

QUARTERLY REPORT

Interregional Distribution Grid Company of Urals (OAO)

Issuer Code: 32501-D
1 quarter 2015

Issuer Location: **140 Ulitsa Mamina Sibiryaka, Ekaterinburg, Russia, 620026**

Information stated herein is subject to disclosure pursuant to the Russian legislation concerning securities

General Director Date: 13 May 2015	_____ S. G. Dregval signature
Chief Accountant Date: 13 May 2015	_____ O. M. Abrosimova signature

Contact person: **A.E. Reshetnikov, chief expert of Corporate Governance and Shareholder Relations Department at IDGC of Urals (OAO)**

Phone: **(343)215-26-85**

Fax: **(343)215-25-84**

E-mail: **reshetnikov-ae@mrsk-ural.ru**

Information stated herein is available at:

Interfax business wire: www.e-disclosure.ru/portal/company.aspx?id=12105;

Official web-site: <http://www.mrsk-ural.ru/disclosure/issuer/quarterly-reports/>

Contents

Contents	2
Introduction	5
SECTION I. BANK ACCOUNTS, AUDITOR, APPRAISER, FINANCIAL ADVISOR AND SIGNERS OF THE REPORT	6
1.1. Bank accounts	6
1.2. Auditor	6
1.3. Appraisers	9
1.4. Advisors	9
1.5. Signers of the report	9
SECTION II. FINANCIAL AND ECONOMIC PERFORMANCE	9
2.1. Financial and Economic Performance	9
2.2. Market Value	10
2.3. Liabilities	10
2.3.1. Borrowings and Payables	10
2.3.2. Credit History	12
2.3.3. Issuer's Liabilities From the Coverage Provided to Third Parties	12
2.3.4. Other Issuer's Liabilities	12
2.4. Risks Related to the Acquisition of Placed Securities	12
2.4.1. Industry Risks	14
2.4.2. Federal and Regional Risks	16
2.4.3. Financial Risks	16
2.4.4. Legal Risks	17
2.4.5. Reputation Risks	17
2.4.6. Strategic Risks	18
2.4.7. Risks Related to Company's Operations	19
SECTION III. DETAILED INFORMATION ON THE ISSUER	20
3.1. Company's Historical and Evolution Milestones	20
3.1.1. Company's Trade Name	21
3.1.2. State Registration	21
3.1.3. Issuer's Incorporation and Evolution	21
3.1.4. Contacts	24
3.1.5. Taxpayer Identification Number	24
3.1.6. Branches and Representative Offices of the Issuer	24
3.2. Core Lines of Activities	25
3.2.1. Industry Classification	25
3.2.2. Core lines of Activities	25
3.2.3. Raw Materials and Suppliers	27
3.2.4. Sales Area	28
3.2.5. Licenses	29
3.2.6. Operations Performed by Particular Categories of Issuers	29
3.2.7. Additional Requirements to Mining Industry Issuers	29
3.2.8. Additional Requirements to Telecom Industry Issuers	29
3.3. Future Prospects	29
3.4. Participation in Industrial, Banking and Financial Groups and Holdings	30
3.5. Controlled Companies with Significant Importance	31
3.6. Fixed Assets (composition, structure, value, potential acquisition, replacement, retirement of fixed	

assets, encumbrance, etc.).....	33
SECTION IV. FINANCIAL AND BUSINESS PERFORMANCE	34
4.1. Financial and Business Performance.....	34
4.2. Liquidity, Capital Adequacy and Current Assets.....	34
4.3. Financial Investments.....	35
4.4. Non-tangible Assets	37
4.5. Policy and Expenses concerning Sci-tech Development, Licenses, Patents, R&D.....	37
4.6. Analysis of Trends	39
4.7. Analysis of Factors Affecting Operations	40
4.8. Peers.....	40
SECTION V. DETAILS ON MEMBERS OF MANAGEMENT AND CONTROL BODIES. BRIEF PERSONNEL OVERVIEW	41
5.1. Structure and Competence of the Bodies	41
5.2. Management Bodies	46
5.2.1. Board of Directors	46
5.2.2. Sole Executive Body	51
5.2.3. Collegiate Executive Body	52
5.3. Remuneration, Benefits and/or Reimbursement of Expenses (Management Bodies).....	56
5.4. Structure and Competence of Financial Control Bodies	57
5.5. Personnel of Financial Control Bodies.....	59
5.6. Remuneration and/or Expense Compensation (Financial Control Body)	62
5.7. Personnel Headcount and Structure. Changes in Headcount.....	64
5.8 Liabilities to Employees on Potential Participation in the Charter (Share) Capital	64
SECTION VI. STOCKHOLDERS AND RELATED-PARTY TRANSACTIONS.....	64
6.1. Total Number of Shareholders.....	64
6.2. Large Stockholders (5% of the Charter Capital or common stock); Controlling Persons (if none, persons with 20% of the Charter Capital or common stock).....	64
6.3. Government or Municipal Share in the Charter Capital (Golden Share).....	65
6.4. Charter Capital Restrictions	65
6.5. Changes in Structure and Share of Stockholders with 5% of its Charter Capital or Common Stock.....	65
6.6. Related-Party Transactions	67
6.7. Accounts Receivable	67
SECTION VII. FINANCIAL STATEMENTS AND OTHER RELEVANT FINANCIAL INFORMATION.....	69
7.1. Annual Accounting (Financial) Statements	69
7.2. Quarterly Accounting (Financial) Statements	74
7.3. Consolidated Financial Statements.....	78
7.4. Accounting Policy	78
7.5. Total Export and Export/Total Sales.....	78
7.6. Significant Property Changes since the end of the last completed reported period	78
7.7. Significant Lawsuits with Potential Affect on Operations	78
SECTION VIII. ADDITIONAL INFORMATION ON THE ISSUER AND ITS PLACED SECURITIES	78
8.1. Additional Information.....	78
8.1.1. The Charter Capital: Amount and Structure	78
8.1.2. Changes of the Charter Capital	78
8.1.3. Convention and Conduct of a meeting of the supreme management body	78
8.1.4. Commercial Organizations with Company's 5% stake in the Charter capital or common stock	80
8.1.5. Major/Large-Scale Transactions.....	81
8.1.6. Credit Ratings	81
8.2. Classes (Types) of the Issuer's shares	83

8.3. Other Issues of Securities (Excluding Shares).....	83
8.3.1. Redeemed Securities.....	83
8.3.2. Outstanding Securities	84
8.4. Person (persons) who Secured Bond Issues and Suretyship.....	86
8.4.1. Mortgage Collateral Bonds	86
8.4.2. Monetary Collateral Bonds	87
8.5. Organizations Recording Securities Rights.....	87
8.6. Laws, Code and Other Enactments Concerning Capital Import and Export with Potential Effect on Non-residential Dividends, Yield and Other Payments	87
8.7. Announced (Accrued) and/or Paid Dividends or Bond Yield.....	88
8.7.1. Announced and Paid Dividends	88
8.7.2. Accrued and Paid Bond Yield	90
8.8. Other Information	94
8.9. Information on RDRs and RDR Issuer	94

Introduction

Factors to disclose a quarterly report:

The issuer has registered the listing prospectus. The exchange-traded bonds of the issuer were listed on the stock exchange with filed exchange-traded bond prospectus.

On 24 April 2008 the Federal Financial Markets Service of Russia has registered the Company's prospectus. On 11 July 2012 exchange-traded Series BO-01 bonds of the Company (#4B02-01-32501-D dd. 11.07.2012) were listed on MICEX and are currently in circulation. On 31 May 2013 exchange-traded Series BO-02-05 bonds (#4B02-02-32501-D, 4B02-03-32501-D, 4B02-04-32501-D, 4B02-05-32501-D dd. 31.05.2013) were listed on MICEX, but no bonds have been placed yet.

The report contains evaluations and forecasts of the management bodies with regard to future events and/or actions, energy sector perspectives and Company's results, including Company's plans, event and action probability. Investors should not fully rely upon such evaluations and forecasts, since real future results may vary from the forecasts due to a range of various factors. Acquisition of the securities may entail risks described herein.

SECTION I. BANK ACCOUNTS, AUDITOR, APPRAISER, FINANCIAL ADVISOR AND SIGNERS OF THE REPORT

1.1. Bank accounts

General information on a banking institution

Full company name: **VTB (Ekaterinburg branch)**

Short company name: **VTB (Ekaterinburg branch)**

Location: **5 Ulitsa Marshalla Zhukova, Ekaterinburg, 620014**

TIN: **7702070139**

BIC: **046577952**

Account#: **40702810228000002693**

Corresponding account: **30101810400000000952**

Account type: **operating**

General information on a banking institution

Full company name: **North Sea Way (Chelyabinsk branch)**

Short company name: **SMP Bank (Chelyabinsk branch)**

Location: **5 Ulitsa Pushkina, Chelyabinsk, 454091**

TIN: **7750005482**

BIC: **047501988**

Account#: **40702810104050002290**

Corresponding account: **30101810000000000988**

Account type: **operating**

General information on a banking institution

Full company name: **Gazprombank (Perm branch)**

Short company name: **GPB (Perm branch)**

Location: **77a, Ulitsa Maksima Gorkogo, Perm, 614007**

TIN: **7744001497**

BIC: **045773808**

Account#: **40702810000320100934**

Corresponding account: **30101810200000000808**

Account type: **operating**

1.2. Auditor

Full company name: **Closed Joint-Stock Company KPMG**

Short company name: **KPMG (ZAO)**

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

TIN: **7702019950**

PSRN: **1027700125628**

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

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

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

Membership in self-regulated auditor organizations

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

Location: **3/9, building 3, Pereulok Tretiy Syromyatnicheskiy, Moscow, 105120**

Additional information: **Registration number of Auditor Chamber of Russia, NP - 10301000804**

Periods when the auditor audited (will audit) annual financial statements:

Accounting (financial) statements (RAS)	Consolidated financial statements (IFRS)
2012	2009
2013	2010
	2011
	2012
	2013

Factors that may impact the independence of the auditor: **None**

Selection:

Tender conditions:

A candidate for an auditor position is determined by a tender (open negotiations without preliminary qualified selection). Key requirements for audit organizations are:

- **to be a member in a self-regulated auditor organization;**
- **not to be under liquidation or bankruptcy proceedings;**
- **not to be under suspension of operations as stated by the Russian Administrative Code on the tender date;**
- **to have no debt on taxes, levies and other obligatory payments to various budgets or state non-budgetary funds for the previous calendar year (exceeding 25% of book asset value as stated in financial statements as of the last completed reported period);**
- **not to be on the unfair-contractor register;**
- **not to fall under conditions stated by the Federal Auditor's Law.**

Auditor nomination procedure:

According to the Charter, a nominee is recommended to the AGSM after an auditor tender (arranged by the issuer and/or Rosseti). The AGSM approves the auditor (auditor organization) of the Company. The meeting, held on June 13, 2013 (AGSM Protocol #6 dd. 14.06.2013), has approved KPMG (ZAO) as the Company's auditor for 2013. An auditor nominee to be engaged for the audit of consolidated interim financial statements prepared under IFRS is not reviewed by the AGSM. 2012 and 2013 IFRS financial statements of the Company are audited by KPMG (ZAO). The auditor had no special assignments.

Remunerations (determination procedure, amount, etc.):

According to the Charter, auditor remuneration is determined by the BoD. The price and payment procedures are stipulated by the contract concluded between the Company and auditor. The amount of remuneration earned by the auditor for the audit of 2013 RAS financial statements is determined by a Board resolution dd. 26.08.2013 (protocol #130 dd. 28.08.2013) and do not exceed RUR 1,558,788, incl. VAT. The amount of the auditor remuneration for the audit of 2013 IAS accounting statements is determined by a BoD resolution dd. 26.08.2013 (protocol #130 dd. 28.08.2013) and do not exceed RUR 4,492,378, incl. VAT. There are no deferred and overdue payments for the auditor services.

Full Company name: **Ernst and Young, Limited Liability Company**

Short Company name: **Ernst and Young (OOO)**

Location: **77/1 Sadovnicheskaya Naberezhnaya, Moscow, 115035, Russia**

TIN: **7709383532**

PSRN: **1027739707203**

Phone: **(495) 755-9700**

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

E-mail: **alexey.loza@ru.ey.com**

Membership in self-regulated auditor organizations

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

Location: **3/9, building 3, Pereulok Tretiy Syromyatnicheskiy, Moscow, 105120**

Periods when the auditor audited (will audit) annual financial statements:

Accounting (financial) statements (RAS)	Consolidated financial statements (IFRS)
2014	2014

Factors that may impact the independence of the auditor: **None**

Selection:

Tender conditions:

A candidate for an auditor position is determined by a tender (open negotiations without preliminary qualified selection). Key requirements for audit organizations are:

- **to be a member in a self-regulated auditor organization;**
- **not to be under liquidation or bankruptcy proceedings;**
- **not to be under suspension of operations as stated by the Russian Administrative Code on the tender date;**
- **to have no debt on taxes, levies and other obligatory payments to various budgets or state non-budgetary funds for the previous calendar year (exceeding 25% of book asset value as stated in financial statements as of the last completed reported period);**
- **not to be on the unfair-contractor register;**
- **not to fall under conditions stated by the Federal Auditor's Law.**

Auditor nomination procedure:

According to the Charter, a nominee is recommended to the AGSM after an auditor tender (arranged by the issuer and/or Rosseti). The AGSM approves the auditor (auditor organization) of the Company. The meeting, held on June 27, 2014 (AGSM Protocol #7 dd. 27.06.2014), has approved Ernst&Young as the Company's auditor for 2014. An auditor nominee to be engaged for the audit of consolidated interim financial statements prepared under IFRS is not reviewed by the AGSM. The auditor had no special assignments.

Remunerations (determination procedure, amount, etc.):

According to the Charter, auditor remuneration is determined by the BoD. The price and payment procedures are stipulated by the contract concluded between the Company and auditor. The amount of remuneration earned by the auditor for the audit of 2014 RAS and IAS financial statements is determined by a Board resolution dd. 25.07.2014 (protocol #149 dd. 28.07.2014) and do not exceed RUR 4,315,035.48, incl. VAT. In 4Q 2014 we paid RUR 1,186,635.14 under the RAS and IFRS audit contract. In 1Q 2015 we paid RUR 1,769,164.48. There are no deferred and overdue payments for the auditor services.

Potential factors that can challenge the auditor's independency:

- **the auditor's (or its officers') share in the charter capital of the issuer: no share;**
 - **money borrowed by the auditor (its officers) from the issuer: no borrowings;**
 - **close business contacts (co-promotion of the issuer's services or joint business, etc.) and kinship: no close contacts and kinship;**
 - **the issuer's officers serve simultaneously as the auditor's officers: no such officers.**
- The issuer and the auditor comply with the law (in particular, with Federal Auditor's Law #119-FZ dd. 07.08.2001). According to Section 12 of the law, the audit cannot be performed by:**
- 1) auditors who are founders (stockholders) of audited entities, directors, accountants and other persons liable for accounting and financials administration;**
 - 2) auditors with a close kinship (parents, spouses, brothers, sisters, children as well as brothers, sisters, parents and children of the spouses) with the founders (stockholders) of audited entities, directors, accountants and other persons liable for accounting and financials administration;**
 - 3) auditor companies, which directors and other officers are the founders (stockholders) of audited entities, officers, accountants and other persons liable for accounting and financials administration;**
 - 4) auditor companies, which directors and other officers are in a close kinship (parents, spouses, brothers, sisters, children as well as brothers, sisters, parents and children of the spouses) with the founders (stockholders) of audited entities, officers, accountants and other persons liable for accounting and financials administration;**
 - 5) auditor companies in relation to audited entities being their founders (stockholders); in relation to audited entities, with the auditor companies being their founders (stockholders); in relation to subsidiaries, branches and representative offices of audited entities as well as in relation to companies possessing the same founders (stockholders) as the auditor company;**
 - 6) auditor companies and individual auditors, rendering services on accounting recovery and administration as well as financials administration for natural and legal entities (in relation to these persons) during three**

years prior to the audit.

1.3. Appraisers

No appraisers were engaged during 12 months prior to the end of the reported period under requirements hereof

1.4. Advisors

No financial advisors were engaged within 12 months prior to the end of the reported period under requirements hereof.

1.5. Signers of the report

Name: **Sergey Georgievich Dregval**

Year of birth: **1971**

Position:

Company: **IDGC of Urals (OAO)**

Position: **General Director**

Name: **Olga Mikhailovna Abrosimova**

Year of birth: **1953**

Position:

Company: **IDGC of Urals (OAO)**

Position: **Chief Accountant**

SECTION II. FINANCIAL AND ECONOMIC PERFORMANCE

2.1. Financial and Economic Performance

Performance in diachrony (under Company's financials)

Accounting standards: **RAS**

Mea.unit for labor productivity: **RUR thous./person.**

Performance indicator	3M 2014	3M 2015
Labor productivity	3,953	1,000
Debt/Equity	0.82	0.9
Long-term debt/ Long-term debt and Equity	0.33	0.23
Income/ Debt	3.84	9.14
Overdue debt, %	0	0

Performance indicator	2013	2014
Labor productivity	3,459	3,575
Debt/Equity	0.78	0.88
Long-term debt/ Long-term debt and Equity	0.33	0.3
Income/ Debt	1.35	1.42
Overdue debt, %	0	0

Performance analysis:

Debt (long-term and short-term)/Equity demonstrates the correlation of external and internal sources of finance. 2014 and 1Q 2015 Debt/Equity ratio increased by 0.1 on 2013 and by 0.08 on 1Q 2014. Long-term debt/Long-term Debt and Equity demonstrates the level of long-term financing. By the end of 2014 and 1Q 2015 the indicator has undergone no significant changes in comparison to 2013 and 1Q 2014 (-0.03 and -0.1 respectively). At the same time Income/Debt, demonstrating the ability of the Company to discharge its

short-term liability, grew by 0.07 (at the end of 2014) and by 5.31 (as of 1Q 2015) y-o-y. Increase of short-term liabilities was the key influencing factor due to changes of debt categories – from long-term debt into short-term one and formation of evaluative liabilities on incomplete trials.

2.2. Market Value

Market value is multiplication of the number of shares of a certain category (type) and market price (provided by a trading institution)

Mea.unit: **RUR thous.**

Indicator	31.12.2014	31.03.2015
Market value	5,368,231.82	5,709,210.71

Trading institution:

The securities are listed on MICEX (location: 13/1 Bolshoi Kislovsky Pereulok, Moscow, 125009; 4/7, building 1, Ulitsa Vozdvizhenka, Moscow, 125009; web-site: www.rts.micex.ru). The market value is calculated using the data provided by the trading institution.

2.3. Liabilities

2.3.1. Borrowings and Payables

31.12.2014

Borrowings:

Mea.unit: **RUR thous.**

Indicators	Value
Long-term borrowings	10,297,973
including:	
credits	7,297,973
loans, except bonds	0
bonds	3,000,000
Short-term borrowings	2,101,508
including:	
credits	1,995,888
loans, except bonds	0
bonds	105,620
Overall overdue debt	0
including:	
credits	0
loans, except bonds	0
bonds	0

Payables

Mea.unit: **RUR thous.**

Indicators	Value
Overall payables	8,775,311
overdue	0
including	
Budget and state non-budget funds	843,661
overdue	0
Suppliers and contractors	4,069,271
overdue	0

Personnel	348,718
overdue	0
Other	3,513,661
overdue	0

Overdue payables: **none**

Creditors with at least 10% of overall payables or overall borrowings (long-term and short-term):

Full Company name: **Federal Grid Company of Unified Energy System**

Short Company name: **FSK UES**

Location: **5a Ulitsa Akademika Chalomeya, Moscow, 117630**

TINH: **4716016979**

PSRN: **1024701893336**

Payables: **RUR 1,081,681 thous.**

Amount and conditions of overdue payables (interest rate, fines, penalties): **None**

Affiliation with the issuer: **Yes**

Issuer's share in the charter capital: **0.000049%**

Common shares owned by the issuer: **0.000049%**

Share of the entity in the issuer's charter capital: **0%**

Issuer's common stock owned by the entity: **0%**

31.03.2015

Borrowings:

Mea.unit: **RUR thous.**

Indicators	Value
Long-term borrowings	6,297,973
including:	
credits	6,297,973
loans, except bonds	
bonds	
Short-term borrowings	6,037,998
including:	
credits	2,995,888
loans, except bonds	
bonds	3,042,110
Overall overdue debt	0
including:	
credits	0
loans, except bonds	0
bonds	0

Payables

Mea.unit: **RUR thous.**

Indicators	Value
Overall payables	9,086,470
overdue	0
including	

Budget and state non-budget funds	834,787
overdue	0
Suppliers and contractors	4,694,332
overdue	0
Personnel	322,539
overdue	0
Other	3,234,812
overdue	0

Overdue payables: none

Creditors with at least 10% of overall payables or overall borrowings (long-term and short-term)::

Full Company name: **Federal Grid Company of Unified Energy System**

Short Company name: **FSK UES**

Location: **5a Ulitsa Akademika Chalomeya, Moscow, 117630**

TINH: **4716016979**

PSRN: **1024701893336**

Payables: **RUR: 980,762 thous.**

Amount and conditions of overdue payables (interest rate, fines, penalties): **None**

Affiliation with the issuer: **Yes**

Issuer's share in the charter capital: **0.000049%**

Common shares owned by the issuer: **0.000049%**

Share of the entity in the issuer's charter capital: **0%**

Issuer's common stock owned by the entity: **0%**

2.3.2. Credit History

Discharge of liabilities on credit contracts and/or borrowing contracts during the last reported and current periods, including those concluded in the form of bond issue and sale, provided that principal debt totaled 5% and more of the asset book value as of the last reported period (3, 6, 9 and 12 months) that preceded the conclusion of such contract as well as other credit contract and/or borrowing contracts the issuer deems significant: **none**

Debt on credits and borrowings as of 01.01.2015 totaled RUR 12,231.73 mn. In 1Q 2015 the credit portfolio had no changes and as of 31.03.2015 totaled RUR 12,231.73 mn. By the end of 1Q 2015 the Company has 19 active credit contracts and 1 placed bond issue (exchange-traded bonds BO-01 series) worth RUR 3 bn. More details on the bonds are provided in clause 8.3.2 hereof. The Company has no credit contracts with principal debt exceeding 5% of asset book value. Liabilities on each contract are discharged on time. Debt service is perfect.

2.3.3. Issuer's Liabilities From the Coverage Provided to Third Parties

None

2.3.4. Other Issuer's Liabilities

None

2.4. Risks Related to the Acquisition of Placed Securities

Risk management policy:

Internal control and risk management system of the Company is an element of Company's corporate governance system comprising a wide range of procedures, methods and mechanisms of control created and used by the Board of Directors, Audit Commission, executive management bodies, senior managers and personnel of the Company focused on the provision of reasonable guarantees for achieving the following goals:

- Efficiency of process administration;

- Observation of legislative requirements, that may apply to the Company’s operations, as well as requirements of the Company’s internal documents;
- Prevention of malpractices of the Company’s employees and third parties with Company’s assets;
- Authenticity, completeness and timeliness of all types of reporting.

To evolve the system the Board of Directors has approved a range of internal documents. Principles of functioning, processes and procedures for risk management and internal control system of the Company are regulated by:

- The Risk Management Policy of IDGC of Urals (approved by the Board of Directors, protocol #151 dd. 28.08.2014);
- The Internal Control Policy of IDGC of Urals (approved by the Board of Directors, protocol #151 dd. 28.08.2014);

The Internal Audit Policy of IDGC of Urals (approved by the Board of Directors, protocol #151 dd. 28.08.2014). According to the above-mentioned internal documents we also approved the Regulations on the control environment and risks typical for “Commercial Metering and Transmission Services” business process, Regulations on the control environment and risks typical for “Exploitation” business process, Regulations on the control environment and risks typical for “Procurement Management” business process, Regulations on the control environment and risks typical for “Connection” business process.

The system is polished up on all management levels of the Company:

1. Preventive (monitoring) control includes:

- build-up and optimization of processes with baseline control procedures (taking account of implementation expenses and effect);
- regulation of activities, including description of processes, participants (their authorities and responsibilities) and identification of milestones and control activities;
- risk management measures (monitoring, identification and risk evaluation, development and implementation of risk management measures).

2. In-process control includes:

- control procedures by process owners (heads of structural units) and employees during the execution of their functions;
- control over the achievement of qualitative and quantitative performance indicators and separate lines of activities (monitoring of process efficiency, corrective measures).

3. Follow-up control includes:

3.1. internal audit - via:

- inspections of structural units, processes, projects and lines of activities in the Company and its SACs;
- evaluation of reliability and efficiency of internal control system in the Company and its SACs;
- participation in internal investigations of abuses, frauds, damages to the Company and its SACs, inappropriate expenditures;

3.2. external audit carried out by the external auditor via audit of annual financial statements under Russian Accounting Standards and evaluation of status of the Company’s internal control system;

3.3. inspections carried out by the Audit Commission via control over financial and operating activities of the Company to check whether it complies with the Russian legislation, charter and internal documents of the Company;

3.4. auto-evaluation carried out by heads of structural units or senior management evaluate reliability and efficiency of the internal control system), including evaluation of efficiency, economic feasibility and effectiveness of the processes and observation of legislation and bylaws.

The participants of the internal control system are:

- Board of Directors and its Committees;
- Audit Commission;
- Management Board;
- General Director;
- Collegiate consultative bodies formed by the sole executive bodies to execute specific functions;
- Heads of structural units;
- Employees of structural units fulfilling control procedures as their working functions;
- Internal Audit and Risk Management Department.

Participant	Key authorities and responsibilities in IC&RM system
Board of Directors	<ul style="list-style-type: none"> • Creation, control over operations and determination of overall strategy for the evolution of the Company’s internal control and risk management system;

	<ul style="list-style-type: none"> • Review of reports and decision-taking on fundamental, key and problematic issues related to corporate governance;
Audit Commission	<ul style="list-style-type: none"> • Control over financial and economic operations of the Company; • Independent appraisal of authenticity of data contained in the annual report and annual financial statements of the Company;
Audit Committee	<ul style="list-style-type: none"> • Provision of external auditor selection and evaluation of its operations; • Provision of evaluation of authenticity of the Company's financial statements (including auditor report); • Evaluation of the efficiency of the internal control and risk management system, preparation of proposals related to its improvement;
General Director, Management Board	<ul style="list-style-type: none"> • Provision of creation and daily functioning of efficient and reliable system of internal control in the Company;
Heads of structural units	<ul style="list-style-type: none"> • Arrangement of efficient control environment of processes under supervision (directions of activities), responsibility for the efficiency of operating goals of processes under supervision (directions of activities) and management of risks belonging to processes under supervision (directions of activities) and execution of control procedures;
Personnel of structural units responsible for control procedures according to the job functions	<ul style="list-style-type: none"> • Execution of control procedures within internal control system according to job descriptions and regulatory documents; • Provision of timely informing direct heads on cases when control procedures and risk management activities became impossible due to any reasons and/or change of control procedures/risk management activities is required due to changes of internal and/or external environment of Company's operations, including elaboration and submission for review by heads of proposals related to the implementation of control procedures and risk management procedures in corresponding fields of activities;
Internal Audit and Control Department	<ul style="list-style-type: none"> • Provision of methodological support and coordination of risk management and control environment regulation processes, execution of independent follow-up control and evaluation of control environment efficiency, submission of information to the Board of Directors, executive bodies of the Company on significant trends and problems in Company's operations.

The Company's goals in risk management are:

- Reduction of possibility and/or consequences of an event with negative influence on goal achievement;
- Establishment of priorities in Company's activities on the basis of existing risks, including financial risks;
- Retention of assets and efficient usage of resources;
- Achievement of target indicators;
- On-going improvement of efficiency of operations in all spheres by analyzing and evaluating existing risks;
- Provision of reliable operations of Russian grid sector;
- Achievement of optimal efficiency of risk management system in the Company and its SACs;
- Timely and detailed informational and analytical support of processes related to decision-taking and planning of activities by the Company and its SACs.

Decisions related to risk management taken by the senior managers of the Company comply with current Russian legislation and enable reasonable correlation of positive effect and incurred costs. Executing risk management solutions the Company regularly analyzes its practical efficiency. The Company emphasizes the following risk management procedures:

1. Insurance of property, production facilities and transport, civil responsibilities, medical insurance and other types of insurance.
2. Diversification of market channels to distribute consumer shares in overall consumption structure.
3. Refusal to cooperate with unreliable contractors.
4. Diversification of procurement of materials, inventories, equipment and services to lower dependence of the Company from stand-alone contractors.
5. Refusal to implement high-risk investment projects.

2.4.1. Industry Risks

1. Tariff risks

Energy transmission and connection are state-regulated services. State policy focuses on the repression of tariff growth that may lead to the limitation of tariff resources for investments and operations of the Company. Approval of the Company's tariffs by regulators has a direct influence on revenues and produces the following risks:

1. Tariffs prescribed below economically feasible levels.

2. Reduced revenues due to changed actual structure of energy transmission (in terms of voltage levels) in comparison to the structure approved during tariff-approval procedure.
3. Reduced revenues due to decreased actual transmission volumes compared to previously approved volumes approved as a result of dropped energy consumption. In the service area of the Company industrial enterprises occupy a significant part of the overall productive supply. Decrease of their production volumes immediately results in significant decrease of the Company's performance.
4. Additional expenses caused by cross-subsidization that impedes to set economically feasible tariffs for various voltage levels.
5. Risks related to changes in legislation on pricing for electric and thermal energy on retail markets..

Measures minimizing the risk consequences:

1. Close cooperation with regional regulators over feasibility of expenses incurred by the Company;
2. Cooperation with the Federal Tariff Service over approval of balance sheet parameters for the next year at Company's forecast level;
3. Cooperation with the Federal Tariff Service on the introduction of changes into the Russian legislation on pricing on energy retail markets, etc.
4. Implementation of cost-cutting program,
5. Well-balanced planning of activities according to the approved tariffs,
6. Control over the execution of the approved business plan,
7. Cooperation with regional authorities over long-term programs on regional development and approval of financing volumes and sources for Company's investment program.

2. Connection risks

Violation of antimonopoly legislation during connection process. Key risk factor is poor financing of liabilities imposed on grid company related to connection.

Measures minimizing the risk consequences:

1. Cooperation with regional regulators over inclusion of privileged connection expenses into a transmission tariff.
2. Requests to regulators on establishing individual connection fee.
3. Activities to improve the efficiency of a connection process consolidated into a corporate roadmap on connection.
4. Establishment of targets for each branch related to increased productivity and reduction of overdue contract share.
5. Monitoring of requests and preparation of forecast productive supply, demand for connection for the next year as well as requests to regulators on establishing individual connection fee.

3. Shortfall in income risks due to cross-subsidization

Cross-subsidization of other consumers, including residents, by large industrial consumers. Several large industrial consumers connected to UNES networks pay for transmission services according to transmission tariffs in cases when facilities are rented by the Company under last-mile contracts concluded between IDGC of Urals and FSK UES.

Measures minimizing the risk consequences:

1. The Federal Tariff Service works on the decrease of cross-subsidization by applying a higher level of maximum capacity utilization time when approving tariffs for residents. This may result in a drop of paid capacity and our branches will cooperate with regulators over increasing transmission tariffs for residents;
2. Introduction of social norm for the determination of volume of services rendered to residents and similar consumers.
3. Prolongation of last-mile mechanism (the Chelyabinsk region).

4. Risks related to increased overdue and bad receivables

Overdue receivables for transmission services occupy a prominent position in the structure of Company's receivables and have a significant influence on the financial results. As a result, the Company has to attract credit resources due to contractor underpayment under the pressure of demanding schedule of payments to suppliers, employees, tax authorities and other payments. Risks related to underpayment related to payment failures by energy sales companies.

Measures minimizing the risk consequences:

1. Dialogue with contractors focused on timely discharge of contractual liabilities and settlement of overdue debts.
2. Claim administration focused on debt collection (forfeits for overdue payments) and shaping of positive judicial practices.

3. Preparation of proposals related to the changes of the present legislation to enhance payment discipline, including increased forfeit for overdue payments.
4. Conclusion of direct contracts with energy consumers.
5. Elimination of factors causing conflicts with consumers, decrease of contested and overdue receivables,
6. Cooperation with regional bodies responsible for monitoring of payments for energy and its transmission to find a joint solution that will decrease receivables.
7. Search of alternative solutions focused on the decrease of receivables caused by non-payments by providers of last resort.

2.4.2. Federal and Regional Risks

1. Risks related to political and economic situation in the country and region

Federal and regional risks are mainly determined by global macro-economic factors occurring on global level, in Russia and its regions. Primarily, it is EU sanctions against Russia that appear on the federal scale via several macroeconomic factors (unstable currency rates, limitation of imported materials and equipment, etc.). Regional risks appear when a regional regulator ignores a part of reasonable expenses recited by the Company for inclusion into a tariff. This fact may have a strong impact on the implementation of the investment program.

Measures minimizing the risk consequences:

1. We take measures related to the substitution of imported materials and equipment, expand access of small and medium businesses to procurements arranged according to the Federal Act on procurements of goods, works and services by legal entities.
2. In case political and economic situation in Russia or any constituent part of it undermining our operations is upset, the Company intends to take anti-crisis measures to reduce negative effects as much as possible (cost-cutting, decreased investment plans, reduced debt financing of operations, well-balanced financial policy).
3. Cooperation with state bodies and other interested entities to smoothen the risks.

2. Risks related to federal or regional geography specificity

Danger of losses incurred due to bad weather conditions.

Measures minimizing the risk consequences:

Activities related to the preparation of networks to autumn-winter operations, each branch undergoes certification to see whether it is ready for autumn-winter operations.

2.4.3. Financial Risks

1. Risks related to the monetary policy of the Russian Central Bank

The Russian Central Bank adheres to a moderately strict monetary policy focused on the reduction of inflation and sensitivity of economy to external factors (US and EC sanctions against Russia, reduced oil prices).

Measures minimizing the risk consequences:

1. Monitoring of the monetary policy of the Russian Central Bank.
2. Preparation of proposals and anti-recessionary measures to ensure financial stability and soundness of the Company.

2. Risks related to the changes in currency rates

Changes in currency rates do not have a significant influence on operations and financial stability of the Company since the Company attracts borrowings and pays to purchasers and suppliers in domestic currency only. But still, with due regard to imported components in goods and equipment purchased by the Company, a significant currency rate boost will result in upsurge of produce prices.

Measures minimizing the risk consequences:

IDGC of Urals adheres to the policy of import substitution focused on the usage of solutions minimizing usage of imported equipment and materials, if needed, it reviews a possibility of concluding long-term contracts that do not stipulate price upsurges for equipment purchased for projects demanding imported equipment and materials.

3. Risks related to changes in interest rates

The Company borrowed money to finance its operations and investments. Therefore, the Company is subject to risks regarding increased interest rates on loans and borrowings. A sharp growth of interest rates on borrowings may lead to the growth of debt servicing for the Company.

Measures minimizing the risk consequences:

Participation in auctions and conclusion of credit contracts with Russian largest banks able to provide a considerable volume of borrowings at relatively low rates.

4. Risks related to inflation impacts

Inflation has a negative influence on the financial and economic stability of the Company. The most important risks are:

1. Increased interest rate risks resulting in the growth of debt servicing (though possibility of event arrival is quite low);
2. Risks related to losses of receivables current value due to significant delay of payments;
3. Risks related to increased costs of contractors' services that results in increased expenses of the Company.

Measures minimizing the risk consequences:

The Company controls expense growth within the planned period.

2.4.4. Legal Risks

1. Changes of legislation, ambiguous interpretation (namely, tax rate increase), possible contradictions between federal legislation and regulatory documents issued by regional authorities, absence of judicial practices on several legal documents.
2. Risks related to losses caused by inaccurate legal processing and support of the Company's operations.
3. Risks related to shareholder relations (registration of ownership; greenmailing or wrecking of GSMs).
4. The Company is exposed to risks when a shareholder may litigate major transactions and interested-party transactions (when such transactions are concluded without proper preliminary approval by the BoD or GSM or approved under an improper procedure).
5. Risks related to changes of requirements to licensing of main operations or ownership of facilities with limited circulation (Main line of activities of the Company is energy transmission and connection to networks and is not subject to licensing).
6. Risks related to loss of consumers contributing at least 10% of overall revenues. The risk is related to the withdrawal of large consumers in a situation when other companies build grid facilities.
7. Risks related to changes in legislation on energy sector. FST Act #209-e/1 dd. 11.09.2012 on the approval of the guidelines on connection fee determination has approved new guidelines enforced since 11.12.2012. Risks of the Company lie in possible differences from regulator opinions regarding regulatory documents on energy sector.
8. Despite the requirement of the legislation to include all connection-related expenses (that are not included into connection fee) into the tariffs, it is impossible to do this practically - FST Act #1198-e dd. 01.09.2014 has approved serious changes related to connection fees for consumers demanding below 150 kW into the guidelines on connection fee determination (#209-e/1 dd. 11.09.2012): since 01.10.2015 no more than 50% of costs related to last-mile activities are included and since 01.10.2017 these activities are not included at all. Meanwhile expenses on the construction of grid facilities from existing grid facilities to power receivers, not included into fees for the connection of power receivers under 150 kW, are included into expenses of a grid company calculated in transmission tariffs, since transmission tariffs have ultimate levels, excess of which is subject to the approval by the Federal Tariff Service.
9. Government Act #542 dd. 11.06.2014 permits to include into transmission tariffs expenses, related to income tax on connection and not included into connection fees, shortfall in income from privileged connection (under 15 kW) apart from investment program or connection expenses to superior grid companies that are also not included into connection fees. At the same time FST Act #215-e/1 dd. 11.09.2014 on the approval of the guidelines on the calculation of shortfall in income from connection does not stipulate the norms. In fact, FST Act #215 has not implemented the mechanism stipulated by Government Act #542 but introduced the following restrictions related to shortfall in income from privileged connection (under 15 kW): no excess over approved standardized connection fees.

Measures minimizing the risk consequences:

1. Our register is administered by a professional registrar with a good background, operating on the stock market since early 1990-s and occupying tops of the registrar ratings.
2. The Company arranges information interaction with shareholders (information disclosure under regulatory documents) as well as meetings with shareholders to discuss vital issues of the Company's operations.
3. The Company plans its further operations with regard to changes in legislation and judicial practices.
4. The Company implements the strategy of grid asset consolidation in the service area that will potentially increase energy transmission volumes due to registration of the ownership of grid assets.

2.4.5. Reputation Risks

Reputation risks are risks caused by poor PR and wrong positioning of the Company, public disclosure of information that was not approved by the structural division responsible for the information policy. Finally, this may result in the deterioration of Company's reputation and financial performance, decrease of market

capitalization and changes in the management bodies.

The key risk factors are:

1. Inefficient information policy of the Company:

- Lack of detailed, authentic and accessible information as well as timely and regular disclosure;
- Failure to observe reasonable balance between transparency and observation of commercial interests;
- Incorrect PR vectors;
- Lack of PR system;
- Mistakes in Company's releases;
- Refusal to give official comments on potential negative events;
- Disclosure of information and comments by personnel without required skills, knowledge and approval of PR Department;
- High level of negative releases;
- Biased and incompetent analysis of grid problems in mass media.

2. Untimely and partial disclosure of information with regard to issuer's or monopoly's disclosure.

3. No protection of information being trade, state or other law-protected secrets pursuant to the Russian legislation.

4. Failure to observe rules for dissemination and usage of insider information stipulated by Company's bylaws.

5. Labor disputes (lack of agreement among employees may lead to reduced labor productivity and strikes, it may go public and shatter the trust of authorities towards the company);

6. Failure to discharge contract liabilities (it shatters the trust of business community towards the company, may lead to increased negative attitude of general public as well as attract attention of the state regulators);

7. Improper information system (primarily, ability of corporate information system to prevent information leaks, viruses and sabotage).

To manage the risk the company constantly implements risk management measures:

1. Examination of priorities with regard to stakeholders to determine and analyze reputation management priorities.

2. Strict adherence to the Company's information policy stipulating public relations.

3. Appropriate reaction to critical situations related to power system disturbances in the Company's service area and other problems related to operations.

4. Arrangement of intensive positive information flow with regard to the Company's operations.

5. Release of at least 600 articles on the Company's operations per year, at least 8.0 thous. positive references on the Company in mass media, PR value retaining 99%.

6. A universal Rosseti's Regulations on Anti-crisis Reaction towards Power System Disturbances is to be released in the nearest future.

7. Timely disclosure of information in terms of natural monopoly's and issuer's disclosure.

8. Participation of the Company in the largest Russian exhibitions supported by the regional authorities to build-up efficient dialogue with business partners and to form positive reputation.

9. Arrangement of regular compliance control and financial monitoring to manage Company's reputation.

10. Timely congratulations of stakeholders on behalf of the Company's directors to form a positive image of the Company.

2.4.6. Strategic Risks

A strategic risk is a risk of losses incurred by the Company due to mistakes (weaknesses) during decision-taking on the strategy and evolution of the Company (strategic management). At present the industry is administrated by the Energy Strategy of Russia for a period till 2030 approved by the Government Act #1715-r dd 13 November 2009. The strategy is aimed at the most efficient use of natural energy resources and industry potential to maintain a sustainable growth of the economy, improve quality of life for the population and facilitate the strengthening of Russia's global positions.

Strategic goals of the sector evolution are:

- provision of energy security on the federal and regional scale;
- satisfaction of economy and residential demands for energy at affordable competitive prices providing return of investments into the sector;
- assurance of reliability and safety of the Russian energy system in normal and abnormal circumstances;
- industry upgrade via investments and innovations focused on the assurance of high energy, economic and ecological efficiency of electric energy production, transportation, distribution and use.

Besides objectives stipulated by the Energy Strategy of Russia for a period till 2030 and Russian Grids Evolution Strategy (Government Act #511-r dd. 03.04.2013), the industry faces the following strategic priorities for a long-term period:

- Assurance of reliable energy supply to consumers;

- QoS maintenance;
- Evolution of grids to maintain a sustainable growth of the Russia's economy;
- Competitive energy tariffs to trigger production sector;
- Improvement of scientific and innovative potential of the industry, including facilitation of allied sector evolution;
- investor-attractive return on capital.

At the same time the following targets for the industry have been determined:

- increased reliability and quality of energy supply;
- improved safety of energy supply as well as reduction of overall casualties, including unrecorded ones;
- reduced free power transfer zones from 27 down to 18 by 2017;
- increased efficiency of the grid sector;
- reduced quantity of RGCs by 50% by 2017 on 2012 and by 50% by 2030 on 2017.

The key risk factors are:

1. Insufficient conformity of strategies, programs and plans of regional social and economic development with strategic federal documents (general schemes, industry strategies, federal target programs) and investment programs of energy enterprises;
2. Bottlenecks in interregional and regional energy systems;
3. Poor and insufficient evolution of small-scale generation and small share of local power sources of regional and local importance in the overall balances of energy;
4. Lack of regional energy and energy-saving programs, urban heating evolution programs in most of the regions.

Strategic risks are analyzed from corporate evolution viewpoint and are determined by the probability of losses in the long run. In compliance with the Russian Grids Evolution Strategy approved by Government Act #511-r dd. 03.04.2013, Rosseti is a united entity administering the grid sector, i.e. the key goal is administration of companies comprising Rosseti, controlling over 70% of distributive and 90% of backbone networks in Russia. Meanwhile, the majority of provisions of the strategy referred to Rosseti, OAO are relevant for other grid companies. Based on this, strategic risks are used for decision-taking by the Rosseti's HQ and Board of Directors (preceded by opinion of the Rosseti Board Audit Committee).

Rosseti, a majority shareholder of IDGC of Urals, prepare the Long-term Russian Grids Evolution Strategy.

Key consequences of the risks: wrong or insufficient reasoning of determined development perspectives, lack or partial provision of required resources (financial, material and technical, labor) and administration measures (managing decisions) that should ensure the achievement of the Company's strategic goals. Strategic risk management is an integrity of actions aimed at the implementation of measures and minimization of risks related to the implementation of the grid evolution strategy taking into account regional evolution strategies. Since strategic risks influence the achievement of goals stipulated by the Russian Grids Evolution Strategy and Rosseti long-term development program, including IDGC of Urals development program, one of the elements dealing with the administration of strategic risks is management of key operating risks and business process operating risks under our previously approved Risk Management Policy.

2.4.7. Risks Related to Company's Operations

1. Operating and technological risks

Operating and technological risks affecting reliable supply are primarily related to a severe depreciation of grid assets, problems of exploitation and operations of grid assets as well as incomplete investment program.

Depreciation may cause the following production risks:

- deterioration of exploitation and economic indicators of equipment;
- unfavorable ecological aftermath;
- incident threat accompanied by partial or full energy short-delivery and adverse social consequences;
- industrial injuries of the personnel and complicated incident threats.

Besides, factors of exploitation and technological risks are:

- accidents of natural or technogenic character;
- decrease of efficiency of Company's asset management system (shift in priorities regarding reliable exploitation of networks, wrong ranging of facilities subject to repair);
- shifts to forced accident-tolerant power exchanges;
- factors related to equipment exploitation, including violations of technical norms, errors made by personnel, breaches of dispatcher schedules and discipline.

Measures minimizing the risk consequences:

1. Clearing and widening of 0.4-220-kV power line route,
2. Reconstruction of grid facilities;
3. Increase of reserve power sources, special-purpose vehicles for emergency recovery works;

4. Implementation of grid asset upgrade program;
5. Upgrade of communications and telematics systems;
6. Improvement of systems responsible for data collection and transfer, analysis of technological violations, consequence forecasts, including automated system on resource management during emergency recovery works;
7. Improvement of the system managing emergency inventories during emergency recovery works;
8. Increase of quantity of mobile emergency recovery teams and their equipment;
9. Implementation of the program decreasing traumatism risks on grid facilities;
10. Training, supervision and examining of operating personnel;
11. Implementation of the insurance program;
12. Implementation of the energy-saving and efficiency increase program.
12. 100% execution of repair programs,
13. Introduction of modern NDT methods,
14. Hot diagnostic inspections of equipment,
15. Optimization of structure and volume of spare parts, implementation and upgrade of stability control equipment,
16. Tender selection of service and supply companies.
17. After risk evaluation we generate and implement efficient measures related to reduction of operating risk influence and control over execution.
18. The Company has a constantly improving integrated management system based on international ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and national standards

2. Investment risks

Decrease of efficiency and devaluation of capex while implementing Company's investment, innovative development and R&D programs. Increasing investment programs demand significant internal and external financing complying with RAB regulation that produces investment risks. Even if financing resources are sufficient for the investment program, there is a possibility to breach expenditure terms and delays in commissioning of facilities due to failures or untimely discharge of liabilities by contractors and suppliers. Government Act #159 dd. 27.02.2013 on alterations into the Rules on the approval of investment programs of state-owned energy companies and grid companies stipulated the exclusion of facilities, not included into regional development documentation, from the Company's investment program. This causes a risk related to increased incomplete construction due to the exclusion of facilities, not included into regional development programs, from the investment program.

Measures minimizing the risk consequences:

1. Provision of easy access to grid infrastructure,
2. Decrease of depreciation and upgrade of grid facilities,
3. Load of commissioned capacities.
4. Provision of compliance with regional development plans.
5. Monitoring over execution and financing of investment programs, analysis of reasons resulted in distortion of actual parameters from target ones.
6. Implementation of project management in investment activities, investment risk management being one of areas of expertise.
7. Decrease of unit construction costs,
8. High load of commissioned capacity,
9. Generation and implementation of the system for comparative analysis of unit costs related to construction and installation works and materials,
10. Arrangement of innovation management system,
11. Automation of investment control system.
12. 100% execution of repair programs,
13. Introduction of modern NDT methods,
14. Hot diagnostic inspections of equipment,
15. Optimization of structure and volume of spare parts, implementation and upgrade of stability control equipment,
16. Tender selection of service and supply companies.

SECTION III. DETAILED INFORMATION ON THE ISSUER

3.1. Company's Historical and Evolution Milestones

3.1.1. Company's Trade Name

Full company's trade name: **Open Joint-Stock Company Interregional Distributive Grid Company of Urals**

Date when the present trade name was introduced: **14.08.2007**

Short company's trade name: **IDGC of Urals, JSC**

Date when the present short trade name was introduced: **14.08.2007**

Full or short company's trade name is similar to name of other legal entity

Names of such legal entities:

Open Joint-Stock Company Interregional Distributive Grid Company of Siberia (IDGC of Siberia, OAO);

Open Joint-Stock Company Interregional Distributive Grid Company of Volga (IDGC of Volga);

Open Joint-Stock Company Interregional Distributive Grid Company of Center (IDGC of Center);

Open Joint-Stock Company Interregional Distributive Grid Company of Center and Volga (IDGC of Center and Volga);

Open Joint-Stock Company Interregional Distributive Grid Company of South (IDGC of South);

Open Joint-Stock Company Interregional Distributive Grid Company of North Caucasus (IDGC of North Caucasus);

Open Joint-Stock Company Interregional Distributive Grid Company of North West (IDGC of North West).

Additional information required to prevent the confusion of the names:

To prevent confusion one should pay attention to the parts of full and short company's trade names of the companies that depict the service areas of these companies - Siberia, Center, Volga, South, North Caucasus, Center and Volga, North West regions.

The Company's trade name is registered as a trademark or service mark

Information on the registration of the trademarks:

In compliance with trademark (service mark) certificate #394392 dd. 23.11.2009 (application #2008706634, priority since 6.03.2008, registration maturity expires on 06.03.2018) a combined trademark containing the wording of IDGC of Urals and logo was registered.

All preceding names:

Full company's trade name: **Open Joint-Stock Company Interregional Distributive Grid Company of Urals and Volga**

Short company's trade name: **IDGC of Urals and Volga**

Date when the name was introduced: **28.02.2005**

The grounds for naming:

RAO UES MB Chairperson Act #28r dd. 24.02.2005 on the establishment of IDGC of Urals and Volga (state registration certificate #002017106 series 66 dd. 28.02.2005).

3.1.2. State Registration

PSRN: **1056604000970**

Date: **28.02.2005**

Authority: **Lenin District branch of the Federal Tax Service (Ekaterinburg)**

3.1.3. Issuer's Incorporation and Evolution

The Issuer is created for the time being.

Historical Milestones:

Interregional Distributive Grid Company of Urals (shortly named as IDGC of Urals) was incorporated on February 28, 2005 in Ekaterinburg (the Urals Federal District) during energy reforms in Russia. The incorporation followed the differentiation of companies dealing with the production, transfer, distribution and sale of electric and heat energy as well as dispatcher management into separate business units.

The key idea of the reform supposed the creation of interregional distributive grid companies (IDGCs) and amalgamation of regional distributive companies into IDGCs within the energy systems. To improve the efficiency of operations, evolve the grids and enhance reliability of the grids in the Urals and Middle Volga regions the first configuration consolidated the following 15 regional grid companies under one interregional company: Kirovenergo (OAO), Kurganenergo (OAO), Marienergo (OAO), Mordovenergo (OAO), Orenburgenergo (OAO), Permenergo (OAO), Penzaenergo (OAO), Samara distributive company (OAO),

Saratov distributive company (OAO), Sverdlovenego (OAO), Tyumenenergo (OAO), Udmurtenergo (OAO), Ulyanovsk distributive company (OAO), Chelyabenergo (OAO) and Chuvashenergo (OAO).

Until August 2007 the name of the Company was IDGC of Urals and Volga (OAO). The second configuration was shaped in compliance with territorial contingency and corresponding balance cost of grid assets which comprised the corresponding IDGCs. Under it IDGC of Urals (OAO) consisted of Sverdlovenego, Chelyabenergo, Permenergo and Kurganenergo. In August 2007 due to the changes in configuration we amended our foundation documents and the company was renamed as Open Joint-Stock Company Interregional Distributive Grid Company of Urals.

In December 2007 the Federal Antimonopoly Service of Russia approved the restructuring of the Company in the form of the merger of Sverdlovenego, Chelyabenergo, Permenergo and Kurganenergo. Also in December 2007, to convert the shares of the merged companies, the EGM of IDGC of Urals (OAO) decided to increase the Company's charter capital by issuing common stocks. The stocks were placed by converting stocks of the merged companies into them. In January 2008 the EGMs of Sverdlovenego, Chelyabenergo, Permenergo voted for the restructuring in the form of the merger and also approved the merger agreement and transfer act.

Kurganenergo was also in our service area, but since its shareholders did not approve the merger, IDGC of Urals (OAO) was formed as a holding company.

The reform ended on April 30, 2008 when information on the discontinuation of activities of Sverdlovenego, Chelyabenergo, Permenergo as a result of the merger into IDGC of Urals (OAO) was introduced to the United State Register of Legal Entities. These merged companies became branches of IDGC of Urals (OAO). In November 2012 IDGC of Urals (OAO) sold its stake in Kurganenergo (OAO).

Now IDGC of Urals (OAO) is the largest Urals grid operator providing transmission and connection services in the Sverdlovsk, Chelyabinsk and Perm regions.

According to the Charter the key operations of the issuer include:

- profit earning;*
- provision of efficient and reliable functioning of grid facilities;*
- provision of sustainable development of local grids;*
- provision of reliable and high-quality energy supply (in terms of supply and transmission).*

The Company shall be entitled to perform any operations, not prohibited by the legislation, to earn profit and provide its own needs, including the following:

- energy transmission;*
- operating technological management;*
- connection to grids;*
- collection, transfer and processing of technological information, including measurement and metering data;*
- control over safe exploitation of consumers' energy objects connected to the Company's grids;*
- grids exploitation;*
- performance of the powers of the sole executive body of economic entities;*
- fiduciary property management;*
- operations with securities in the procedure stipulated by the current Russian legislation;*
- agent operations;*
- design and estimate, exploration, scientific, research and constructing operations;*
- forwarding services;*
- consulting and information services;*
- performance of activities determining conditions of parallel operations in accordance with regimes of the United energy system of Russia within contracts;*
- exploitation of energy objects (that are not on the Company's balance) according to contracts concluded with owners of such objects;*
- provision of efficiency and operability of energy objects in accordance with the current normative requirements, maintenance, diagnostics, repair of grids and other energy objects;*
- testing and measurement of energy objects (including objects belonging to consumers);*
- provision of efficiency and operability, maintenance, diagnostics, repair of technological communication networks, measurement and metering gadgets, relay protection equipment and stability control scheme, other technological equipment related to grid functioning;*

- *elaboration of long-term forecasts, perspective and current plans for grid development, target complex scientific, technical, economic and social programs;*
- *development of grids and other energy objects, including design, engineer exploration, construction, reconstruction, update, mounting and checkout;*
- *development of technological communication networks and telematics, measurement and metering gadgets, relay protection equipment and stability control schemes, other technological equipment related to grid functioning, including design, exploration, construction, reconstruction, update, mounting and checkout;*
- *exploitation of explosive, chemically and fire hazardous production facilities;*
- *creation and mastering of new equipment, mechanisms and technologies ensuring efficiency, fire, production and ecological safety of facility operations, creation of conditions for developing Russian energy sector, implementation of industry scientific and innovation programs, participation in establishing industry R&D funds;*
- *control over safety of dangerous production facilities;*
- *provision of labor protection;*
- *liquidation of technological violations on grid objects;*
- *nature-protecting operations;*
- *operations related to environmental impact, creation, collection, usage, deactivation, storage, burial, transfer, transportation and arrangement of industrial waste;*
- *water management;*
- *natural resources management, including mineral and forest resources;*
- *metrology operations;*
- *production and repair of measurement gadgets;*
- *mounting, repair and maintenance of equipment and instruments for measurement, control, testing, navigation, location and other purposes;*
- *dangerous waste management;*
- *fire prevention and fighting;*
- *mounting, repair and maintenance of in-door fire safety gadgets;*
- *HR management, including training and development, knowledge testing in technical exploitation, fire safety and labor protection as well as other rules and instructions in accordance with the current normative documents;*
- *passenger and cargo transportation by vehicles, railroads, air planes and water transport (including dangerous cargo);*
- *maintenance and repair of railroad transport;*
- *maintenance and repair of railroad equipment;*
- *cargo handling railroad operations (including dangerous cargo);*
- *cargo handling water operations (including dangerous cargo);*
- *exploitation, maintenance and repair of vehicles, railroad, air and water transport as well as lifting machines utilized for technological purposes;*
- *foreign economic affair;*
- *storage of oil, gas and derivatives;*
- *operations as a client-developer;*
- *preparation of project documentation for capital construction projects;*
- *activities in construction, reconstruction and overhaul;*
- *activities in energy saving and efficiency increase;*
- *scheduling of emergency consumption limitation;*
- *control measurement of load flow and voltage levels in the grids;*
- *services in certification of working places;*
- *local, intrazone and long-distance telecom services;*
- *communication channel lease;*

- *telematics (including e-mail, access to information resources, enquiry service, Telefax, Comfax, Burofax, message processing, voice messages, voice transfer services);*
- *data transmission;*
- *usage of orbital frequency resources and radio frequency for TV and radio broadcasting (including broadcasting of additional information);*
- *rental of buildings, constructions, equipment, machines and mechanisms;*
- *security services, just for own safety, within internal security service guided by the Federal Law "On private detective and security activities in Russia";*
- *technical protection of confidential information;*
- *activities in mobilization preparation, civil defense, emergency prevention and liquidation;*
- *state secret protection, operations with top-secret information, according to the Russian legislation and other normative documents;*
- *trade secret safety and protection;*
- *purchase (generation) of energy on wholesale energy market and from retail producers used for resale on retail market in case guarantee supplier status is assigned as is set forth by the Russian legislation;*
- *sale of energy on retail market in case guarantee supplier status is assigned as is set forth by the Russian legislation;*
- *medical services, including sanatorium-resort services;*
- *education and training services;*
- *exploitation and maintenance of objects controlled by the Russian Technical Supervising Agency.*

3.1.4. Contacts

Location: **140 Mamina Sibiryaka Ulitsa, Ekaterinburg, Russia, 620026**

Tel: **(343) 215-26-00, (343) 215-26-85, (343)215-26-65**

Fax: **(343) 215-26-61, (343) 215-25-84**

e-mail: **mrsk@mrsk-ural.ru**

Web-sites: **www.e-disclosure.ru/portal/company.aspx?id=12105; http://www.mrsk-ural.ru/disclosure/issuer/**

Special department liable for shareholder and investor relations: **Corporate Governance and Shareholder Relations Department**

Location: **Room 617, 140 Ulitsa Mamina Sibiryaka, Ekaterinburg, Russia, 620026**

Tel: **(343)215-26-85, (343)215-26-65**

Fax: **(343)215-25-84**

E-mail: **IR@mrsk-ural.ru**

Web-site: **www.mrsk-ural.ru/ir/**

3.1.5. Taxpayer Identification Number

6671163413

3.1.6. Branches and Representative Offices of the Issuer

Name: **Sverdlovenergo branch of IDGC of Urals (OAO)**

Location: **17a Prospekt Kosmonavtov, Ekaterinburg, 620217**

Opened: **30.04.2008**

Head of the branch (representative office)

Name: **Oleg Borisovich MOSHINSKYI**

Proxy expires on: **31.12.2015**

Name: **Permenergo branch of IDGC of Urals (OAO)**

Location: **48 Komsomolskiy Prospekt, Perm, 614990**

Opened: **30.04.2008**

Head of the branch (representative office)

Name: **Oleg Mikhailovich ZHDANOV**

Proxy expires on: **31.12.2015**

Name: **Chelyabenergo branch of IDGC of Urals (OAO)**

Location: **5 Ploschad Revolutsii, Chelyabinsk, 454000.**

Opened: **30.04.2008**

Head of the branch (representative office)

Name: **Igor Vladimirovich BUTAKOV**

Proxy expires on: **31.12.2015**

3.2. Core Lines of Activities

3.2.1. Industry Classification

Key business lines according to ARCEA are

ARCEA codes
40.10.2
40.10.3
40.10.5

ARCEA codes
45.1
45.2
45.21
45.21.2
45.21.3
45.21.4
45.21.5
74.20
74.14
74.15.2
33.20.9
63.12.21
64.20.11
60.24.1

3.2.2. Core lines of Activities

Lines of business activities contributing no less than 10% of overall revenues of the Issuer as of the reported period

Mea.units: **RUR thous.**

Lines of business activities: **energy transmission**

Indicator	2013	2014
Revenues from this line of business activity, RUR thous.	55,257,665	57,480,677
Share in total revenues of the Issuer, %	96	96.43

Indicator	3M 2014	3M 2015
Revenues from this line of business activity, RUR thous.	15,775,955	14,951,213
Share in total revenues of the Issuer, %	97	98.3

Significant y-o-y changes in revenues (10% and more) and causal factors: **Revenues from energy transmission**

contribute most to the revenue structure of the Company. In 2014 the revenues totaled RUR 57,480.7 mn. (96% of the revenues and +4% on 2013). In absolute terms the increase totaled RUR 2,223.0 mn and was due to the growth of uniform boiler tariffs.

Line of business activities: **Technological connection**

Indicator	2013	2014
Revenues from this line of business activity, RUR thous.	1,883,512	1,719,819
Share in total revenues of the Issuer, %	7.18	2.89

Indicator	3M 2014	3M 2015
Revenues from this line of business activity, RUR thous.	402,449	160,303
Share in total revenues of the Issuer, %	0.59	1.05

Significant y-o-y changes in revenues (10% and more) and causal factors: **none**.

Line of business activities: **Other core revenues**

Indicator	2013	2014
Revenues from this line of business activity, RUR thous.	297 095	402 261
Share in total revenues of the Issuer, %	0.52	0.67

Indicator	3M 2014	3M 2015
Revenues from this line of business activity, RUR thous.	96 800	96 397
Share in total revenues of the Issuer, %	0.59	0.63

Significant y-o-y changes in revenues (10% and more) and causal factors: **none**.

Line of business activities: **Other non-core revenues**

Indicator	2013	2014
Revenues from this line of business activity, RUR thous.	5 253	5 045
Share in total revenues of the Issuer, %	0.02	0.01

Indicator	3M 2014	3M 2015
Revenues from this line of business activity, RUR thous.	1 635	1 457
Share in total revenues of the Issuer, %	0.01	0.01

Significant y-o-y changes in revenues (10% and more) and causal factors: **none**

Overall revenues of the Company in 2014 totaled RUR 59,607.8 mn (+RUR 2,164.3 mn or 4% on 2013), including revenues from energy transmission RUR 57,480.7 mn (+RUR 2,223.0 mn on 2013). The increase was caused by the growth of uniform boiler tariffs for energy transmission services since 01.01.14. Overall expenses and management costs totaled RUR 55,352.7 mn (+RUR 419.1 mn or 8% on 2013). Therefore, gross revenues, in comparison to 2013, grew by RUR 2,164.3 mn and totaled RUR 5,109.5 mn. Pre-tax profit totaled RUR 2,350.8 mn (+RUR 1,260.3 mn on 2014). As of 2014 net profit of the Company totaled RUR 2,006.8 mn (+RUR 1,652.2 mn on 2014).

Overall expense structure

Indicator	2013	2014
Raw materials and supplies, %	1.52	2.47
Purchased component parts, semi-finished inventory, %	0.58	1.16
Production works and services rendered by external companies, %	0.95	0.96
Fuel, %	0.65	0.64

Energy, %	0.46	0.49
Wages, %	10.38	13.35
Interest payable, %	1.35	1.73
Rental payments, %	0.88	0.96
Social benefits, %	2.92	3.55
Fixed assets depreciation, %	6.76	7.53
Taxes included into product costs, %	0.5	0.66
Other expenses		
Depreciation of intangible assets, %	0	0
Remuneration for innovation proposals, %	0	0
Obligatory insurance payments, %	0.91	0.31
Travelling and hospitality costs, %	0	0
FSK payments	28.26	27
Payments to grid companies	26.34	25
Total: expenses on production and sale of goods (works, services), %	100	100
For information: Revenue from services	106.28	109.38

Indicator	3M 2014	3M 2015
Raw materials and supplies, %	0.73	0.68
Purchased component parts, semi-finished inventory, %	0.28	0.17
Production works and services rendered by external companies, %	0.38	0.26
Fuel, %	0.52	0.54
Energy, %	0.79	0.78
Wages, %	11.03	12.28
Interest payable, %	3.57	1.7
Rental payments, %	0.82	0.96
Social benefits, %	3.05	3.85
Fixed assets depreciation, %	6.92	7.58
Taxes included into product costs, %	0.62	0.83
Other expenses		
Depreciation of intangible assets, %	0	0
Remuneration for innovation proposals, %	0	0
Obligatory insurance payments, %	0.01	0.3
Travelling and hospitality costs, %	0	0
FSK payments	25.4	25
Payments to grid companies	25.49	25
Total: expenses on production and sale of goods (works, services), %	100	100
For information: Revenue from services	110.16	106.6

New produce (works, services) of significant importance and progress in development of such produce (works, services): **None**

Financial Reporting standards that we use: **Financial statements are prepared under rules stated by Federal Accounting Law #129-FZ dd. 21.11.1996, Russian Accounting Regulations approved by Ministry of Finance Decree #34n dd. 29.07.1998 as well as other regulatory enactments comprising the Russian system of accounting and reporting.**

3.2.3. Raw Materials and Suppliers

2014

Suppliers (no less than 10% of all supplies):

Full company's trade name: **Gazpromneft – Corporate Sales (OOO)**

Location: **3-1 Ulitsa Paradnaya, Saint Petersburg, Russia, 191014**

TIN: **5259033080**

PSRN: **1025202831532**

Share in overall supplies, %: **10.69**

Full company's trade name: **Garantia Production Unit (OOO)**

Location: **39 Ulitsa Gorkogo, Ekaterinburg, Russia**

TIN: **6674335237**

PSRN: **1096674014051**

Share in overall supplies, %: **5.62**

Full company's trade name: **Center for Labor Protection and Protection Means (OOO)**

Location: **Room 829, 16 Ulitsa Kominterna, Ekaterinburg, Russia, 620087**

TIN: **6670249153**

PSRN: **1096670007829**

Share in overall supplies, %: **5.63**

Price fluctuations y-o-y (10% and more) during the reported period: **none**

Share of import in supplies: **There are no import deliveries**

3M 2015

Suppliers (no less than 10% of all supplies):

Full company's trade name: **TK SKK Farial (OOO)**

Location: **Room 13, 78/52 Ulitsa Stavropolskaya, Samara, Russia, 443063**

Tin: **6319134842**

PSRN: **1066319107425**

Share in overall supplies, %: **9.42**

Full company's trade name: **Garantia Production Unit (OOO)**

Location: **39 Ulitsa Gorkogo, Ekaterinburg, Russia**

TIN: **6674335237**

PSRN: **1096674014051**

Share in overall supplies, %: **11.88**

Price fluctuations y-o-y (10% and more) during the reported period: **none**

Share of import in supplies: **There are no import deliveries**

3.2.4. Sales Area

Key sales areas:

IDGC of Urals (OAO) transmits energy to consumers of wholesale and retail energy markets and connects natural and legal entities to networks in the Sverdlovsk, Chelyabinsk and Perm regions. The Company is a natural monopolist with state-regulated transmission and connection tariffs that occupies a dominant position on local market.

Factors with a potential negative influence on sales and measures to diminish such influence:

The legislation does not regulate last-mile interaction between local grid operators (LGO) and FSK UES; non-metered and non-contractual consumption may drive actual productive supply and consumption away from targets and connection may also decrease; payment default risks and, as a consequence, increased

transmission receivables; large LGOs, affiliated with federal and local authorities with administrative power to consolidate grid assets, are our key competitors; large share of municipal grids with unregistered rights for property and land; regional, municipal and other state budgets have no resources to be spent on registration in the near future (2013-2017); some owners of grid assets cancel the deals breaking previous agreements or change their initial property usage plans.

Our possible solutions: regular analysis of factors and relevant decision-taking in abovementioned situations to diminish the influence of the factors, including but not limited to interaction with state and regional authorities to fight over the factors hindering our evolution.

3.2.5. Licenses

Authority: **ENERGOSTROY (NP)**

License: **0173.04-2011-6671163413-S-060**

Activities: **Preliminary works; digging; palification, soil densification; concrete and reinforced concrete facilities; assemblage of concrete and reinforced concrete facilities**

Issued: **07.10.2011**

Expires on: **termless**

Authority: **ENERGOPROEKT (NP)**

License: **P-0200-03-2010-0006**

Activities: **Preparation of land plot scheme; preparation of site layout; preparation of planned line path, preparation of right-of-way scheme; preparation of architectural and construction solutions; preparation of information on infrastructure as well as engineer and technical activities; preparation of technological solutions; preparation of special sections in project documentation (activities on civil defense and prevention of natural and technotronic disaster); preparation of activities on environment protection**

Issued: **18.11.2011**

Expires on: **termless**

Authority: **Market Council (NP)**

License: **553**

Activities: **Purchase and sale of energy and capacity on the wholesale and retail markets**

Issued: **24.12.2012**

Expires on: **termless**

3.2.6. Operations Performed by Particular Categories of Issuers

The issuer is neither an investment fund, nor insurance/credit/mortgage company/agent.

3.2.7. Additional Requirements to Mining Industry Issuers

The Issuer does not operate in mining industries

3.2.8. Additional Requirements to Telecom Industry Issuers

The Issuer does not operate in telecom industries

3.3. Future Prospects

Mission: utmost reliability and accessibility of distributive grid infrastructure for consumers. The Company's strategy comes in line with long-term goals stipulated by the Strategy of the Russian Grids Progress (approved by the Government Act #511-r dd. 03.04.2013).

Our Strategic priorities are:

- 1. Increased reliability and quality of energy supply to meet the demand of our consumers.**
- 2. Increased supply safety (reduction of overall accidents ended up in injuries, etc.).**
- 3. Increased efficiency of grid operations.**
- 4. 50% reduction of regional grid companies by 2017 (on 2012) and another 50% reduction by 2030 (on 2017).**

Our strategic goals are:

1. Improved quality and reliability of services to end-users..
2. Increased energy efficiency (energy-saving and loss reduction).
3. Upgraded Company's grids (innovations).

To improve quality and reliability of services rendered to end-users the Company undertakes the following activities:

- **Customer Relations Build-up**

During the reported period we kept on adhering to a client-oriented approach and improvement of regulatory documentation and public control. We have achieved approved quality targets and arranged the functioning of consumer councils in branches. We also opened 3 new consumer service centers and 1 new customer center. The Company intends to implement its Easy-Infrastructure-Access roadmap, approved by Government Act #1144-r dd. 30.06.2012.

- **Asset Consolidation**

During 2014 our objective regarding asset consolidation was to obtain grid facilities with minimal financing due to temporal restrictions for acquisition and investment cuts. Rent, consolidation of ownerless facilities, compensation-free transfer (granting) of facilities by natural persons, acquisition of grid assets as connection fees and acquisition of grid assets as receivables payment under maintenance contracts are acknowledged as prioritized.

During the reported period IDGC of Urals has consolidated 4,479 conventional units of equipment (157 km of power lines, 919 MVA of transformers and substations).

- **Implementation of Asset Management Program**

In 2014 we built up tools calculating a status and failure aftermath index (SFAI). Once implemented, our production programs will be prepared automatically via SFAI-based prioritized lists. We were also involved in:

- Implementation of Diagnostics+ software package to report all activities related to runtime parameter examination, measurement and checking;
- Planning of maintenance, repair and overhaul and presenting actual expenses in SAP MRO (Maintenance, Repair and Overhaul);
- Build-up of Krona software package to present network topology, its data assignment and synchronization with SAP MRO;
- Data assignment and synchronization between SAP MRO and Diagnostics+;
- Drawing up of SAP MRO process maps (instructions). 2015 MRO processes were scheduled with the maps;
- Build-up of tools for data transmission between Dispatcher Log and Accident software package.

The PAMS implementation is scheduled for 2015-2016.

To increase energy efficiency of its operations the Company implements the Energy-saving and Increased Efficiency Program (approved by the Board of Directors on 06.12.2013) that stipulates target and companion subprograms - loss reduction during transmission and distribution and consumption reduction by Company's facilities. All measures stipulated by the program, in their turn, are divided into organizational and technical. Target subprograms include measures implemented to ensure energy and water consumption reduction by no less than 15% of overall annual consumption, pay-back period for 80% of investments totaling 5 years for energy and water consumption for production and economic needs and pay-back period not exceeding 10 years for measures implemented to ensure loss reduction during transmission and distribution. Companion subprograms include measures with positive energy efficiency that do not comply with target-program relevancy criteria.

Our innovative development program focuses on the upgrade and renovation of Company's power grids. The key goal of the program is to improve economic and energy efficiency of operations by innovations and to create modern high-end grids meeting global standards. Key directions of innovative development are:

- innovative technologies and components of intellectual distributive grids;
- innovative systems and tools for measurement, communications and control;
- improvement of energy efficiency, ecological properties and productivity of operations;
- outlining and promotion of new services for customers;
- innovations in business processes and control procedures.

3.4. Participation in Industrial, Banking and Financial Groups and Holdings

Group/Holding Name: *The Issuer is a part of Rosseti (OAO) Group*

Participation: *since 2008*

Functions:

As a subsidiary company of Rosseti (OAO) the Issuer plays an important role in the Russian energy industry and is focused on the functions stated below:

- 1. Implementation of single energy policy conducted by the Russian government and Rosseti (OAO) in regions**
- 2. Provision of performance reliability**
- 3. Implementation of long-term investment programs in energy industry**
- 4. Accident prevention**
- 5. Creation of favorable conditions for consumers and shareholders.**

3.5. Controlled Companies with Significant Importance

Full name: **Open Joint-Stock Company Ekaterinburg Electric Grid Company**

Short name: **EESK (OAO)**

Location: **1 B, Eltsyna Ulitsa, Ekaterinburg, Russia, 620014**

TIN: **6658139683**

PSRN: **1026602312770**

Grounds for control: **participation in a controlled company**

Features of control: **a right to administer over 50% of votes in the supreme management body of the company under the Issuer's control**

Type of control: **direct control**

Share of the charter capital of the controlled company owned by the Issuer, %: **91.04**

Share of common stock owned by the Issuer, %: **91.04**

Share of the Issuer's charter capital owned by the controlled company, %: **0**

Share of the Issuer's common stock owned by the controlled company, %: **0**

Main business line: **Energy transmission via 0.4-110 kW power lines, network evolution in Ekaterinburg and connection to networks**

The Board of Directors

Name	Share in the Charter Capital owned by the person, %	Share of ordinary shares owned by the person, %
Yuri Vyacheslavovich LEBEDEV (chairperson)	0	0
Valery Nikolayevich RODIN	0.0081	0.0081
Aleksandr Sergeevich SEMERIKOV	0.00011	0.00011
Viktor Yakovlevich OVCHINNIKOV	0	0
Aleksei Petrovich KOZHEMYAKO	0	0
Maksim Mikhailovich SAUKH	0	0
Marina Aleksandrovna LAVROVA	0	0
Mikhail Viktorovich AZOVTSEV	0	0
Sergey Sergeevich EZIMOV	0	0

The sole executive body

Name	Share in the Charter Capital owned by the person, %	Share of ordinary shares owned by the person, %
Yuri Petrovich SHEVELEV	0	0

Collegiate executive body: **none**

Full name: **Open Joint-Stock Company Ekaterinburgenergosbyt**

Short name: **EES (OAO)**

Location: **48 Surikova Ulitsa, Ekaterinburg, Russia, 620144**

TIN: **6671250899**

PSRN: **1086658002617**

Grounds for control: **participation in a controlled company**

Features of control: **a right to administer over 50% of votes in the supreme management body of the company under the Issuer's control**

Type of control: **direct control**

Share of the charter capital of the controlled company owned by the Issuer, %: **91.04**

Share of common stock owned by the Issuer, %: **91.04**

Share of the Issuer's charter capital owned by the controlled company, %: **0**

Share of the Issuer's common stock owned by the controlled company, %: **0**

Main business line: **Purchase of energy on wholesale and retail markets, energy sales on the wholesale and retail energy markets to consumers (including individuals)**

The Board of Directors

Name	Share in the Charter Capital owned by the person, %	Share of ordinary shares owned by the person, %
Sergey Mikhailovich ZOLOTAREV (chairperson)	0	0
Aleksei Petrovich KOZHEMYAKO	0	0
Aleksandr Sergeevich SEMERIKOV	0.00011	0.00011
Sergey Evgenyevich POPOV	0	0
Aleksey Gennadyevich CHIRKOV	0	0
Andrey Borisovich SPIRIN	0	0
Sayan Balzhinimaevich TSYRENDASHIEV	0	0
Konstantin Mikhailovich YUSHKOV	0.030148	0.030148
Mikhail Viktorovich AZOVTSEV	0	0

The sole executive body

Name	Share in the Charter Capital owned by the person, %	Share of ordinary shares owned by the person, %
Sergey Evgenyevich POPOV	0	0

The collegiate executive body: **none**

Full name: **Limited Liability Company Uralenergotrans**

Short name: **Uralenergotrans (OOO)**

Location: **140 Ulitsa Mamina Sibiryaka, Ekaterinburg, Russia, 620026**

TIN: **6672319085**

PSRN: **1105903003580**

Grounds for control: **participation in a controlled company**

Features of control: **a right to administer over 50% of votes in the supreme management body of the company under the Issuer's control**

Type of control: **direct control**

Share of the charter capital of the controlled company owned by the Issuer, %: **100**

Share of the Issuer's charter capital owned by the controlled company, %: **0**

Share of the Issuer's common stock owned by the controlled company, %: **0**

Main business line: **Passenger and cargo transfers by auto transport, railroads, planes and water transport (including dangerous cargo); technical maintenance and repairs of railway vehicles; exploitation, maintenance of auto transport, railroad vehicles, planes and water transport as well as hoisting machines used for technological purposes**

The Board of Directors

Name	Share in the Charter Capital owned by the person, %	Share of ordinary shares owned by the person, %
Yuri Vyacheslavovich LEBEDEV (chairperson)	0	0
Andrey Sergeevich KOLYADA	0	0
Aleksey Gennadyevich CHIRKOV	0	0
Aleksey Yuryevich LEBEDINSKY	0	0
Evgeny Gennadyevich POPOV	0	0

The sole executive body

Name	Share in the Charter Capital owned by the person, %	Share of ordinary shares owned by the person, %
Vitaly Yuryevich OKUNEV	0	0

Collegiate executive body: *none*

3.6. Fixed Assets (composition, structure, value, potential acquisition, replacement, retirement of fixed assets, encumbrance, etc.)

31.12.2014

Mea.unit: *RUR thous.*

Fixed assets	Initial (replacement) value	Depreciation
Land plots	76 399	0
Buildings	8 005 992	-3 487 880
Facilities, except lines	2 615 322	-931 829
Lines and Equipment	47 155 125	-24 405 636
Power vehicles and equipment producing energy, equipment transforming energy	49 518 661	-33 582 896
Furniture and production equipment	162 586	-149 913
Other fixed assets	1 851 537	-843 417
TOTAL	109 385 622	-63 401 571

Depreciation Methodology: *According to the accounting policy depreciation is linear and based on the useful life of the objects*

Reported period: **31.12.2014**

31.03.2015

Mea.unit: *RUR thous.*

Fixed assets	Initial (replacement) value	Depreciation
Land plots	76 399	0
Buildings	8 005 505	-3 534 624
Facilities, except lines	2 611 811	-960 656
Lines and Equipment	47 514 382	-24 844 531
Power vehicles and equipment producing energy, equipment transforming energy	49 602 413	-34 087 587
Furniture and production equipment	163 554	-151 174

Other fixed assets	1 862 090	-894 343
TOTAL	109 836 154	-64 472 915

Depreciation Methodology: **According to the accounting policy depreciation is linear and based on the useful life of the objects**

Reported date: **31.03.2015**

Previous revaluations of fixed assets and long lease fixed assets: **there was no revaluation during the reported period**

Future Plans for fixed assets: **During 2015 the issuer has no plan to acquire, replace or retire fixed assets worth 10% or more of fixed asset value. No fixed asset encumbrance.**

SECTION IV. FINANCIAL AND BUSINESS PERFORMANCE

4.1. Financial and Business Performance

Dynamics of financial and economic indicators

Reporting Standards: **RAS**

Mea.unit for uncovered loss: **RUR thous.**

Indicator	2013	2014
Net margin, %	0.6	3.4
Asset turnover rate, times	1.01	0.96
Return on assets, %	0.62	3.22
Return on equity, %	1.12	6.24
Uncovered loss as of the reported date	0	0
Uncovered loss as of the reported date/ balance value, %	0	0

Indicator	3M 2014	3M 2015
Net margin, %	0.7	0.4
Asset turnover rate, times	0.28	0.24
Return on assets, %	0.21	0.1
Return on equity, %	0.38	0.2
Uncovered loss as of the reported date	0	0
Uncovered loss as of the reported date/ balance value, %	0	0

All indicators are calculated using recommended methodology

Analysis and Profit/Loss-producing Factors:

Asset turnover rate characterizes the efficiency of resource use despite of its origin and demonstrates the efficiency of asset management and whether the amount of overall assets is sufficient, large or insufficient for revenues. Return on assets characterizes the efficiency of asset use to obtain profit. Besides, this indicator shows average yield for all capital resources. Its decrease in comparison to the last year was due to profit decrease. Return on equity demonstrates the level of profitability of the equity capital.

Opinions of the management bodies with regard to reasons and their financial influence coincide. Members from the Board of Directors or Executive Board have no special opinion with regard to reasons and/or their financial influence recorded in a protocol and do not insist on the exposure of the opinion in the quarterly report.

4.2. Liquidity, Capital Adequacy and Current Assets

Dynamics of liquidity indicators:

Reporting Standards: **RAS**

Mea.unit for net working capital: **RUR thous.**

Indicator	2013	2014
Net working capital	-778 750	-3 224 004
Current liquidity ratio	0.93	0.79
Quick liquidity ratio	0.85	0.71

Indicator	3M 2014	3M 2015
Net working capital	-828 511	-7 386 036
Current liquidity ratio	0.93	0.63
Quick liquidity ratio	0.82	0.57

Dynamics of liquidity indicators under consolidated financial statements (At issuer's discretion): **none**

All indicators are calculated under recommended methodology

Analysis:

Net working capital characterizes the amount of working capital free from short-term liabilities. Optimal amount of net working capital is determined in accordance with needs of a company and depends on the scale and peculiarities of performance, turnover rate of inventories and receivables, conditions of borrowings, industry specificity and market. As of 2014 and 1Q 2015 net working capital has a negative value. By virtue of industry specificity a situation when the issuer has no net working capital is allowable. The Company operates in a capital intensive sector, therefore, liabilities structure is characterized by large borrowings and its asset structure has a predominant share of non-current assets. Liabilities structure has a significant share of borrowings in terms of connection advances, the liabilities must not be covered by current assets, since they are resources for non-current assets and are redeemed during connection as a part of investment program. The indicator was influenced by increased short-term liabilities compared to current assets, due to change of debt category (from long-term into short-term) and estimated liabilities on unfinished trials.

Current liquidity ratio in 2014 and 1Q 2015 decreased y-o-y by -0.14 (2013) and -0.30 (by 1Q 2014). Quick liquidity ratio in 2014 and 1Q 2015 decreased y-o-y by -0.14 (2013) and -0.25 (1Q2014). Negative dynamics in comparison to the previous comparable years can be explained by increased short-term liabilities due to reclassification of long-term credits into short-term ones and estimated liabilities on unfinished trials. The Company is able to discharge its borrowed liabilities in full retaining its financial stability.

Opinions of the management bodies with regard to reasons and their financial influence coincide. Members from the Board of Directors or Executive Board have no special opinion with regard to reasons and/or their financial influence recorded in a protocol and do not insist on the exposure of the opinion in the quarterly report.

4.3. Financial Investments

31.12.2014

Financial investments (5% and more) at the end of the reported period

Issued securities

Type of securities: **shares**

Full name of the Company that issued the securities: **Open Joint-Stock Company Lenenergo**

Short name: **Lenenergo (OAO)**

Location: **1 Ploschad Revolutsii, St. Petersburg, 196247**

TIN: **7803002209**

PSRN: **1027809170300**

State registration date	Registration number	Authority
27.06.2003	1-01-00073-A	FSC of Russia
27.06.2003	2-01-00073-A	FSC of Russia

Number of securities owned by the issuer: **103 869 368**

Nominal value of securities owned by the issuer: **103 869 368 RUR x 1**

Overall book value of securities by the issuer: **399 520**

Mea.unit: **RUR**.

According to Article 7 of the Lenenergo (OAO) Charter, total dividends paid on preferred shares is 10% of net profit as of the last financial year distributed proportionally among A-class preferred shares.

Lenenergo AGSM adopted the following resolution (protocol #2/2014 dd. 24.06.2014):

- to pay out dividends on preferred shares (RUR 0.4556 per 1 preferred share) in monetary form.

**- to pay out dividends on common shares as of 2013 calculated according to the formula stipulated below:
dividend per 1 common share = 15% of 2013 net profit (according to RAS statements minus revenues from revaluation of financial investments) / quantity of placed common shares as of the register date.**

Terms for dividend payout: nominal holder and professional trustee – not exceeding 10 working days since the register date, other entities – 25 working days. To determine 11 July 2014 as the register date.

Additional information:

Lenenergo shares were acquired after the Board meeting, held on 11 October 2012 (protocol #114 dd. 15.10.2012.), that decided to withdraw from Kurganenergo and acquire Lenenergo shares. The issuer owns 81 119 240 common registered shares and 22 750 128 preferred shares of A-class.

Private securities

None. The issuer created a reserve on depreciation of investments in securities

Reserve amount:

The reserve totaled:

- as of 01.01.2014 – RUR 10,225 thous.

- as of 31.12.2014 – RUR 10,225 thous.

Other financial investments: **none**

Potential losses from bankruptcy of the companies in which the Issuer invested:

The amount of potential losses related to bankruptcy of the companies in which the issuer invested is limited to the amount of invested resources.

Reporting Standards: **Financial investments are recorded according to PBU 19/02 (Decree of the Ministry of Finance #126n dd. 10.12.2002). All financial investments are recorded under initial value.**

31.03.2015

Financial investments (5% and more) at the end of the reported period

Issued securities

Type of securities: **shares**

Full name of the Company that issued the securities: **Open Joint-Stock Company Lenenergo**

Short name: **Lenenergo, OAO**

Location: **1 Ploschad Revolutsii, St. Petersburg, 196247**

TIN: **7803002209**

PSRN: **1027809170300**

State registration date	Registration number	Authority
27.06.2003	1-01-00073-A	FSC of Russia
27.06.2003	1-01-00073-A	FSC of Russia

Number of securities owned by the issuer: **103 869 368**

Nominal value of securities owned by the issuer: **103 869 368 RUR x 1**

Overall book value of securities by the issuer: **399 520**

Mea.unit: **RUR**.

According to Article 7 of the Lenenergo (OAO) Charter, total dividends paid on preferred shares is 10% of net profit as of the last financial year distributed proportionally among A-class preferred shares.

Lenenergo AGSM adopted the following resolution (protocol #2/2014 dd. 24.06.2014):

- to pay out dividends on preferred shares (RUR 0.4556 per 1 preferred share) in monetary form.

**- to pay out dividends on common shares as of 2013 calculated according to the formula stipulated below:
dividend per 1 common share = 15% of 2013 net profit (according to RAS statements minus revenues from**

revaluation of financial investments) / quantity of placed common shares as of the register date.
Terms for dividend payout: nominal holder and professional trustee – not exceeding 10 working days since the register date, other entities – 25 working days. To determine 11 July 2014 as the register date.

Additional information:

Lenenergo shares were acquired after the Board meeting, held on 11 October 2012 (protocol #114 dd. 15.10.2012.), that decided to withdraw from Kurganenergo and acquire Lenenergo shares. The issuer owns 81 119 240 common registered shares and 22 750 128 preferred shares of A-class.

Private securities

None. The issuer created a reserve on depreciation of investments in securities

Reserve amount:

The reserve totaled:

- as of 01.01.2014 – RUR 10 225 thous.

- as of 31.12.2014 – RUR 10 225 thous.

- as of 31.03.2015 – RUR 10 225 thous.

Other financial investments: **none**

Potential losses from bankruptcy of the companies in which the Issuer invested:

The amount of potential losses related to bankruptcy of the companies in which the issuer invested is limited to the amount of invested resources.

Reporting Standards: **Financial investments are recorded according to PBU 19/02 (Decree of the Ministry of Finance #126n dd. 10.12.2002). All financial investments are recorded under initial value..**

4.4. Non-tangible Assets

31.12.2014

Mea.unit: **RUR.**

Intangible assets	Initial (replacement) value	Depreciation
Patent, Trademarks	73	-45
Corporate Web-site (included into accounting statements since 04.09.2014)	408	-10
TOTAL	481	-55

Reporting Standards: **Intangible assets are recorded according to PBU 14/2007 (Decree of the Ministry of Finance #153n dd. 27.12.2007). Depreciation is linear and based on the useful life of intangible assets.**

Reported period: **31.12.2014**

31.03.2015

Mea.unit: **RUR.**

Intangible assets	Initial (replacement) value	Depreciation
Patent, Trademarks	73	-47
Corporate Web-site (included into accounting statements since 04.09.2014)	408	-20
TOTAL	481	-67

Reporting Standards: **Intangible assets are recorded according to PBU 14/2007 (Decree of the Ministry of Finance #153n dd. 27.12.2007). Depreciation is linear and based on the useful life of intangible assets.**

Reported period: **31.03.2015**

4.5. Policy and Expenses concerning Sci-tech Development, Licenses, Patents, R&D

Our R&D program is formed by existing problems of the sector and innovative prospects and focuses on engineering of cutting-edge technologies and tools as well as improvement of existing technologies. R&D projects are related to energy transmission and focus on the following objectives:

- *Engineering of devices (including equipment, instruments, hardware/software systems), including functional parts, electrical diagrams or conceptions;*
- *Engineering of new materials and/or substances;*
- *Engineering of methods (material processes), for instance, calculating, measuring, testing or technological tools, including those to obtain or produce devices (instruments, materials or substances);*
- *Engineering of software and hardware and e-databases;*
- *scientific researches preceding creation of prototypes and experimental samples of new produces (equipment, constructions, technologies, materials, substances, processes, hardware and e-databases)) never used by the sector before.*

Proposals added to the R&D program are prepared in accordance with the following researches and developments:

- *Fundamental issues related to creation and operations of electric networks as well as theoretical aspects;*
- *Electric equipment, devices, constructions or materials related to power lines;*
- *Relay protection and automation of electric networks;*
- *Telecommunications and IT;*
- *Reliability, safety and energy efficiency;*
- *Umbrella infrastructural projects.*

In 2014 developments from R&D activities demanded no registration of patent rights or ownership. There were no requests regarding results of intellectual activities during 2014. In this respect we have not commoditized developments and concluded no licensing contracts.

Energy-saving and efficiency increase activities during 2014 were arranged according to Federal Saving and Efficiency Increase Act #261-FZ, Government Act #340 dd. 15.05.2010 on the procedure for establishing requirements regarding energy-saving and efficiency increase programs for enterprises with regulated services, Government Act #977 dd. 01.12.2009 on investment programs of energy companies (as amended by Government Act #484 dd. 30.06.2010, #1178 dd. 29.12.2011), acts produced by regional tariff regulators (Perm Energy Commission Act #5 dd. 27.04.2010, Sverdlovsk Energy Commission Act #100-PK dd. 25.08.2010 and Chelyabinsk Tariff Regulator Act #16/7 dd. 20.04.2010 on the approval of requirements to energy-saving and efficiency increase programs for enterprises with regulated services) as well as our 2014-2019 energy-saving and efficiency increase program approved by the Board of Directors on 06.12.2013 (protocol #134 dd. 10.12.2013).

To implement the program in the HQ and branches, according to Rosseti Decree #561 dd. 09.09.2013 on the arrangement of energy-saving and efficiency increase activities in Rosseti, we have assigned directors responsible for program execution and formed a working group analyzing the execution of the program (Company's Decree #484 dd. 21.10.2013). According to Rosseti Decree #561 dd. 09.09.2013 and Company's Decree #277 dd. 25.07.2014 on the diagnostics audit procedure we have arranged a diagnostics audit of the energy management system to see whether it complies with requirements of ISO 50001:2011, State Standard R ISO 50001-2012. According to Company's Decree #116 dd. 12.03.2014 on the preparation and implementation of the energy management system, professionals from Urals Interregional Certifying Center (Ekaterinburg) arranged training and consultations related to the build-up and implementation of the energy management system in compliance with ISO 50001:2011, State Standard R ISO 50001-2012.

Target indicators under the program are as follows:

- *energy losses during transmission and distribution;*
- *resource consumption for economic needs;*
- *equipment implementation according to the program.*

The program includes target and companion subprograms, including loss reduction during energy transmission and consumption reduction by Company's facilities. All measures stipulated by the program, in their turn, are divided into organizational and technical. Target subprograms include measures implemented to ensure energy and water consumption reduction by no less than 15% of overall annual consumption, pay-back period for 80% of investments totaling 5 years for energy and water consumption for production and economic needs and pay-back period not exceeding 10 years for measures implemented to ensure loss reduction during transmission and distribution. Companion subprograms include measures with positive energy efficiency that do not comply with target-program relevancy criteria.

The target effect for the program for 2014 was 151.08 mn kWh and RUR 375.27 mn in natural and monetary terms, including subprograms – target programs (75.78 mn kWh and RUR 191.12 mn) and non-target programs (75.31 mn kWh and RUR 184.15 mn), including:

- *program related to perspective development of metering system (72.33 mn kWh and RUR 178.08 mn);*
- *program related to upgrade and reconstruction (2.46 mn kWh and RUR 4.80 mn);*
- *non-target economic needs and other activities (0.52 mn kWh and RUR 1.27 mn).*

As of 2014 the effect totaled 188.11 mn kWh and RUR 438.48 mn far beyond the target, including subprograms – target programs (110.57 mn kWh and RUR 265.26 mn), non-target programs (77.54 mn kWh and RUR 173.23 mn), including:

- program related to perspective development of metering system (75.43 mn kWh and RUR 169.63 mn);
- program related to upgrade and reconstruction (1.92 mn kWh and RUR 3.08 mn);
- non-target economic needs and other activities (0.19 mn kWh and RUR 0.52 mn).

The effect from measures retaining losses at existing level totaled 31.99 mn kWh and RUR 80.9 mn. Expenses incurred to implement the measures totaled RUR 732.08 mn. The program was financed by the investment (RUR 669.07 mn) and repair programs (RUR 63.01 mn).

Technological effect from target measures decreasing energy losses totaled 109.21 mn kWh and RUR 262.65 mn. Key target measures are: hermetization of buildings (replacement of window and entrance units, installation of air curtains), replacement of incandescent lamps for energy-saving or LED lamps, replacement of DRL-250 type lamps for energy-saving lamps of similar type, repair of heating system: replacement of electric boilers for induction boilers. The effect from target measures reducing consumption for economic needs totaled 73 t.o.e. and RUR 0.99 mn (targets - 83 t.o.e. and RUR 1.05 mn.).

Measures related to the consumption reduction for economic needs were accomplished in full. Targets for the replacement of incandescent lamps for energy-saving lamps were not achieved mainly due to financing cuts.

4.6. Analysis of Trends

Key trends determining the directions for Russian grids development (according to the strategy of Russian grid sector reviewed by the Russian government on February 25, 2013) are:

A healthy increase of demand for energy (up to 2% per year) is one of the key trends of sector development defining the development of the Russian grids. Such pace is determined by gradual increase of energy efficiency: according to forecasts, energy consumption of the Russian economy (GDP-based) shall decrease by over 30% by 2030. Within 10-15 years Russia will implement technologies used by grids in developed countries. In particular, technologies of smart grids increasing capacity and stability of networks, decreasing losses and expenses on technical and commercial metering.

Demand differs considerably in regions and settlements. Alongside with decreased consumption in rural areas there is an increase in cities; in cities consumption decreases in industrial zones and increases in districts with office centers and commercial real estate or housing. Changes in demand geography cultivate 3 problems: 1) need to maintain unloaded networks; 2) need for new investments at new sites; 3) increased tariff due to a need for new investments while overall demand is low.

However, a demand shift has a potential for decreasing general costs on both local and interregional levels. Local level includes infrastructure de-bottlenecking in a region or a city with currently maintained high-cost generation (looping of backbone networks around cities, new supply centers). Interregional level includes infrastructure combining zones with various time period and price demand, net power flow being economically sound (for example, Siberia – Urals aerial lines).

Scarce investments during the last 20 years resulted in a considerable physical and technological obsolescence of networks. Share of grids with depreciable life totaled 50%. 7% of grids has worked for 2 standard periods. Overall depreciation of grids totaled 70%. Depreciation of backbone grids (FSK UES) is almost the same – around 50%. On the whole, equipment status in Russia is far worse than in other large countries with depreciation equaling 27-44%. Besides, Russian grids still do not widely use modern equipment providing high reliability and decreased operating costs.

Changes in regulatory documents during the sector reforms:

1. Access to WEM since 1.01.2006 for generating companies of RAO UES incorporated as a result of reforms and FSK UES. This caused review of the system for information exchange between market participants and toughening of requirements to metering in grids.

2. Approval and enactment since 1.09.2006 of the rules of wholesale and retail energy markets of the transition period (Government Decrees #529 and 530 dd. 31.08.2006). Except for changes of the current WEM and accurate regulation of all participants the regulatory documents led to changes in procedures related to payment to grids and customer relations.

3. Changes of FSK price regulation since 1.07.2006. The introduction of new principles of UNES price regulation (transition to payments for customer contract demand) enabled the grids to plan more accurately the volume and price of FSK for 2006 and years to come.

4. Changes in procedure related to the regulation of transmission prices for grids since 01.01.2008, payments for 2-rate transmission tariffs: network maintenance rate (contract demand) and loss compensation rate (actual volume of transmitted energy);

5. Continuing activities dealing with united transmission tariffs in regions, stipulated by FTS and Government documents demanded retention of existing and creation of new network boilers in 2007. The scheme, besides

united transmission tariff in a region demands contracts on energy transmission to end-users concluded with all grid companies in the region.

In 2014 in our service area there are 4 network boilers.

The following factors have a significant impact on the industry: velocity of reforms, namely readiness of regulatory documents; purchasing power from consumers; technical status of production capital funds.

4.7. Analysis of Factors Affecting Operations

Energy reform and large part of state registration in the industry (including in terms of tariff regulation) are the key factors that have a significant influence on energy sector on the whole, the issuer and other participants of the market.

The factors and conditions capable to influence the Issuer's activities are stated below:

- Overvaluation of contract demand volume planned at calculation of energy transmission services from the volume in forecasted balance of the Federal Tariff Service,

- Consumer refusal to pay for the services according to contract demand due to energy consumption decrease;

- Decrease of real energy consumption in comparison to the planned levels which were used for calculation of energy transmission tariffs;

- The FTS's approval of ultimate transmission tariffs that do not include required financial expenses for ensuring reliable and non-stop current activities of the Company as well as its further development;

- Incident increase due to depreciation of the Company's assets. Physical depreciation and technological aging of the fixed assets, toughening of requirements for reliability and fail-safety, increase of possible severe accidents as a result of energy object destruction - all this demands a special attention to the issues of reliability and security of asset.

- conclusion of direct contracts with consumers connected to UNES networks via last-mile facilities, there are current proceedings between consumers and FSK on coercion to execute the contract on transmission concluded earlier (SUAL-UAZ in the Sverdlovsk region). There are proceeding on the coercion of FSK to conclude a transmission contract with ChTsZ since 01.05.2013. In accordance with Federal Law #308-FZ dd. 06.11.2013 a right of a UNES grid company to lease UNES facilities to regional grids since 01.01.2014 was prolonged only in the Chelyabinsk region, since 01.01.2014 last-mile scheme (without approval of consumers) was ceased in the Sverdlovsk and Perm regions.

These factors are constituent parts of overall development tendency of the energy market. In Issuer's opinion, they are capable to have a short-term impact on the Issuer's business in a mid-term perspective.

The Issuer currently actively implements investment policy both to update old equipment, to develop grids as well as to launch of new objects.

In the Issuer's opinion, the following measures will be effective at present as well as future:

- Creation of conditions and prerequisites for investments into energy sector;

- Joint activities on adjustment of regional development plans for more accurate and precise energy sector development;

- Increase of regional energy sector efficiency;

- Creation of united grid area using integration of regional networks into the Company's networks to increase reliability of energy supply.

- achievement of optimal economically feasible tariffs for energy keeping the balance between interests of grid companies and consumers.

4.8. Peers

Our main line of activities is monopolistic and state-regulated in terms of transmission and connection tariffs. Interregional Distributive Grid Company of Urals and its subsidiary - Ekaterinburg Electric Grid Company (EESK) - occupy a predominant position on energy transmission market in the service area. Growing consumption and connection upsurge constantly push up and expand the market. In terms of conventional units the market share of the Company totals 54%, productive supply market share reaching 73%.

Municipal and private grid companies also render transmission services in the area, but these enterprises are mainly low-voltage distributive grids. By the end of 2014 there were 309 regional grid companies in the service area. The largest ones are disclosed in the table below:

Company name	Grid facilities owned by regional gridcos in 2014		Gross revenue requirement of regional gridcos in 2014	
	c.u.	Regional c.u., %	RUR mn	Regional GRR, %
The Sverdlovsk region				

Oblkommunenergo	39,587	8.69	2,087.88	11.67
Sverdlovsk Energy Supply Directorate of Transenergo (a branch of Russian Railways)	32,200	7.07	616.89	3.45
Regional Grid Company	11,000	2.41	588.03	3.29
Tagilenergoceti	16,009	3.51	565.08	3.16
EvrazEnergoTrans	655	0.14	193.40	1.08
Gorelektroset (Pervouralsk)	7,259	1.59	159.38	0.89
Urals Electric Grids	5,115	1.12	157.65	0.88
Oboronenergo	1,520	0.33	143.50	0.80
Alapayevsk Electric Grid Company	3,257	0.71	139.64	0.78
Municipal Electric Grids	5,166	1.13	117.27	0.66
<i>The Perm region</i>				
KS-Prikamye	18,536.78	5.85	779.62	6.48
Novogor-Prikamye (Berezniki branch)	6,228.67	1.97	263.43	2.19
Russian Railways (Sverdlovsk branch)	19,623.84	6.19	225.68	1.88
Dobryanka Municipal Utilities Electric Grids	2,244.85	0.71	73.5	0.61
Center of Reliability	4,051.13	1.28	66.65	0.55
Krasnokamsk Utilities Municipal Electric Grids	2,388.59	0.75	55.37	0.46
Chernushka Municipal Utilities Electric Grids	1,921.83	0.61	55.07	0.46
Kudymkar Electric Grids	1,695.26	0.53	50.42	0.42
Gazpromenergo (Urals branch)	1,700.77	0.54	42	0.35
Service Center Kontakt	4,379.56	1.38	40.05	0.33
<i>The Chelyabinsk region</i>				
AES Invest (Merged with AES-Capital)	33,419.16	7.47	794.56	6.57
Gorelektroset	15,640.26	3.5	503.7	4.16
Elektroset	16,921.35	3.78	251.3	2.08
ChEK	16,525.80	3.69	164.54	1.36
South Urals Railways	31,272.67	6.99	133.4	1.1
MiassEnergo	7,023.97	1.57	131.5	1.09
Electric Grid Company (Satka)	3,375.00	0.75	95.7	0.79
MMPKKh (former Ozerskaya Energokompaniya)	6,216.79	1.39	93.4	0.77
Thermal Electric Grids and Systems	6,910.04	1.54	88.75	0.73
MMK	20,992.63	4.69	85.2	0.7

Since each region in the service area has own peculiarities (consumer structure, specific economic factors, etc.), the share of our branches on the public utilities market vary. Thus, Sverdlovennergo branch occupies 61% (70% jointly with EESK) of the market in terms of productive supply and 43% of the market in terms of conventional units. In the Perm region the Company has an 83% share in terms of productive supply and a 68% share in terms of conventional units. In the Chelyabinsk region we have 40% of regional grid facilities; our grids distribute 66% of productive supply to end-users.

As a part of regional grid consolidation process our branches have consolidated 4,479 conventional units of equipment - 157 km of power lines and 919 MVA of transformers and substations).

SECTION V. DETAILS ON MEMBERS OF MANAGEMENT AND CONTROL BODIES. BRIEF PERSONNEL OVERVIEW

5.1. Structure and Competence of the Bodies

Structure and competence in accordance with the Charter:

In compliance with item 9.1., article 9 of the Charter managing bodies of the Issuer are:

- 1. General Shareholder Meeting, a supreme managing body**
- 2. Board of Directors, body executing general management of the Issuer's activities**
- 3. Management Board, a collegiate executive body**
- 4. General Director, sole executive body**

The competence of general shareholder meeting is stated in article 10 of the Charter:

"The following issues shall pertain to the GSM reference:

- 1) Introduction of amendments and supplements to the Charter or approval of a new version of the Charter;**

- 2) *The Company's re-organization;*
 - 3) *The Company's liquidation, appointment of a liquidation commission and approval of interim and final liquidation balance-sheets;*
 - 4) *Definition of quantity, nominal value, category (type) of authorized shares and the rights provided by the shares;*
 - 5) *Increase of the Charter capital by enlarging the nominal value or placing additional shares;*
 - 6) *Decrease of the Charter capital by reducing the nominal value, purchasing shares to reduce their total amount as well as by redeeming shares acquired or paid-up by the Company;*
 - 7) *Splitting and consolidation of the Company shares;*
 - 8) *Decision-taking on the placement of bonds convertible into shares and other emissive securities convertible into shares;*
 - 9) *Determination of the BoD membership, election of its members and early termination of their powers;*
 - 10) *Election of the Audit Commission and early termination of their powers;*
 - 11) *Approval of the Company's auditor;*
 - 12) *Decision-taking on transferring the powers of the sole executive body of the Company to a managing company (a managing director) and early termination of its powers;*
 - 13) *Approval of annual reports and financials including profit and loss statements (profit and loss accounts) of the Company, as well as profit distribution (including dividend pay-out (declaration), except for the profit distributed as 3M, 6M and 9M dividends and losses as of the financial year;*
 - 14) *Dividend pay-out (declaration) as of 3M, 6M and 9M results;*
 - 15) *Determination of the procedure for arranging a GSM;*
 - 16) *Decision-taking on approving transactions in cases envisaged by Article 83 of the Federal Law "On Joint-Stock Companies";*
 - 17) *Decision-taking on approving major transactions in cases envisaged by Article 79 of the Federal Law "On Joint-Stock Companies";*
 - 18) *Decision-taking on participation in financial and industrial groups, associations and other unions of commercial companies;*
 - 19) *Approval of internal documents regulating the activities of the Company's bodies;*
 - 20) *Decision-taking on remuneration and/or compensations paid to the Audit Commission;*
 - 21) *Decision-taking remuneration and/or compensations paid to the Board of Directors;*
 - 22) *Decision-taking on other issues stipulated by the Federal Law "On Joint-Stock Companies".*
- Issues referred to the GSM competence shall not be passed over for resolution to the Board of Directors, Management Board and CEO. A GSM shall not be entitled to review or take decisions on the issues that are not referred to its competence by the Federal Law "On Joint-Stock Companies".*

The competence of the Issuer's BoD is stated in article 15 of the Charter:

"The Board of Directors shall manage the Company, except for issues referred to the GSM competence by the Federal Law "On Joint-Stock Companies" and the present Charter.

The following issues shall pertain to the BoD reference:

- 1) *1) Definition of the Company's priorities and development strategy;*
- 2) *AGM and EGM convention, except for the cases specified in item 14.8., Article 14 hereof as well as announcement of the date for a new GSM instead of the abortive one, not held due to the lack of quorum;*
- 3) *Approval of the GSM agenda;*
- 4) *Election of a GSM secretary;*
- 5) *Determination of the date when the list of persons entitled to participate in the General Meeting is to be drawn up; approval of estimated expenses for GSM arrangement and other issues connected with its preparation and arrangement;*
- 6) *Proposal of issues, envisaged by subitems 2, 5, 7, 8, 12-20, item 10.2, Article 10 herein, for GSM's resolution as well as the issue on the Charter Capital reduction by reducing nominal value;*
- 7) *Placement of bonds and other securities, except for the cases outlined by the Russian legislation and present Charter;*
- 8) *Approval of Security Issue Resolution, the Prospectus and Issue Results Reports, Acquisition Results Reports, Redemption Results Reports, Buy-out Results Reports;*
- 9) *Evaluation (monetary value) of property, offering and buy-out price in cases envisaged by the Federal Law "On Joint-Stock Companies", as well as solving issues stipulated by subitems 11, 22, 38, item 15.1., Article 15 hereof;*
- 10) *Acquisition of the outstanding shares, bonds and other securities in cases stipulated by the Federal Law*

"On Joint-Stock Companies";

- 11) ***Alienation (sale) of the shares possessed by the Company as a result of purchase or buy-out as well as in other cases stipulated by the Federal Law "On Joint-Stock Companies";***
- 12) ***Election of the CEO and early termination of the powers including decision-taking on the early termination of the labor contract;***
- 13) ***Determination of the Management Board membership, election of MB members, determination of remuneration and compensations paid to them, early termination of their powers;***
- 14) ***Recommendations to the GSM on remuneration and compensations paid to the Audit Commission members and Auditor's fee;***
- 15) ***Recommendations on the dividend amount and payment procedure;***
- 16) ***Approval of the Company's internal documents stipulating the procedure for Company's fund generation and usage;***
- 17) ***Decision-taking on fund usage; approval of special-purpose fund cost estimates and review of cost estimate completion results;***
- 18) ***Approval of the Company's internal documents, except for the documents which approval pertains to the GSM competence as well as other internal documents which approval pertains to the competence of executive bodies;***
- 19) ***Approval of a business plan (updated business plan), including investment program and a quarterly report on their completion as well as the approval (adjustment) of the control indicators of the Company's cash flows;***
- 20) ***Review of investment program, including amendments to it;***
- 21) ***Establishment of branches and representative offices, their liquidation as well as introduction of amendments to the Charter concerning the establishment of branches and representative offices (including change of their names and location) and their liquidation;***
- 22) ***Decision-taking on the participation in other companies (joining an existing organization or forming a new one including approval of founding documents) and the purchase, sale and encumbrance of the charter capital in companies in which the Company participates, change of the share to the charter capital of a corresponding company, withdrawal from other companies;***
- 23) ***Definition of the Company's credit policy regarding granting of loans, conclusion of credit and loan agreements, provision of guarantees, acceptance of bill obligations (promissory notes and bills of exchange), property hypothecation and decision-taking on making the above-mentioned transactions in cases when decision tree is not outlined by the Company's credit policy, as well as decision-taking on adjustment of the Company's debt position to the limits, set forth by the Company's credit policy;***
- 24) ***Approval of major transactions in cases set forth by Article X of the Federal Law "On Joint-Stock Companies";***
- 25) ***Approval of transactions set forth by Article XI of the Federal Law "On Joint-Stock Companies";***
- 26) ***Approval of the Company's Registrar, details of the contract and contract termination;***
- 27) ***Election of the BoD Chairperson and early termination of the powers;***
- 28) ***Election of the BoD Deputy Chairperson and early termination of the powers;***
- 29) ***Election of the Corporate Secretary and early termination of the powers;***
- 30) ***Preliminary approval of decisions regarding the Company's transactions connected with gratuitous transfer of the Company property or title (demands) to itself or a third party; transactions involving discharge of property liability to itself or a third party; transactions connected with gratuitous rendering by the Company of the services to third parties in cases (amounts) determined by separate BoD resolutions and adoption of resolutions on transaction conclusion in cases where the above-stated cases (amounts) are left undetermined;***
- 31) ***Decision-taking on the suspension of the powers possessed by a managing company (a managing director);***
- 32) ***Decision-taking on the appointment of the Acting CEO, in cases determined by separate BoD resolutions, as well as bringing her/him to disciplinary liability;***
- 33) ***Bringing the CEO and MB members to disciplinary liability or reward in accordance with the Russian labor legislation;***
- 34) ***Review of CEO's reports on operations (including those relating to her/his performance), on implementation of GSM and BoD resolutions;***
- 35) ***Approval of the interaction procedure between the Company and companies in which the Company has a stake;***
- 36) ***Determination of the Company's (its representatives') position, including the instruction to vote or refrain from voting on agenda issues, to vote "FOR", "AGAINST", "ABSTAIN" on the following agenda issues of the***

SAC's GSM (except for the cases when SAC GSM functions are performed by the BoD) and BoD sessions (except for the issue on GSM agenda approval when functions of SAC GSM are performed by the BoD):

- a) **Determination of SAC GSM agenda;**
- b) **Affiliate restructuring or liquidation;**
- c) **Determination of the membership in management and control bodies of SACs, nomination, election of the members and pre-term termination of their powers, nomination and election of the sole executive bodies of SACs and pre-term termination of powers;**
- d) **Definition of the membership of SAC management and control bodies, nomination, election of the members and pre-term termination of the powers, nomination, election and pre-term termination of the powers of the sole executive body;**
- e) **Determination of amount, par value, category (type) of SAC's authorized shares and the rights vested by those shares;**
- f) **Increase of the SAC's charter capital by increasing the nominal value or by placing additional shares;**
- g) **Placement of SAC's securities convertible into common shares;**
- h) **Splitting and consolidation of SAC's shares;**
- i) **Approval of major transactions concluded by SACs;**
- j) **SAC's participation in other companies (joining an existing company or establishment of a new company) as well as acquisition, alienation and encumbrance of shares and interests in the charter capital of companies where a SAC has a stake; change in participatory interest of relevant company;**
- k) **Conclusion of transactions by a SAC (including multiple interrelated transactions) involving acquisition, alienation or eventual alienation of the property comprising the main assets, intangible assets, incomplete construction sites for the purpose of electricity/thermal energy generation, transmission, dispatching, and distribution in cases (amounts), determined by the interaction procedure between companies in which the Company participates, approved by the BoD;**
- l) **Introduction of amendments and supplements to SAC's founding documents;**
- m) **Determination of the procedure for SAC's BoD and AC members remuneration pay-out;**
- n) **Approval of target key performance indicators (adjusted target key performance indicators);**
- o) **Approval of a report on the completion of planned annual and quarter key performance indicators;**
- p) **Approval of a business plan (an updated business plan), including investment program and a quarterly report on its execution;**
- q) **Approval of a report on business plan completion;**
- r) **Approval of profit and loss distribution based on the fiscal year-end results;**
- s) **Recommendations for dividend amount and payout procedure;**
- t) **Dividends payment (declaration) as of 1Q, 1H, 9M as well as fiscal year results;**
- u) **Review of an investment program, including amendments to it;**
- v) **Approval (review) of a report on investment program completion.**

37) Determination of the Company's (its representatives') position on the following SAC BoD agenda issues (including the instruction to vote or refrain from voting on agenda issues or to vote "FOR", "AGAINST" or "ABSTAIN" on draft resolutions):

- a) **Determination of SAC representatives' positions on agenda issues of GSM and BoD of their SACs regarding conclusion (approval) of transactions (including multiple interrelated transactions) to involve acquisition, alienation or potential alienation of the property comprising the capital assets, intangible assets, incomplete construction projects for the purpose of electricity/thermal energy generation, transmission, distribution in cases (amount) determined by the interaction procedure between companies in which the Company participates, approved by the BoD;**
- b) **Determination of SAC representatives' positions on agenda issues of GSM and BoD of their SACs that are involved in generation, transmission, dispatching, distribution and sale of electrical and thermal energy, regarding reorganization, liquidation, increase of the charter capital by increasing the nominal share value or by placing additional shares as well as offering securities convertible into common shares;**

38) Preliminary approval of the Company's decisions on:

- a) **Transactions involving the Company's non-current assets exceeding 10% of the book value of the assets according to the data reflected in the financials as of the last reported date;**
- b) **Transactions (including multiple interrelated transactions) involving acquisition, alienation or potential alienation of property comprising the main assets, intangible assets, uncompleted construction objects for the purpose of electrical/thermal energy generation, transmission, dispatching, distribution in cases (amount) determined by special BoD resolutions;**
- c) **Transactions (including multiple interrelated transactions) involving acquisition, alienation or potential alienation of property comprising the main assets, intangible assets, uncompleted construction objects for**

the purposes other than electrical/thermal energy generation, transmission, dispatching, distribution in cases (amount) determined by special BoD resolutions.

39) Nomination of candidates for election to the sole executive body, other management and control bodies, as well as auditor candidates at legal entities in which the Company participates and which are involved into electrical/thermal energy generation, transmission, dispatching, distribution and sales as well as maintenance and other service activity types;

40) Determination of directions for insurance coverage of the Company, including approval of a Company's underwriter;

41) Approval of the organization structure of the Company's Executive Office and introduction of amendments to it;

42) Approval of the Regulations on the CEO's financial stimulation, Regulations on financial stimulation of the Company's management; approval of the management list.

43) Approval of candidates nominated for several positions of the Company's Executive Office determined by the BoD;

44) Preliminary approval of the collective agreement, agreements concluded by the Company within the framework of regulating social and labor relations as well as approval of documents on state pension provision for the employees;

45) Creation of BoD committees, election of BoD committee members and pre-term termination of the powers possessed by the BoD Committee Chairpersons;

46) Approval of independent appraiser (-s) candidates for appraisal of shares, property and other Company assets in cases stipulated by the Federal Law "On Joint-Stock Companies", the present Charter and special BoD resolutions;

47) Approval of a financial advisor candidate, hired in accordance with the Federal Law "On Securities Market", as well as candidates for issue manager and advisors on transactions directly related to raising funds in the form of public borrowings;

48) Preliminary approval of transactions capable of entailing foreign cash commitments (or commitments with the values being attached to foreign cash) in cases and amount determined by special BoD resolutions as well as when the BoD has not determined the above-mentioned cases (amounts);

49) Approval of the Company's purchase policy, including the approval of the Regulations on the regulated purchase procedures, approval of the head of the central purchase body and its members, as well as approval of annual purchase program and decision-taking pursuant to the documents regulating purchase policy of the Company;

50) Decision-taking on the CEO nomination to government awards;

51) Approval of target (adjusted) key performance indicators (KPIs) and KPI completion reports;

52) Shaping the Company's policy aimed at enhancing the reliability of distribution grids and other network facilities, including approval of the Company's strategic programs to improve grids reliability, development and safety;

53) Shaping the Company's housing policy with regard to granting corporate support to employees to improve their living conditions by subsidies, expense compensations, interest-free loans and to taking decisions on the above-mentioned support in cases when support policy has not stipulated the support procedure;

54) Other issues referred to the BoD competence by the Federal Law, "On Joint-Stock Companies" and the present Charter.

Issues, referred to the BoD competence, shall not be passed over for consideration by the Company's CEO and Management Board.

The Management Board's competence is stated in Article 22 of the Charter:

"The MB competence shall include:

1) Elaboration and submission of the Company's development strategy for the BoD's review;

2) Preparation of the annual (quarter) business plan, including the investment program and a completion report, approval (adjustment) of cash flows (budget) of the Company;

3) Preparation of the Company's annual report on financial and economic operations as well as on the execution of GSM- and BoD-approved decisions by the MB;

4) Review of reports, prepared by the CEO's deputies, heads of separate subdivisions, on the results of approved plans, programs, instructions as well as review of reports, documents and other information about

operation of the Company and its SACs;

5) *Decision-taking on the issues referred to the competence of the supreme authorities of the companies where the Company possesses 100 (One hundred) percent of the charter capital (taking into account subitem 36, 37 item 15.1., Article 15 hereof);*

6) *Preparation and submission of financial and economic reports of the companies where the Company possesses 100 (One hundred) percent of the charter capital for a BoD review;*

7) *Decision-taking on conclusion of major transactions (property, work and services which cost amounts to 1 up to 25 percent of the Company's assets book value, determined as of the date of taking a decision to conclude such a transaction (except for the cases specified in subitem 38, item 15.1 hereof);*

Decision-taking on other issues according to decisions adopted by the GSM, BoD as well as issues submitted by the CEO for MB's review.

The CEO's competence is stated in article 23 of the Charter:

"The CEO's competence shall include all matters of day-to-day management of the Company, except for issues referred to the GSM, BoD and MB competence. The CEO shall act without the power of attorney, on behalf of the Company, including the restrictions stipulated by the Russian legislation, the present Charter and BoD resolutions:

Ensuring fulfillment of the Company's plans required for reaching its objectives;

- *Arranging accounting and reporting operations;*
- *Administering the Company's property, concluding transactions on behalf of the Company, issuing powers of attorney, opening the clearing and other accounts at banks, other credit institutions (and also in cases stipulated by the legislation - at organizations being professional participants of securities market);*
- *Issuing decrees, approving (adopting) instructions, internal regulations and other internal documents of the Company regarding her/his competence; giving instructions obligatory for execution by all Company employees;*
- *Approving the Regulations on the branches and representative offices;*
- *Approving staff schedule and official salaries according to the organization structure of the Company's executive office;*
- *Exercising rights and liabilities of the employer regarding the Company's employees as stipulated by the labor legislation;*
- *Performing the functions of the MB Chairperson;*
- *Distributing responsibility between the CEO deputies;*
- *Submitting reports on financial and business operations of the subsidiary and associated companies, whose shares are owned by the Company as well as information on other companies where Company has a stake for a BoD's review, except for the cases described in subitem 6, item 22.2 Article 22 hereof;*
- *Within 45 (Forty five) days prior to the AGM date, submitting annual report and financial statements, profit and loss statement as well as distribution of profits and losses for a BoD's review;*
- *Considering other issues of the Company's activity, except for the issues related to the GSM, BoD or MB competence.*

The Issuer approved Corporate Behavior Code or other similar document

Information on Corporate Governance Code or other similar document:

BoD resolution dd. 15.03.2013 (BoD protocol #112 dd. 25.03.2013) approved Corporate Governance Code in a new version.

5.2. Management Bodies

5.2.1. Board of Directors

Name: **Valery Nikolayevich RODIN (chairperson)**

Year of birth: **1952**

Educational background: **Urals Polytechnic Institute (Heating engineer).**

Positions for the previous 5 years

Period		Company	Position
From	To		
2009	2014	IDGC of Urals, OAO	General Director
2006	2008	TGK-1, OAO	General Director
2005	2006	TGK-9, OAO	General Director
1994	2005	Sverdlovenergo, OAO	General Director
2009	Present day	IDGC of Urals, OAO	Board member

2009	Present day	EESK, OAO	Board member
2009	2010	EES, OAO	Board member

Share in the Charter Capital/ common stock: **0.008116/0.008116**

Membership of the Board Committees: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Konstantin Mikhailovich Yushkov**

Independent director

Year of birth: **1964**

Educational background: **Urals Polytechnic Institute (UGTU-UPI).**

Positions for the previous 5 years

Period		Company	Position
From	To		
2010	Present day	Wermuth Asset Management GmbH, OOO	Investment advisor
2006	Present day	Individual entrepreneur	
2014	Present day	IDGC of Urals	Board member
2014	Present day	Ekaterinburgenergosbyt	Board member

Share in the Charter Capital/ common stock: **0.0254/0.0254**

Membership of the Board Committees:

Committee	Chairperson
Audit Committee	no
Personnel and Remunerations Committee	no
Strategy and Development Committee	no
Technological Connection Committee	yes

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Yakov Savelyevich Tesis**

Year of birth: **1974**

Educational background: **Moscow State University (Jurisprudence)**

Positions for the previous 5 years

Period		Company	Position
From	To		
2007	2008	Moscow Representative Office of Renova Management AG	Project Director
2008	2010	Branch of Renova Management AG	Project Director
2010	2012	KES, ZAO	Deputy General Director
2012	Present day	GK RENOVA	Project Director
2013	Present day	IDGC of Urals	Board member
2012	Present day	TGK #6	Board member
2012	Present day	TGK #9	Board member
2012	Present day	Slantsy Plant	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Mikhail Viktorovich Azovtsev**

Year of birth: **1978**

Educational background: **State University – High School of Economics**

Positions for the previous 5 years

Period		Company	Position
From	To		
2004	2012	KES, ZAO	M&A Director
2013	Present day	GK RENOVA	Project Director
2013	Present day	IDGC of Urals	Board member
2013	Present day	Chelyabinskorgaz	Board member
2013	Present day	Sibirgazzservis	Board member
2013	Present day	Irkutskoblgaz	Board member
2013	Present day	Kurganoblgaz	Board member
2013	Present day	Ekaterinburggaz	Board member
2013	Present day	EESK	Board member
2013	Present day	Ekaterinburgenergosbyt	Board member
2013	Present day	GAZEKS-Management	Board member
2013	Present day	Gazeks	Board member
2013	Present day	Gazmontazh	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees:

Committee	Chairperson
Audit Committee	no
Strategy and Development Committee	no

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Natalya Aleksandrovna Ozhe**

Year of birth: **1974**

Educational background: **Moscow State University (jurisprudence).**

Positions for the previous 5 years

Period		Company	Position
From	To		
2012	Present day	GK RENOVA	Project Director
2010	2012	KES, ZAO	Director for Corporate Affairs
2007	2010	Branch Renova Management AG	Deputy Project Director
2013	Present day	IDGC of Urals	Board member
2012	2013	TGK #6	Board member
2012	2013	Orenburg TGK	Board member
2012	2013	Slantsy Plant	Board member
2012	Present day	Ekaterinburggaz	Board member
2012	Present day	Gazeks Management	Board member
2012	Present day	GAZEKS	Board member

2013	Present day	Urals Gas Networks	Board member
2013	Present day	SG-Invest	Board member
2013	Present day	Pervouralskgaz	Board member
2013	Present day	Gazmontazh	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees:

Committee	Chairperson
Personnel and Remunerations Committee	no

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Denis Aleksandrovich Malkov**

Year of birth: **1974**

Educational background: **Urals State Technical University**

Positions for the previous 5 years

Period		Company	Position
From	To		
2013	Present day	Rosseti	Head of Energy Balances and Metering Department
2013	2013	FSK UES	Head of Substations Department
2006	2013	IDGC of Urals	Head of Technical Development Department
2014	Present day	IDGC of Urals	Board member
2013	Present day	Energy Service Company of Urals	Board member
2013	Present day	Kalmenergosbyt	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees:

Committee	Chairperson
Audit Committee	no
Personnel and Remunerations Committee	no

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Yuri Vladimirovich Goncharov**

Year of birth: **1977**

Educational background: **Moscow State Mining University (Management)**

Positions for the previous 5 years

Period		Company	Position
From	To		
2013	Present day	Rosseti	Deputy General Director for Corporate Governance
2009	2013	FSK UES	Head of Corporate Governance Department
2008	2009	FSK UES	Deputy Head of Corporate Governance Department
2014	Present day	OAO "МРСК Урала"	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees:

Committee	Chairperson
Personnel and Remunerations Committee	yes

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Sergey Vladimirovich Sergeev**

Year of birth: **1976**

Educational background: **Novocherkassk State Technical University (industrial and civil construction), Retraining Institute of FEC Employees**

Positions for the previous 5 years

Period		Company	Position
From	To		
2014	Present day	Rosseti	Deputy General Director for Capital Construction
2009	2013	FSK UES	Deputy Executive Board Chairperson
2014	Present day	IDGC of Urals	Board member
2014	Present day	Kuban Electric Grids	Board member
2012	2014	TSIUS UES	Board member
2012	2014	ESSK UES	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees: **None**

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Sergey Aleksandrovich Petrov**

Year of birth: **1978**

Educational background: **Chuvashia State University (automatic management of electric systems)**

Positions for the previous 5 years

Period		Company	Position
From	To		
2013	Present day	Rosseti	Head of EE Exploitation Directorate
2007	2012	FSK UES	Head of 750-kV Belozerskaya substation
2012	2013	TSIUS UES	Deputy Chief Operating Officer for C&A quality
2014	Present day	IDGC of Urals	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees:

Committee	Chairperson
Audit Committee	no

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Viktor Viktorovich Mamin**

Year of birth: **1982**

Educational background: **Higher.**

Positions for the previous 5 years

Period		Company	Position
From	To		
2012	Present day	Russian Ministry of Energy	Director of Department for Corporate Governance, Price Environment, Control and Audit in FEC
2014	Present day	IDGC of Urals	Board member

Share in the SAC's Charter Capital: **None**

Membership of the Board Committees: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Yulia Vitalyevna Yascheritsyna**

Year of birth **1978**

Educational background: **Moscow State Economics and Statistics Institute (economist)**

Positions for the previous 5 years

Period		Company	Position
From	To		
2013	Present day	Rosseti	Director of Economic Planning and Budgeting Department
2003	2013	FSK UES	Leading expert, Deputy Department Head, Head of Economic Planning and Budgeting Department
2014	Present day	IDGC of Urals	Board member
2013	Present day	IDGC of North Caucasus	Board member
2013	Present day	IDGC of Center and Volga	Board member
2013	Present day	Lenenergo	Board member
2013	Present day	TRK	Board member
2013	Present day	Dagenergoset	Board member
2013	Present day	Sevkavkazenergo	Board member
2013	Present day	Tymenenergo	Board member
2013	Present day	Yantarenergo	Board member

Share in the Charter Capital/ common stock: **None**

Membership of the Board Committees:

Committee	Chairperson
Audit Committee	yes
Personnel and Remunerations Committee	no

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

5.2.2. Sole Executive Body

Name: **Sergey Georgievich Dregval**

Year of birth: **1971**

Educational background: **Kiev International University of Civil Aviation, Tyumen State Oil and Gas University.**

Positions for the previous 5 years:

Period		Company	Position
from	to		
2014	Present day	IDGC of Urals	General Director, Chairperson of the Executive Board
2013	2014	Oboronenergosbyt	General Director
2011	2013	Altaienergosbyt	First Deputy Managing Director, Managing Director
2007	2011	Tomsk Energosbyt Company	Deputy General Director for Energy Purchase and Sales, Commercial Director

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

5.2.3. Collegiate Executive Body

Name: **Sergey Georgievich Dregval (chairperson)**

Year of birth: **1971**

Educational background: **Kiev International University of Civil Aviation, Tyumen State Oil and Gas University.**

Positions for the previous 5 years:

Period		Company	Position
from	to		
2014	Present day	IDGC of Urals	General Director, Chairperson of the Executive Board
2013	2014	Oboronenergosbyt	General Director
2011	2013	Altaienergosbyt	First Deputy Managing Director, Managing Director
2007	2011	Tomsk Energosbyt Company	Deputy General Director for Energy Purchase and Sales, Commercial Director

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Sergey Mikhailovciv ZOLOTAREV**

Year of birth: **1966**

Educational background: **Chelyabinsk Polytechnic Institute (energy supply of industrial enterprises, cities and agriculture).**

Positions for the previous 5 years

Period		Company	Position
from	to		
2008	Present day	IDGC of Urals, OAO	Deputy General Director for Service Development and Sales
2009	Present day	EES, OAO	Board member

2008	Present day	IDGC of Urals	EB member
2010	2014	Educational Center of IDGC of Urals, NChOU	EB member

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Yuri Vyacheslavovich Lebedev**

Year of birth: **1963**

Educational background: **Ivanovo Energy Institute (Automation of Energy Generation and Production).**

Positions for the previous 5 years

Period		Company	Position
from	to		
2014	Present day	IDGC of Urals, OAO	First Deputy General Director – Chief Operating Officer
2014	2014	IDGC of Urals	Acting General Director
2008	2014	IDGC of Urals, OAO	Deputy General Director for Technical Issues – Chief Operating Officer
2009	Present day	IDGC of Urals	EB member
2013	Present day	Energy Service Company of Urals	Board Chairperson
2014	Present day	Uralenergotrans	Board Chairperson
2014	Present day	EESK	Board Chairperson
2013	Present day	Educational Center of IDGC of Urals, NChOU	EB member

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name **Vitaly Yuryevich Okunev**

Year of birth: **1965**

Educational background: **Chelyabinsk Institute of Agricultural Mechanization and Electrization (power engineer).**

Positions for the previous 5 years

Period		Company	Position
from	to		
2014	Present day	IDGC of Urals	Deputy General Director
2013	Present day	Educational Center of IDGC of Urals, NChOU	Director, EB member
2014	Present day	IDGC of Urals	EB member
2009	2013	Chelyabenergo branch of IDGC of Urals	Director of Zlatoust Electric Grids production unit
2007	2009	UK Energobalans	Director of the Urals representative office

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Olga Mikhailovna ABROSIMOVA**

Year of birth: **1953**

Education: **Urals State Technical University (economist)**

Positions for the previous 5 years

Period		Company	Position
from	to		
2009	Present day	IDGC of Urals	Chief Accountant
2008	2009	Sverdlovenargo branch of IDGC of Urals	Chief Accountant
1992	2008	Sverdlovenargo	Chief Accountant
2009	Present day	IDGC of Urals	EB member

Share in the Charter Capital/ common stock: **0.000947**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Valentina Mikhailovna Scherbakova**

Year of birth: **1966**

Educational background: **Novosibirsk State University (economic cybernetics).**

Positions for the previous 5 years

Period		Company	Position
from	to		
2015	Present day	IDGC of Urals	Deputy General Director for Economics and Finance
2008	2015	Altaienergo branch of IDGC of Siberia	Head of Economics and Finance Directorate, Deputy Director for Economics and Finance
2015	Present day	IDGC of Urals	EB member

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Alla Aleksandrovna Nikitushina**

Year of birth: **1976**

Educational background: **Altai State University (Jurisprudence).**

Positions for the previous 5 years:

Period		Company	Position
from	to		
2015	Present day	IDGC of Urals	Deputy General Director for Corporate Governance
2014	2014	IDGC of Urals	Adviser to General Director
2007	2014	Altaienergosbyt	Deputy Head of Section, Head of Section, Head of Department, Deputy Managing Director for Legal and Corporate Affairs
2015	Present day	IDGC of Urals	EB member

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Oleg Mikhailovich ZHDANOV**

Year of birth: **1959**

Educational background: **Perm Polytechnic Institute (Automation and Complete Mechanizing of Chemical and Technological Processes).**

Positions for the previous 5 years

Period		Company	Position
from	to		
2008	Present day	IDGC of Urals, OAO	Deputy General Director – Director of Permenergo branch
2007	2008	Permenergo, OAO	Executive Director
2010	Present day	Legislative Assembly of Perm region	Deputy
2009	Present day	IDGC of Urals, OAO	EB member

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Oleg Borisovich MOSHINSKY**

Year of birth: **1969**

Educational background: **Urals Polytechnic Institute (Electric Networks).**

Positions for the previous 5 years

Period		Company	Position
since	to		
2009	Present day	IDGC of Urals, OAO	Deputy General Director – Director of Sverdlovennergo branch
2006	2009	Ekaterinburg Electric Grid Company, OAO	Chief Operating Officer
2011	Present day	Energy Service Company of the Urals, OAO	Board member
2009	Present day	IDGC of Urals	EB member

Share in the Charter Capital/ common stock: **0.000001**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Igor Vladimirovich BUTAKOV**

Year of birth: **1961**

Educational background: **Chelyabinsk Institute for Agricultural Mechanizing and Electrization (Agricultural Electrization).**

Positions for the previous 5 years:

Period	Company	Position
--------	---------	----------

from	to		
2008	Present day	IDGC of Urals, OAO	Deputy General Director – Director of Chelyabenergo branch
2005	2008	Chelyabenergo, OAO	Technical director, Chief Operating Officer
2009	Present day	IDGC of Urals	EB member

Share in the Charter Capital/ common stock: **None**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

The Executive Board was formed by the Board of Directors on April 16, 2008 (Protocol #39 dd. 18.04.08.). The EB members were elected by the Board of Directors on 16.07.2008 (Protocol #44 dd. 18.07.2008), 26.12.2008 (Protocol #49 dd. 11.01.2009), 08.05.2009 (Protocol #54 dd. 12.05.2009), 11.09.2009 (Protocol #59 dd. 15.09.2009), 21.10.2009 (Protocol #60 dd. 22.10.2009), 15.02.2013 (protocol #120 dd. 20.02.2013), 09.12.2014 (Protocol #158 dd. 12.12.2014) and 27.02.2015 (protocol #162 dd. 02.03.2015). The present EB contains 10 persons.

According to item 23.3. of the charter, the General Director has the functions of the EB Chairperson. When s/he ceases to be the CEO, the person ceases to be the EB Chairperson. A person appointed as a new CEO or Acting CEO becomes the EB Chairperson.

5.3. Remuneration, Benefits and/or Reimbursement of Expenses (Management Bodies)

Remunerations

The Board of Directors

Mea.unit: **thous. RUR.**

Indicator	2014	3M 2015
Remuneration	11,735.4	3,024
Salary	0	0
Bonuses	0	0
Commission fees	0	0
Privileges	0	0
Other remunerations	0	0
TOTAL	11,735.4	3,024

Agreements in force during the reported period:

There were no agreements concluded with Board members with regard to remunerations and/or compensations. The amount of remuneration of the Board of Directors, since the beginning of 2014 and up to the end of the reported period, is shown for all Boards of Directors active in 2014. Since the information on the wage of the sole executive body (V.N. Rodin was the General Director till 01 May 2014) is confidential and the only person being a Board member during the reported period was the sole executive body (V.N. Rodin), the following earnings of the sole executive body are not disclosed in the table: salary, bonuses, privileges, compensations and other remunerations

Collegiate executive body

Measurement unit: **thous. RUR.**

Indicator	2014	3M 2015
Remuneration	0	0
Salary	54,654.33	8,343.91

Bonuses	49,867.14	0
Commission fees	0	0
Privileges	0	0
Other remunerations	397.53	342.32
TOTAL	104,919	8,686.23

Agreements in force during the reported period:

There were no agreements concluded with EB members in regard to remunerations and/or compensations.

Compensations

Measurement unit: ***thous. RUR.***

Managing bodies	2014	3M 2015
Board of Directors	186.7	100.6
Collegiate executive body	4,270.9	1,299.1

Additional information:

According to the Regulations on Remunerations and Compensations Paid to members of the Board of Directors in case of business trips to the Company's facilities, investor and shareholder meetings, participation in GSMs as well as other tasks related to the functions of a BoD member, BoD members shall receive the following: – Per diem expenses paid out according to the procedure set for the sole executive body of the Company or managing company; – Reimbursement of travel expenses to a trip destination and back to place of work or residence (including passenger's insurance, services related to processing of travel documents, etc.) – in the amount of actual expenses confirmed by travel documents, but up to the price of the tickets: By trains – in a luxury business class compartment (sleeping car, seat compartment); By sea or river transport – according to tariffs charged by up to the cost of the lux cabin (FB); By airplane – Business class; By road transport – public transport (except taxi and car rent); – Apartment rent – in the amount of actual expenses confirmed by corresponding documents up to 3 monthly first-class worker rates set by the tariff agreement in the Russian energy sector as of the reimbursement day adjusted as specified hereof per each day of rent.

Additional information:

Remunerations and compensations to the BoD members are paid out according to the Regulations on Remunerations and Compensations paid to the BoD members (approved by the AGSM on 30.04.2008, protocol #1865pr/3). According to item 4.1. of the Regulations, for the participation in an in-absentia BoD session a BoD member earns a fee in the amount equal to 8 (eight) minimum monthly first-class worker base rates fixed by the tariff agreement in the RF electric power industry (further - Agreement) as of the date of the session adjusted according to the index specified in the Agreement. Such remuneration is paid within one month after the BoD session.

For the participation in in-presentia BoD sessions a BoD member earns a fee in the amount equal to 10 (ten) minimum monthly first-class worker base rates fixed by the tariff agreement in the RF electric power industry (further - Agreement) as of the date of the meeting adjusted according to the index specified in the Agreement. Such remuneration is paid within one month after the BoD session.

The remuneration paid to the Chairperson (Deputy Chairperson) for each meeting where s/he performs the function of the BoD Chairperson is increased by 50%.

5.4. Structure and Competence of Financial Control Bodies

Detailed description:

To provide control over the financial and business activities of the Company the GSM shall elect the Board of Internal Auditors. The BoIA membership shall include 5 (Five) persons. The competence shall include the following:

- 1) Confirmation of authenticity of information and data contained in annual report and financial statements as well as profit and loss statement;***
- 2) Analysis of the Company's financial status, identification of inventory for improving financial status of the Company and provision of recommendations to the management bodies;***
- 3) Arrangement of audit inspections of financial and business activities;***
- 4) Checks (audits) of financial, accounting, payment and other documentation of the Company connected with***

the financial and business operations regarding its compliance with the Russian legislation, the Charter, internal and other documents of the Company;

5) Control over safety, integrity and usage of the main assets;

6) Control over compliance with the stipulated procedure for writing-off the insolvent debtors onto the Company's losses;

7) Control over cash expenditures in accordance with the approved business plan and budget;

8) Control over the build-up and usage of reserve and other special-purpose funds;

9) Checks of correct and timely accrual and payment of dividends, bond yields, yields generated by other securities;

10) Check of compliance with the previously issued instructions for elimination of violations and drawbacks revealed by the previous checks (audits);

11) Completion of other activities connected with the check of financial and business operations.

The company has formed the Audit Committee

Key functions of the Audit Committee:

According to the Regulations on the Audit Committee, the aim of the Committee is facilitation of efficient participation of the BoD in control over financial and economic operations of the Company. The key objective of the Committee shall be drawing-up of recommendations to the BoD in control over:

- A process and procedures of financial (accounting) statement generation, including the review of financial (accounting) statements;

- The efficiency of internal control and risk management systems;

- The selection of an independent external auditor and his evaluation;

- Activities of a department responsible for internal control/audit;

- The observation of the Russian legislation, industry standards, internal regulatory documents of the Company.

For objective and independent informing of the BoD members the Committee shall perform the following functions according to allotted tasks:

1. The review of the Company's financial (accounting) statements:

- The review of soundness and reasonableness of present accounting methods and reporting generation principles;

- A preliminary review and analysis of annual financial (accounting) statements under RAS and IAS, prior to their submission to the BoD, and interim reports under RAS and IAS, prior to their disclosure, to determine objectivity and authenticity of the Company's indicators and evaluate whether the information about the Company is full;

- The evaluation of present information systems for accounting and reporting generation.

The membership of the Audit Committee

Name	Chairperson
Yulia Vitalyevna Yascheritsyna	yes
Denis Aleksandrovich Malkov	no
Sergey Aleksandrovich Petrov	no
Konstantin Mikhailovcih Yushkov	no
Mikhail Viktorovich Azovtsev	no

Structural unit liable for risk management and internal control, its goals, objectives and functions:

Internal Audit functions are performed by Internal Audit and Control Department, being a part of the Company according to Board resolution on 10.02.2015 (Protocol #161 dd.11.02.2015). The department is created for an indefinite term. The Department consists of 11 persons. The Department is an independent structural unit of the Company. The Department is responsible straight to the General Director and functionally to the Audit Committee. Its organization structure, staff schedule and budget is approved according to the procedure by the General Director following a preliminary conclusion from the Audit Committee. The head of the IA&RM Department is Aleksandr Alekseevich Ulyanov. The Department includes the following sections:

- Internal control and audit directorate

- Investment audit section

- Section for systematic analysis and audit support

- Section for control and risks

The Regulations on the Department stipulate the following functions regarding risk management and

internal control.

For more details on the functions, please, refer to the version in Russian.

Anticorruption procedures are supervised by the anticorruption procedures group that is a part of the Company's organizational structure according to a Board resolution dd 10.02.2015 (protocol #161 dd. 11.02.2015). The group is created for an indefinite term. It is an independent structural unit of the Company. It is responsible directly to the General Director. Its organizational structure, staff schedule and budget are approved by the General Director. The group adheres to the current legislations, international and domestic standards, other regulatory documents, internal rules and decrees of the management of the Company.

For more details on the functions, please, refer to the version in Russian.

Unit liable for internal audit, its objectives and functions:

Internal Audit functions are performed by Internal Audit and Control Department, being a part of the Company according to Board resolution on 10.02.2015 (Protocol #161 dd.11.02.2015). The department is created for an indefinite term. The Department consists of 11 persons. The Department is an independent structural unit of the Company. The Department is responsible straight to the General Director and functionally to the Audit Committee. Its organization structure, staff schedule and budget is approved according to the procedure by the General Director following a preliminary conclusion from the Audit Committee. The head of the IA&RM Department is Aleksandr Alekseevich Ulyanov. The Department includes the following sections:

- Internal control and audit directorate
- Investment audit section
- Section for systematic analysis and audit support
- Section for control and risks

The Regulations on the Department stipulate the following functions regarding risk management and internal control.

For more details on the functions, please, refer to the version in Russian.

Risk management and internal control policy of the issuer is depicted in item 2.4. hereof.

The issuer has approved a bylaw stipulating rules to prevent illegal use of confidential and insider information.

Document stipulating prevention of insider information usage:

To ensure the observation of Federal Law #224-FZ dd. 27.07.2010 on countermeasures against illegal usage of insider information and market manipulation a BoD resolution dd. 28.12.2011 (protocol #95 dd. 30.12.2011) approved the Regulations on the insider information that determines notions "insider" and "insider information", establishes the access to insider information, its protection and control over the observation of requirements of the Federal law and regulatory documents approved according to it.

5.5. Personnel of Financial Control Bodies

Name of the financial control body: **Board of Internal Auditors**

Name: **Sergey Ivanovich OCHIKOV**

Year of birth: **1983**

Educational background: **Krasnoyarsk State Technical University (Electric stations and substations, engineer), Sibir Federal University (Economics and Management on Energy Enterprises, Economist, Manager, 2004 – 2007).**

Positions for the previous 5 years

Period		Company	Position
since	up to		
2013	Present day	Rosseti, OAO	Leading expert of General Audit and Inspections Section of Auditing and Internal Audit Directorate
2013	2013	FSK UES, OAO	Leading Expert of Investment Audit Section of Internal Control and Risk Management Department

2009	2013	IDGC of North West, OAO	Leading specialist of Internal Audit Directorate
2014	Present day	IDGC of Urals	BolA member

Share in the Charter Capital/ common stock: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Elena Polikarpovna KUZNETSOVA**

Year of birth:

Educational background: **Moscow University of Consumer Cooperation (Economist, Profession: Accounting, Control and Analysis of Economic Operations)**

Positions for the previous 5 years

Period		Company	Position
since	up to		
2014	2014	Rosseti, OAO	Head of General Audit and Inspections Section of Auditing and Internal Audit And Control Department
2007	2013	ABC Rus, ZAO	Head of Internal Audit Department
2014	Present day	IDGC of Urals, OAO	BolA member

Share in the Charter Capital/ common stock: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Sergey Vladimirovich MALYSHEV**

Year of birth: **1965**

Educational background: **Yaroslavl High Military Financial Academy, profession – economist, banker**

Positions for the previous 5 years:

Period		Company	Position
since	up to		
2014	Present day	Rosseti, OAO	Leading expert of Investment Audit Section of Auditing and Internal Audit Directorate
2013	2014	FSK UES, OAO	Head of Investment Audit Section of Internal Control and Risk Management Department
2011	2012	Gazpromneft-Aero, ZAO	Chief specialist of Capital Construction Section
2010	2011	Russian Ministry of Defense	Leading adviser of Financial inspection
2008	2010	Russian Ministry of Defense	Contract soldier
2014	Present day	IDGC of Urals, OAO	BolA member

Share in the Charter Capital/ common stock: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Irina Pavlovna LUKOVKINA**

Year of birth: **1970**

Educational background: **Penza Polytechnic Institute (Engineer)**

Positions for the previous 5 years:

Period		Company	Position
since	up to		
2013	Present day	Rosseti, OAO	Head of Methodology Section of Control and Risks Directorate of Internal Audit and Control Department
2012	2013	Moscow Energy Telecommunication Node, OAO	Leading expert, chief expert of Finance and Economics Department
2008	2012	Mortgage Facilitation Fund "Gazpromipoteka"	Chief Economist of Financial Planning and Liquidity Management Section
2014	Present day	IDGC of Urals, OAO	BolA member

Share in the Charter Capital/ common stock: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name: **Svetlana Anatolyevna KIM (chairperson)**

Year of birth: **1981**

Educational background: **Moscow State Railways University (Specialist in Commerce, 2004)**

Positions for the previous 5 years:

Period		Company	Position
since	up to		
2013	Present day	Rosseti, OAO	Head of Auditing and Internal Audit Directorate of Internal Audit and Control Department
2008	2013	FSK UES, OAO	Head of Investment Control Section of Control and Auditing Department
2014	Present day	IDGC of Urals, OAO	BolA member

Share in the Charter Capital/ common stock: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

Name of the body liable for the oversight of financial and economic operations of the issuer: **Other Internal Audit and Control Department**

Information on the head of such body

Title of the position: **Head of Internal Audit and Control Department**

Name: **Aleksandr Alekseevich Ulyanov**

Year of birth: **1985**

Educational background: **Higher, Urals State Technical University (economist)**

Positions for the previous 5 years:

Period		Company	Position
since	up to		
2008	Present day	IDGC of Urals	Deputy Head of the Department, Head of Internal Audit and Control Department
2013	Present day	EESK	BolA member
2013	Present day	EES	BolA member
2013	Present day	Energy Service Company of the Urals	BolA member
2013	Present day	Uralenergotrans	Internal auditor

Share in the Charter Capital/ common stock: **none**

Share in the SAC's Charter Capital: **None**

Family relations with other persons who are members of the Issuer's management and/or control bodies: **none**

Administrative responsibility for infringements in finance, tax, levies and securities market or criminal responsibility (previous convictions) for economic crimes or crimes against state: **none**

Positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation: **none**

5.6. Remuneration and/or Expense Compensation (Financial Control Body)

Remunerations

Measurement unit: **RUR**

Name of financial control body: **Board of Internal Auditors**

Remuneration for the tenure

Mea.unit: **thous RUR**

Indicator	2014	3M 2015
Remuneration	1,350	0
Salary	0	0
Bonuses	0	0
Commission fees	0	0
Privileges	0	0
Other remunerations	0	0
TOTAL	1,350	0

Agreements in force during the year:

There were no agreements concluded with BolA members on remunerations and/or compensations.

BolA members who are not the Company's staff do not earn salary paid by the Company. The payment procedure and the amount of remunerations paid to the BolA members are regulated by the Company's bylaw – The Regulations on Compensations and Remunerations paid to the BolA members (AGSM Protocol #6 dd. 14.06.2013). According to item 3.1 of the Regulations, a BolA member earns nonrecurring remuneration, equal to 25 minimal tariff rates of 1-class worker determined by the industry tariff agreement,

for participation in audit and inspection procedures during the audit.

Name of a body that oversees financial and economic operations of the issuer: **Audit Committee**

Remuneration for participation in the sessions

Mea.unit: **RUR thous.**

Indicator	2014	3M 2015
Remuneration	1,819.24	204
Salary	0	0
Bonuses	0	0
Commission fees	0	0
Privileges	0	0
Other remunerations	0	0
TOTAL	1,819.29	204

Agreements in force during the year:

There were no agreements concluded with AC members on remunerations and/or compensations. AC members who are not the Company's staff, do not earn salary paid by the Company. According to the Regulations on the Audit Committee (approved by a BoD resolution dd. 03.08.2012, protocol #110 dd. 08.08.2012) AC members are BoD members. Amount of remunerations earned by AC members disclosed by the item does not show remuneration earned by AC members for BoD sessions. Payment procedure and amount of remunerations paid to the AC members are stipulated by the Regulations on the Remunerations and Compensations paid to the AC members (BoD protocol #62 dd. 01.12.2009). According to the Regulations For participating in a joint-presence session a Committee member shall receive a remuneration in the amount of 2 (Two) minimal monthly tariff rates paid to a 1-rate worker (hereinafter referred to as MMTR) set forth by the industry tariff agreement of the Russian energy sector as of a Committee session date, with adjustment for indexation stipulated by the Agreement. For participating in an in-absentia session, a Committee member shall receive remuneration in the amount equivalent to 1 (One) MMTR within 30 (Thirty) calendar days following a Committee session, with adjustment for indexation stipulated by the Agreement. The amount of remuneration paid to the Chairperson (or the Deputy Chairperson for each session when he functioned as the Committee Chairperson) shall be increased by 50%.

Name of a body that oversees financial and economic operations of the issuer: **Internal Audit and Control Department**

Remuneration for participation in the sessions

Mea.unit: **RUR thous.**

Indicator	2014	3M 2015
Remuneration	405	0
Salary	8,784.983	2,006.978
Bonuses	2,741.207	338.619
Commission fees	0	0
Privileges	0	0
Other remunerations	0	0
TOTAL	11,931.19	2,345.598

Agreements in force during the year:

There were no agreements on remunerations and/or compensations concluded with the Department employees.

Compensations

Mea.unit: **RUR thous.**

Name of the body	2014	3M 2015
Board of Internal Auditors	0	0

Audit Committee	0	0
Internal Audit and Control Department	0	0

5.7. Personnel Headcount and Structure. Changes in Headcount

Mea.unit: **RUR thous.**

Indicator	2014	3M 2015
Staff on the payroll, persons	14,731.7	14,772.9
Money for salaries as of the reported period	7,814,038.4	1,790,787.2
Money for social benefit as of the reported period	2,037,591.7	475,869.7

Personnel that have a significant influence on the issuer's operations (key personnel) – General Director and Chief Accountant.

The issuer's staff established the following trade unions:

- 1. Sverdlovsk Regional Committee of All-Russian Energy Sector Trade Union: office 505 10 Ulitsa Pushkina, Ekaterinburg, 620075**
- 2. Chelyabinsk Regional Organization of All-Russian Energy Sector Trade Union: office 806, 46 Ulitsa Tsvillinga, Chelyabinsk, 454091**
- 3. Perm Regional Committee of Energy Sector Trade Union: 41a Ulitsa Poliny Osipenko, Perm, 61403**

5.8 Liabilities to Employees on Potential Participation in the Charter (Share) Capital

The Issuer has no liabilities to the employees regarding potential participation in the charter capital

SECTION VI. STOCKHOLDERS AND RELATED-PARTY TRANSACTIONS

6.1. Total Number of Shareholders

Total number of persons on the corporation's books on the final date of the reported quarter: **16 646**

Total number of nominal holders: **8**

Total number of persons included into the list of persons entitled to participate in a GSM (including those disclosed by nominal holders): **18 323**

Date when the list of persons entitled to participate in a GSM (including those disclosed by nominal holders) was prepared: **12.05.2014**

Owners of the common stock included into the list: **18 323**

Own stock on the balance sheet as of the quarter end: **none**

Stock owned by controlled companies: **none**

6.2. Large Stockholders (5% of the Charter Capital or common stock); Controlling Persons (if none, persons with 20% of the Charter Capital or common stock)

Shareholders with 5% of its charter capital or common stock

1.

Full company name: **Open Joint-Stock Company Rossiiskie seti**

Short company name: **Rosseti (OAO)**

Location: **4 Ulitsa Belovzhskaya, Moscow, Russia, 107996**

TIN: **7728662669**

PSRN: **108776000019**

Share in the Issuer's Charter Capital, %: **51.51699**

Share of common stock owned by the entity, %: **51.51699**

Persons controlling such holders

1.1.

Full company name: **Russian Federation in the name of the Federal State Property Management Agency**

Short company name: **Russian Federation in the name of the Federal State Property Management Agency**

Location: **9 Nikolsky Pereulok, Moscow, 109012**

TIN: **7710723134**

PSRN: **1087746829994**

Factors for control (participation in a legal entity being a holder (shareholder) of the issuer, conclusion of a partnership agreement, trust agreement, shareholder agreement or other agreement covering the execution of rights attached to shares of a legal entity being a holder (shareholder) of the issuer): **A person controlling a holder due to domination in its charter capital, with opportunity to influence adopted resolutions.**

Feature of control: **a right to control over 50% votes in the supreme body of the company controlled by the issuer**

Type of control: **direct control**

Share in the Charter capital, %:

Share of common stock owned by the person, %: **86.32**

Other information (upon discretion of the issuer):

2.

Full company name: **Public Joint-Stock Company METKOMBANK**

Short company name: **METKOMBANK (PAO)**

Location: **36 Ulitsa Oktyabrskaya, Kamensk-Uralskiy, Russia, 623406**

TIN: **6612010782**

PSRN: **1026600000195**

Share in the Charter capital: **19.55%**

Share of common stock owned by the person: **19.55%**

Persons controlling the issuer's shareholder: **Information on such persons was not presented to the issuer**

Participants (stockholder) of the person with 20% of the charter capital or common stock: **Information on such persons was not presented to the issuer**

Other information (upon discretion of the issuer):

6.3. Government or Municipal Share in the Charter Capital (Golden Share)

Information on managers of state and municipal shares: **none**

Persons that, on behalf of Russia, Russian constituent entity or municipal institution, perform functions of a holder (shareholder) of the issuer

Federal property

Name: **Federal State Property Management Agency**

Location: **9 Nikolsky Pereulok, Moscow**

Amount of shares owned: **3.7123**

Golden share, its validity: **none**

6.4. Charter Capital Restrictions

No restrictions

6.5. Changes in Structure and Share of Stockholders with 5% of its Charter Capital or Common Stock

The list of shareholders (stockholders) with 5% of the charter capital or common stock on the register date for the previous 5 financial years preceding the end of the reported period

Register date: **30.04.2013**

The list of stockholders

Full company name: **Open Joint-Stock Company Russian Grids**

Short company name: **Rosseti, OAO**

Location: **26 Ulansky Pereulok, Moscow, 107996**

TIN: **7728662669**

PSRN: **1087760000019**

Share in the Charter Capital, %: **51.51699**
Share of the common stock owned, %: **51.51699**

Full company name: ***I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED***
Short company name: ***I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED***
Location: ***Naousis, 1, KARAPATAKIS BUILDING, P.C. 6018, Larnaca, Cyprus***
It is not a resident of Russia

Share in the Charter Capital, %: **20.658052**
Share of the common stock owned, %: **20.658052**

Full company name: ***ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED***
Short company name: ***ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED***
Location: ***Lochagou Kapota, 23 ARMONIA COMPLEX BLOCK A, 4th floor, Flat/Office 401 P.C. 3020, Limassol, Cyprus***
It is not a resident of Russia

Share in the Charter Capital, %: **6.694896**
Share of the common stock owned, %: **6.694896**

Register date: **12.05.2014**

The list of stockholders

Full company name: ***Open Joint-stock Company Russian Grids***

Short company name: ***Rosseti, OAO***

Location: ***26 Ulansky Pereulok, Moscow, 107996***

TIN: **7728662669**

PSRN: **1087760000019**

Share in the Charter Capital, %: **51.51699**

Share of the common stock owned, %: **51.51699**

Full company name: ***Public Joint-Stock Company METKOMBANK***

Short company name: ***METKOMBANK, PAO***

Location: ***36 Ulitsa Oktyabrskaya, Kamensk-Uralskiy, Russia, 623406***

TIN: **6612010782**

PSRN: **1026600000195**

Share in the Charter capital: **19.55%**

Share of common stock owned: **19.55%**

Full company name: ***I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED***
Short company name: ***I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED***
Location: ***Naousis, 1, KARAPATAKIS BUILDING, P.C. 6018, Larnaca, Cyprus***
It is not a resident of Russia

Share in the Charter Capital, %: **5.4459**
Share of the common share owned, %: **5.4459**

Full company name: ***ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED***
Short company name: ***ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED***
Location: ***Lochagou Kapota, 23 ARMONIA COMPLEX BLOCK A, 4th floor, Flat/Office 401 P.C. 3020, Limassol, Cyprus***
It is not a resident of Russia

Share in the Charter Capital, %: **6.6948**

Share of the common share owned, %: **6.6948**

6.6. Related-Party Transactions

Number and amount of related-party transactions (as stated by the Russian legislation) to be approved by the relevant management body during the last reported period

Mea.unit: **thous. RUR.**

Indicators	Total number	Total volume in money terms
Related-party transactions effected by the Issuer during the reported period to be approved by authorized management body of the Issuer	6	27,422
Related-party transactions effected by the Issuer during the reported period that were approved by the general shareholder meeting		
Related-party transactions effected by the Issuer during the reported period that were approved by the Board of Directors	6	27,422
Unapproved related-party transactions effected by the Issuer during the reported period to be approved by the authorized management body.		

Transactions (groups of associated transactions), with price reaching 5% and more of the book value of the assets shown in its financial statements as of the last reported date prior to effected transaction during the last reported quarter: **none**

Related-party transactions (groups of associated transactions) that were not approved by the Board or General Meeting in cases when such approval is obligatory under the Russian legislation: **none**

Additional information:

Total transaction volume (in money terms) includes VAT. The BoD approved 5 contracts (agreements) and 1 additional agreements to the contracts concluded earlier during the reported period

6.7. Accounts Receivable

31.12.2014

Mea. unit: **RUR thous.**

Indicator	Value, RUR
Accounts receivable from buyers and customers	7,030,665
Including overdue	0
Accounts receivable on bills receivables	0
Including overdue	0
Accounts receivable (founders' share to the charter capital)	0
Including overdue	0
Other accounts receivable	630,984
Including overdue	0
TOTAL	7,661,649
Including overdue	

Debtors with 10% of the total receivables for the reported period

Full company name: **Sverdlovsk branch of Open Joint-Stock Company Energosbyt Plus**

Short company name: **Sverdlovsk branch of Energosbyt Plus (OAO)**

Location: **92 Kuznechnaya Ulitsa, Ekaterinburg, Russia**

TIN: **5612042824**

PSRN: **1055612021981**

Receivables: **1,162,019**

Mea. unit: **RUR thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties):

Affiliation with the issuer: **None**

Full company name: **Open Joint-Stock Company Chelyabenergosbyt**

Short company name: **Chelyabenergosbyt, OAO**

Location: **260 Ulitsa Rossiiskaya, Chelyabinsk**

TIN: **7451213318**

PSRN: **1057423505732**

Receivables: **1,806,783**

Mea. unit: **RUR thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **Overdue receivables total RUR 349,304 thous.**

Affiliation with the issuer: **None**

Full company name: **Open Joint-Stock Company Perm Energobytovaya Kompaniya**

Short company name: **Permenergosbyt, OAO**

Location: **48 Komsomolskyi Prospekt, Perm, 115035**

TIN: **5904123809**

PSRN: **1055902200353**

Receivables: **945,485**

Mea. unit: **RUR thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **Overdue receivables total RUR 47,898 thous.**

Affiliation with the issuer: **None**

Overall receivables of the Company at the beginning of the year totaled RUR 9,271 mn falling down to RUR 8,828 mn by 31.12.2014. Receivables minus bad debt reserve as of 31.12.2014 totaled RUR 7,662 mn decreasing to RUR 6,525 mn by 31.12.2013. As of 31.12.2014 we formed a RUR 1,167 mn bad debt reserve, as of 31.12.2013 it totaled RUR 2,746 mn (shown in the balance sheet as receivables decrease) as well as RUR 0.02 mn reserve on advances for fixed asset acquisition (shown in the balance sheet as non-current assets and decrease of advance debts). We work closely with contractors on reconciliation (both pre-trial cooperation and litigation). We have also written off unlikely-to-be-collected receivables equaling RUR 51.8 mn, including RUR 46.5 mn bad debt reserve and RUR 5.3 mn for financial result.

31.03.2015

Mea. unit: **RUR thous.**

Indicator	Value, RUR
Accounts receivable from buyers and customers	7,722,356
Including overdue	0
Accounts receivable on bills receivables	0
Including overdue	0
Accounts receivable (founders' share to the charter capital)	0
Including overdue	0
Other accounts receivable	445,951
Including overdue	0
TOTAL	8,168,307
Including overdue	

Debtors with 10% of the total receivables for the reported period

Full company name: **Sverdlovsk branch of Open Joint-Stock Company Energosbyt Plus**

Short company name: **Sverdlovsk branch of Energosbyt Plus (OAO)**

Location: **92 Kuznechnaya Ulitsa, Ekaterinburg, Russia**

TIN: **5612042824**

PSRN: **1055612021981**

Receivables: **1,112,397**

Mea. unit: **RUR thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **Overdue receivables total RUR 1,951 thous.**

Affiliation with the issuer: **None**

Full company name: **Open Joint-Stock Company Chelyabenergosbyt**

Short company name: **Chelyabenergosbyt, OAO**

Location: **260 Ulitsa Rossiiskaya, Chelyabinsk**

TIN: **7451213318**

PSRN: **1057423505732**

Receivables: **2,220,881**

Mea. unit: **RUR thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **Overdue receivables total RUR 100,613 thous.**

Affiliation with the issuer: **None**

Full company name: **Open Joint-Stock Company Perm Energosbytovaya Kompaniya**

Short company name: **Permenergosbyt, OAO**

Location: **48 Komsomolskiy Prospekt, Perm, 115035**

TIN: **5904123809**

PSRN: **1055902200353**

Receivables: **1,274,794**

Mea. unit: **RUR thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **Overdue receivables total RUR 100,209 thous.**

Affiliation with the issuer: **None**

SECTION VII. FINANCIAL STATEMENTS AND OTHER RELEVANT FINANCIAL INFORMATION

7.1. Annual Accounting (Financial) Statements

2014

Balance Sheet For the year ended 31.12.2014

Company: **Open Joint-Stock company "Interregional Distributive grid company of Urals"**

Taxpayer identification number

	Codes
Form#1	0710001
Date	31.12.2014
RNCBO	76507836
TIN	6671163413

Types of activities: transmission. connection

RNCEA **40.10.2**

Legal organizational form: **open joint-stock company / private property**

ARCF0 **47 / 16**

Units of measurement: **RUR thous.**

ARCMU **384**

Location: **140 Mamina Sibiryaka Ulitsa, Ekaterinburg, Russia 620026**

Notes	Assets	Line code	31.12.2014	31.12.2013	31.12.2012
1	2	3	4	5	6
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	426	38	47
	Researches and developments	1120			
	Intangible development assets	1130			
	Material development assets	1140			
	Fixed assets	1150	48 359 832	45 571 509	40 455 861
	Land plots and other facilities	1151	76 399	76 340	57 884
	Buildings, vehicles and equipment, facilities	1152	44 990 093	41 817 420	36 750 441
	Other types of fixed assets	1153	917 559	965 550	753 541
	Uncompleted construction	1154	2 217 179	2 545 110	2 767 988
	Advances given for capital construction and acquisition of fixed assets	1155	6 937	34 130	28 897
	Materials for the creation of fixed assets	1156	151 665	132 959	97 110
	Investments in valuable property	1160			
	Financial investments	1170	1 404 677	1 453 965	1 937 217
	Investments in subsidiaries	1171	1 004 231	1 004 231	1 004 935
	Investments in associates	1172			
	Investments in other companies	1173	400 446	449 734	932 272
	Borrowings with maturity of over 12 months	1174			
	financial investments	1175			10
	Deferred tax assets	1180	655 947	256 179	240 697
	Other non-current assets	1190	101 020	130 755	169 847
	TOTAL SECTION I	1100	50 521 902	47 412 446	42 803 669
	II. CURRENT ASSETS				
	Inventory	1210	541 537	636 539	942 062
	Materials and other similar valuables	1211	538 986	627 352	923 225
	Expenses of uncompleted production	1212			
	Finished products and goods for resale	1213	2 551	9 187	17 803
	Goods delivered	1214			1 034
	Value-added tax on acquired valuable property	1220	600 157	392 631	327 697
	Accounts receivable	1230	7 661 649	6 524 715	4 115 412
	To be paid within over 12 months since the reported period	1231	70 923	82 531	92 027
	Purchasers and clients	123101	41 253	52 415	50 911
	Bills receivable	123102			
	Advances given	123103			
	Other receivables	123104	29 670	30 116	41 116
	To be paid within 12 month since the reported period	1232	7 590 726	6 442 184	4 023 385
	Purchasers and clients	123201	6 989 412	5 758 856	3 213 671
	Bills receivable	123202			
	SAC debt on dividends	123203			

	Charter contribution debt	123204			
	Advances given	123205	129 695	81 868	126 697
	Other receivables	123206	471 619	601 460	683 017
	Financial investments (excluding cash equivalents)	1240			
	Cash and cash equivalents	1250	2 899 575	1 106 369	1 510 147
	Pay office	1251	191	39	94
	Operating accounts	1252	2 892 515	1 084 025	935 400
	Foreign currency accounts	1253			
	other monetary resources	1254	6 869	22 305	74 653
	cash equivalents	1255			500 000
	other current assts	1260	6 710	13 388	14 425
	TOTAL SECTION II	1200	11 709 628	8 673 642	6 909 743
	ASSETS	1600	62 231 530	56 086 088	49 713 412

Notes	Liabilities	Line code	31.12.2014	31.12.2013	31.12.2012
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
	Charter Capital	1310	8 743 049	8 743 049	8 743 049
	Own shares purchased from shareholders	1320			
	Revaluation of noncurrent assets	1340			
	Added capital (no revaluation)	1350	17 009 503	17 009 503	17 009 503
	Reserve capital	1360	356 892	339 163	307 872
	Non-distributed profit (uncovered loss)	1370	7 023 766	5 123 891	4 843 874
	Of previous years	1371	5 016 983	5 123 891	4 843 874
	Of the reported period	1372	2 006 783		
	TOTAL SECTION III	1300	33 133 210	31 215 606	30 904 298
	IV. LONG-TERM LIABILITIES				
	Loans and borrowings	1410	10 297 973	12 231 733	9 071 231
	Bank credits subject to cancellation in over 12 months since the reported date	1411	7 297 973	9 231 733	9 071 231
	Loans subject to cancellation in over 12 months since the reported date	1412	3 000 000	3 000 000	
	Deferred tax liabilities	1420	3 055 434	2 753 526	2 067 057
	Estimated liabilities	1430			
	Other liabilities	1450	955 380	514 369	284 168
	TOTAL SECTION IV	1400	14 308 787	15 499 628	11 422 456
	V. SHORT-TERM LIABILITIES				
	Loans and borrowings	1510	2 101 508	161 117	60 049
	Bank credits subject to cancellation within 12 months since the reported date	1511	1 995 888	56 187	60 049
	Loans subject to cancellation within 12 months since the reported date	1512	105 620	104 930	
	Accounts payable	1520	7 819 931	6 738 245	5 851 137
	suppliers and contractors	1521	4 069 271	4 017 801	3 450 363
	bills payable	1522			190
	debt to the personnel	1523	348 718	319 100	207 473
	debt to non-budgetary funds	1524	138 534	115 683	112 668
	debts in taxes and levies	1525	705 127	295 777	103 285
	advances received	1526	2 483 907	1 887 753	1 916 603

	debt to founders	1527	5 117		
	other payables	1528	69 257	102 131	60 555
	Deferred revenues	1530	93 176	73 360	69 313
	Estimated liabilities	1540	4 774 918	2 398 132	1 406 159
	Other liabilities	1550			
	TOTAL SECTION V	1500	14 789 533	9 370 854	7 386 658
	LIABILITIES	1700	62 231 530	56 086 088	49 713 412

**Financial Results Statement
For 2014**

Company: **Open Joint-Stock company "Interregional Distributive grid company of Urals"**

Taxpayer identification number

Types of activities: transmission. connection

Legal organizational form: **open joint-stock company / private property**

Units of measurement: **RUR thous.**

Location: **140 Mamina Sibiryaka Ulitsa, Ekaterinburg, Russia 620026**

	Codes
Form# 2	0710002
Date	31.12.2014
RNCBO	76507836
TIN	6671163413
RNCEA	40.10.2
ARCFO	47 / 16
ARCMU	384

Notes	Indicator	Line code	12M 2014	12M 2013
1	2	3	4	5
	Revenues	2110	59 607 802	57 443 525
	Transmission revenues	2111	57 480 677	55 257 665
	Connection revenues	2112	1 719 819	1 883 512
	revenues from rent	2116	231 409	205 537
	revenues from other core services and produce	2117	170 852	91 558
	revenues from other non-core revenues and produce	2118	5 045	5 253
	Expenses	2120	-54 498 284	-54 047 304
	energy transmission	2121	-53 903 892	-53 612 888
	connection services	2122	-350 677	-221 693
	revenues from rent	2126	-178 760	-159 654
	revenues from other core services and produce	2127	-60 945	-47 650
	revenues from other non-core revenues and produce	2128	-4 010	-5 419
	Gross profit (loss)	2100	5 109 518	3 396 221
	Business expenses	2210		
	Management expenses	2220	-854 377	-886 195
	Profit (loss) from sales	2200	4 255 141	2 510 026
	revenues from participation in other compnies	2310	96 487	281 624
	interest receivable	2320	174 220	89 610
	interest payable	2330	-942 045	-732 152
	other revenues	2340	5 886 840	4 032 282
	other expenses	2350	-7 119 885	-5 032 268
	Pre-tax profit (loss)	2300	2 350 758	1 149 122
	Income tax	2410	-567 508	-286 108
	including permanent tax liabilities (assets)	2421	139 005	406 046
	changes in deferred tax liabilities	2430	-304 163	-337 082
	changes in deferred tax assets	2450	320 070	58 479
	Other	2460	207 626	-116 603
	Net profit (loss)	2400	2 006 783	467 808
	FOR INFORMATION:			
	Revaluation of non-current assets, not included into net profit (loss) of the period	2510		
	Other operations, not included into net profit (loss) of the period	2520		
	Consolidated financial result of the period	2500	2 006 783	467 808

	Basic earnings (loss) per share (RUR)	2900	0.000023	0.000005
	Diluted earnings (loss) per share (RUR)	2910		

Please, refer to the Russian variant for more statement forms and supplements.

7.2. Quarterly Accounting (Financial) Statements

Balance Sheet For the period ended 31.03.2015

Company: **Open Joint-Stock company "Interregional Distributive grid company of Urals"**

Taxpayer identification number

Types of activities: transmission. connection

Legal organizational form: **open joint-stock company / private property**

Units of measurement: **RUR thous.**

Location: **140 Mamina Sibiryaka Ulitsa, Ekaterinburg, Russia 620026**

	Codes
Form# 1	0710001
Date	31.03.2015
RNCBO	76507836
TIN	6671163413
RNCEA	40.10.2
ARCFO	47 / 16
ARCMU	384

Notes	Assets	Line code	31.03.2015	31.12.2014	31.12.2013
1	2	3	4	5	6
	I. NON-CURRENT ASSETS				
	Intangible assets	1110	414	426	38
	Researches and developments	1120			
	Intangible development assets	1130			
	Material development assets	1140			
	Fixed assets	1150	48 206 539	48 359 832	45 571 509
	land plots and other facilities	1151	76 399	76 399	76 340
	buildings, vehicles, equipment, facilities	1152	44 408 045	44 990 093	41 817 420
	other fixed assets	1153	878 795	917 559	965 550
	uncompleted construction	1154	2 604 855	2 217 179	2 545 110
	advances given for capital construction and acquisition of fixed assets	1155	8 316	6 937	34 130
	Materials for the creation of fixed assets	1156	230 129	151 665	132 959
	Investments in valuable property	1160			
	Financial investments	1170	1 416 991	1 404 677	1 453 965
	in subsidiaries	1171	1 004 231	1 004 231	1 004 231
	in associates	1172			
	in other companies	1173	412 760	400 446	449 734
	financial investments	1174			
	Deferred tax assets	1180	787 738	655 947	256 179
	Other non-current assets	1190	105 782	101 020	130 755
	TOTAL SECTION I	1100	50 517 464	50 521 902	47 412 446
	II. CURRENT ASSETS				
	Inventory	1210	731 304	541 537	636 539

	materials and other similar valuables	1211	728 519	538 986	627 352
	expenses of non-completed production	1212			
	finished products and goods for resale	1213	2 785	2 551	9 187
	other inventories and expenses	1214			
	Value-added tax on acquired valuable property	1220	500 267	600 157	392 631
	Accounts receivable	1230	8 168 307	7 661 649	6 524 715
	Payments expected in over 12 months since the reported period	1231	161 486	70 923	82 531
	purchasers and clients	123101	35 199	41 253	52 415
	bills receivable	123102			
	advances given	123103			
	other receivables	123104	126 287	29 670	30 116
	Payments expected within 12 months since the reported period	1232	8 006 821	7 590 726	6 442 184
	purchasers and clients	123201	7 687 157	6 989 412	5 758 856
	bills receivable	123202			
	SAC debt on dividends	123203			
	advances given	123204	62 603	129 695	81 868
	other receivables	123205	257 061	471 619	601 460
	Financial investments (excluding cash equivalents)	1240			
	Cash and cash equivalents	1250	3 012 127	2 899 575	1 106 369
	pay office	1251		191	39
	operating accounts	1252	3 008 416	2 892 515	1 084 025
	foreign currency accounts	1253			
	other monetary resources	1254	3 711	6 869	22 305
	other current assts	1260	6 570	6 710	13 388
	TOTAL SECTION II	1200	12 418 575	11 709 628	8 673 642
	ASSETS	1600	62 936 039	62 231 530	56 086 088

Notes	Liabilities	Line code	31.03.2015	31.12.2014	31.12.2013
1	2	3	4	5	6
	III. CAPITAL AND RESERVES				
	Charter Capital	1310	8 743 049	8 743 049	8 743 049
	Own shares purchased from shareholders	1320			
	Revaluation of noncurrent assets	1340			
	Added capital (no revaluation)	1350	17 009 503	17 009 503	17 009 503
	Reserve capital	1360	356 892	356 892	339 163
	Non-distributed profit (uncovered loss)	1370	7 089 782	7 023 766	5 123 891
	Of previous years	1371	7 023 766	7 023 766	5 123 891
	Of the reported period	1372	66 016		
	TOTAL SECTION III	1300	33 199 226	33 133 210	31 215 606
	IV. LONG-TERM LIABILITIES				
	Loans and borrowings	1410	6 297 973	10 297 973	12 231 733
	Bank credits subject to cancellation in over 12 months since the reported date	1411	6 297 973	7 297 973	9 231 733
	Loans subject to cancellation in over 12 months since the reported date	1412		3 000 000	3 000 000
	Deferred tax liabilities	1420	3 133 929	3 055 434	2 753 526
	Estimated liabilities	1430			

	Other liabilities	1450	751 243	955 380	514 369
	TOTAL SECTION IV	1400	10 183 145	14 308 787	15 499 628
	V. SHORT-TERM LIABILITIES				
	Loans and borrowings	1510	6 037 998	2 101 508	161 117
	Bank credits subject to cancellation within 12 months since the reported date	1511	2 995 888	1 995 888	56 187
	Loans subject to cancellation within 12 months since the reported date	1512	3 042 110	105 620	104 930
	Accounts payable	1520	8 335 227	7 819 931	6 738 245
	suppliers and contractors	1521	4 694 332	4 069 271	4 017 801
	bills payable	1522			
	debt to the personnel	1523	322 539	348 718	319 100
	debt to non-budgetary funds	1524	151 628	138 534	115 683
	debts in taxes and levies	1525	683 159	705 127	295 777
	advances received	1526	2 415 052	2 483 907	1 887 753
	debt to founders	1527	5 236	5 117	
	other payables	1528	63 281	69 257	102 131
	Deferred revenues	1530	89 457	93 176	73 360
	Estimated liabilities	1540	5 090 986	4 774 918	2 398 132
	Other liabilities	1550			
	TOTAL SECTION V	1500	19 553 668	14 789 533	9 370 854
	LIABILITIES	1700	62 936 039	62 231 530	56 086 088

Financial Results Statement

For 3M 2015

Company: **Open Joint-Stock company "Interregional Distributive grid company of Urals"**

Taxpayer identification number

Types of activities: transmission. connection

Legal organizational form: **open joint-stock company / private property**

Units of measurement: **RUR thous.**

Location: **140 Mamina Sibiryaka Ulitsa, Ekaterinburg, Russia 620026**

	Codes
Form #2	0710002
Date	31.03.2015
RNCBO	76507836
TIN	6671163413
RNCEA	40.10.2
ARCFO	47 / 16
ARCMU	384

Notes	Indicator	Line code	3M 2015	3M 2014
1	2	3	4	5
	Revenues	2110	15 209 370	16 276 839
	Transmission revenues	2111	14 951 213	15 775 955
	Connection revenues	2112	160 303	402 449
	revenues from resale	2113		
	revenues from other companies' ownership	2114		
	revenues from rent	2115	59 574	53 247
	revenues from other core services and produce	2116	36 823	43 553
	revenues from other non-core revenues and produce	2117	1 457	1 635
	Expenses	2120	-14 267 954	-14 776 297
	energy transmission	2121	-14 109 259	-14 646 619
	connection services	2122	-97 799	-80 881
	revenues from rent	2123	-43 467	-41 171
	revenues from other core services and produce	2124	-16 358	-6 491
	revenues from other non-core revenues and produce	2125	-1 071	-1 135
	Gross profit (loss)	2100	941 416	1 500 542
	Business expenses	2210		
	Management expenses	2220	-214 577	-235 525
	Profit (loss) from sales	2200	726 839	1 265 017
	revenues from participation in other compnies	2310		
	interest receivable	2320	100 013	20 058
	interest payable	2330	-242 501	-230 832
	other revenues	2340	709 118	280 344
	other expenses	2350	-1 172 834	-1 163 393
	Pre-tax profit (loss)	2300	120 635	171 194
	Income tax	2410	-107 816	-261 332
	including permanent tax liabilities (assets)	2421	-32 397	-19 916
	changes in deferred tax liabilities	2430	-78 495	-246 442
	changes in deferred tax assets	2450	131 792	456 538
	Other	2460	-100	-2
	Net profit (loss)	2400	66 016	119 956
	FOR INFORMATION			
	Revaluation of non-current assets, not included into net profit (loss)	2510		

	of the period			
	Other operations, not included into net profit (loss) of the period	2520		
	Consolidated financial result of the period	2500	66 016	119 956
	Basic earnings (loss) per share (RUR)	2900	0.000001	0.000001
	Diluted earnings (loss) per share (RUR)	2910		

Relevant information

Comments to the 1Q 2015 Company's Balance Sheet and Financial Results Report are stipulated by the Appendix hereof (Russian version only).

7.3. Consolidated Financial Statements

It is not disclosed in a 1Q report

7.4. Accounting Policy

Accounting policy of the issuer for 2015 is approved by Decree #509 dd. 31.12.2014. The policy underwent several changes under Company's Decree #98 dd. 25.02.2015. The policy is stipulated by the Appendix hereof (Russian version only).

7.5. Total Export and Export/Total Sales

The Issuer does not export produce (goods, services)

7.6. Significant Property Changes since the end of the last completed reported period

Significant property changes within 12 months since the end of the reported period: **none**

7.7. Significant Lawsuits with Potential Affect on Operations

The Issuer has/had no lawsuits that may significantly affect its operations between the beginning of the last completed financial year and end of the reported period

SECTION VIII. ADDITIONAL INFORMATION ON THE ISSUER AND ITS PLACED SECURITIES

8.1. Additional Information

8.1.1. The Charter Capital: Amount and Structure

Amount of the Charter Capital at the end of the reported period, RUR: **8,743,048,571.1**

Shares of the common stock

Total nominal value: **8,743,048,571.1**

Share in the Charter Capital, %: **100**

Shares of the preferred stock

Total nominal value: **0**

Share in the Charter Capital, %: **0**

Compliance of the charter capital stipulated hereof with the one from the founding documents of the issuer: **yes.**

8.1.2. Changes of the Charter Capital

The charter capital has undergone no changes during the reported period

8.1.3. Convention and Conduct of a meeting of the supreme management body

Title of the supreme management body: **According to clause 10.1 article 10 of the Charter GSM is the Company's supreme management body**

Notice procedure:

According to subclause 11.5 of the Charter, a GSM notice shall be published by the Company in the Rossiyskaya Gazeta as well as be disclosed at the corporate website within 30 (thirty) days prior to its date. According to subclause 12.4 of the Charter, a notice on GSM, held by means of absentee ballot, shall be published by the Company in the Rossiyskaya Gazeta as well as on the corporate website within 30 (thirty) days prior to the Company's receipt deadline. In case the EGM agenda contains an issue with regard to Board election, an EGM convention shall be announced not later than 70 (Seventy) days prior to its date (subclause 14.9.4 clause 14.9 article 14 of the Charter). According to clause 2 article 52 of the Federal Joint-Stock Companies' Law, an AGSM notice contains:

- full company name and its location;*
- GSM form (compresence or absentee voting);*
- GSM date, location, time and in case, according to clause 3 article 60 of the Federal Joint-Stock Companies' Law, filled-in ballots may be forwarded to the Company, receipt postal address, or in case of an absentee-voting GSM –receipt deadline and postal address;*
- register date;*
- GSM agenda;*
- familiarization with materials (information) subject to dissemination during GSM and locations where shareholders can review the materials.*

Persons (bodies), entitled to convene (call) extraordinary meeting of the Issuer's management body as well as the procedure of forwarding such calls:

According to clause 14.2, 14.3 article 14 of the Charter, an EGM shall be arranged upon a Board decision, based upon its own initiative, a request from the Board of Internal Auditors and the Auditor as well as a shareholder (shareholders) possessing at least 10 (ten) percent of voting stock of the Company as of the request date. An EGM, held according to a request from the Board of Internal Auditors and the Auditor as well as a shareholder (shareholders) possessing at least 10 (Ten) percent of voting stock, shall be arranged by the Board of Directors.

This request shall contain issues to be included onto the agenda. A person (persons), requesting an EGM convention, shall be entitled to submit a draft EGM resolution as well as a proposal on an EGM form. In case this EGM convention request contains a nominee promotion proposal, this proposal shall be regulated by the corresponding statements of Article 13 hereof. The Board of Directors shall not be entitled to change the wording of EGM agenda issues, issue resolutions and proposed form for an EGM convened upon the request from the Board of Internal Auditors, the Auditor as well as a shareholder (shareholders) possessing at least 10 (Ten) percent of voting stock (clause 14.4 of the Charter). In case an EGM convention is requested by a shareholder (shareholders), such request shall contain the name of a shareholder (shareholders) who demand the meeting as well as the quantity and category (type) of the Company shares possessed by them. An EGM convention request shall be signed by a person (persons) requesting the EGM convention (clause 14.5 of the Charter).

Calling a meeting:

According to clause 11.1 article 11 of the Charter, an AGM shall be held not earlier than two months and not later than six months following the end of the financial year. According to clause 1 article 54 of the Federal Joint-Stock Companies' Law, during the arrangement of a GSM the BoD determines GSM date, location and time.

EGSM convened by the Board of Internal Auditors, auditor or shareholder (shareholders) owning at least 10% of the voting stock should be arranged within 40 (Forty) days since the submission of an EGSM request, except for the case stipulated in clause 14.9 of the Charter.

According to clause 14.9 of the Charter, in case the EGM agenda contains an issue on Board election, such GSM shall be held within 90 (Ninety) days since the request to convene an EGM.

Persons that are entitled to introduce proposals into agenda of the supreme governing body as well as the procedure for introducing such proposals:

According to article 13 of the Charter, shareholders (shareholder) owning no less than 2% of voting stock within 60 (Sixty) days since the end of financial year are entitled to introduce issues onto the agenda of AGM and nominate candidates for the Board of Directors and Board of Internal Auditors. The number of the nominees cannot exceed the membership of the corresponding body. Proposals to include issues onto an AGM agenda and to nominate candidates shall be forwarded in writing and shall contain the name of a shareholder (shareholders), quantity and class of shares they possess as well as their signatures. A proposal to include issues into an AGM agenda shall contain the wording for each issue and a proposal to nominate candidates shall contain the names and document details proving identity of candidates (series or number of such document, issuing date, place and authority), name of the body to be elected to.

Besides issues, proposed for the GSM agenda by shareholders as well as in case of no such proposals, absence or deficit of candidates for a certain corporate body, the Board of Directors shall be entitled to

include issues and candidates into the GSM agenda at its discretion (clause 13.7 of the Charter). According to clause 14.4 of the Charter, this GSM request shall contain issues to be included onto the agenda. A person (persons), requesting an EGM convention, shall be entitled to submit a draft EGM resolution as well as a proposal on an EGM form. In case this EGM convention request contains a nominee promotion proposal, this proposal shall be regulated by the corresponding statements of Article 13 hereof. The Board of Directors shall not be entitled to change the wording of EGM agenda issues, issue resolutions and proposed form for an EGM convened upon the request from the Board of Internal Auditors, the Auditor as well as a shareholder (shareholders) possessing at least 10 (Ten) percent of voting stock. Shareholders (shareholder) possessing at least 10 (Ten) percent of voting stock shall be entitled to propose Board nominees, total number not exceeding the BoD membership. Such proposals shall be submitted to the Company no less than 30 (Thirty) days prior to the EGM date.

Persons that are entitled to get acquainted with the information (materials) submitted for arranging a meeting of the supreme governing body of the Issuer as well as the procedure of getting acquainted with the information (materials):

The list of persons entitled to participate in a GSM is prepared according to the corporation's book. The register date cannot be earlier than a resolution on GSM arrangement and over 50 days prior to the GSM date, in case stipulated by clause 2 article 53 of the Federal Joint-Stock Companies' Law – over 85 days prior to the AGSM date. The list of persons entitled to participate in a GSM contains name of a person, his/her ID information, information on the number and category (type) of shares with voting rights provided, postal address for GSM notices, ballots in case voting process requires forwarding of the ballots and voting result report.

Information (materials) subject to dissemination among persons entitled to participate in a GSM during the arrangement of the GSM comprises financial statements, including auditor report, report from the Board of Internal Auditors on the audit of the annual financial statements, information on a candidate (candidates) to the executive bodies, BoD, Board of Internal Auditors, counting commission, drafts of amendments and supplements introduced to the charter or draft of the charter in a new version, drafts of internal documents, drafts of GSM resolutions as well as information (materials) stipulated by the charter. The list of additional information (materials) obligatory for dissemination among persons entitled to participate in a GSM during the arrangement of GSM may be set forth by the federal executive body regulating securities market.

Information (materials) shall be accessible for persons entitled to participate in a GSM at the location of the executive body or other locations indicated in GSM message within 20 days or 30 days in case of GSM with agenda on the company's restructuring. The information (materials) should be accessible for persons participating in a GSM during the GSM. The Company is obliged to provide a person entitled to participate in a GSM with copies of the documents. Fees charged by the company for the copies should not exceed copying expenses.

Announcement of resolutions taken by the supreme governing body as well as voting results:

According to subclause 11.13 of the Charter, voting results and resolutions adopted by a GSM may be announced during the GSM. In case when voting results and resolutions adopted by the Company's GSM were not announced on the GSM, within 10 (Ten) days since compilation of the protocol on the voting results resolutions taken by the Company's GSM as well as voting results in a form of a report on voting results are to be brought to the notice of persons entitled to participate in a GSM in a procedure stipulated by clause 11.5 of the Charter, namely – to be posted in the "Rossyiskaya Gazeta" as well as on the corporate web-site.

8.1.4. Commercial Organizations with Company's 5% stake in the Charter capital or common stock

The list of commercial organizations with Company's 5% stake in the Charter capital or common stock on the last reported quarter

1. Full company name: *Open Joint-Stock Company Ekaterinburg Electric Grid Company*

Short company name: ***EESK (OAO)***

Location: ***1 Ulitsa Borisa Eltsyna, Ekaterinburg, Russia, 620014***

TIN: ***6658139683***

PSRN: ***1026602312770***

The Issuer's share in the Charter capital, %: ***91.04***

The share of ordinary stock owned by the Issuer, %: ***91.04***

Share of the company in the Issuer's Charter capital, %: ***0***

Share of the Issuer's ordinary stock owned by the company, %: ***0***

2. Full company name: *Open Joint-Stock Company Ekaterinburgenergosbyt*

Short company name: ***EES (OAO)***

Location: **48 Surikova Ulitsa, Ekaterinburg, Russia, 620144**

TIN: **6671250899**

PSRN: **1086658002617**

The Issuer's share in the Charter capital, %: **91.04**

The share of ordinary stock owned by the Issuer, %: **91.04**

Share of the company in the Issuer's Charter capital, %: **0**

Share of the Issuer's ordinary stock owned by the company, %: **0**

3. Full company name: **Open Joint-Stock Company Energy Service Company of the Urals**

Short company name: **Energy Service Company of the Urals(OAO)**

Location: **19 Ulitsa Chaikovskogo, Ekaterinburg, 620142**

TIN: **6671345406**

PSRN: **1116671000434**

The Issuer's share in the Charter capital, %: **100**

The share of ordinary stock owned by the Issuer, %: **100**

Share of the company in the Issuer's Charter capital, %: **0**

Share of the Issuer's ordinary stock owned by the company, %: **0**

4. Full company name: **Limited Liability Company Uralenergotrans**

Short company name: **Uralenergotrans (OOO)**

Location: **140 Ulitsa Mamina Sibiryaka, Ekaterinburg, Russia, 620026**

TIN: **6672319085**

PSRN: **1105903003580**

The Issuer's share in the Charter capital, %: **100**

Share of the company in the Issuer's Charter capital, %: **0**

Share of the Issuer's ordinary stock owned by the company, %: **0**

5. Full company name: **Limited Liability Company Insurance Company Ring of the Urals**

Short company name: **Insurance Company Ring of the Urals (OOO)**

Location: **3 M. Zhukova Ulitsa, Ekaterinburg, Russia, 620014**

TIN: **6629010981**

PSRN: **1026602315189**

The share of ordinary stock owned by the Issuer, %: **7.4%**

Share of the company in the Issuer's Charter capital, %: **0**

Share of the Issuer's ordinary stock owned by the company, %: **0**

6. Full company name: **Open Joint-Stock Company Lenenergo**

Short company name: **Lenenergo (OAO)**

Location: **1 Ploschad Konstitutsii, St. Petersburg, Russia, 640003**

TIN: **7803002209**

PSRN: **1027809170300**

The Issuer's share in the Charter capital, %: **4.89%**

The share of ordinary stock owned by the Issuer, %: **4.89%**

Share of the company in the Issuer's Charter capital, %: **0**

Share of the Issuer's ordinary stock owned by the company, %: **0**

8.1.5. Major/Large-Scale Transactions

There were no such transactions during the reported period

8.1.6. Credit Ratings

The subject: *issuer*

Company that assigned a credit rating

Full company name: **Moody's Investors Service Ltd. (Russian branch)**

Short company name: **Moody's Investors Service Ltd. (Russian branch) (TIN 9909342495)**

Location: **21 Ulitsa 1st Tverskaya Yamskaya, Moscow, Russia, 625047**

Methodology description:

On 25 March 2015 Moody's, represented by Moody's Investors Service Ltd. (Russian branch), has affirmed long-term global scale credit rating at Ba2 (Outlook Negative) of IDGC of Urals (OAO). Rating methodology may be found at www.moodys.com

Credit rating at the end of the reported period: **Ba2**

Credit rating history

Assigned on	Rating value
12.10.2012	Ba2 long-term global scale credit rating (Outlook Stable)
25.10.2013	Ba2 long-term global scale credit rating (Outlook Stable)
07.02.2014	Ba2 long-term global scale credit rating (Outlook Stable)
03.04.2014	Ba2 long-term global scale credit rating (Outlook Stable)
07.08.2014	Ba2 long-term global scale credit rating (Outlook Stable)
25.03.2015	Ba2 long-term global scale credit rating (Outlook Negative)

Confirmation of ratings reflects high probability of support from state-owned parent company (Rosseti) and Moody's opinion that IDGC of Urals will maintain adequate operating and financial performance and liquidity in the next 12-18 months cutting expenses against reduced demand for the services. Negative Outlook reflects the same outlook for the state of Russian economy that would negatively affect domestic energy market.. What could change the ratings up/down: The outlook will be changed to stable if macroeconomic conditions in Russia is to stabilize, operating and financial metrics and liquidity are not materially deteriorated as well as Rosseti's support remains unchanged.

Downward pressure on ratings will develop if there are severe deterioration of the operating environment caused by a deeper and more protracted decline in economic activities in Russia than previously anticipated, weakening support from Rosseti as well as Company's failure to manage the investment program in line with the tariff decisions.

The subject: *issuer*

Company that assigned a credit rating

Full company name: **Rating agency Moody's Interfax, ZAO**

Short company name: **Rating agency Moody's Interfax, ZAO (TIN 7710270371)**

Location: **21 Ulitsa 1st Tverskaya Yamskaya, Moscow, Russia, 625047**

Methodology description:

On August 07, 2014 Moody's rating agency Rating agency Moody's Interfax, ZAO approved long-term Aa2 credit rating under for IDGC of Urals. Rating outlook - Stable. For details on the methodology visit the agency's web-site - www.moodys.com

Credit rating at the end of the reported period: **Aa2.ru**

Credit rating history

Assigned on	Rating value
12.10.2012	Aa2.ru long-term domestic scale credit rating, outlook Stable
25.10.2013	Aa2.ru long-term domestic scale credit rating, outlook Stable
10.02.2014	Aa2.ru long-term domestic scale credit rating, outlook Stable

03.04.2014	Aa2.ru long-term domestic scale credit rating, outlook Stable
07.08.2014	Aa2.ru long-term domestic scale credit rating, outlook Stable

Affirmation of the Company's ratings reflects expectations of the analysts that IDGC of Urals will be able to continue to adjust its business taking into account tariff evolution, availability of funding and the wider economic environment. According to expectations of the analysts, the Company will be able to manage its financial profile in line with the current rating category striving not to weaken it materially.

8.2. Classes (Types) of the Issuer's shares

Category of shares: **ordinary**

Nominal value of each share (RUR): **0.1**

Number of shares outstanding: **87 430 485 711**

Number of additional shares being placed at the moment (number of additional shares with unfinished state registration): **0**

Number of authorized shares: **2 475 713 367**

Number of shares on the Issuer's balance sheet: **0**

Number of additional shares that can be placed as a result of conversion of outstanding securities converted into shares or as a result of execution of liabilities on the Issuer's options: **0**

Share issues of the category (type):

Date of state registration	Registration number
03.05.2005	1-01-32501-D

Rights granted to the holders:

Rights are stipulated in item 6.2, Article 6 of the Company's Charter: Every common registered share shall give equal amount of rights to a shareholder who owns it. Shareholders owning ordinary registered shares shall be entitled:

- 1) **To participate either in person or through their representatives in a GSM with the voting right for all issues pertaining to their competence;**
- 2) **To propose issues into a GSM agenda pursuant to the Russian legislation and the present Charter;**
- 3) **To obtain information about the Company's activities and get familiar with the Company documents pursuant to Article 91 of the Federal Law "On Joint Stock Companies", other legal regulatory acts and the present Charter;**
- 4) **To receive dividends declared by the Company;**
- 5) **To get pre-emptive right to purchase additional shares and emissive securities convertible into shares placed via subscription in the amount proportionate to their own common shares in the instances envisaged by the Russian legislation;**
- 6) **To get a portion of the Company's property in case of its liquidation;**
- 7) **To fulfill other rights envisioned by the Russian legislation and the present Charter**

Other information disclosed by the Issuer at its own discretion:

8.3. Other Issues of Securities (Excluding Shares)

8.3.1. Redeemed Securities

Type of security: **bonds**

Form of security: **documentary bearer**

Series: **01**

Documentary interest-bearing non-convertible with obligatory centralized custody

State registration number: **4-01-32501-D**

State registration date: **27.03.2008**

Registration authority: **FSFM of Russia**

Additional issues: **none**

Number of securities in the issue: **1 000 000**

According to the Russian legislation nominal value of the securities is not stipulated: **none**

Nominal value of each security, RUR: **1 000**

Nominal price volume, RUR: **1 000 000 000**
Redemption date: **22.05.2012**
Reasons for redemption of the securities: **discharge of liabilities**

Type of security: **bonds**
Form of security: **documentary bearer**
Series: **02**
Documentary interest-bearing non-convertible with obligatory centralized custody
State registration number: **4-02-32501-D**
State registration date: **27.03.2008**
Registration authority: **FSFM of Russia**
Additional issues: **none**
Number of securities in the issue: **600 000**
Nominal value of each security, RUR: **1 000**
Nominal price volume, RUR: **600 000 000**
Redemption date: **13.05.2010**
Reasons for redemption of the securities: **discharge of liabilities**

8.3.2. Outstanding Securities

Type of security: **commercial papers**
Form of security: **documentary bearer**
Series: **BO-01**
Other identifying features: **interest-bearing non-convertible with obligatory centralized custody**
There was no state registration of the issue
Identifying number of the issue: **4B02-01-32501-D**
Date when the identifying number was assigned: **11.07.2012**
Body that assigned the identifying number to the issue: **Closed Joint-Stock Company Stock Exchange MICEX, Directorate of SE MICEX, ZAO (protocol #89 dd. 11.07.2012)**
Number of securities in the issue: **3 000 000**
Nominal price volume: **3 000 000 000**
Nominal value of each security, RUR: **1 000**
According to the Russian legislation there is no nominal value presence
Status: **the placement has not yet started**
State registration of Issue Results is not carried out: **yes**
The number of interest (coupon) periods: **6**
Maturity period: **1092th day since the placement date.**
Specific instructions: **none**
Web-page containing the Issue Resolution and Prospectus: **www.mrsk-ural.ru/ir/bonds/; <http://www.e-disclosure.ru/portal/company.aspx?id=12105>**
Additional security issues: **none**
There are no liabilities on the issue that were not discharged

Type of security: **commercial papers**
Form of security: **documentary bearer**
Series: **BO-02**
Other identifying features: **interest-bearing non-convertible with obligatory centralized custody**
There was no state registration of the issue
Identifying number of the issue: **4B02-02-32501-D**
Date when the identifying number was assigned: **31.05.2013**
Body that assigned the identifying number to the issue: **Closed Joint-Stock Company Stock Exchange MICEX,**

Directorate of SE MICEX, ZAO (protocol #62 dd. 31.05.2013)

Number of securities in the issue: **3 000 000**

Nominal price volume: **3 000 000 000**

Nominal value of each security, RUR: **1 000**

According to the Russian legislation there is no nominal value presence

Status: **the placement has not yet started**

State registration of Issue Results is not carried out: **yes**

The number of interest (coupon) periods: **20**

Maturity period: **3 640th day since the placement date. If a maturity date is a holiday or a weekend - be it a state holiday or holiday for settlement operations - transfer of the first working day following the holiday or weekend.**

Specific instructions: **none**

Web-page containing the Issue Resolution and Prospectus: **www.mrsk-ural.ru/ir/bonds/; <http://www.e-disclosure.ru/portal/company.aspx?id=12105>**

Additional security issues: **none**

There are no liabilities on the issue that were not discharged

Type of security: **commercial papers**

Form of security: **documentary bearer**

Series: **BO-03**

Other identifying features: **interest-bearing non-convertible with obligatory centralized custody**

There was no state registration of the issue

Identifying number of the issue: **4B02-03-32501-D**

Date when the identifying number was assigned: **31.05.2013**

Body that assigned the identifying number to the issue: **Closed Joint-Stock Company Stock Exchange MICEX, Directorate of SE MICEX, ZAO (protocol #62 dd. 31.05.2013)**

Number of securities in the issue: **3 000 000**

Nominal price volume: **3 000 000 000**

Nominal value of each security, RUR: **1 000**

According to the Russian legislation there is no nominal value presence

Status: **the placement has not yet started**

State registration of Issue Results is not carried out: **yes**

The number of interest (coupon) periods: **20**

Maturity period: **3 640th day since the placement date. If a maturity date is a holiday or a weekend - be it a state holiday or holiday for settlement operations - transfer of the first working day following the holiday or weekend.**

Specific instructions: **none**

Web-page containing the Issue Resolution and Prospectus: **www.mrsk-ural.ru/ir/bonds/; <http://www.e-disclosure.ru/portal/company.aspx?id=12105>**

Additional security issues: **none**

There are no liabilities on the issue that were not discharged

Type of security: **commercial papers**

Form of security: **documentary bearer**

Series: **BO-04**

Other identifying features: **interest-bearing non-convertible with obligatory centralized custody**

There was no state registration of the issue

Identifying number of the issue: **4B02-04-32501-D**

Date when the identifying number was assigned: **31.05.2013**

Body that assigned the identifying number to the issue: **Closed Joint-Stock Company Stock Exchange MICEX, Directorate of SE MICEX, ZAO (protocol #62 dd. 31.05.2013)**

Number of securities in the issue: **4 000 000**

Nominal price volume: **4 000 000 000**

Nominal value of each security, RUR: **1 000**

According to the Russian legislation there is no nominal value presence

Status: **the placement has not yet started**

State registration of Issue Results is not carried out: **yes**

The number of interest (coupon) periods: **20**

Maturity period: **3 640th day since the placement date. If a maturity date is a holiday or a weekend - be it a state holiday or holiday for settlement operations - transfer of the first working day following the holiday or weekend.**

Specific instructions: **none**

Web-page containing the Issue Resolution and Prospectus: **www.mrsk-ural.ru/ir/bonds/; <http://www.e-disclosure.ru/portal/company.aspx?id=12105>**

Additional security issues: **none**

There are no liabilities on the issue that were not discharged

Type of security: **commercial papers**

Form of security: **documentary bearer**

Series: **BO-05**

Other identifying features: **interest-bearing non-convertible with obligatory centralized custody**

There was no state registration of the issue

Identifying number of the issue: **4B02-05-32501-D**

Date when the identifying number was assigned: **31.05.2013**

Body that assigned the identifying number to the issue: **Closed Joint-Stock Company Stock Exchange MICEX, Directorate of SE MICEX, ZAO (protocol #62 dd. 31.05.2013)**

Number of securities in the issue: **5 000 000**

Nominal price volume: **5 000 000 000**

Nominal value of each security, RUR: **1 000**

According to the Russian legislation there is no nominal value presence

Status: **the placement has not yet started**

State registration of Issue Results is not carried out: **yes**

The number of interest (coupon) periods: **20**

Maturity period: **3 640th day since the placement date. If a maturity date is a holiday or a weekend - be it a state holiday or holiday for settlement operations - transfer of the first working day following the holiday or weekend.**

Specific instructions: **none**

Web-page containing the Issue Resolution and Prospectus: **www.mrsk-ural.ru/ir/bonds/; <http://www.e-disclosure.ru/portal/company.aspx?id=12105>**

Additional security issues: **none**

There are no liabilities on the issue that were not discharged

8.4. Person (persons) who Secured Bond Issues and Suretyship

The issuer has not registered the prospectus of secured bonds; no secured exchange-traded bonds were listed

8.4.1. Mortgage Collateral Bonds

The issuer has not registered mortgage collateral bonds with non-discharged liabilities

8.4.2. Monetary Collateral Bonds

The issuer has not registered monetary collateral bonds with non-discharged liabilities

8.5. Organizations Recording Securities Rights

Registrar

Full company name: **Joint-Stock Company Registrar Company STATUS**

Short company name: **STATUS, AO**

Location: **32/1 Ulitsa Novorogozhskaya, Moscow, 109544**

TIN: **7707179242**

PSRN: **1027700003924**

Registrar License

Number: **10-000-1-00304**

Issued: **12.03.2004**

Expires: **termless**

License authority: **FCS (FSFM) of Russia**

Date when the registrar started to register the Issuer's security holders: **20.12.2010**

Documentary bearer securities with centralized custody are in circulation.

Depositories

Full company name: **Non-banking Credit organization Closed Joint-Stock Company National Settlement Depository**

Short company name: **NKO ZAO NSD**

Location: **1/13 building 8, Srednyi Kislovskiy Pereulok, Moscow, Russia**

TIN: **7702165310**

PSRN: **1027739132563**

Depository License:

Number: **177-03431-000100**

Issued: **19.02.2009**

Expires: **termless**

Issuing authority: **FSC (FSFM) of Russia**

8.6. Laws, Code and Other Enactments Concerning Capital Import and Export with Potential Effect on Non-residential Dividends, Yield and Other Payments

- 1. Russian Tax Code, Part 1, dd. 31.07.1998 #146-Φ3 (amended and revised by #392-FZ dd. 03.12.2011)**
- 2. Russian Tax Code, Part 2, dd. 05.08.2000 #117-FZ (amended and revised by #405-FZ dd. 06.12.2011 and #417-FZ dd.07.12.2011)**
- 2. Federal Securities Market Law #39-FZ dd. 22.04.1996 (amended and revised by #362-FZ dd. 30.11.2011)**
- 3. Federal Joint-Stock Companies' Law #208-FZ dd. 26.12.1995 (amended and revised by #346-FZ dd. 30.11.2011)**
- 4. Federal Currency Regulations and Control Law #173-FZ dd. 10.12.2003 (amended and revised by #409-FZ dd. 06.12.2011)**
- 5. Federal Law concerning the Counteraction of the Legitimization {Laundering} of Proceeds of Crime and the Financing of Terrorism #115-FZ dd. 07.08.2001 (amended and revised by #308-FZ dd. 08.11.2011)**
- 6. Federal Law concerning the Protection of the Rights and Legitimate Interests of Investors on the Securities Market #46-FZ dd. 05.03.1999 (amended and revised by #264-FZ dd. 04.10.2010 and #327-FZ dd. 21.11.2011)**
- 7. Federal Law concerning Investment Activities in the form of Foreign Capital Expenditures in the Russian Federation #39-FZ dd. 25.02.1999 (amended and revised by #427-FZ dd. 12.12.2011)**
- 8. Intergovernmental agreements concerning avoidance of double taxation (with regard to income and property taxes and against avoidance of income and property taxes).**

9. President Decree #1924 dd. 17.11.1993 concerning activities of foreign banks and joint non-residential banks in Russia

10. Central Bank instruction #117-I dd. 15.06.2004 concerning filing of documents and information during currency-related operations by residents and non-residents; concerning recording of currency operations and preparation of transaction certificates by authorized banks

8.7. Announced (Accrued) and/or Paid Dividends or Bond Yield

8.7.1. Announced and Paid Dividends

Dividend period

Year: **2007**

Period: **12M**

Management body of the issuer that adopted a resolution on dividend announcement: **a resolution of the sole shareholder**

Date when the Issuer's governing body took a decision to pay-out dividends: **30.04.2008**

Protocol date: **30.04.2008**

Protocol number: **RAO UES MB protocol #1865pr/3 dd. 30.04.2008**

Category (type) of shares: **ordinary**

Declared dividends paid out on this category of shares, per share, RUR: **0.001594**

Total amount of declared dividends paid out on the category of shares, RUR: **4 007 863.86**

Overall amount of declared dividends paid on all types of shares, RUR: **4 007 863.86**

The resource for dividend pay-out: **Net profit**

Announced dividends/Net profit of the reported period, %: **100**

Paid-out dividends/Total announced dividends on share of the category (type), %: **100**

Term for dividend pay-out: **Within 15 days since decision-taking**

Form and other conditions of declared dividend pay-out: **in monetary terms**

Dividend period

Year: **2008**

Period: **12M**

The issuer adopted no resolutions concerning dividend payment

Dividend period

Year: **2009**

Period: **12M**

The issuer adopted no resolutions concerning dividend payment

Dividend period

Year: **2010**

Period: **12M**

The Issuer's governing body that took a resolution on dividend pay-out on the Issuer's shares: **General Shareholder Meeting**

Date when the Issuer's governing body took a decision to pay-out dividends: **16.06.2011**

Register date: **11.05.2011**

Protocol date: **17.06.2011**

Protocol number: **AGSM protocol #3 dd. 17.06.2011**

Category (type) of shares: **ordinary**

Declared dividends paid out on this category of shares, per share, RUR: **0.0028**

Total amount of declared dividends paid out on the category of shares, RUR: **244 805 370**

Overall amount of declared dividends paid on all types of shares, RUR.: **244 355 835**

Source for dividend payout: **Net profit**

Dividend/ net profit, %: **14.5**

The share of paid-out dividends on shares of the type (category), %: **99.816**

Term for dividend pay-out:

dividends are paid out within 60 days since the resolution on the pay-out.

Form and other conditions of declared dividend pay-out: **in monetary terms**

Declared dividends were not paid in full

The reasons: **The dividends were paid out to all persons included into the dividend list, except persons without full and detailed requisites required for dividend pay-out..**

Dividend period

Year: **2011**

Period: **12M**

The Issuer's governing body that took a resolution on dividend pay-out on the Issuer's shares: **General Shareholder Meeting**

Date when the Issuer's governing body took a decision to pay-out dividends: **14.06.2012**

Register date: **04.05.2012**

Protocol date: **15.06.2012**

Protocol number: **AGSM protocol #4 dd. 15.06.2012**

Category (type) of shares: **ordinary**

Declared dividends paid out on this category of shares, per share, RUR: **0.0028**

Total amount of declared dividends paid out on the category of shares, RUR: **244 805 370.71**

Overall amount of declared dividends paid on all types of shares, RUR: **242 782 903.46**

Source for dividend payout: **2011 Net profit**

Dividend/ net profit, %: **9.6**

The share of paid-out dividends on shares of the type (category), %: **99.173**

Term for dividend pay-out: **Dividends are paid out within 60 days since the resolution on the pay-out.**

Form and other conditions of declared dividend pay-out: **in monetary terms**

Declared dividends were not paid in full

The reasons: **The dividends were paid out to all persons included into the dividend list, except persons without full and detailed requisites required for dividend pay-out.**

Dividend period

Year: **2012**

Period: **12M**

The Issuer's governing body that took a resolution on dividend pay-out on the Issuer's shares: **General Shareholder Meeting**

Date when the Issuer's governing body took a decision to pay-out dividends: **13.06.2013**

Register date: **30.04.2013**

Protocol date: **14.06.2013**

Protocol number: **AGSM protocol #6 dd. 14.06.2013**

Category (type) of shares: **ordinary**

Declared dividends paid out on this category of shares, per share, RUR: **0.00179**

Total amount of declared dividends paid out on the category of shares, RUR: **156 500 558.22**

Overall amount of declared dividends paid on all types of shares, RUR: **155 131 140.15**

Source for dividend payout: **Net profit**

Dividend/ net profit, %: **25.007**

The share of paid-out dividends on shares of the type (category), %: **99.124**

Term for dividend pay-out: **Dividends are paid out within 60 days since the resolution on the pay-out.**

Form and other conditions of declared dividend pay-out: **in monetary terms**

Declared dividends were not paid in full

The reasons: **The dividends were paid out to all persons included into the dividend list, except persons without full and detailed requisites required for dividend pay-out.**

Dividend period

Year: **2013**

The Issuer's governing body that took a resolution on dividend pay-out on the Issuer's shares: **General Shareholder Meeting**

Date when the Issuer's governing body took a decision to pay-out dividends: **27.06.2014**

Date when the list of persons entitled to collect dividends for the dividend period was prepared: **16.07.2014**

Protocol date: **27.06.2014**

Protocol number: **AGSM protocol #7**

Category (type) of shares: **ordinary**

Declared dividends paid out on this category of shares, per share, RUR: **0.00102**

Total amount of declared dividends paid out on the category of shares, RUR: **89 179 000**

Overall amount of declared dividends paid on all types of shares (of one category), RUR: **88 228 612.45**

Source for dividend payout: **Net profit**

Dividend/ net profit, %: **25.15**

The share of paid-out dividends in overall amount of announced dividends on shares of the certain category (type), %: **98.93**

Term for dividend pay-out:

The term for dividend pay-out to a nominal holder and trustee, being a professional participant of a stock market, shall not exceed 10 working days. The term for dividend pay-out to other shareholders shall not exceed 25 working days since the date when a list of persons entitled to collect dividends is prepared. Date when the list of persons entitled to collect dividends is July 16, 2014.

Form and other conditions of declared dividend pay-out: **in monetary terms**

Declared dividends were not paid in full

The reasons:

Persons included into the list of persons entitled to collect dividends have not collected dividends worth RUR 863,351.13 (including tax) due to their failure to submit information on collection method.

According to the approved dividend policy principles (BoD protocol #73 dd. 31.08.2010) dividends are distributed from the net profit (without revaluation of financial investments) following its distribution to obligatory reserves, investment program as well as clearing off of the operating losses shown in previous years. Besides, there are the following newly approved conditions which are obligatory while deciding on the dividend payout:

- **There should be net profit without revaluation of financial investments;**
- **Debt/EBITDA ratio as of the end of the year should not exceed 3;**
- **Set reliability and service quality indicators should be achieved.**

8.7.2. Accrued and Paid Bond Yield

Type of security: **bonds**

Form of security: **documentary bearer bonds**

Series: **01**

Documentary interest-bearing non-convertible with centralized obligatory custody

State registration number: **4-01-32501-D**

State registration date: **27.03.2008**

Registering authority: **FSFM of Russia**

Date of state registration of Issue Results Report: **03.07.2007**

Registering authority: **FSFM of Russia**

Number of bonds: **1 000 000**
Nominal par value, RUR: **1 000**
Total nominal volume of the bond issue: **1 000 000 000**

Bond yield:

Type of yield: **coupon yield**

Form of yield payment: ***Coupon is paid by a Payment agent for and on behalf of the Issuer. If the coupon end date falls on weekend, despite be it a state holiday or weekend for accounting operations, the sum is paid out on the first working day preceding the weekend. A bondholder is not entitled to demand interest accrual or other compensation for such payment delays. Coupon yield is paid in Russian currency in non-cash form to parties entitled to obtain coupon yield.***

Reported period: **first coupon period 29.05.2007-27.11.2007.**

Coupon yield per a bond: **RUR 40.64.**

Coupon yield of the bond issue: **RUR 40 640 000.**

Term for payment: **27.11.2007.**

Reported period: **second coupon period 27.11.2007 - 01.04.2008.**

Other conditions of yield payment: ***yield payment at redemption of bonds upon creditors' demand due to the Issuer's restructuring***

Coupon yield per a bond: **RUR 28.13**

Coupon yield of the bond issue: **RUR 13 420 569.83.**

Term for payment: **01.04.2008**

Reported period: **second coupon period 27.11.2007 - 14.04.2008**

Other conditions of yield payment: ***yield payment at redemption of bonds upon creditors' demand due to the Issuer's restructuring***

Coupon yield per a bond: **RUR 31.04**

Coupon yield of the bond issue: **RUR 12 177 923.20**

Term for payment: **14.04.2008.**

Reported period: **second coupon period 27.11.2007 - 27.05.2008**

Coupon yield per a bond: **RUR 40.64.**

Coupon yield of the bond issue: **RUR 5 306 730.56.**

Term for payment: **27.05.2008.**

Reported period: **third coupon period 27.05.2008 - 25.11.2008**

Coupon yield per a bond: **RUR 40.64**

Coupon yield of the bond issue: **RUR 40 640 000**

Term for payment: **25.11.2008**

Type of yield: ***nominal value, redemption of bonds on the creditors' demand due to the Issuer's restructuring***

Reported period: **fourth coupon period 26.11.2008 - 26.05.2009**

Coupon yield per a bond: **RUR 40.64.**

Coupon yield of the bond issue: **RUR 40 640 000**

Term for payment: **26.05.2009**

Type of yield: ***nominal value, redemption of bonds on the creditors' demand due to the Issuer's restructuring***

Reported period: **fifth coupon period 27.05.2009 - 26.11.2009.**

Coupon yield per a bond: **RUR 40.64.**

Coupon yield of the bond issue: **RUR 66 568.32.**

Term for payment: **26.11.2009**

Reported period: **sixth coupon period 27.11.2009 - 26.05.2010.**

Coupon yield per a bond: **RUR 40.64.**

Coupon yield of the bond issue: **RUR 66 568.32.**

Term for payment: **25.05.2010.**

Reported period: **seventh coupon period 27.05.2010- 26.11.2010**

Coupon yield per a bond: **RUR 42.88.**
Coupon yield of the bond issue: **RUR 9 390.72.**
Term for payment: **23.11.2010.**

Reported period: ***eighth coupon period 24.11.2010 - 24.05.2011***
Coupon yield per a bond: **RUR 42.88.**
Coupon yield of the bond issue: **RUR 9 390.72.**
Term for payment: **24.05.2010.**

Reported period: ***eighth coupon period 24.11.2010 - 24.05.2011***
Coupon yield per a bond: **RUR 42.88.**
Coupon yield of the bond issue: **RUR 9 390.72**
Term for payment: **24.05.2011.**

Reported period: ***nineth coupon period 25.05.2011 - 22.11.2011.***
Coupon yield per a bond: **RUR 42.88.**
Coupon yield of the bond issue: **RUR 9 390.72.**
Term for payment: **22.11.2011.**

Reported period: ***tenth coupon period 23.11.2011 - 22.05.2012***
Coupon yield per a bond: **RUR 42.88 (8.6% per annum)**
Coupon yield of the bond issue: **RUR 9390.72.**
Term for payment: **22.05.2012.**

2) Type of yield: *nominal value, redemption of bonds on the creditors' demand due to the Issuer's restructuring*

Form and procedure for yield payment: ***for full version, please, refer to the Russian version.***

3) Type of yield paid out on the bond issue: *please, see the Russian version for details.*

Term for payment: **26.05.2009.**
Number of bonds redeemed: **998 362.**
Redemption price: 100% of nominal price
Yield amount: RUR 998 362 000.
Number of bonds in circulation: 1 638.

Term for payment: **26.05.2010.**
Number of bonds redeemed: **1 419.**
Redemption price: 100% of nominal price
Yield amount: RUR 1 419 000.
Number of bonds in circulation: 219.

Term for payment: **22.05.2012.**
Number of bonds redeemed: **219**
Redemption price: 100% of nominal price
Yield amount: RUR 219 000
Number of bonds in circulation: 0.

Type of security: ***bonds***
Form of security: ***registered non-documentary***
Series: ***02***
Documentary interest-bearing non-convertible with centralized obligatory custody
State registration number: ***4-02-32501-D***
State registration date: ***27.03.2008***
Registering authority: ***FSFM of Russia***

Date for state registration of Issue Results Report: **03.04.2007**

Registering authority: **FSFM of Russia**
Number of bonds in the issue: **600 000**
Nominal value of each bond, RUR: **1 000**
Overall nominal value volume: **600 000 000**

Bond yield:

1) **Form of yield payment: Coupon is paid by a Payment agent for and on behalf of the Issuer. If the coupon end date falls on weekend, despite be it a state holiday or weekend for accounting operations, the sum is paid out on the first working day preceding the weekend. A bondholder is not entitled to demand interest accrual or other compensation for such payment delays. Coupon yield is paid in Russian currency in non-cash form to parties entitled to obtain coupon yield**

General information on yield:

Reported period: **first coupon period 17.05.2007 -15.11.2007**

Coupon yield per a bond: **RUR 41.88**

Coupon yield of the bond issue: **RUR 25 128 000**

Term for payment: **15.11.2007.**

Reported period: **second coupon period 15.11.2007-15.05.2008**

Coupon yield per a bond: **RUR 41.88**

Coupon yield of the bond issue: **RUR 21 128 000**

Term for payment: **15.05.2008.**

Reported period: **third coupon period 15.05.2008-16.05.2008, coupon yield at redemption of bonds on the creditors' demand**

Coupon yield per a bond: **RUR 0.23**

Coupon yield of the bond issue: **RUR 138 000**

Term for payment: **16.05.2008.**

2) **Type of yield: nominal value, redemption of bonds on the creditors' demand due to the Issuer's restructuring**

Form and procedure for yield payment:

Redemption date on the holders' demands submitted during the redemption period is determined as 2nd working day of ith coupon period.

The bonds are redeemed on the creditors' demand according to the following procedures:

a) a bondholder concludes a contract with any broker being a trade exchange participant and submits an instruction to take measures to sell bonds to the Issuer. A bondholder being a trade exchange participant acts independently. Trade participant acting for and on behalf of bondholder or at his own expense hereinafter is referred to as a Holder or a Bondholder;

b) During submission period a Holder should forward to the Issuer's agent a written notification on intention to sell a certain amount of bonds (hereinafter referred to as the Notification). The notification should be signed by the authorized person of a Holder. The Issuer redeems bonds on the creditor's demand according to the rules of exchange.

In case of exchange restructuring or liquidation or in case when such redemption using exchanges as is stated in the Issue Resolution and Prospectus does not correspond with the Russian legislation, the Issuer decides on the trade institution using which the Issuer will conclude transactions for redemption. In this case, the bonds will be redeemed according to the legal documents regulating such trade institutions. The Issuer also should publish information on the trade institution used for transactions alongside with the message on coupon rate determination.

Redemption price:

100% from the par value of the bond issue. The Issuer also pays coupon yield calculated according to the present Issue Resolution and Prospectus as of the redemption date. Bonds are paid in monetary form, non-cash settlement, in Russian currency according to the exchange rules.

c) Transactions on redemption are settled through the Issuer's agent in the trading system of the exchange according to the rules of the exchange.

The redeemed bonds can be re-issued in future and can circulate on trading market until the end of redemption (in case the Issuer complies with the Russian legislation).

Term for payment: 16.05.2008

Number of bonds redeemed: 600 000

Yield amount: RUR 600 000 000

On 13.05.2010 02-series documentary interest-bearing bearer bonds were redeemed, as of the redemption date the issuer had 600 bonds on its account. The amount of liabilities in money terms totaled RUR.

Type of security: **exchange-traded bonds**

Form of security: **registered non-documentary**

Series: **BO-01**

Documentary interest-bearing non-convertible with centralized obligatory custody, early redemption is possible upon the demand from the holders and at the issuer's discretion.

Identification number: **4B02-01-32501-D**

Date when the number was assigned: **11.07.2012**

Body that assigned the number: **SE MICEX, ZAO, Directorate of SE MICEX, ZAO (protocol #89 dd. 11.07.2012)**

Number of bonds: **3 000 000**

Nominal value of a bond, RUR: **1 000**

Overall nominal value: **3 000 000 000**

Bond yield:

Type of yield – 1st coupon yield (31.01.2013-01.08.2013);

Coupon yield per a bond – RUR 41. 88;

Overall coupon yield – 8.4% p.a. or RUR 125 640 000;

The term for yield payment - 01.08.2013.

Form of payment – monetary resources;

Overall yield – RUR 125 640 000.

Share in overall yield on all bonds - 100%

Type of yield – 2nd coupon yield (01.08.2013 - 30.01.2014);

Coupon yield per a bond – RUR 41.88;

Overall coupon yield – 8.4% p.a. or RUR 125 640 000

The term for yield payment - 30.01.2014.

Form of payment – monetary resources;

Overall yield – RUR 125 640 000.

Share in overall yield on all bonds - 100%

Type of yield – 3rd coupon yield (31.01.2014 - 31.07.2014);

Coupon yield per a bond – RUR 41.88;

Overall coupon yield – 8.4% p.a. or RUR 125 640 000

The term for yield payment - 31.07.2014.

Form of payment – monetary resources;

Overall yield – RUR 125 640 000.

Share in overall yield on all bonds - 100%

Type of yield – 4th coupon yield (31.07.2014 - 29.01.2015);

Coupon yield per a bond – RUR 41.88;

Overall coupon yield – 8.4% p.a. or RUR 125 640 000

The term for yield payment - 29.01.2015.

Form of payment – monetary resources;

Overall yield – RUR 125 640 000.

Share in overall yield on all bonds - 100%

Total yield at the end of the reported period totaled RUR 502,560,000.0.

8.8. Other Information

8.9. Information on RDRs and RDR Issuer

The Issuer has not issued such securities