

QUARTERLY REPORT

Interregional Distribution Grid Company of Urals (OAO)

Issuer Code: 32501-D

2 quarter 2016

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: 11 August 2016

_____ S.G. Dregval
signature

Chief Accountant

Date: 11 August 2016

_____ O. M. Abrosimova
signature

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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	7
1.4. Advisors	7
1.5. Signers of the report	7
SECTION II. FINANCIAL AND ECONOMIC PERFORMANCE	8
2.1. Financial and Economic Performance	8
2.2. Market Value	8
2.3. Liabilities	8
2.3.1. Borrowings and Payables	8
2.3.2. Credit History	10
2.3.3. Collateral Liabilities	10
2.3.4. Other Liabilities	10
2.4. Risks Related to the Acquisition of Placed Securities	10
SECTION III. DETAILED INFORMATION ON THE ISSUER.....	10
3.1. Company's Historical and Evolution Milestones	10
3.1.1. Company's Trade Name	10
3.1.2. State Registration	11
3.1.3. Incorporation and Evolution	11
3.1.4. Contacts	11
3.1.5. Taxpayer Identification Number	11
3.1.6. Branches and Representative Offices of the Issuer	11
3.2. Core Lines of Business	11
3.2.1. Industry Classification	11
3.2.2. Core lines of Business	12
3.2.3. Raw Materials and Suppliers	13
3.2.4. Sales Area	13
3.2.5. Licenses	13
3.2.6. Operations Performed by Particular Categories of Issuers	13
3.2.7. Additional Requirements to Mining Industry Issuers	13
3.2.8. Additional Requirements to Telecom Industry Issuers	13
3.3. Future Prospects	13
3.4. Participation in Industrial, Banking and Financial Groups and Holdings	14
3.5. Controlled Companies of Significant Importance	14
3.6. Fixed Assets (composition, structure, value, potential acquisition, replacement, retirement of fixed assets, encumbrance, etc.)	15
SECTION IV. FINANCIAL AND BUSINESS PERFORMANCE	16
4.1. Financial and Business Performance	16
4.2. Liquidity, Capital Adequacy and Current Assets	16
4.3. Financial Investments	17
4.4. Non-tangible Assets	18
4.5. Policy and Expenses concerning Sci-tech Development, Licenses, Patents, R&D	18

4.6. Analysis of Trends.....	18
4.7. Analysis of Factors Affecting Operations	18
4.8. Peers	18
SECTION V. DETAILS ON MEMBERS OF MANAGEMENT AND CONTROL BODIES. BRIEF PERSONNEL OVERVIEW	18
5.1. Structure and Competence of the Bodies	18
5.2. Management Bodies.....	23
5.2.1. Board of Directors.....	24
5.2.2. Sole Executive Body	30
5.2.3. Collegiate Executive Body	31
5.3. Remuneration, Benefits and/or Reimbursement of Expenses (Management Bodies).....	34
5.4. Structure and Competence of Financial Control Bodies and Risk Management and Internal Control System	35
5.5. Personnel of Financial Control Bodies.....	37
5.6. Remuneration and/or Expense Compensation (Financial Control Body).....	39
5.7. Work Force: Structure and Changes.....	40
5.8. Liabilities to Employees on Potential Participation in the Charter (Share) Capital	41
SECTION VI. STOCKHOLDERS AND RELATED-PARTY TRANSACTIONS.....	41
6.1. Total Number of Shareholders.....	41
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)	41
6.3. Government or Municipal Share in the Charter Capital (Golden Share).....	42
6.4. Charter Capital Restrictions	42
6.5. Changes in Structure and Share of Stockholders with 5% of its Charter Capital or Common Stock	42
6.6. Related-Party Transactions.....	44
6.7. Accounts Receivable	44
SECTION VII. FINANCIAL STATEMENTS AND OTHER RELEVANT FINANCIAL INFORMATION.....	45
7.1. Annual Accounting (Financial) Statements	45
7.2. Interim Accounting (Financial) Statements	45
7.3. Consolidated Financial Statements	45
7.4. Accounting Policy	45
7.5. Total Export and Export/Total Sales	46
7.6. Significant Property Changes since the end of the last completed reported period	46
7.7. Significant Lawsuits with Potential Effect on Operations.....	46
SECTION VIII. ADDITIONAL INFORMATION ON THE ISSUER AND ITS PLACED SECURITIES	46
8.1. Additional Information	46
8.1.1. The Charter Capital: Amount and Structure	46
8.1.2. Changes of the Charter Capital	46
8.1.3. Convention and Conduct of a meeting of the supreme management body	46
8.1.4. Commercial Organizations with Company's 5% stake in the Charter capital or common stock.....	46
8.1.5. Major/Large-Scale Transactions.....	46
8.1.6. Credit Ratings	46
8.2. Classes (Types) of the Issuer's shares.....	47
8.3. Other Issues of Securities (Excluding Shares)	47
8.3.1. Redeemed Securities	48
8.3.2. Outstanding Securities.....	48
8.4. Person (persons) who Secured Bond Issues and Suretyship.....	48
8.4.1. Mortgage Collateral Bonds	48
8.4.2. Monetary Collateral Bonds	48

8.5. Organizations Recording Securities Rights	48
8.6. Laws, Code and Other Enactments Concerning Capital Import and Export with Potential Effect on Non-residential Dividends, Yield and Other Payments	48
8.7. Announced (Accrued) and/or Paid Dividends or Bond Yield	48
8.7.1. Announced and Paid Dividends	48
8.7.2. Accrued and Paid Bond Yield	51
8.8. Other Information	55
8.9. Information on RDRs and RDR Issuer	55

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.

The issuer is a public joint-stock company.

On 24 April 2008 the Federal Financial Markets Service of Russia has registered the Company's prospectus.

On 31 May 2013 exchange-traded Series BO-03-05 bonds (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.

On 27 November 2015 exchange-traded series BO-02 bonds of the Company (#4B02-02-32501-D dd. 31.05.2013) were placed and are currently in circulation.

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

Information contained herein has undergone no changes during the reported period

1.2. Auditor

Auditor (audit firm) that conducted an independent audit of accounting statements and consolidated financial statements contained herein and auditor (audit firm) that was approved (elected) to conduct the audit of the annual accounting statements and annual consolidated statements of the issuer for the current and most recently completed reported period.

Full Company name: **RSM RUS, Limited Liability Company**

Short Company name: **RSM RUS (OOO)**

Location: **4 Ulitsa Pudovkina, Moscow, 119285**

TIN: **7722020834**

PSRN: **1027700257540**

Phone: **(495) 363-2848**

Fax: **(495) 981-4121**

E-mail: **mail@rsmrus.ru**

Membership in self-regulated auditor organizations

Full name: **Non-profit Partnership SODRUZHESTVO Auditor Association**

Location: **21/4 Michurinsky Prospect, Moscow, 119192**

Additional information: **Registration line in the register of the SRAO - 11306030308**

The past 5 fiscal years and current year during which the auditor conducted (will conduct) an independent audit of the annual accounting statements of the issuer

Accounting (financial) statements (RAS)	Consolidated financial statements (IFRS)
2015	2015
2016	2016

Factors that may affect the independence of the auditor (audit firm) from the issuer, including material interests binding the auditor (persons serving on management and control bodies of the audit firm) with the issuer (persons serving on management and control bodies of the issuer): **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 most recently 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, conducted on Jun.06, 2016 (AGSM Minutes No.9 dated as of 06.06.2016), has approved RSM RUS (OOO) as the Company’s auditor for 2016. 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 Board of Directors. The price and payment procedures are stipulated by the contract concluded between the Company and auditor. The amount of auditor remuneration for the audit of 2015 financial statements prepared under RAS and IFRS was determined by the Board on 18.09.2015 (Protocol #176 dd. 21.09.2015) worth RUB 2,611,251.52. During the reported period the auditor earned RUB 913,938.03 (final settlement under the contract for 2015 statements audit). Remuneration for the audit of FY2016 RAS and IFRS statements is to be fixed by the Board of Directors in 3Q 2016. 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

Information contained herein has undergone no changes during the reported period

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)**

SECTION II. FINANCIAL AND ECONOMIC PERFORMANCE

2.1. Financial and Economic Performance

Retrospective performance (under Company's financials)

Accounting standards: **RAS**

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

Performance indicator	6M 2015	6M 2016
Labor productivity	1,881	1,889
Debt/Equity	0.89	0.78
Long-term debt/ Long-term debt and Equity	0.21	0.25
Income/ Debt	4.88	3.64
Overdue debt, %	0	3.85

Performance analysis:

Debt (long-term and short-term)/Equity demonstrates the balance of external and internal funds. By the end of 2Q 2016 the ratio decreased 0.11 YoY. Long-term debt/Long-term Debt and Equity demonstrates the level of long-term funding. By the end of 1H 2016 the ratio changed insignificantly YoY (+0.04). At the same time Income/Debt ratio, demonstrating the ability of the Company to discharge its short-term liability, by the end of 1H 2016 subsided -1.24% YoY, transmitting a positive signal. The ratio was primarily influenced by redemption of RUB3.0 bn bond issue and improved financial performance of the Company.

2.2. Market Value

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

Mea.unit: **RUB**

Indicator	As of 31.12.2015	As of 30.06.2016
Market value	8,043,604,685.41	10,928,810,713.89

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. Market value, stated herein, corresponds with the MICEX data posted at <http://moex.com>.

2.3. Liabilities

2.3.1. Borrowings and Payables

30.06.2016

Borrowings:

Mea.unit: **RUB thous.**

Indicators	Value
Long-term borrowings	7,897,973
including:	
credits	6,297,973

loans, except bonds	
bonds	1,600,000
Short-term borrowings	1,891,123
including:	
credits	1,872,339
loans, except bonds	0
bonds	18,784
Overall overdue debt	0
including:	
credits	0
loans, except bonds	0
bonds	0

Payables

Mea.unit: **RUB thous.**

Indicators	Value
Overall payables	9,764,060
overdue	1,057,771
including	
Budget and state non-budget funds	1,102,790
overdue	0
Suppliers and contractors	4,818,988
overdue	748,482
Personnel	324,417
overdue	0
Advances received	2,041,951
overdue	290,972
Debt to founding participants	1,250,607
overdue	0
Other	225,307
overdue	18,317

Overdue payables: **The bulk of overdue payables is formed by payables to RGOs operating in the service area of PoLR and sales companies, since PoLR and sales companies have formed overdue debts for energy transmission owed to IDGC of Urals.**

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 (OAO)**

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

TINH: **4716016979**

PSRN: **1024701893336**

Payables: **RUB 1,304,755 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 past and current reported periods, including those concerning bond issue and sale, provided that principal debt totaled 5% and more of the asset book value as of the most recently completed 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**

Borrowings and loans of the Company as of 01.04.2016 totaled RUB 9,697.97 mn. During 2Q 2016 the portfolio remained unchanged and as of 30.06.2016 totaled RUB 9,697.97 mn. By the end of 2Q 2016 the Company has 25 active credit contracts. 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. As of 30.06.2016 the Company has BO-02 exchange-traded bonds (ID No. 4B02-02-32501-D) in floatation.

2.3.3. Collateral Liabilities

None

2.3.4. Other Liabilities

None

2.4. Risks Related to the Acquisition of Placed Securities

Information contained herein has undergone no changes during the reported period

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 (OAO)***

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);

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 EB 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. Incorporation and Evolution

Information contained herein has undergone no changes during the reported period

3.1.4. Contacts

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

Address as stated in United Register: **140 Mamina Sibiryaka Ulitsa, Ekaterinburg, Russia, 620026**

Tel: **343.215.26.00, 343.215.26.85**

Fax: **343.215.25.84**

-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, 343.215.26.58**

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

Information contained herein has undergone no changes during the reported period.

3.2. Core Lines of Business

3.2.1. Industry Classification

Key business lines according to ARCEA:

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 Business

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

Mea.units: **RUB thous.**

Lines of business activities: **energy transmission**

Indicator	6M 2015	6M 2016
Revenues from this line of business activity, RUR thous.	27,826,317	30,463,067
Share in total revenues of the Issuer, %	97.64	97.89

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

Line of business activities: **Technological connection**

Indicator	6M 2015	6M 2016
Revenues from this line of business activity, RUR thous.	443,075	450,685
Share in total revenues of the Issuer, %	1.55	1.45

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

Transmission revenues contribute most to the total revenues of the Company. 6M 2016 transmission revenues amounted to RUB 30,463.1 mn or 97.89% of total revenues (+9.48% YoY). In absolute terms transmission revenues gained RUB 2,636.8 mn due to grown average tariff, reduced load loss prices, and changes in consumer structure. 6M 2016 connection fees have totaled RUB 450.7 mn or 1.45% of total revenues (+1.72% YoY). Connection revenues depend upon connected capacity and commissioning deadline. Other revenues totaled RUB 201.8 mn or 0.65% of total revenues (-11.37% YoY). Other lines of activities are commercial services, rendered to legal entities and individuals, repair and maintenance of third party's power equipment; revenues from property leasing, connection/disconnection of consumers, logistics, water supply and sewage, telecom services, etc. Revenues from social facilities form non-core revenues.

Overall expense structure

Indicator	6M 2015	6M 2016
Raw materials and supplies, %	1.19	1.24
Purchased component parts, semi-finished inventory, %	0.33	0.28
Production works and services rendered by external companies, %	0.73	0.77
Fuel, %	0.62	0.57
Energy, %	0.55	0.57
Wages, %	13.05	13.09

Interest payable, %	0	0
Rental payments, %	1.06	1.18
Social benefits, %	3.98	4
Fixed assets depreciation, %	8.16	8.02
Taxes included into product costs, %	0.89	0.99
Other expenses	69.44	69.3
Depreciation of intangible assets, %	0	0
Remuneration for innovation proposals, %	0	0
Obligatory insurance payments, %	0.31	0.01
Travelling and hospitality costs, %	0	0
FSK payments	25.7	24.73
Payments to grid companies	26.6	26.63
Total: expenses on production and sale of goods (works, services), %	100	100
For information: Revenue from services	107.62	107.78

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

6M 2016

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

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

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

TIN: **6674335237**

PSRN: **1096674014051**

Share in overall supplies, %: **17.7**

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

Information contained herein has undergone no changes during the reported period

3.2.5. Licenses

The issuer has no licenses to be included into the quarterly report

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

Information contained herein has undergone no changes during the reported period

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

Information contained herein has undergone no changes during the reported period

3.5. Controlled Companies of Significant Importance

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

Short name: **EESK (OAO)**

Location: **1 Ulitsa B. Eltsyna, 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, %
Sergey Georgievich Dregval	0	0
Yuri Vyacheslavovich Lebedev (chair)	0	0
Yuri Petrovich Shevelev	0	0
Alla Aleksandrovna Petrova	0	0
Aleksey Petrovich Kozhemyako	0	0
Irina Sergeevna Gurenkova	0	0
Dmitry Vladimirovich Vyalkov	0	0
Nikolai Borisovich Piotrovich	0	0
Tatyana Aleksandrovna Seliverstova	0	0

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: **N/A**

On Jun.24, 2016 the Annual General Meeting of Stockholders of EESK (AO) has decided to devolve power of the sole executive body (director) of the firm to an administration company (IDGC of Urals). The devolvement of the SEB powers contract was concluded on 01.07.2016.

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 Georgievich Dregval	0	0
Aleksei Petrovich Kozhemyako	0	0
Valentina Mikhailovna Scherbakova	0	0
Sergey Evgenyevich Popov	0	0
Alla Aleksandrovna Petrova (chair)	0	0
Andrey Borisovich Spirin	0	0
Sayan Balzhinimaevich Tsyrendashiev	0	0
Irina Yuryevna Mishina	0	0
Dmitry Vladimirovich Vyalkov	0	0

Director

Name	Share in the Charter Capital owned by the person, %	Share of ordinary shares owned by the person, %
Irina Yuryevna Mishina	0	0

Collegiate body: **N/A**

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

30.06.2016

Mea.unit: **RUB thous.**

Fixed assets	Initial (replacement) value	Depreciation
Land plots	79,374	0
Buildings	8,142,081	-3,763,220
Facilities, except lines	2,714,476	-1,081,685
Lines and Equipment	51,447,166	-27,137,147
Power vehicles and equipment producing energy, equipment transforming energy	51,859,005	-36,603,849
Furniture and production equipment	162,571	-151,419
Other fixed assets	1,974,243	-1,109,035
TOTAL	116,378,916	-69,846,355

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

Reported period: **30.06.2016**

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

Future Plans for fixed assets: **During 2016 the issuer has no plans 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: **RUB thous.**

Indicator	6M 2015	6M 2016
Net margin, %	1.4	3.9
Asset turnover rate, times	0.46	0.5
Return on assets, %	0.6	1.9
Return on equity, %	1.2	3.4
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:

Net margin demonstrates performance yield of the Company. This ratio totaled 3.9% as of 6M 2016 and 1.4% as of 6M 2015. Asset turnover rate characterizes the efficiency of resource use despite of its origin and demonstrates how many times full production and life cycle, generating profit for the Company, reiterates or how many units were generated by each asset. 6M 2016 ratio is 0.5, 6M 2015 is 0.46. Return on assets characterizes the efficiency of asset use to obtain profit. Besides, this indicator shows average yield for all capital resources. 1H 2016 ratio totaled 1.9%, 1H 2015 ratio was 0.6%. Return on equity demonstrates the level of profitability of the equity capital. Positive value of the ROE shows Company's performance yield. 6M 2016 the ratio is 3.4%, 6M 2015 ratio is 1.2%.

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: **RUB thous.**

Indicator	3M 2015	3M 2016
Net working capital	0	0
Current liquidity ratio	0.55	0.63
Quick ratio	0.49	0.57
Leverage ratio	0.89	0.78
Equity-Assets ratio	0.53	0.56

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

All indicators are calculated under recommended methodology

Analysis:

Liquidity ratios demonstrate how a firm can use current assets to discharge its short-term liabilities. Improved performance has driven up indicator positivity. Industry specificity allows a situation when the issuer has no net working capital. 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 issuer deems no expediency in calculating net working capital. Instead it uses leverage ratio and Equity-Assets ratio.

Leverage ratio is an instrument for financial analysis and is calculated as Total Debt/Equity. The ratio is one of the most important indicators of the company's financial soundness. The ratio is calculated in consistency with the financial statements (line 1400 Form No.1 + line 1500 Form No.1)/line 1300 Form 1). Equity-Asset ratio demonstrates a share of equity, forming firm's property, and level of dependency of a firm on external funding. The ratio is calculated as Equity/Assets, in consistency with the financial statements (line 1300 Form No.1- line 1320 Form No.1 + line 1530 Form No.1) /(line 1100 Form No.1 + line 1200 Form No.1). Generally accepted ratio in Russia is 0.5. In executives' opinion, the Company is able to fulfill its liabilities without losing 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

30.06.2016

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: **102780917030**

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: **575 607**

Mea.unit: **RUB. thous.**

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. On Jun. 07, 2016 the Annual General Meeting decided to pay no FY2015 dividends on common and privileged shares.

Additional information:

Lenenergo shares were acquired after the Board meeting, conducted on Oct.11, 2012 (Minutes No.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 01.01.2015 – RUB 10,225 thous.

- as of 31.12.2015 – RUB 10,225 thous.

- as of 31.03.2016 – RUB 225 thous.

- as of 30.06.2016 - RUB 225 thous.

Other financial investments: *none*

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

30.06.2016

Mea.unit: **RUB thous.**

Intangible assets	Initial (replacement) value	Depreciation
Patent, Trademarks	73	-58
Corporate Web-site (recognized in financial statements since 04.09.2014)	408	-72
TOTAL	481	-130

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: **30.06.2016**

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

Information contained herein has undergone no changes during the reported period

4.6. Analysis of Trends

Information contained herein has undergone no changes during the reported period

4.7. Analysis of Factors Affecting Operations

Information contained herein has undergone no changes during the reported period

4.8. Peers

Information contained herein has undergone no changes during the reported period

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 (Minutes No.112 dd. 25.03.2013) approved the Amended and Restated Corporate Governance Code.

During the last reported period we revised our founding documents or bylaws regulating performance of the Company's governing bodies.

Information on revisions of founding documents or bylaws regulating performance of the Company's governing bodies:

The Annual General Meeting, conducted on 06.06.2016, has approved amended and restated regulations on the Board of Directors. All regulatory documents are disclosed at the official web-site of the Company at: <http://www.mrsk-ural.ru/company/documents/>

5.2. Management Bodies

5.2.1. Board of Directors

Name: **Aleksandr Nikolayevich Fadeev (chair)**

Year of birth: **1949**

Educational background: **Moscow Institute of Geodesy, Aerial Survey and Mapping Engineers.**

Positions for the past 5 years

Period		Company	Position
From	To		
2014	Present day	Rosseti (PAO)	Deputy General Director for Security
2013	2014	FSK UES (OAO)	Deputy EB Chair
2009	2011	FSK UES (OAO)	Head of Economic Security Department
2015	Present day	IDGC of Urals (OAO)	Board member
2011	2012	Tyumenenergo (OAO)	Board member
2011	2012	TsYUS (OAO)	Board member
2012	2013	Elektrosetservis (OAO)	Board member
2013	2014	IDGC of Urals (OAO)	Board member
2015	Present day	IDGC of South (PAO)	Board member
2015	Present day	IDGC of Center (PAO)	Board member
2015	Present day	IDGC of Siberia (PAO)	Board member

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

Membership of the Board Committees

Committee	Chairpersonship
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: **Pavel Nikolayevich Snikkars**

Year of birth: **1978**

Educational background: **Siberia State Service Academy (State and Municipal Management), Siberia Consumer Cooperation University (Jurisprudence), Candidate of Economic Sciences.**

Positions for the past 5 years

Period		Company	Position
From	To		
2013	Present day	Russian Ministry of Energy	Director of Power Sector Evolution Department
2015	Present day	IDGC of Urals (OAO)	Board member
2015	Present day	Tomsk Distributive Company (PAO)	Board member
2015	Present day	Inter RAO (PAO)	Board member
2014	Present day	Lenenergo (PAO)	Board member
2015	Present day	ENERGOSETPROEKT Institute (AO)	Board member
2014	2015	Non-profit Partnership of Territorial Grid	Supervisory Board member

		Operators	
2015	Present day	TsFR (PAO)	Board member
2014	2015	Non-profit Partnership of Providers of Last Resort and Energy Sales Companies	Supervisory Board member
2014	2015	IDGC of Center (PAO)	Board member
2014	2015	Technical Inspection of UES (ZAO)	Board member
2012	2013	Non-profit Partnership Market Council	EB member
2010	2012	OESK (OAO)	Deputy General Director for Development
2010	2010	Sibirenergo (OAO)	Commercial Director
2008	2010	UK Sibirenergo (OAO)	Wholesale Market Director, Commercial Director

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: **Yakov Savelyevich Tesis**

Year of birth: **1974**

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

Positions for the past 5 years

Period		Company	Position
From	To		
2016	Present day	Renova Aktiv (OOO)	M&A and Project Director
2013	Present day	IDGC of Urals (OAO)	Board member
2012	2016	GK RENOVA (ZAO)	Project Director
2010	2012	KES, ZAO	Deputy General Director for Corporate Governance

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: **Roman Avgustovich Dmitrik (independent director)**

Year of birth: **1971**

Educational background: **Perm State Technical University: faculty of energy equipment and automation of technological complexes (2000); faculty of management (2002). Perm State University: faculty of financial management (2005)**

Positions for the past 5 years

Period		Company	Position
From	To		
2016	Present day	IDGC of Urals (OAO)	Board member

2013	Present day	Regional Distributive Grid Company (OOO)	General Director
2011	2013	Energosetinvestholding (OOO)	General Director
2010	2011	Teploenergосervice (OOO)	General Director
2007	2009	Lukoil-Energoseti (OOO)	Deputy General Director for Commerce

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

Membership of the Board Committees

Committee	Chairpersonship
Audit Committee	No
Reliability 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 (independent director)**

Year of birth: **1974**

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

Positions for the past 5 years

Period		Company	Position
From	To		
2015	Present day	Gazeks (AO)	Deputy General Director for Legal and Corporate Affairs
2015	Present day	Urals Gas Networks (AO)	Deputy General Director for Legal and Corporate Affairs
2015	Present day	Ekaterinburggaz (PAO)	Deputy General Director for Legal and Corporate Affairs
2012	2015	GK RENOVA (ZAO)	Project Director
2010	2012	KES, ZAO	Director for Corporate Affairs
2013	Present day	IDGC of Urals (OAO)	Board member
2012	2013	TGK #6 (OAO)	Board member
2012	2013	Orenburg TGK (OAO)	Board member
2012	2013	Slantsy Plant (OAO)	Board member
2012	2016	Ekaterinburggaz (PAO)	Board member
2012	2016	Gazeks Management (OOO)	Board member
2012	2016	GAZEKS (ZAO)	Board member
2013	2014	Urals Gas Networks (OAO)	Board member
2013	2014	SG-Invest (OAO)	Board member
2013	2016	Pervouralskgaz (OAO)	Board member
2013	2016	Gazmontazh (ZAO)	Board member

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

Membership of the Board Committees

Committee	Chairpersonship
Personnel and Remunerations Committee	No
Connection Committee	Yes

Strategy and Development Committee	No
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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: **Aleksandr Nikolayevich Shevchuk (independent director)**

Year of birth: **1983**

Educational background: **Finance Academy under the Government of the Russian Federation (2005)**

Positions for the past 5 years

Period		Company	Position
From	To		
2016	Present day	IDGC of Urals (OAO)	Board member
2013	Present day	Association of Professional Investors	Executive Director
2015	Present day	OGK-2 (PAO)	Board member
2015	Present day	IDGC of Center (PAO)	Board member
2011	2014	IDGC of Center (PAO)	Board member
2014	Present day	IDGC of Center and Volga (PAO)	Board member
2013	2014	UAZ (OAO)	Board member
2012	2016	Mostotrest (PAO)	Board member
2011	Present day	IDGC of South (PAO)	Board member
2011	2012	IDGC of North Caucasus (OAO)	Board member
2011	2012	Volgogradgorgaz (OAO)	Board member
2011	2012	Urengoitruboprovodstroy (OAO)	Board member
2013	Present day	Rosnano (AO)	Chair of the Board of Internal Auditors
2013	Present day	Rostelekom (PAO)	Chair of the Board of Internal Auditors
2016	Present day	IDGC of North West (PAO)	Board member

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

Membership of the Board Committees

Committee	Chairpersonship
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 past 5 years

Period	Company	Position
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From	To		
2013	Present day	Rosseti (PAO)	Deputy General Director for Corporate Governance
2009	2013	FSK UES (OAO)	Head of Corporate Governance Department
2008	2009	FSK UES (OAO)	Deputy Head of Corporate Governance Department
2016	Present day	Tyumenenergo (PAO)	Board member
2014	Present day	IDGC of Urals (OAO)	Board member

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

Membership of the Board Committees

Committee	Chairpersonship
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 Aleksandrovich Semerikov**

Year of birth: **1979**

Educational background: **Urals State Technical University – UPI (Management)**

Positions for the past 5 years

Period		Company	Position
From	To		
2015	Present day	Rosseti (PAO)	Deputy General Director for Development and Sales
2015	2015	Rosseti (PAO)	Advisor General Director
2014	2015	EESK (OAO)	Director
2009	2014	IDGC of Urals (OAO)	Deputy General Director for Capital Construction
2016	Present day	IDGC of Urals (OAO)	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: **Vladimir Vladimirovich Sofyin**

Year of birth: **1969**

Educational background: **Urals State Technical University – UPI (power engineer)**

Positions for the past 5 years

Period		Company	Position
From	To		
2013	Present day	Rosseti (PAO)	Director of Technological

			Development and Innovations Department
2012	2013	FSK UES (PAO)	Director for Innovation Development
2010	2012	Government of the Murmansk region	First Deputy Minister for Power Sector and Public Utilities
2015	Present day	IDGC of Urals (OAO)	Board member
2015	2016	NITs UES (PAO)	Board member
2015	Present day	FITs (PAO)	Board member
2015	Present day	ENIN (PAO)	Board member
2015	Present day	VNIPlenergoprom (PAO)	Board member
2015	2016	Lenenergo (PAO)	Board member
2015	Present day	Upravlenie VOLS-VL (PAO)	Board member

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

Membership of the Board Committees

Committee	Chairpersonship
Strategy and Development 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 Georgievich Dregval**

Year of birth: **1971**

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

Positions for the past 5 years

Period		Company	Position
From	To		
2014	Present day	IDGC of Urals (OAO)	General Director, Executive Board Chair
2015	Present day	IDGC of Urals (OAO)	Board member
2015	Present day	EESK (OAO)	Board member
2016	Present day	EES (OAO)	Board member
2013	2014	Oboronenergoby (OAO)	General Director
2011	2013	Altaienergoby (OAO)	First Deputy Managing Director, Managing Director
2007	2011	Tomsk Energy Sales Company (OAO)	Deputy General Director for Energy Purchase and Sales, Commercial Director

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: **Yulia Vitalyevna Yascheritsyna**

Year of birth: **1978**

Educational background: **Moscow State Economics and Statistics Institute**

Positions for the past 5 years

Period		Company	Position
From	To		
2013	Present day	Rosseti (PAO)	Director of Economic Planning and Budgeting Department
2003	2013	FSK UES (OAO)	Leading expert, Deputy Department Head, Head of Economic Planning and Budgeting Department
2014	Present day	IDGC of Ural (OAO)	Board member
2013	Present day	IDGC of North Caucasus (PAO)	Board member
2013	Present day	IDGC of Center and Volga (PAO)	Board member
2013	Present day	Lenenergo (PAO)	Board member
2013	Present day	TRK (PAO)	Board member
2013	Present day	Dagenergoset (PAO)	Board member
2013	Present day	Sevkavkazenergo (PAO)	Board member
2013	Present day	Tyumenenergo (PAO)	Board member
2013	Present day	Yantarenergo (PAO)	Board member
2015	Present day	MOESK (PAO)	Board member

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

Membership of the Board Committees

Committee	Chairpersonship
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**

The Board of Directors was elected by the Annual General Meeting of Stockholders on 17.06.2015 (Minutes No.8 d. 18.06.2015)

5.2.2. Sole Executive Body

Name: **Sergey Georgievich Dregval**

Year of birth: **1971**

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

Positions for the past 5 years

Period		Company	Position
From	To		
2014	Present day	IDGC of Urals (OAO)	General Director, Executive Board Chair

2015	Present day	IDGC of Urals (OAO)	Board member
2015	Present day	EESK (OAO)	Board member
2016	Present day	EES (OAO)	Board member
2013	2014	Oboronenergosbyt (OAO)	General Director
2011	2013	Altaienergosbyt (OAO)	First Deputy Managing Director, Managing Director
2007	2011	Tomsk Energy Sales Company (OAO)	Deputy General Director for Energy Purchase and Sales, Commercial Director

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**

5.2.3. Collegiate Executive Body

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

Year of birth: **1971**

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

Positions for the past 5 years

Period		Company	Position
From	To		
2014	Present day	IDGC of Urals (OAO)	General Director, Executive Board Chair
2015	Present day	IDGC of Urals (OAO)	Board member
2015	Present day	EESK (OAO)	Board member
2016	Present day	EES (OAO)	Board member
2013	2014	Oboronenergosbyt (OAO)	General Director
2011	2013	Altaienergosbyt (OAO)	First Deputy Managing Director, Managing Director
2007	2011	Tomsk Energy Sales Company (OAO)	Deputy General Director for Energy Purchase and Sales, Commercial Director

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: **Yuri Vyacheslavovich Lebedev**

Year of birth: **1963**

Educational background: **Ivanovo Energy Institute**

Positions for the past 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 (OAO)	Acting General Director
2008	2014	IDGC of Urals (OAO)	Deputy General Director for Technical Issues – Chief Operating Officer
2009	Present day	IDGC of Urals (OAO)	EB member
2015	Present day	IDGC of Urals (OAO)	Reliability Committee member
2014	Present day	EESK (OAO)	Board member
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: **Aleksandr Mikhailovich Krivyakov**

Year of birth: **1952**

Educational background: **Urals Politechnic Institute.**

Positions for the past 5 years

Period		Company	Position
from	to		
2014	Present day	IDGC of Urals (OAO)	Deputy General Director for Security
2015	Present day	Educational Center of IDGC of Urals (NChOU)	EB member
2015	Present day	IDGC of Urals (OAO)	EB member
2015	Present day	Uralenergotrans (OOO)	Board 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: **Olga Mikhailovna Abrosimova**

Year of birth: **1953**

Education: **Urals State Technical University**

Positions for the past 5 years

Period		Company	Position
from	to		
2009	Present day	IDGC of Urals (OAO)	Chief Accountant
2008	2009	Sverdlovenergo branch of IDGC of Urals (OAO)	Chief Accountant
1992	2008	Sverdlovenergo (OAO)	Chief Accountant
2009	Present day	IDGC of Urals (OAO)	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.**

Positions for the past 5 years

Period		Company	Position
from	to		
2015	Present day	IDGC of Urals (OAO)	Deputy General Director for Economics and Finance
2008	2015	Altaienergo branch of IDGC of Siberia (OAO)	Head of Economics and Finance Directorate, Deputy Director for Economics and Finance
2015	Present day	IDGC of Urals (OAO)	EB member
2015	Present day	IDGC of Urals (OAO)	Strategy and Development Committee member
2016	Present day	IDGC of Urals (OAO)	Reliability Committee member
2015	Present day	Ekaterinburgenergosbyt (OAO)	Board 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 Petrova**

Year of birth: **1976**

Educational background: **Altai State University.**

Positions for the past 5 years

Period		Company	Position
from	to		
2015	Present day	IDGC of Urals (OAO)	Deputy General Director for Corporate Governance
2014	2014	IDGC of Urals (OAO)	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 (OAO)	EB member
2015	Present day	EESK (OAO)	Board member
2015	Present day	EES (OAO)	Board member
2015	Present day	Uralenergotrans (OOO)	Board member
2015	Present day	Energy Service Company of the Urals (OAO)	Board 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**

On 18.09.2015 the Board of Directors (Minutes No.176 dd. 21.09.2015) set out the Executive Board to be comprised of 6 (Six) members, the authorities of I.V. Butakov, O.B. Moshinsky, O.M. Zhdanov, S.M. Zolotarev were therefore terminated. In line with clause 23.3. of the Charter, the General Director acts as the Chair of the Executive Board.

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

Remunerations

The Board of Directors

Mea.unit: **RUB thous.**

Indicator	6M 2016
Remuneration	0
Salary	0
Bonuses	0
Commission fees	0
Other remunerations	0
TOTAL	0

Agreements in force during the reported period:

There were no agreements concluded with Board members with regard to remunerations and/or compensations. In June of 2015 we adopted Amended and Restated Regulations on Remunerations and Compensations due to the Board of Directors eliminating per-meeting remuneration. Since the information on the wage of the sole executive body is confidential and the only person being a Board member during the reported period was the sole executive body, the following earnings of the sole executive body are not disclosed in the figure above: salary, bonuses, privileges, compensations and other remunerations

Collegiate executive body

Mea.unit: **RUB thous.**

Indicator	6M 2016
Remuneration	0
Salary	17,668.66
Bonuses	0
Commission fees	0
Privileges	0
Other remunerations	5,517.93
TOTAL	23,186.59

Agreements in force during the reported period:

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

Compensations

Mea.unit: **RUB thous.**

Managing bodies	6M 2016
Board of Directors	0

Additional information:

As stated by the Regulations on Remunerations and Compensations due to the Board of Directors, meeting-related expenses of a Board member shall be reimbursed in compliance with Company's trip reimbursement rates existing at the moment when the meeting is conducted. Compensations will be paid within three business days since the filing of documents certifying incurred costs.

Additional information:

Remunerations and compensations are paid to the Board members according to the Regulations on Remunerations and Compensations due to the Board of Directors of IDGC of Urals (OAO) (approved by the General Meeting of Shareholders held on 17.06.2015, Minutes No.8 dd. 18.06.2015). Members of the collegiate executive body receive no membership-related remunerations.

5.4. Structure and Competence of Financial Control Bodies and Risk Management and Internal Control System

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	Chairpersonship
Yulia Vitalyevna Yascheritsyna	yes
Sergey Mikhailovich Kataev	no
Evgeny Rudolfovich Villevald	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, please, refer to the Russian version of the report.

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 (Minutes No.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, please, refer to the Russian version of the report.

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 (Minutes No.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, please, refer to the Russian version of the report.

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 comply with Federal Law No224-FZ dd. 27.07.2010 on combating illegal use of insider information and market manipulation on 16.02.2016 the Company's Board of Directors (Minutes No.185 dd. 19.02.2016) has adopted the Amended and Restated Regulations on Insider Information Processing that set out notions "insider" and "insider information", prescribe how to access insider information, stipulate confidentiality policy and oversee whether the Federal Law and relevant subordinate enactments are complied with.

5.5. Personnel of Financial Control Bodies

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

Name: **Marina Alekseevna Lelekova**

Year of birth: **1961**

Educational background: **Far East Institute of Soviet Commerce.**

Positions for the past 5 years

Period		Company	Position
from	to		
2013	Present day	Rosseti (PAO)	Head of Control Activities Department
2015	Present day	IDGC of Urals (OAO)	BolA member
2016	Present day	Lenenergo (PAO)	Board member
2009	2013	FSK UES (OAO)	Head of Control and Audit Department

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: **Artem Nikolayevich Kirillov**

Year of birth: **1984**

Educational background: **Moscow Energy Institute.**

Positions for the past 5 years

Period		Company	Position
from	to		
2015	Present day	Rosseti (PAO)	Deputy Head of Audit Directorate
2015	Present day	IDGC of Urals (OAO)	BolA member
2009	2013	FSK UES (OAO)	Leading specialist, leading expert of Control and Audits Department
2013	2015	Rosseti (PAO)	Head of Investment Audit Section

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 Aleksandrovna Kabizkina (Chair)**

Year of birth: **1964**

Educational background: **Far East Technical University of Fish Industry.**

Positions for the past 5 years

Period		Company	Position
from	to		

2014	Present day	Rosseti (PAO)	Deputy Head of Audit Directorate of Control and Audits Department
2016	Present day	IDGC of Urals (OAO)	BolA member
2013	2014	MOESK (PAO)	Head of Methodological Support Directorate of Internal Audit Department
2005	2013	FSK UES (PAO)	Head of Internal Control and Risk Management Department

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: **Aleksandra Vladimirovna Charondina**

Year of birth: **1969**

Educational background: **State Financial Academy (Financial University under the Government of the Russian Federation).**

Positions for the past 5 years

Period		Company	Position
from	to		
2015	Present day	Rosseti (PAO)	Deputy Head of Internal Audit Directorate
2016	Present day	IDGC of Urals (OAO)	BolA member
2011	2012	Audit Chamber of the Russian Federation	Deputy Head of Inspection

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**

Year of birth: **1981**

Educational background: **Moscow State Railway University.**

Positions for the past 5 years

Period		Company	Position
from	to		
2013	Present day	Rosseti (PAO)	Head of Inspections and Internal Audit Directorate
2008	2013	FSK UES (OAO)	Head of Investment Control Section of Control and Inspections 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: **Urals State Technical University**

Positions for the past 5 years

Period		Company	Position
from	to		
2008	Present day	IDGC of Urals (OAO)	Deputy Head of the Department, Head of Internal Audit and Control Department
2013	Present day	EESK (OAO)	BolA member
2013	Present day	EES (OAO)	BolA member
2013	Present day	Energy Service Company of the Urals (OAO)	BolA member
2013	Present day	Uralenergotrans (OOO)	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: **RUB**

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

Remuneration for the tenure

Mea.unit: **RUB thous**

Indicator	6M 2016
Remuneration	837.84
Salary	0
Bonuses	0
Commission fees	0
Other remunerations	0
TOTAL	837.84

Agreements in force during the year:

There are no agreements regarding remunerations and compensations with members of the Board of Internal Auditors. 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 due to the BolA members. According to item 3.1 of the Regulations, a BolA member earns one-off 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: **RUB thous.**

Indicator	6M 2016
Remuneration	48.4
Salary	0
Bonuses	0
Commission fees	0
Other remunerations	0
TOTAL	48.4

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.

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: **RUB thous.**

Indicator	6M 2016
Remuneration	0
Salary	3,313.31
Bonuses	1,120.41
Commission fees	0
Other remunerations	0
TOTAL	4,433.72

Agreements in force during the year:

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

Compensations

Mea.unit: **RUB thous.**

Oversight bodies	6M 2016
Board of Internal Auditors	0
Audit Committee	0
Internal Audit and Control Department	0

5.7. Work Force: Structure and Changes

Mea.unit: **RUB thous.**

Indicator	6M 2016
Staff on the payroll, persons	16,364.3
Money for salaries as of the reported period	1,980,441.9
Money for social benefit as of the reported period	23,987

Personnel impacting 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, 614039

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

None

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: **16,618**

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): **17,901**

Date when the list of persons entitled to participate in a GSM (including those disclosed by nominal holders) was prepared: **18.04.2016**

Owners of the common stock included into the list: **17,901**

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: ***Public Joint-Stock Company Rossiiskie seti***

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

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

TIN: ***7728662669***

PSRN: ***1087760000019***

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***

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, %: ***87.9***

Share of common stock owned by the person, %: ***88.75***

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**

TINH: **6612010782**

PSRN: **102660000195**

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 charter capital owned: **3.7123**

Golden share, its validity: **none**

6.4. Charter Capital Restrictions

None

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 completed financial year preceding the end of the reported period and for the period between the turn of the year and end of the reported period

Register date: **08.05.2015**

The list of stockholders

Full company name **Public Joint-stock Company Russian Grids**

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

Location: **4 Ulitsa Belovezhskaya, Moscow, 107996**

TIN: **7728662669**

PSRN: **108776000019**

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: **102660000195**

Share in the Charter capital: **19.55**

Share of common stock owned, %: **19.55**

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, %: **6.694897**

Share of the common share owned, %: **6.694897**

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**

Register date: **18.04.2016**

The list of stockholders

Full company name **Public Joint-stock Company Russian Grids**

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

Location: **4 Ulitsa Belovezhskaya, 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: 19.55**

Share of the common stock owned, %: **19.55**

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, %: **6.694897**

Share of the common share owned, %: **6.694897**

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**

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: **RUB thous.**

Indicators	Total number	Total value
Related-party transactions effected by the Issuer during the reported period to be approved by authorized management body of the Issuer	10	64,667
Related-party transactions effected by the Issuer during the reported period that were approved by the general shareholder meeting	0	
Related-party transactions effected by the Issuer during the reported period that were approved by the Board of Directors	10	64,667
Unapproved related-party transactions effected by the Issuer during the reported period to be approved by the authorized management body.	0	

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 value includes VAT.

6.7. Accounts Receivable

30.06.2016

Mea. unit: **RUB thous**

Indicator	Value
Accounts receivable from buyers and customers	8,936,047
Including overdue	4,594,810
Including bad debt reserve	2,032,455
Dividend receivables from SACs	313,774
Including overdue	0
Accounts receivable (founders' share to the charter capital)	0
Including overdue	0
Advances given	53,515
Including overdue	5,566
Including bad debt reserve	115
Other accounts receivable	534,515
Including overdue	97,815
Including bad debt reserve	69,371
TOTAL	9,837,851

Including overdue	4,698,191
Including bad debt reserve	2,101,941

Debtors with 10% of the total receivables for the reported period

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

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

Location: **260 Ulitsa Rossiiskaya, Chelyabinsk**

TIN: **7451213318**

PSRN: **1057423505732**

Receivables: **2,842,719**

Mea. unit: **RUB thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **overdue receivables total RUB 2,211,043 thous. as of the reported date the amount of the bad debt reserve is RUB 178,487 thous.**

Affiliation with the issuer: **None**

Full company name: **Public Joint-Stock Company Perm Energosbytovaya Kompaniya**

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

Location: **48 Komsomolskyi Prospekt, Perm, 115035**

TIN: **5904123809**

PSRN: **1055902200353**

Receivables: **RUB 1,099,108**

Mea. unit: **RUB thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **Overdue receivables total RUB 137,903 thous. As of 31.12.2015 the amount of the bad debt reserve is RUB 137,903 thous.**

Affiliation with the issuer: **None**

Receivables (excluding bad debt reserve) are shown in line 1230 of the Balance Sheet as of 30 June 2016 worth RUB 7,735,910 thous.

SECTION VII. FINANCIAL STATEMENTS AND OTHER RELEVANT FINANCIAL INFORMATION

7.1. Annual Accounting (Financial) Statements

It is not disclosed in the present quarterly report

7.2. Interim Accounting (Financial) Statements

For details, please, proceed to Appendix No.1 hereof

7.3. Consolidated Financial Statements

2015 - IFRS/GAAP

Reported period

Year: **2015**

Quarter: **IV**

Standards: **IFRS**

Condensed financial statements for the year ended 31 December 2015 are disclosed by the Appendix hereof.

7.4. Accounting Policy

Information contained herein has undergone no changes during the reported period

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 Effect 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, RUB: **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

Information contained herein has undergone no changes during the reported period

8.1.4. Commercial Organizations with Company's 5% stake in the Charter capital or common stock

Information contained herein has undergone no changes during the reported period

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 27 April 2016 Moody's, represented by Moody's Investors Service Ltd. (Russian branch), has affirmed long-term global scale credit rating at Ba2 (Outlook Stable) of IDGC of Urals (OAO). Rating methodology may be found at www.moody.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)
13.08.2015	Ba2 long-term global scale credit rating (Outlook Negative)
07.12.2015	Ba2 long-term global scale credit rating (Outlook Stable)
27.04.2016	Ba2 long-term global scale credit rating (Outlook Stable)

Confirmation of the rating demonstrate strong probability of state support through its parent company in the event of financial distress and Moody's opinion that IDGC of Urals (OAO) will retain adequate financial and liquidity metrics within the next 12-18 months, having its expenses cut on the back of reduced demand.

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 18 March 2016 Moody's, in the name of Rating Agency Moody's Interfax (ZAO), has revoked the domestic credit rating upon its initiative. This rating action is due to suspension of domestic ratings. This action will not affect global rating assignment.

Credit rating at the end of the reported period: **revoked**

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
13.08.2015	Aa2.ru long-term domestic scale credit rating, outlook Negative
07.12.2015	Aa2.ru long-term domestic scale credit rating, outlook Stable
18.03.2016	Revoked

8.2. Classes (Types) of the Issuer's shares

Information contained herein has undergone no changes during the reported period

8.3. Other Issues of Securities (Excluding Shares)

8.3.1. Redeemed Securities

Information contained herein has undergone no changes during the reported period

8.3.2. Outstanding Securities

Information contained herein has undergone no changes during the reported period

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 placed mortgage collateral bonds with non-discharged liabilities

8.4.2. Monetary Collateral Bonds

The issuer has not placed monetary collateral bonds with non-discharged liabilities

8.5. Organizations Recording Securities Rights

Information contained herein has undergone no changes during the reported period

8.6. Laws, Code and Other Enactments Concerning Capital Import and Export with Potential Effect on Non-residential Dividends, Yield and Other Payments

Information contained herein has undergone no changes during the reported period

8.7. Announced (Accrued) and/or Paid Dividends or Bond Yield

8.7.1. Announced and Paid Dividends

5 previous completed years or, if issuer's life is less than 5 years, every completed year as well as period starting with the turn of the year and ending with the last reported quarter

Indicator	Value 12M 2010
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 16.06.2011, Minutes No.3 dd. 17.06.2011
Announced dividends per 1 stock, RUB	0.0028
Total announced dividends per all stock of the type, RUB	244,805,370
Register date	11.05.2011
Reported period (Y/Q)	12M 2010
Dividend Payment Deadline	Within 60 days since the resolution concerning dividend payment
Form of payment (monetary resources, other property)	monetary resources
Payment sources (net profit of the reported period, non-distributed profit of the past periods, ad hoc fund)	net profit of the reported period
Dividends/Net profit of the reported period, %	14.5
Total amount of paid dividends of the category (class), RUB	244,355,835
Paid Dividends/Total Announced Dividends of the category (class), %	99.816
If dividends were not paid or paid in part – reasons of failure	Dividends were paid to all shareholders, except for those who failed to submit accurate data and bank details required for dividend payment
Other information on announced and/or paid dividends (at the	Due to expiry of periods of limitations

discretion of the issuer)	concerning claims for announced and uncollected dividends, the payment was stopped upon the relevant decree (LYu/04/3448 dd. 03.09.2014)
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Indicator	Value 12M 2011
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 14.06.2012, Minutes No.4 dd. 15.06.2012
Announced dividends per 1 stock, RUB	0.0028
Total announced dividends per all stock of the type, RUB	244,805,370.71
Register date	04.05.2012
Reported period (Y/Q)	12M 2011
Dividend Payment Deadline	Within 60 days since the resolution concerning dividend payment
Form of payment (monetary resources, other property)	monetary resources
Payment sources (net profit of the reported period, non-distributed profit of the past periods, ad hoc fund)	net profit of the reported period
Dividends/Net profit of the reported period, %	9.6
Total amount of paid dividends of the category (class), RUB	242,782,903.46
Paid Dividends/Total Announced Dividends of the category (class), %	99.173
If dividends were not paid or paid in part – reasons of failure	Dividends were paid to all shareholders, except for those who failed to submit accurate data and bank details required for dividend payment
Other information on announced and/or paid dividends (at the discretion of the issuer)	We stopped to pay FY2011 dividends under Art. 42 of the Federal Joint-Stock Companies' Law (No.208-FZ dd. 26.12.1995)

Indicator	Value 12M 2012
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 13.06.2013, Minutes No.6 dd. 14.06.2013
Announced dividends per 1 stock, RUB	0.00179
Total announced dividends per all stock of the type, RUB	156,500,558.22
Register date	30.04.2013
Reported period (Y/Q)	12M 2012
Dividend Payment Deadline	Within 60 days since the resolution concerning dividend payment
Form of payment (monetary resources, other property)	monetary resources
Payment sources (net profit of the reported period, non-distributed profit of the past periods, ad hoc fund)	net profit of the reported period
Dividends/Net profit of the reported period, %	25.007
Total amount of paid dividends of the category (class), RUB	155,131,140.15
Paid Dividends/Total Announced Dividends of the category (class), %	99.124

If dividends were not paid or paid in part – reasons of failure	Dividends were paid to all shareholders, except for those who failed to submit accurate data and bank details required for dividend payment
Other information on announced and/or paid dividends (at the discretion of the issuer)	

Indicator	Value 12M 2013
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 27.06.2014, Minutes No.7 dd. 27.06.2014
Announced dividends per 1 stock, RUB	0.00102
Total announced dividends per all stock of the type, RUB	89,179,000
Register date	16.07.2014
Reported period (Y/Q)	12M 2013
Dividend Payment Deadline	30.07.2014 and 20.08.2014
Form of payment (monetary resources, other property)	monetary resources
Payment sources (net profit of the reported period, non-distributed profit of the past periods, ad hoc fund)	net profit of the reported period
Dividends/Net profit of the reported period, %	25.15
Total amount of paid dividends of the category (class), RUB	88,228,612.45
Paid Dividends/Total Announced Dividends of the category (class), %	98.93
If dividends were not paid or paid in part – reasons of failure	Persons, included into the list of persons entitled to collect dividends, did not collect dividends since they had not submitted accurate information concerning dividend collection form.
Other information on announced and/or paid dividends (at the discretion of the issuer)	

Indicator	Value 12M 2014
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 17.06.2015, Minutes No.8 dd. 18.06.2015
Announced dividends per 1 stock, RUB	0.0058
Total announced dividends per all stock of the type, RUB	507,096,817.123
Register date	29.06.2015 r.
Reported period (Y/Q)	12M 2014
Dividend Payment Deadline	13.07.2015 and 03.08.2015
Form of payment (monetary resources, other property)	monetary resources
Payment sources (net profit of the reported period, non-distributed profit of the past periods, ad hoc fund)	net profit of the reported period
Dividends/Net profit of the reported period, %	25.27
Total amount of paid dividends of the category (class), RUB	502,266,148.12
Paid Dividends/Total Announced Dividends of the category (class), %	99,047

If dividends were not paid or paid in part – reasons of failure	Persons, included into the list of persons entitled to collect dividends, did not collect dividends since they had not submitted accurate information
Other information on announced and/or paid dividends (at the discretion of the issuer)	

Indicator	Value 12M 2015
Stock category, class for preferred stock	common
Management body of the issuer that adopted a resolution on dividend announcement	General Meeting of Shareholders, 06.06.2016, Minutes No.9 dd. 06.06.2016
Announced dividends per 1 stock, RUB	0.0142
Total announced dividends per all stock of the type, RUB	1,241,513,000
Register date	24.06.2016
Reported period (Y/Q)	12M 2015
Dividend Payment Deadline	08.07.2016 and 29.07.2016
Form of payment (monetary resources, other property)	monetary resources
Payment sources (net profit of the reported period, non-distributed profit of the past periods, ad hoc fund)	net profit of the reported period
Dividends/Net profit of the reported period, %	50.34
Total amount of paid dividends of the category (class), RUB	-
Paid Dividends/Total Announced Dividends of the category (class), %	-
If dividends were not paid or paid in part – reasons of failure	Announced dividends are not paid out since the payment deadline is not due
Other information on announced and/or paid dividends (at the discretion of the issuer)	

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, RUB: **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: **RUB 40.64.**

Coupon yield of the bond issue: **RUB 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: **RUB 28.13**

Coupon yield of the bond issue: **RUB 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: **RUB 31.04**

Coupon yield of the bond issue: **RUB R 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: **RUB 40.64.**

Coupon yield of the bond issue: **RUB 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: **RUB 40.64**

Coupon yield of the bond issue: **RUB 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: **RUB 40.64.**

Coupon yield of the bond issue: **RUB 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: **RUB 40.64.**

Coupon yield of the bond issue: **RUB 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: **RUB 40.64.**

Coupon yield of the bond issue: **RUB 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: **RUB 42.88.**

Coupon yield of the bond issue: **RUB 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: **RUB 42.88.**

Coupon yield of the bond issue: **RUB 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: **RUB 42.88.**

Coupon yield of the bond issue: **RUB 9,390.72**

Term for payment: **24.05.2011.**

Reported period: **ninth coupon period 25.05.2011 - 22.11.2011.**
Coupon yield per a bond: **RUB 42.88.**
Coupon yield of the bond issue: **RUB 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: **RUB 42.88 (8.6% per annum)**
Coupon yield of the bond issue: **RUB 9,390.72.**
Term for payment: **22.05.2012.**

2) Type of yield: nominal value, redemption of bonds upon creditors' request due to the Issuer's restructuring
Deadline: 15.04.2008.
Amount redeemed: 869,421 bonds.
Redemption price: 100% of nominal value
Yield paid: RUB 869,421,000.

3) Yield paid: nominal value, redemption of bonds according to the offer conditions
Deadline: 26.05.2009.

Amount redeemed: 998,362 bonds.
Redemption price: 100% of nominal value
Yield paid: RUB 998,362,000.

Bonds in circulation: 1,638.

Deadline: 26.05.2010.

Amount redeemed: 1,419 bonds.
Redemption price: 100% of nominal value
Yield paid: RUB 1,419,000.

Bonds in circulation: 219.

Deadline: 22.05.2012.

Amount redeemed: 219 bonds.
Redemption price: 100% of nominal value
Yield paid: RUB 219,000.

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, **RUB: 1,000**

Overall nominal value volume: **600,000,000**

Bond 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

General information on yield:

Reported period: **first coupon period 17.05.2007 -15.11.2007**

Coupon yield per a bond: **RUB 41.88**

Coupon yield of the bond issue: **RUB 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: **RUB 41.88**
Coupon yield of the bond issue: **RUB 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 upon creditors' request**

Coupon yield per a bond: **RUB 0.23**
Coupon yield of the bond issue: **RUB 138,000**
Term for payment: **16.05.2008**.

**2) Type of yield: nominal value, redemption of bonds upon creditors' request due to the Issuer's restructuring
Deadline: 16.05.2008**

Amount redeemed: 600,000 bonds

Yield paid: RUB 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 RUB 0.

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: **Stock Exchange MICEX (ZAO), Directorate of SE MICEX (ZAO) (protocol #89 dd. 11.07.2012)**

Number of bonds: **3,000,000**

Nominal value of a bond, **RUB: 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 – RUB 41.88;

Overall coupon yield – 8.4% p.a. or RUB 125,640,000;

The term for yield payment - 01.08.2013.

Form of payment – monetary resources;

Overall yield – RUB 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 – RUB 41.88;

Overall coupon yield – 8.4% p.a. or RUB 125,640,000

The term for yield payment - 30.01.2014.

Form of payment – monetary resources;

Overall yield – RUB 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 – RUB 41.88;

Overall coupon yield – 8.4% p.a. or RUB 125,640,000

The term for yield payment - 31.07.2014.

Form of payment – monetary resources;

Overall yield – RUB 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 – RUB 41.88;

Overall coupon yield – 8.4% p.a. or RUB 125,640,000

The term for yield payment - 29.01.2015.

Form of payment – monetary resources;

Overall yield – RUB 125,640,000.
Share in overall yield on all bonds - 100%

Type of yield – 5th coupon yield (29.01.2015-30.07.2015);
Coupon yield per a bond – RUB 41.88;
Overall coupon yield – 8.4% p.a. or RUB 125,640,000
The term for yield payment - 30.07.2015.
Form of payment – monetary resources;
Overall yield – RUB 125,640,000.
Share in overall yield on all bonds - 100%

Type of yield – 6th coupon yield (30.07.2015-28.01.2016);
Coupon yield per a bond – RUB 41.88;
Overall coupon yield – 8.4% p.a. or RUB 125,640,000
The term for yield payment - 28.01.2016.
Form of payment – monetary resources;
Overall yield – RUB 125,640,000.
Share in overall yield on all bonds - 100%

Type of yield – nominal value
Due date -28.01.2016
Bonds redeemed by the issuer – 3,000,000.
Yield – RUB 3,000,000,000.

On 28.01.2016 circulation has ended in line with clause 9.2 of the Issuance Decision. Exchange-traded bonds are to be redeemed at the nominal value on the 1092nd day since the placement. Starting and closing due dates coincide. When exchange-traded bonds are redeemed, last coupon yield is also due.

Type of security: **exchange-traded bonds**
Form of security: **registered non-documentary**
Series: **BO-02**

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: **4B02-02-32501-D**
Date when the number was assigned: **31.05.2013**
Body that assigned the number: **Stock Exchange MICEX (ZAO), Directorate of SE MICEX (ZAO)**
Number of bonds: **1,600,000**
Face value of a bond, RUB: **1,000**
Overall nominal value: **1,600,000,000**

Bond yield:
Type of yield – 1st coupon yield (24.11.2015-24.05.2016)
Coupon yield per a bond – RUB 57.74.;
Overall coupon yield – 11.58% p.a. or RUB 92,384,000;
The term for yield payment - 24.05.2016
Form of payment – monetary resources;
Overall yield – RUB 92,384,000.
Share in overall yield on all bonds - 100%

8.8. Other Information

8.9. Information on RDRs and RDR Issuer

The Issuer has not issued such securities