constituent entities</i> | 52010 | - | |
| <i>to the local budgets</i> | 52011 | - | |
| accounts payable under the profit tax of the transition period base <i>including:</i> | 52020 | - | - |
| <i>to the federal budget</i> | 52021 | - | |
| <i>to the budgets of the RF-constituent entities</i> | 52022 | - | |
| <i>to the local budgets</i> | 52023 | - | |
| other long-term liabilities | 52012 | - | 5 267 |
| TOTAL section IV | 590 | 813 | 6 582 089 |
| V .SHORT-TERM LIABILITIES | | | |
| Loans and credits including: credits of banks redeemable | 610 | - | 2 434 532 |
| during 12 months after the accounting date loans redeemable during | 611 | - | 2 434 532 |
| 12 months after the accounting date | 612 | - | |

| LIABILITIES | note | code | as of the beginning of the fiscal year | as of the end of the fiscal year |
|---|------|-------|--|----------------------------------|
| 1 | A | 2 | 3 | 4 |
| Accounts payable including: | | 620 | 59 166 | 4 820 796 |
| suppliers and contractors <i>including:</i> | | 621 | 44 654 | 1 865 036 |
| <i>to suppliers of te electric power through FWPEM</i> | | 62101 | - | |
| <i>to other suppliers of the electric and thermal power</i> | | 62102 | - | 138 814 |
| <i>to gas suppliers</i> | | 62103 | - | 66 |

| | | | |
|---|-------|--------|-----------|
| <i>to balck oil suppliers</i> | 62104 | - | |
| <i>to coal suppliers</i> | 62105 | - | |
| <i>to suppliers of other fuel</i> | 62112 | - | 7 366 |
| <i>to suppliers of building companies</i> | 62106 | - | 565 517 |
| <i>to repair companies</i> | 62107 | - | 34 758 |
| <i>under the customer payment of RAO UES of Russia</i> | 62108 | - | |
| <i>debt to Rosenergoatom Concern</i> | 62110 | - | |
| <i>debt to APS</i> | 62111 | - | |
| <i>to other suppliers and contractors</i> | 62109 | 44 654 | 1 118 515 |
| <i>under the customer payment of JSC SO CDA of UES</i> | 62113 | - | |
| <i>under the customer payment of JSC UES FGC</i> | 62114 | - | |
| notes payable | 622 | - | |
| debt to affiliated and dependant companies | 623 | - | |
| debt under labour payment to the personnel <i>including:</i> | 624 | 10 612 | 362 248 |
| <i>current</i> | 62401 | 10 612 | 362 248 |
| <i>overdue</i> | 62402 | - | - |
| debt to state and non-budgetary funds <i>including:</i> | 625 | 307 | 75 272 |
| <i>to the RF-pension funds</i> | 62501 | 157 | 57 211 |
| <i>to the obligatory health insurance fund</i> | 62502 | 36 | 13 114 |
| <i>to the employment fund</i> | 62503 | - | |
| <i>to the fund of social insurance</i> | 62504 | 114 | 4 879 |
| <i>under the fines and penalty payments in the state non- budgetary funds</i> | 62505 | - | 68 |
| debt under taxes and tax collections | 626 | 2 067 | 373 970 |
| current debt to the budget <i>including:</i> | 62610 | 2 067 | 373 970 |
| <i>to the federal budget</i> | 62601 | 1 969 | 317 233 |
| <i>to the budgets of the RF-constituent entities</i> | 62602 | 98 | 46 674 |
| <i>to the local budgets</i> | 62603 | - | 10 063 |
| debt to the budget under the profit tax of the transition period base <i>including:</i> | 62620 | - | - |

| | | | | |
|--|------|-------|--|----------------------------------|
| <i>to the federal fund</i> | | 62621 | - | |
| <i>to the budgets of the RF-constituent entities</i> | | 62622 | - | |
| <i>to the local budgets</i> | | 62623 | - | |
| advance payments received | | 627 | - | 1 938 454 |
| <i>including:</i> | | | | |
| <i>from consumers of the electric power</i> | | 62701 | - | |
| <i>from other consumers of the electric and thermal power</i> | | 62702 | - | |
| <i>other advances received</i> | | 62703 | - | 1 938 454 |
| other creditors | | 628 | 1 526 | 205 816 |
| <i>including:</i> | | | | |
| <i>VAT in the products unpaid</i> | | 62801 | - | |
| <i>debt to the non-budgetary fund of R&D</i> | | 62802 | - | |
| <i>debt to RAO UES of Russia for engineering</i> | | | | |
| <i>services</i> | | 62804 | - | |
| <i>debt of RAO UES of Russia for engineering service</i> | | 62805 | - | |
| <i>debt to RAO UES of Russia for reconstruction and re-</i> | | | | |
| <i>equipment</i> | | 62806 | - | |
| <i>debt of RAO UES of Russia for reconstruction and re-</i> | | | | |
| <i>equipment</i> | | 62807 | - | |
| <i>other creditors</i> | | 62808 | 1 526 | 205 816 |
| LIABILITIES | note | code | as of the beginning of the fiscal year | as of the end of the fiscal year |
| 1 | A | 2 | 3 | 4 |
| Debt to participants (founders) on revenue payment | | 630 | - | 74 587 |
| Profit of future periods | | 640 | - | 46 056 |
| Reserves of future expenses and payments | | 650 | 166 348 | 68 820 |
| other short-term liabilities | | 660 | - | - |
| <i>including:</i> | | | | |
| <i>intra-organizational settlements under current operations</i> | | 66002 | - | |
| <i>intra-organizational settlements under construction</i> | | 66003 | - | |
| <i>intra-organizational settlements under reconstruction and re-</i> | | | | |
| <i>equipment</i> | | 66004 | - | |
| <i>intra-organizational settlements under the cost sheet of facilities</i> | | | | |
| <i>protection</i> | | 66006 | - | |
| <i>intra-organizational settlements under VAT</i> | | 66007 | - | |
| <i>other short-term liabilities</i> | | 66005 | - | |
| TOTAL section V | | 690 | 225 514 | 7 444 791 |

| | | | | |
|----------------|--|-----|---------|------------|
| BALANCE | | 700 | 301 202 | 53 239 999 |
|----------------|--|-----|---------|------------|

Reference note on availability of values registered on the off balance sheet account

| ASSETS | note | code | as of the beginning of the fiscal year | as of the end of the fiscal year |
|---|------|------|--|----------------------------------|
| Leased fix assets | | 910 | 11 609 | 6 415 667 |
| including on leasing | | 911 | - | 3 270 240 |
| Commodity and material valubles impounded | | 920 | - | |
| Material accepted for processing | | 925 | - | |
| Goods accepted for commission | | 930 | - | |
| Equipemnt accepted for installation | | 935 | - | |
| Debt of insolvent debtors written-off as a loss | | 940 | - | 1 523 004 |
| securing obligations and payments received | | 950 | - | 1 414 595 |
| securing obligations and payments given out | | 960 | - | 527 851 |
| depreciation of fixed assets | | 970 | - | 3 027 |
| depreciation of land improvement facilities and other similar facilities | | 980 | - | 1 117 |
| strict security forms | | 990 | - | 1 041 |
| fixed assets leased out | | 992 | - | 34 771 |
| property in the federal property | | 993 | - | 113 243 |
| Immaterial assets received for use | | 995 | - | |
| property transferred to the capital stock for payment of shares purchased | | 997 | - | |

Head (signed)

Chief Accountant (signed)

Profit and Loss Statement
The 1st half of the year 2008

Company: IDGC of Centre, JSC (thousand rubles)
Taxpayer Identification Number

Activity: electric power transmission

form of incorporation \ form of ownership: open joint
stock company

unit of measurement: thousand rubles

Location: 129090 Moscow, Glukharev lane 4/2

| | |
|-------------------------------|------------|
| | codes |
| Form 2 under ARCMD | 0710002 |
| date [year, month, day] | 2008.06.30 |
| under ARCBO | 75720657 |
| TIN | 6901067107 |
| under ADCEA | 40.10.2 |
| under ARCFI \ARCFO | 47\16 |
| under ARCM | 384 |

| indicator | note | line code | as of the reporting period | as of the same period of last year |
|--|------|--------------|----------------------------------|---------------------------------------|
| 1 | A | 2 | 3 | 4 |
| Profit and expenditure on common activities | | | | |
| Receipts (net) from sale of goods, products, works and services net of VAT, excise and similar obligatory payments), <i>of electric power to the internal consumers</i> | | 010 | 13 798 008 | 522 837 |
| <i>of the electric power for export</i> | | 011 | | - |
| <i>of the thermal power</i> | | 012 | | - |
| <i>of the customer payment (for RAO UES of Russia)</i> | | 013 | | - |
| <i>receipts from transport of the electric and thermal power</i> | | 014 | | - |
| <i>of the electric power for sale companies</i> | | 018 | 13 106 342 | - |
| <i>of other goods, products, works and services of industrial character</i> | | 019 | | - |
| <i>of other goods, products, works and services of non-industrial character</i> | | 015 | 691 666 | 522 837 |
| <i>of goods, products, works and services of primary activity (for institutes)</i> | | 016 | - | - |
| | | 017 | - | - |
| <i>profit from participation in other companies</i> | | 032 | - | - |
| Production cost of the goods, products, works and services sold including: | | | | |
| <i>electric power sold to internal consumers</i> | | 020 | (10 724 963) | (428 903) |
| <i>electric power sold for export</i> | | 021 | | - |
| <i>thermal power</i> | | 022 | | - |
| <i>customer payment (for RAO UES of Russia)</i> | | 023 | | - |
| <i>transportation of the electric and thermal power</i> | | 024 | | - |
| <i>of electric power sold to sales companies</i> | | 028 | (10 435 786) | - |
| <i>of other goods, products, works and services of industrial character</i> | | 031 | | - |
| | | 025 | (289 177) | (428 903) |

| | | | |
|---|-----|-----------|----------|
| <i>of other goods, products, works and services of non-industrial character</i> | 026 | | - |
| <i>of goods, products, works, services on primary activity (for institutes)</i> | 027 | | - |
| <i>expenses due to participation in other companies</i> | 033 | | - |
| gross profit | 029 | 3 073 045 | 93 934 |
| business expenses | 030 | | - |
| managerial expenses | 040 | (204 721) | - |
| profit (loss) from sales | 050 | 2 868 324 | 93 934 |
| Other profit and expenses | | | |
| interest receivable | 060 | 1 042 | 49 |
| interest payable | 070 | (167 994) | - |
| profit from participation in other companies | 080 | | - |
| other profit | 090 | 214 232 | 11 114 |
| other expenses | 100 | (453 997) | (20 600) |
| | | | - |
| | | | - |
| Profit (loss) before taxation | 140 | 2 461 607 | 84 497 |
| deferred tax asset | 143 | (70 392) | 11 669 |
| deferred tax liability | 144 | (51 667) | (454) |
| current profit tax | 145 | (609 896) | (37 256) |
| other similar obligatory payments | 146 | (8 263) | (47) |
| Profit tax and other similar obligatory payments | 150 | (740 218) | (26 088) |
| Profit (loss) from primary activity | 160 | 1 721 389 | 58 409 |
| | | | |
| <i>FOR THE SUMMARY REPORTING</i> | | | |
| <i>Capitalized profit (loss)</i> | 184 | | - |
| <i>Minority interest</i> | 185 | | - |
| Net profit (unappropriated profit (loss)) of the reporting period | | | |

| | | | | |
|--|--|-------|------------------|---------------|
| Net profit (unappropriated profit (loss)) of the reporting period | | 19010 | 1 721 389 | 58 409 |
| | | | | |

| Indicator | note | line code | as of the reporting period | as of the same period of last year |
|--|------|-----------|----------------------------|------------------------------------|
| | | | | |
| 1 | A | 2 | 3 | 4 |
| FOR REFERENCE ONLY FOR STRUCTURAL SUBDIVISIONS OF RAO UES OF RUSSIA | | | | |
| V. Intra-organizational settlements | | | | |

| | | | |
|--|----------------------------------|------------------|------------------|
| Profit received from representative offices and branches of RAO UES of Russia including from lines page 140 Profit (loss) before taxation page 150 Profit tax and other similar obligatory payment... | 19011 19012 19013 19014 | - - - - | - - - - |
| Net profit (undistributed profit (loss)) of the reporting period taking into account the profit received from representative offices and branches (19011+19012+19013+19014) | 19020 | - | - |
| Profit transferred from representative offices and branches to RAO YES of Russia including: from lines page 140 Profit (loss) before taxes page 150 Profit tax and other similar obligatory payment... | 19031 19032 19033 19034 | - - - - | - - - - |
| Net profit (undistributed profit (loss)) of the reporting period taking into account profit transferred to RAO UES of Russia (19031+19032+19033+19034) | 19040 | - | - |
| Net profit (undistributed profit (loss)) of the reporting period (19010+19020-19040) | 190 | 1 721 389 | 58 409 |

(rur)

| Indicator | note | line code | as of the reporting period | as of the same period of last year |
|--------------------------------------|------|-----------|----------------------------|------------------------------------|
| 1 | A | 2 | 3 | 4 |
| FOR REFERENCE | | | | |
| permanent tax liabilities (assets) | | 200 | 141 169 | 5 762 |
| base profit (loss) per a share | | 201 | | 0.0000 |
| dividends proposed per a share(loss) | | 202 | | 0.0000 |

EXPLANATION OF CERTAIN PROFIT AND LOSS

| Indicator | note | line code | as of the reporting period | as of the same period of last year |
|---|------|-----------|----------------------------|------------------------------------|
| 1 | A | 2 | 3 | 4 |
| Fines and penalty payments acknowledged or those, on which the court resolutions were received (arbitrage) on their collection profit | | 210 | 6 944 | - |
| loss | | 211 | 1 949 | - |
| Profit (loss) of past years | | 220 | | 6 637 |

| | | | | |
|--|--|-----|--------|-------|
| profit | | | 1 751 | |
| loss | | 221 | 20 512 | 1 859 |
| Payment of damages caused by non-performance of improper performance of obligations | | 230 | | - |
| profit | | 231 | 154 | - |
| loss | | 240 | 1 | - |
| Currency difference on operations performed in the foreign currency profit | | 241 | 1 | - |
| loss | | 250 | - | - |
| Contributions to the estimation reserves | | 260 | 6 | - |
| loss | | 261 | - | - |
| Write-off of debt receivable and account payable, the limitation period of which expired | | | | |
| profit | | | | |
| loss | | | | |

**Explanation of form 2 Profit and Loss Statement
under the internal standard of RAO UES of Russia**

**for the 1st half
of 2008**

| Indicator | note | line code | on the unloaded products | |
|--|------|-----------|----------------------------|------------------------------------|
| | | | as of the reporting period | as of the same period of last year |
| 1 | | 2 | 3 | 4 |
| interest payable | | 070 | 167 994 | - |
| including: | | | | |
| interest on credits, loans | | 07003 | 167 994 | - |
| other interest payable (interest on bills, notes, etc.) | | 07004 | | - |
| other profit | | 090 | 214 232 | 11 114 |
| including: | | | | |
| from sale of fixed assets, apartments excluded | | 09001 | 6 790 | 491 |
| from sale of appartments | | 09002 | | - |
| from sale of inventories | | 09003 | 9 269 | 147 |
| from sale of currency | | 09004 | | - |
| from sale of immaterial assets | | 09005 | | - |
| from sale of securities | | 09006 | 60 000 | - |
| from sale of other assets | | 09007 | | 3 838 |
| from the joint activity | | 09009 | | - |
| profit of year 2007 ascertained in the reporting period | | 12001 | 1 599 | - |
| profit of year 2006 ascertained in the reporting period | | 12002 | 129 | 6 637 |
| profit of year 2005 ascertained in the reporting period | | 12003 | 13 | - |
| profit before 01.01.2005 ascertained in the reporting period | | 12004 | 10 | - |
| Fines and penalty payments acknowledged or those, on which the court resolutions were received (arbitrage) on their collection | | 12005 | 6 944 | - |
| Accounts payable (more than 3 years) | | 12008 | 6 | - |

| | | | | |
|---|-------------|------------------|-----------------------------------|---|
| currency defences | | 12009 | 1 | - |
| property fund to be surplus as a result of inventory | | 12010 | | - |
| Non-repayable assets received, except fixed assets and immaterial assets | | 12011 | | - |
| Profit from non-repayable fixed assets defined according to the established procedure | | 12012 | 1 501 | - |
| sum differences | | | | |
| cost of material assets remaining after writing-off as a result of extraordinary situations inadequate for recovery and further use of assets | | 17032 | | - |
| other profit | | 12014 | 127 970 | 1 |
| | note | line code | as of the reporting period | as of the same period of last year |
| Indicator | | | | |
| 1 | A | 2 | 3 | 4 |
| other expenses | | 100 | 453 997 | 20 600 |
| including: | | | | |
| from sale of fixed assets, apartments excluded | | 10001 | 6 195 | 442 |
| from sale of apartments | | 10002 | | - |
| from sale of inventories | | 10003 | 7 893 | 147 |
| from sale of the currency | | 10004 | | - |
| from sale of immaterial assets | | 10005 | | - |
| from sale of securities | | 10006 | 48 852 | - |
| from sale of other assets | | 10007 | | 3 800 |
| militia tax | | 10011 | | - |
| car re-sale tax | | 10013 | | - |
| garbage tax | | 10014 | | - |
| advertising tax | | 10015 | | - |
| additional payment in budget for the profit tax | | 10016 | | - |
| securities trading tax | | 10026 | | - |
| "Russia" name tax | | 10028 | | - |
| other taxes | | 10017 | | - |
| bank services | | 10018 | 6 392 | 395 |
| inactive installation support | | 10019 | | - |
| annulled production orders | | 10020 | | - |
| manufacturing orders, which did not give goods | | 10021 | | - |
| costs for securities servicing | | 10022 | 2 707 | - |
| provision for doubtful debts | | 10024 | | - |
| provision for devaluation of financial investments | | 10025 | | - |
| provision for decrease in cost of material assets | | 10029 | | - |
| provision for the activity terminated | | 10030 | | - |
| provision for other contingent obligations | | 10031 | | - |
| retirement of assets without profit | | 10032 | 3 969 | - |
| VAT on the property transferred without compensation | | 10033 | | - |
| transfer of property in the municipal ownership | | 10034 | | - |
| Loss of year 2007 ascertained in the reporting period | | 13001 | 3 091 | - |
| Loss of year 2006 ascertained in the reporting period | | 13002 | 11 890 | 1 859 |
| Loss of year 2005 ascertained in the reporting period | | 13003 | 5 510 | - |

| | | | | |
|--|-------------|------------------|-----------------------------------|---|
| Loss before 01.01.2005 ascertained in the reporting period | | 13004 | 21 | - |
| Fines and penalty payments acknowledged or those, on which the court resolutions were received (arbitrage) on their collection | | 13005 | 1 949 | - |
| state duties under economic duties | | 13007 | 12 902 | - |
| Accounts payable (more than 3 years) | | 13008 | | - |
| currency differences | | 13009 | 1 | - |
| court costs | | 13010 | 1 155 | - |
| thefts | | 13021 | 30 | - |
| write-off of inventories over the rates of natural loss | | 13022 | | - |
| enforcement proceedings loss | | 13024 | | - |
| maintenance of the social sphere due to profit | | 13026 | | - |
| employees' apartment costs repayment | | 13027 | 1 756 | - |
| costs for sports actions holding | | 13030 | 984 | - |
| social activities costs | | 13031 | 2 310 | - |
| charity costs | | 13032 | 26 862 | - |
| cost of inventory lost | | 18001 | | - |
| write-off losses due to extraordinary events | | 18002 | | - |
| other expenses | | 13029 | 309 528 | 13 957 |
| | note | line code | as of the reporting period | as of the same period of last year |
| Indicator | | | | |
| 1 | A | 2 | 3 | 4 |
| profit tax and other similar payments including: | | 150 | 740 218 | 26 088 |
| contingent gain (expenditure) | | 15071 | 590 786 | 20 279 |
| Profit tax on the base of transition period | | 15005 | | - |
| permanent tax liabilities | | 15006 | 141 169 | 5 762 |
| write off of deferred tax liability | | 15007 | 286 | - |
| write off of deferred tax assets | | 15008 | 5 506 | - |
| finances of state tax inspection, including: | | 15010 | 2 | - |
| on the profit tax | | 15011 | | - |
| on VAT | | 15012 | | - |
| on the property tax | | 15013 | 1 | - |
| on other taxes | | 15014 | 1 | - |
| penalty fees of state tax inspection including: | | 15020 | 18 | 34 |
| on the profit tax | | 15021 | | 8 |
| on VAT | | 15022 | 15 | 26 |
| on the property tax | | 15023 | | - |
| on other taxes | | 15024 | 3 | - |

| | | | |
|---|-------|-------|----|
| penalty fees of state tax inspection - restructured (acknowledged in the reporting year) | 15050 | - | - |
| including: | | | |
| on the profit tax | 15051 | | - |
| on VAT | 15052 | | - |
| on the property tax | 15053 | | - |
| on other taxes | 15054 | | - |
| fines in the state non-budgetary funds, | 15030 | - | - |
| including: | | | |
| RF-pension fund | 15031 | | - |
| social insurance fund | 15032 | | - |
| obligatory health insurance fund | 15033 | | - |
| employment fund | 15034 | | - |
| penalty fees in the state non-budgetary funds, | 15040 | 3 | 13 |
| including: | | | |
| RF-pension fund | 15041 | | 13 |
| social insurance fund | 15042 | 3 | - |
| obligatory health insurance fund | 15043 | | - |
| employment fund | 15044 | | - |
| penalty fees in the state non-budgetary funds - restructured (acknowledged in the reporting period) | 15060 | - | - |
| including: | | | |
| RF-pension fund | 15061 | | - |
| social insurance fund | 15062 | | - |
| obligatory health insurance fund | 15063 | | - |
| employment fund | 15064 | | - |
| other obligatory payments | 15045 | 2 448 | - |
| profit at writing-off of restructures penalty fees on the taxes | 15070 | | - |

Head (signed)

Chief Accountant (signed)

