

QUARTERLY REPORT

Interregional Distribution Grid Company of Urals (OAO)

Issuer Code: 32501-D

2 quarter 2017

Issuer Location: 140 Ulitsa Mamina Sibiryaka, Yekaterinburg, Russia, 620026

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

General Director
Date: 11 August 2017

_____ S.G. Dregval
signature

Chief Accountant
Date: 11 August 2017

_____ O. M. Abrosimova
signature

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

Phone: 343.215.26.85

Fax: 343.215.25.84

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

Information stated herein is available at:

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

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

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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 exchange-traded bond prospectus filed to be listed.

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-03-04 bonds (4B02-03-32501-D, 4B02-04-32501-D dd. 31.05.2013) were listed on MICEX, no bonds have been placed yet.

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

On 26 August 2016 exchange-traded series BO-05 bonds (#4B02-05-32501-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 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 corporate name: **RSM RUS, Limited Liability Company**

Abbreviated corporate name: **RSM RUS (OOO)**

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

TIN: **7722020834**

PSRN: **1027700257540**

Phone: **495.363.28.48**

Fax: **495.981.41.21**

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

Membership in self-regulated auditor organizations

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

Domicile: **21/4 Michurinsky Prospekt, Moscow, Russia, 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 |
| 2017 | 2017 |

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:

The Charter states that an auditor nominee to be engaged for independent audit of the issuer's annual financial statements is recommended by the Board of Directors 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 Jun.05, 2017 (AGSM Minutes No.10 dated as of 08.06.2017), has approved RSM RUS (OOO) as the Company's auditor for 2017. An auditor nominee to be engaged for audit of consolidated interim financial statements prepared under IFRS is not examined by the AGSM. The auditor had no special assignments.

Remunerations (determination procedure, amount, etc.):

The Charter states that the auditor remuneration is determined by the Board of Directors. The fee and manner of payment are stipulated by the contract concluded between the Company and auditor.

The auditor remuneration for audit of FY2015 financial statements prepared under RAS and IFRS was determined by the Board of Directors 18.09.2015 (Minutes No.176 dd. 21.09.2015) at RUB 2,611,251.52 plus 18% VAT.

The auditor remuneration for audit of FY2016 financial statements prepared under RAS and IFRS was determined by

the Board of Directors 15.08.2016 (Minutes No.205 dd. 15.08.2016) at RUB 2,611,251.52 plus 18% VAT.
The auditor remuneration for audit of FY2017 financial statements prepared under RAS and IFRS is to be determined by the Board of Directors in 3Q 2017. There were no payments to the auditor during the reported quarter. There are no deferred and overdue payments for the auditor services.

Potential factors that may 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.

The issuer and auditor comply with the law (in particular, with Federal Auditor's Law No.119-FZ dd. 07.08.2001).

Section 12 states that 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 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

Company: *IDGC of Urals (OAO)*

Position: *General Director*

Name: *Olga Mikhailovna Abrosimova*

Year of birth: 1953

Company: *IDGC of Urals (OAO)*

Position: *Chief Accountant*

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 2016 | 6M 2017 |
|---|---------|---------|
| Labor productivity | 1 889 | 2 160 |
| Debt/Equity | 0.78 | 0.65 |
| Long-term debt/ Long-term debt and Equity | 0.25 | 0.27 |

| | | |
|-----------------|------|------|
| Income/ Debt | 3.64 | 1.72 |
| Overdue debt, % | 3.85 | 1.31 |

Performance analysis:

Debt (long-term and short-term)/Equity demonstrates the balance of external and internal funds. 2Q 2017 Debt/Equity declined 0.13 YoY. Long-term debt/Long-term Debt and Equity demonstrates the level of long-term funding. 1H 2017 Long-term debt/Long-term Debt and Equity changed insignificantly YoY (+0.02). At the same time 1H 2017 Income/Debt ratio, demonstrating the ability of the Company to discharge its short-term liability, decreased 1.92 YoY. The ratio was primarily influenced by reduced short-term liabilities due to redemption of loans and borrowings. Overdue debt lowered 2.54% YoY.

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 | 31.12.2016 | 30.06.2017 |
|--------------|-------------------|-------------------|
| Market value | 14,294,884,413.75 | 13,027,142,370.94 |

Trading institution:

The securities are listed on MICEX (domiciled 13/1 Bolshoi Kislovsky Pereulok, Moscow, 125009; 4/7, building 1, Ulitsa Vozdvizhenka, Moscow, Russia, 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/s26>

2.3. Liabilities

2.3.1. Borrowings and Payables

30.06.2017

Borrowings:

Mea.unit: *RUB thousand*

| Indicators | Value |
|-----------------------|------------|
| Long-term borrowings | 10,882,973 |
| comprising: | |
| credits | 4,282,973 |
| loans, except bonds | 0 |
| bonds | 6,600,000 |
| Short-term borrowings | 203,203 |
| comprising: | |
| credits | 23,057 |
| loans, except bonds | 0 |
| bonds | 180,146 |
| Overall overdue debt | 0 |
| comprising: | |
| credits | 0 |
| loans, except bonds | 0 |
| bonds | 0 |

Borrowings:

Mea.unit: *RUB thousand*

| Indicators | Value |
|-----------------------------------|-----------|
| Overall payables | 8,250,418 |
| overdue | 336,854 |
| comprising | |
| Budget and state non-budget funds | 1,135,685 |
| overdue | 0 |
| Suppliers and contractors | 4,399,420 |
| overdue | 142,602 |
| Personnel | 326,208 |
| overdue | 0 |
| Advances received | 1,503,433 |
| overdue | 182,500 |

| | |
|-------------------------------|---------|
| Debt to founding participants | 740,237 |
| overdue | 0 |
| Other | 145,435 |
| overdue | 11,753 |

Overdue payables: *Overdue payables are mainly connection contract advances and investment-related payables and originate from:*

- *delayed compliance of filers with connection specifications and intended prolongation of connection-related activities by additional agreements to existing contracts;*
- *unsettled disputes over fines, imposed under contracts with contractors and delayed filing of master completion of works certificates by contractors.*

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

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

Abbreviated corporate name: **FSK UES (PAO)**

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

TIN: **4716016979**

PSRN: **1024701893336**

Payables: **RUB 1,125,350 thousand.**

Amount and conditions of overdue payables (interest rate, fines, penalties):

Payables include advance payments for the services to be rendered. No overdue payables as of 30.06.2017.

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**

Company's loans and borrowings as of 01.04.2017 totaled RUB 10,882.97 million. During 2Q 2017 the credit portfolio of the Company underwent no changes to total RUB 10,882.97 million as of 30.06.2017. The Company has 36 credit contracts in force as of the end of 2Q 2017. As of the end of 1H 2017 the debt portfolio consists of long-term loans and borrowings. The Company has no credit contracts with principal debt over 5% of book asset value. Liabilities under each contract are discharged by the Company on time. Key creditors are largest state-controlled banks. During the reported period the Company had RUB 1.6 billion BO-02 series and RUB 5.0 billion BO-05 series exchange-traded bonds in floatation. BO-02 series bonds were placed at MICEX stock exchange, 24 November 2015 being effective date. The issue maturity is 10 years, designated offer due 7 years after the effective date and redemption offer due 4 years upon holders' consent. 1-14 coupon rates were set at 11.58% per annum, equal to coupon yield for each coupon period at RUB 57.74 per one bond. BO-05 series bonds were placed at MICEX stock exchange, 26 August 2016 being effective date. The issue matures in 10 years, with two redemption offers due 3 and 5 years after effective date upon holders' consent. 1-20 coupon rates were set at 9.32% per annum, equal to coupon yield for each coupon period at RUB 46.47 per one bond.

2.3.3. Collateral Liabilities

None

2.3.4. Other Liabilities

None

2.4. Risks Related to the Acquisition of Placed Securities

Information 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 Distribution Grid Company of Urals*

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

Abbreviated company's trade name: *IDGC of Urals (OAO)*

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

The full or abbreviated company's trade name is similar to names of other legal entities

Names of such legal entities:

Open Joint-Stock Company Interregional Distribution Grid Company of Siberia (IDGC of Siberia);

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

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

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

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

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

Open Joint-Stock Company Interregional Distribution 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 abbreviated 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 No.394392 dated as of 23.11.2009 (application No.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 Distribution Grid Company of Urals and Volga*

Abbreviated 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 No.002017106 series 66 dated as of 28.02.2005).*

3.1.2. State Registration

PSRN: *1056604000970*

Date: *28.02.2005*

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

3.1.3. Incorporation and Evolution

Information herein has undergone no changes during the reported period

3.1.4. Contacts

Domicile: *140 Ulitsa Mamina Sibiryaka, Yekaterinburg, Russia, 620026*

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

Tel: *343.215.26.00, 343.215.26.85*

Fax: *343.215.25.84*

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

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

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

Location: *Room 617, 140 Ulitsa Mamina Sibiryaka, Yekaterinburg, 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 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 thousand**

Lines of business activities: **energy transmission**

| Indicator | 6M 2016 | 6M 2017 |
|--|------------|------------|
| Revenues from this line of business activity, RUB thousand | 30,463,067 | 34,357,893 |
| Share in total revenues of the Issuer, % | 97.89 | 98.56 |

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

Line of business activities: **Technological connection**

| Indicator | 6M 2016 | 6M 2017 |
|--|---------|---------|
| Revenues from this line of business activity, RUB thousand | 450,685 | 332,158 |
| Share in total revenues of the Issuer, % | 1.45 | 0.95 |

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

6M 2017 revenues from energy transmission totaled RUB 34,357.9 million (98.56% of total revenues). Contribution of the revenues grew 0.67% YoY. In absolute terms the gain reached RUB 3,894.8 million, affected by increased net supply, changes in net supply structure and tariff hike, compared YoY. 6M 2017 connection revenues totaled RUB 332.2 million (0.95% of total revenues). Contribution of the revenues lowered 0.5% YoY. In absolute terms the gain reached RUB 118.5 million, affected by changes in connection contract structure.

Overall expense structure

| Indicator | 6M 2016 | 6M 2017 |
|---|---------|---------|
| Raw materials and supplies, % | 1.24 | 1.38 |
| Purchased component parts, semi-finished inventory, % | 0.28 | 0.25 |
| Production works and services rendered by external companies, % | 0.77 | 0.67 |
| Fuel, % | 0.57 | 0.58 |
| Energy, % | 0.57 | 0.59 |
| Wages, % | 13.09 | 12.37 |
| Interest payable, % | 0 | 0 |
| Rental payments, % | 1.18 | 1.02 |
| Social benefits, % | 4 | 3.77 |
| Fixed assets depreciation, % | 8.02 | 7.85 |
| Taxes included into product costs, % | 0.99 | 1.04 |
| Other expenses | 69.3 | 70.48 |
| Depreciation of intangible assets, % | 0 | 0 |
| Remuneration for innovation proposals, % | 0 | 0 |

| | | |
|--|--------|--------|
| Obligatory insurance payments, % | 0.01 | 0.02 |
| Travelling and hospitality costs, % | 0 | 0 |
| FSK payments | 24.73 | 24.92 |
| Payments to grid companies | 26.63 | 26.24 |
| Total: expenses on production and sale of goods (works, services), % | 100 | 100 |
| For information: Revenue from services | 107.78 | 112.34 |

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 No.129-FZ dd. 21.11.1996, Russian Accounting Regulations approved by Ministry of Finance Decree No.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 2017

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

Full company's trade name: *Production Union Garantiya (OOO)*

Domicile: *39 Ulitsa Gorkogo, Yekaterinburg, Russia*

TIN: *6674335237*

PSRN: *1096674014051*

Share in overall supplies, %: *14*

Full company's trade name: *FPG Energokontrakt (AO)*

Domicile: *Moscow, Russia*

TIN: *7703268269*

PSRN: *1027739479404*

Share in overall supplies, %: *8*

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 herein has undergone no changes during the reported period

3.2.5. Licenses

The issuer has no licenses to be disclosed in 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 herein has undergone no changes during the reported period

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

Information herein has undergone no changes during the reported period

3.5. Controlled Companies of Significant Importance

Full name: *Joint-Stock Company Yekaterinburg Electric Grid Company*

Abbreviated name: *EESK (AO)*

Domicile: *1 Ulitsa B. Yeltsyna, Yekaterinburg, Russia, 620014*

TIN: *6658139683*

PSRN: *1026602312770*

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 Yekaterinburg 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

The powers of the sole executive body were devolved to an administration company

Information on the administration company

Full name: **Open Joint-Stock Company Interregional Distributive Grid Company of Urals**

Abbreviated name: **IDGC of Urals (OAO)**

Domicile: **140 Ulitsa Mamina Sibiryaka, Yekaterinburg, Russia**

TIN: **6671163413**

PSRN: **1056604000970**

Share of the charter capital of the administration company owned by the Issuer, %: **0**

Share of common stock of the administration company owned by the Issuer, %: **0**

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

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

Collegiate executive body: **N/A**

On Jun.16, 2017, due to no-quorum, the Annual General Meeting of EESK (AO) has not elected the Board of Directors. As a result, the mandate of the Board of Directors, elected by the Jun. 24, 2016 Annual General Meeting, is limited to calling for a General Meeting to decide on the re-election.

Full name: **Joint-Stock Company Yekaterinburgenergosbyt**

Abbreviated name: **EES (AO)**

Domicile: **48 Surikova Ulitsa, Yekaterinburg, Russia, 620144**

TIN: **6671250899**

PSRN: **1086658002617**

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 Shcherbakova | 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*

On Jun.16, 2017, due to no-quorum, the Annual General Meeting of EES (AO) has not elected the Board of Directors. As a result, the mandate of the Board of Directors, elected by the Jun. 24, 2016 Annual General Meeting, is limited to calling for a General Meeting to decide on the re-election.

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

30.06.2017

Mea.unit: *RUB thousand*

| Fixed assets | Initial (replacement) value | Depreciation |
|--|-----------------------------|--------------------|
| Land plots | 80,247 | 0 |
| Buildings | 8,502,916 | -3,980,202 |
| Facilities, except power lines | 2,836,230 | -1,197,070 |
| Lines and Equipment | 54,114,405 | -29,086,404 |
| Power vehicles and equipment producing energy, equipment transforming energy | 53,986,572 | -38,778,822 |
| Furniture and production equipment | 164,167 | -154,052 |
| Other fixed assets | 1,958,037 | -1,267,736 |
| TOTAL | 121,642,574 | -74,464,286 |

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

Reported period: *30.06.2017*

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

Future Plans for fixed assets: *During 2017 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 2016 | 6M 2017 |
|--|---------|---------|
| Net margin, % | 3.9 | 8.6 |
| Asset turnover rate, times | 0.5 | 0.54 |
| Return on assets, % | 1.9 | 4.6 |
| Return on equity, % | 3.4 | 7.8 |
| 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 8.6% in 6M 2017 and 3.9% in 6M 2016. 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. In 6M 2017 the ratio totaled 0.54, with 0.5 in 6M 2016. Return on assets characterizes the efficiency of asset use to obtain profit. Besides, this indicator shows average yield for all capital resources. In 6M 2017 it totaled 4.6%, with 1.9% in 6M 2016. Return on equity demonstrates the level of profitability of the equity capital. Positive ROE shows Company's performance yield. 6M 2017 ratio totaled 7.8%, with 3.4% in 6M 2016.

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 | 6M 2016 | 6M 2017 |
|-------------------------|---------|---------|
| Net working capital | | |
| Current liquidity ratio | 0.63 | 1.06 |
| Quick ratio | 0.57 | 0.96 |
| Leverage ratio | 0.78 | 0.65 |
| Equity-Assets ratio | 0.56 | 0.61 |

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

30.06.2017

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: **Public Joint-Stock Company Lenenergo**

Abbreviated name: **Lenenergo (PAO)**

Domicile: **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: **1 555 838**

Mea.unit: **RUB. thous**

According to Article 7 of the Lenenergo's charter, total dividends due on preferred shares is 10% of net profit as of the last financial year distributed on a pro-rata basis among A-class preferred shares. The Jun.14, 2017 Annual General Meeting of Lenenergo decided to pay FY2016 RUB 0.1331 dividend per 1 common share and RUB 8.107405 per 1 preferred share in cash. Payment deadlines: i) Nominal holders and trustees, being professional participants of securities market - maximum 10 business days; ii) other registered stockholders - maximum 25 business days since the date when the list of entities entitled to collect dividends is prepared.

Additional information:

The Company obtained a stake in Lenenergo after the Oct.11, 2012 Board of Directors meeting (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 01.01.2016: RUB 10,225 thousand.

- as of 31.12.2016: RUB 10,225 thousand.

- as of 30.06.2017: RUB 10,225 thousand.

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 No.126n dd. 10.12.2002). All financial investments are recorded under initial value.*

4.4. Non-tangible Assets

30.06.2017

Mea.unit: **RUB thousand**

| Intangible assets | Initial (replacement) value | Depreciation |
|--|-----------------------------|--------------|
| Patent, Trademarks | 92 | -66 |
| Corporate Web-site (recognized in financial statements since 04.09.2014) | 408 | -113 |
| TOTAL | 500 | -179 |

Reporting Standards: *Intangible assets are recorded according to PBU 14/2007 (Decree of the Ministry of Finance No.153n dd. 27.12.2007). Depreciation is linear and based on the useful life of intangible assets.*

Reported period: 30.06.2017

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

Information herein has undergone no changes during the reported period

4.6. Analysis of Trends

Information herein has undergone no changes during the reported period

4.7. Analysis of Factors Affecting Operations

Information herein has undergone no changes during the reported period

4.8. Peers

Information 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

Information herein has undergone no changes during the reported period

5.2. Management Bodies

5.2.1. Board of Directors

Name: **Aleksandr Nikolayevich Fadeev**

Year of birth: **1949**

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

Positions for the past 5 years

| Period | | Company | Position |
|--------|-------------|---------------|---------------|
| From | From | | |
| 2017 | Present day | Rosseti (PAO) | Chief Advisor |

| | | | |
|------|-------------|--------------------------------|--------------------------------------|
| 2014 | 2017 | 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 of Directors member |
| 2012 | 2013 | Elektrosetservis (OAO) | Board of Directors member |
| 2013 | 2014 | IDGC of Urals (OAO) | Board of Directors member |
| 2015 | 2017 | IDGC of Center and Volga (PAO) | Board of Directors member |
| 2015 | 2017 | IDGC of Siberia (PAO) | Board of Directors member |
| 2015 | 2017 | IDGC of South (PAO) | Board of Directors member |
| 2017 | Present day | IDGC of North Caucasus (PAO) | Board of Directors member |
| 2017 | Present day | Kubanenergo (PAO) | Board of Directors member |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

Membership of the Board Committees

| Committee | Chairpersonship |
|---------------------------------------|-----------------|
| Personnel and Remunerations Committee | Yes |
| Audit Committee | No |

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

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

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

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

Name: **Aleksey Yuryvich Serov**

Year of birth: **1979**

Educational background: **Graduate degree, Moscow State University (2001), Russian School of Economics (2009).**

Positions for the past 5 years:

| Period | | Company | Position |
|--------|-------------|----------------------|---|
| From | From | | |
| 2013 | Present day | Rosseti (PAO) | Director of Finance Department |
| 2017 | Present day | IDGC of Urals (OAO) | Board of Directors member |
| 2015 | 2017 | Ingushenergo (AO) | Board of Directors member |
| 2016 | 2017 | Kubanenergo (PAO) | Board of Directors member |
| 2016 | 2017 | NITs UES (AO) | Board of Directors member |
| 2016 | 2017 | TRK (PAO) | Board of Directors member |
| 2012 | 2013 | Delovaya Sreda (ZAO) | Analyst at Directorate for Business Development |
| 2009 | 2012 | TKB Capital (ZAO) | Senior Energy Sector Analyst |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

Membership of the Board Committees

| Committee | Chairpersonship |
|-----------------|-----------------|
| Audit Committee | No |

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

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

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

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

Name: **Yakov Savelyevich Tesis**

Year of birth: **1974**

Educational background: **Graduate degree, 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 of Directors 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**

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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: **Graduate degree, 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 of Directors 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**

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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**

Year of birth: **1974**

Educational background: **Graduate degree, 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 | Yekaterinburggaz (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 of Directors member |
| 2012 | 2013 | TGK No.6 (OAO) | Board of Directors member |
| 2012 | 2013 | Orenburg TGK (OAO) | Board of Directors member |

| | | | |
|------|------|--------------------------|---------------------------|
| 2012 | 2013 | Slantsy Plant (OAO) | Board of Directors member |
| 2012 | 2016 | Yekaterinburggaz (PAO) | Board of Directors member |
| 2012 | 2016 | Gazeks Management (OOO) | Board of Directors member |
| 2012 | 2016 | GAZEKS (ZAO) | Board of Directors member |
| 2013 | 2014 | Urals Gas Networks (OAO) | Board of Directors member |
| 2013 | 2014 | SG-Invest (OAO) | Board of Directors member |
| 2013 | 2016 | Pervouralskgaz (OAO) | Board of Directors member |
| 2013 | 2016 | Gazmontazh (ZAO) | Board of Directors member |
| 2014 | 2016 | Irkutskoblgaz (AO) | Board of Directors member |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

Membership of the Board Committees

| Committee | Chairpersonship |
|---------------------------------------|-----------------|
| Personnel and Remunerations Committee | No |
| Connection Committee | Yes |
| 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: **Aleksandr Nikolayevich Shevchuk (independent director)**

Year of birth: **1983**

Educational background: **Graduate degree, 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 of Directors member |
| 2013 | Present day | Association of Professional Investors | Executive Director |
| 2015 | Present day | OGK-2 (PAO) | Board of Directors member |
| 2017 | Present day | TGK-1 (PAO) | Board of Directors member |
| 2015 | Present day | IDGC of Center (PAO) | Board of Directors member |
| 2011 | 2014 | IDGC of Center (PAO) | Board of Directors member |
| 2014 | Present day | IDGC of Center and Volga (PAO) | Board of Directors member |
| 2013 | 2014 | UAZ (OAO) | Board of Directors member |
| 2012 | 2016 | Mostotrest (PAO) | Board of Directors member |
| 2011 | Present day | IDGC of South (PAO) | Board of Directors member |
| 2011 | 2012 | IDGC of North Caucasus (OAO) | Board of Directors member |
| 2011 | 2012 | Volgogradgorgaz (OAO) | Board of Directors member |
| 2011 | 2012 | Urengoitruboprovodstroy (OAO) | Board of Directors 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 of Directors member |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

Membership of the Board Committees

| Committee | Chairpersonship |
|---------------------------------------|-----------------|
| Audit Committee | Yes |
| Personnel and Remunerations 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: **Yuri Vladimirovich Goncharov**

Year of birth: **1977**

Educational background: **Graduate degree, Moscow State Mining University (Management)**

Positions for the past 5 years

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

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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 (Chair)**

Year of birth: **1979**

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

Positions for the past 5 years

| Period | | Company | Position |
|--------|-------------|---------------------|---|
| From | To | | |
| 2016 | Present day | Rosseti (PAO) | Chief Advisor |
| 2015 | 2016 | Rosseti (PAO) | Deputy General Director for Development and Sales |
| 2015 | 2015 | Rosseti (PAO) | Advisor General Director |
| 2014 | 2015 | EESK (AO) | Director |
| 2009 | 2014 | IDGC of Urals (OAO) | Deputy General Director for Capital Construction |
| 2016 | Present day | IDGC of Urals (OAO) | Board of Directors member |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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: **Graduate degree, 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 of Directors member |
| 2015 | 2016 | NITs UES (PAO) | Board of Directors member |
| 2015 | Present day | FITs (PAO) | Board of Directors member |
| 2015 | Present day | ENIN (PAO) | Board of Directors member |
| 2015 | Present day | VNIPlenergoprom (PAO) | Board of Directors member |
| 2015 | 2016 | Lenenergo (PAO) | Board of Directors member |
| 2015 | Present day | Upravlenie VOLS-VL (PAO) | Board of Directors member |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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: **Denis Viktorovich Kulikov (independent director)**

Year of birth: **1975**

Educational background: **Graduate degree, Moscow State University (Jurisprudence)**

Positions for the past 5 years:

| Period | | Company | Position |
|--------|-------------|--|--|
| From | To | | |
| 1999 | Present day | Association of Professional Investors | Advisor to Executive Director, Deputy Executive Director |
| 2017 | Present day | IDGC of Urals (OAO) | Board of Directors member |
| 2016 | Present day | Tuymazinsky Zavod Avtobetonovozov (AO) | Board of Directors member |
| 2016 | Present day | OGK-2 (PAO) | Board of Directors member |
| 2014 | 2016 | NEFAZ (OAO) | Board of Directors member |
| 2014 | 2015 | IDGC of Center (PAO) | Board of Directors member |
| 2014 | 2016 | IDGC of Volga (PAO) | Board of Directors member |
| 2010 | 2014 | IDGC of North West (PAO) | Board of Directors member |
| 2013 | 2014 | IDGC of Center and Volga (PAO) | Board of Directors member |
| 2011 | 2012 | IDGC of North Caucasus (PAO) | Board of Directors member |
| 2012 | 2013 | IDGC of Center (PAO) | Board of Directors member |
| 2012 | 2013 | VEROFARM (OAO) | Board of Directors member |

Share in the Charter Capital/ common stock, %: **0.00228**

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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: **Graduate degree, 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 of Directors member |
| 2013 | Present day | IDGC of North Caucasus (PAO) | Board of Directors member |
| 2013 | Present day | IDGC of Center and Volga (PAO) | Board of Directors member |
| 2013 | Present day | Lenenergo (PAO) | Board of Directors member |
| 2013 | Present day | TRK (PAO) | Board of Directors member |
| 2013 | Present day | Dagenergoset (PAO) | Board of Directors member |
| 2013 | Present day | Sevkavkazenergo (PAO) | Board of Directors member |
| 2013 | Present day | Tyumenenergo (PAO) | Board of Directors member |
| 2013 | Present day | Yantarenergo (PAO) | Board of Directors member |
| 2015 | Present day | MOESK (PAO) | Board of Directors member |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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**

The Board of Directors was elected by the Annual General Meeting of Stockholders on 05.06.2017 (Minutes No.10 d. 08.06.2017).

5.2.2. Sole Executive Body

Name: **Sergey Georgievich Dregval**

Year of birth: **1971**

Educational background: **Graduate degree, 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 | 2017 | IDGC of Urals (OAO) | Board of Directors member |
| 2015 | Present day | EESK (AO) | Board of Directors member |
| 2016 | Present day | EES (AO) | Board of Directors 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**

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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**

Year of birth: **1971**

Educational background: **Graduate degree, 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 | 2017 | IDGC of Urals (OAO) | Board of Directors member |
| 2015 | Present day | EESK (AO) | Board of Directors member |
| 2016 | Present day | EES (AO) | Board of Directors 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**

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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: **Vadim Anatolyevich Loktin**

Year of birth: **1969**

Educational background: **Graduate degree. Ural Polytechnic Institute.**

Positions for the past 5 years

| Period | | Company | Position |
|--------|-------------|---|--|
| from | to | | |
| 2017 | Present day | IDGC of Urals (OAO) | First Deputy General Director – Chief Operating Officer |
| 2016 | 2017 | IDGC of Urals (OAO) | Acting First Deputy General Director – Chief Operating Officer |
| 2015 | 2016 | Permenergo branch of IDGC of Urals (OAO) | Deputy Director – Chief Operating Officer |
| 2014 | 2015 | Chelyabenergo branch of IDGC of Urals (OAO) | Deputy Director – Chief Operating Officer |
| 2007 | 2014 | IDGC of Urals (OAO) (Perm Urban Networks Production unit) | Chief Operating Officer |
| 2017 | Present day | Educational Center of IDGC of Urals (NChOU) | Executive Board member |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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: **Aleksandr Mikhailovich Krivyakov**

Year of birth: **1952**

Educational background: **Graduate degree, Urals Polytechnic Institute.**

Positions for the past 5 years

| Period | | Company | Position |
|--------|-------------|---|--------------------------------------|
| from | to | | |
| 2016 | Present day | IDGC of Urals (OAO) | Deputy General Director |
| 2014 | 2016 | IDGC of Urals (OAO) | Deputy General Director for Security |
| 2015 | Present day | Educational Center of IDGC of Urals (NChOU) | Executive Board member |
| 2015 | Present day | IDGC of Urals (OAO) | Executive Board member |
| 2015 | Present day | Uralenergotrans (OOO) | Board of Directors member |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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: **Graduate degree, 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 | Sverdlovenego branch of IDGC of Urals (OAO) | Chief Accountant |
| 1992 | 2008 | Sverdlovenego (OAO) | Chief Accountant |
| 2009 | Present day | IDGC of Urals (OAO) | Executive Board member |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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 Shcherbakova**

Year of birth: **1966**

Educational background: **Graduate degree, 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) | Executive Board 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 | Yekaterinburgenergosbyt (AO) | Board of Directors member |
|------|-------------|------------------------------|---------------------------|

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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: **Graduate degree, 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) | Executive Board member |
| 2015 | Present day | EESK (AO) | Board of Directors member |
| 2015 | Present day | EES (AO) | Board of Directors member |
| 2015 | Present day | Uralenergotrans (OOO) | Board of Directors member |
| 2015 | 2016 | Energy Service Company of the Urals (OAO) | Board of Directors member |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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 Jun.30, 2017 the Board of Directors decided to remove Y.V. Lebedev from the Executive Board and approved a 6-member composition of the Executive Board (Minutes No. 234 dated as of 03.07.2017).

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

Remunerations of each management body (remunerations of the individual performing CEB functions are not disclosed) include all kinds of remunerations – salary, bonuses, commission fees, privileges and/or reimbursement of expenses, etc.:

Remunerations

The Board of Directors

Mea.unit: **RUB thousand**

| Indicator | 6M 2017 |
|---------------------|---------|
| 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 thousand**

| Indicator | 6M 2017 |
|---------------------|---------------|
| Remuneration | 0 |
| Salary | 22,990 |
| Bonuses | 10,324 |
| Commission fees | 0 |
| Other remunerations | 0 |
| TOTAL | 33,314 |

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 thousand**

| Governing body | 6M 2017 |
|---------------------------|---------|
| Board of Directors | 0 |
| Collegiate executive body | 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 conducted 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) Validation of data presented in the Company's annual report, annual financial statements, P&L statements;*
- 2) Analysis of Company's financial position, detection of reserves to improve Company's financial position and preparation of recommendations to Company's management bodies;*
- 3) Arrangement and conduct of the audit, namely;*
- 4) Audit of financial, accounting, payment and other documents with regard to Company's financial and economic operations to evaluate compliance with laws of Russia, Company's charter, bylaws and other documents;*
- 5) Oversight whether property, plant and equipment are protected and used in a proper manner;*
- 6) Oversight whether bad debt writing-offs comply with the established procedure;*
- 7) Oversight whether Company's monetary resources are spent in a manner compliant with the approved business plan and budget of the Company;*
- 8) Oversight how Company's reserve fund and other funds are generated and used;*
- 9) Oversight whether dividends, bond interest, yield on other securities are calculated and paid in a proper manner;*
- 10) Oversight whether orders, issued earlier to eliminate exposed violations and problems, are executed;*
- 11) Other audit-related activities.*

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;*
- Company's compliance with the Russian laws, industry standards and bylaws of the Company.*

The membership of the Audit Committee

| Name | Chairpersonship |
|--------------------------------|-----------------|
| Yulia Vitalyevna Yascheritsyna | No |
| Roman Avgustovich Dmitrik | No |
| Aleksandr Viktorovich Shevchuk | Yes |
| Aleksey Yuryevich Serov | No |
| Aleksandr Nikolayevich Fadeev | |

Structural unit liable for risk management and internal control, its goals, objectives and functions: *Internal Control functions are performed by Internal Control and Risk Management Section, being a part of the Company in line with the Board of Directors' resolution (Minutes No.210 dated as of 02.12.2016). The unit is created for an indefinite term and is an independent structural unit of the Company. The unit is responsible to the Deputy General Director and Audit Committee. Its organization structure, staff schedule and budget are approved by the General Director in a duly manner. For more details on its functions, please, refer to the Russian version of the report*

Anti-corruption procedures are supervised by the anti-corruption compliance unit, being a part of the Company in line with the Board of Directors' resolution (Minutes No.210 dated as of 02.12.2016). The group is created for an indefinite term. It is an independent structural unit of the Company. It is responsible directly to the General Director. Its organizational structure, staff schedule and budget are approved by the General Director. The group adheres to the current legislations, international and domestic standards, other regulatory documents, internal rules and decrees of the management of the Company:

For more details on its functions, 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 Department, being a part of the Company in line with the Board of Directors' resolution (Minutes No.210 dated as of 02.12.2016). The department is created for an indefinite term. The Department includes the following sections:

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

The Department is an independent structural unit of the Company. The Department is responsible straight to the General Director and Audit Committee. Its organization structure, staff schedule and budget are approved in a duly manner by the General Director following a preliminary conclusion from the Audit Committee. For more details on its functions, 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 No.224-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 |
| 2013 | Present day | IDGC of Center and Volga (PAO) | BolA member |
| 2009 | 2013 | FSK UES (PAO) | Head of Control and Audit Department |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: *the issuer has issued no options*

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: **Artyom 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 (PAO) | 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**

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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 |
| 2016 | Present day | IDGC of Center and Volga (PAO) | 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**

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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 Yuryevna Slesareva**

Year of birth: **1970**

Educational background: **Graduate degree.**

Positions for the past 5 years

| Period | | Company | Position |
|--------|-------------|---------------------|---|
| from | to | | |
| 2013 | Present day | Rosseti (PAO) | Chief expert of Internal Audit Directorate |
| 2009 | 2013 | IDGC of South (PAO) | Chief specialist of Internal Audit and Risk Management Department |

| | | | |
|------|-------------|--------------------------------|-------------|
| 2015 | Present day | IDGC of Center and Volga (PAO) | BolA member |
| 2017 | Present day | IDGC of Urals (OAO) | BolA member |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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 (PAO) | 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**

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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 Department

Information on the head of such body

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

Name: **Polina Vladimirovna Krivonogova**

Year of birth: **1976**

Educational background: **Graduate degree, Urals State University of Economics (2003), Auditor Qualification Program (2011, UrSUE), Internal Control and Audit (2010, Ernst&Young), Auditor Training Courses: Financial Analysis, Risk Management of Business Processes (2009, UrSUE)**

Positions for the past 5 years

| Period | | Company | Position |
|--------|-------------|--|--|
| from | to | | |
| 2017 | Present day | IDGC of Urals (OAO) | Head of Internal Audit Department |
| 2017 | Present day | Yekaterinburg Electric Grid Company (AO) | BolA member |
| 2017 | Present day | Yekaterinburgenergosbyt (AO) | BolA member |
| 2017 | Present day | Uralenergotrans (OOO) | Auditor |
| 2016 | 2017 | Russian Post (FGUP) (Sverdlovsk branch) | Head of Internal Control Department |
| 2013 | 2016 | Rushydro (PAO) | Head of Operational Audit Directorate, Head of Oversight Directorate of Internal Audit, Oversight and Risk Management Department |
| 2009 | 2013 | IDGC of Urals (OAO) | Head of Internal Audit and Risk Management Department, chief specialist |

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

Shares of each category (class) that may be acquired by the entity in exercise of his/her rights vested by owned issuer's options: **the issuer has issued no options**

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 Supervision Body)

Remunerations

Measurement unit: **RUB**

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

Remuneration for the tenure

Mea.unit: **RUB thous.**

| Indicator | 6M 2017 |
|---------------------|---------|
| Remuneration | 0 |
| Salary | 0 |
| Bonuses | 0 |
| Commission fees | 0 |
| Other remunerations | 0 |
| TOTAL | 0 |

Agreements in force during the year:

There are no agreements regarding remunerations and compensations with members of the Board of Internal Auditors. BoIA 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 BoIA members are regulated by the Company's bylaw – The Regulations on Compensations and Remunerations due to the BoIA members. According to item 3.1 of the Regulations, a BoIA 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 2017 |
|---------------------|---------|
| Remuneration | 0 |
| Salary | 0 |
| Bonuses | 0 |
| Commission fees | 0 |
| Other remunerations | 0 |
| TOTAL | 0 |

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 Department**

Remuneration for participation in the sessions

Mea.unit: **RUB thous.**

| Indicator | 6M 2017 |
|---------------------|---------|
| Remuneration | 0 |
| Salary | 1 834 |
| Bonuses | 1 354 |
| Commission fees | 0 |
| Other remunerations | 0 |
| TOTAL | 3 188 |

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 2017 |
|----------------------------|---------|
| Board of Internal Auditors | 0 |

| | |
|---------------------------|---|
| Audit Committee | 0 |
| Internal Audit Department | 0 |

5.7. Work Force: Structure and Changes

Mea.unit: *RUB thous.*

| Indicator | 6M 2017 |
|--|-----------|
| Staff on the payroll, persons | 16,172 |
| Money for salaries as of the reported period | 2,907,608 |
| Money for social benefit as of the reported period | 23,350.82 |

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, Yekaterinburg, 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: **16,604**

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: **11.05.2017**

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

Abbreviated corporate name: **Rosseti (PAO)**

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

TIN: **7728662669**

PSRN: **108776000019**

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

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

Entities controlling such holders

1.1.

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

Abbreviated corporate name: **Russian Federation in the name of the Federal State Property Management Agency**

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

TIN: **7710723134**

PSRN: **1087746829994**

Factors for control (participation in a legal entity being a holder (shareholder) of the issuer, conclusion of a partnership agreement, trust agreement, shareholder agreement or other agreement covering the execution of rights attached to shares of a legal entity being a holder (shareholder) of the issuer): **An entity, controlling a holder due to domination in its charter capital and having potential impact on 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 entity, %: **88.75**
Share in the Issuer's Charter Capital, %: **3.7123**
Share of common stock owned by the entity, %: **3.7123%**
Other information (upon discretion of the issuer):

2.

Full corporate name: **Public Joint-Stock Company METKOMBANK**
Abbreviated corporate name: **METKOMBANK (PAO)**
Domicile: **36 Ulitsa Oktyabrskaya, Kamensk-Uralskiy, Russia, 623406**
TIN: **6612010782**
PSRN: **102660000195**
Share in the Charter capital: **17.48%**
Share of common stock owned by the entity: **17.48%**
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**

3.

Full corporate name: **Group of Companies RENOVA (AO)**
Abbreviated corporate name: **GK RENOVA (AO)**
Domicile: **40 Malaya Ordynka, Moscow, Russia, 115184**
TIN: **7727526670**
PSRN: **1047796880548**
Share in the Charter capital: **7.5242%**
Share of common stock owned by the entity: **7.5242%**
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):
The entity acquired direct control over the stake after the May 31, 2017 transaction.

4.

Full corporate name: **ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED**
Abbreviated corporate name: **ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED**
Domicile: **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**
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**

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**
Domicile: **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 corporate name: **Public Joint-stock Company Russian Grids**

Abbreviated corporate name: **Rosseti (PAO)**
Domicile: **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 corporate name: **Public Joint-Stock Company METKOMBANK**
Abbreviated corporate name: **METKOMBANK, PAO**
Domicile: **36 Ulitsa Oktyabrskaya, Kamensk-Uralskiy, Russia, 623406**
TIN: **6612010782**
PSRN: **1026600000195**
Share in the Charter capital: **19.55**
Share of common stock owned, %: **19.55**

Full corporate name: **ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED**
Abbreviated corporate name: **ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED**
Domicile: **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 corporate name: **I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED**
Abbreviated corporate name: **I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED**
Domicile: **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 common stock owned, %: **5.4459**

Register date: **18.04.2016**

The list of stockholders

Full corporate name: **Public Joint-stock Company Russian Grids**
Abbreviated corporate name: **Rosseti (PAO)**
Domicile: **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 corporate name: **Public Joint-Stock Company METKOMBANK**
Abbreviated corporate name: **METKOMBANK, PAO**
Domicile: **36 Ulitsa Oktyabrskaya, Kamensk-Uralskiy, Russia, 623406**
TIN: **6612010782**
PSRN: **1026600000195**
Share in the Charter capital: **19.55**
Share of common stock owned, %: **19.55**

Full corporate name: **ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED**
Abbreviated corporate name: **ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED**
Domicile: **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 corporate name: **I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED**
Abbreviated corporate name: **I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED**
Domicile: **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 common stock owned, %: **5.4459**

Register date: **11.05.2017**

The list of stockholders

Full corporate name: *Public Joint-stock Company Russian Grids*
 Abbreviated corporate name: *Rosseti (PAO)*
 Domicile: *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 corporate name: *Public Joint-Stock Company METKOMBANK*
 Abbreviated corporate name: *METKOMBANK, PAO*
 Domicile: *36 Ulitsa Oktyabrskaya, Kamensk-Uralskiy, Russia, 623406*
 TIN: *6612010782*
 PSRN: *102660000195*
 Share in the Charter capital: *17.48*
 Share of common stock owned, %: *17.48*

Full corporate name: *I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED*
 Abbreviated corporate name: *I.D.E.ELECTRICITY DISTRIBUTION INVESTMENTS 1 LIMITED*
 Domicile: *Naousis, 1, KARAPATAKIS BUILDING, P.C. 6018, Larnaca, Cyprus*
It is not a resident of Russia
 Share in the Charter capital, %: *7.5242*
 Share of common stock owned, %: *7.5242*

Full corporate name: *ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED*
 Abbreviated corporate name: *ENERGYO SOLUTIONS RUSSIA (CYPRUS) LIMITED*
 Domicile: *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*

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 | 1 | 224,161 |
| Related-party transactions effected by the Issuer during the reported period that were approved by the general shareholder meeting | 0 | 0 |
| Related-party transactions effected by the Issuer during the reported period that were approved by the Board of Directors | 1 | 224,161 |
| Unapproved related-party transactions effected by the Issuer during the reported period to be approved by the authorized management body. | 0 | 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

As of 30.06.2017
 Mea. unit: *RUB thous.*

| Indicator | Value |
|---|------------|
| Accounts receivable from buyers and customers | 10,028,145 |
| Including overdue | 5,317,913 |
| Including bad debt reserve | 1,470,580 |
| Dividend receivables from SACs | 236,566 |
| Including overdue | 0 |

| | |
|--|------------|
| Accounts receivable (founders' share to the charter capital) | 0 |
| Including overdue | 0 |
| Advances given | 23,176 |
| Including overdue | 713 |
| Including bad debt reserve | 54 |
| Other accounts receivable | 426,746 |
| Including overdue | 33,130 |
| Including bad debt reserve | 25,707 |
| TOTAL | 10,714,633 |
| Accounts receivable from buyers and customers | 5,351,756 |
| Including overdue | 1,496,341 |

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

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

Abbreviated corporate name: **Chelyabenergosbyt (PAO)**

Domicile: **260 Ulitsa Rossiiskaya, Chelyabinsk**

TIN: **7451213318**

PSRN: **1057423505732**

Receivables: **3,226,399**

Mea. unit: **RUB thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **overdue receivables total RUB 2,553,837 thousand. As of the reported date the amount of the bad debt reserve is RUB 212,533 thousand.**

Affiliation with the issuer: **None**

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

Abbreviated corporate name: **Permenergosbyt (PAO)**

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

TIN: **5904123809**

PSRN: **1055902200353**

Receivables: **1,359,167**

Mea. unit: **RUB thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **Overdue receivables total RUB 229,300 thousand. As of the reported date the amount of the bad debt reserve is RUB 259,292 thousand.**

Affiliation with the issuer: **None**

Full corporate name: **Sverdlovsk branch of Public Joint-Stock Company EnergosbytPlus**

Abbreviated corporate name: **Sverdlovsk branch of EnergosbytPlus (PAO)**

Domicile: **92 Ulitsa Kuznechnaya, Yekaterinburg, the Sverdlovsk region**

TIN: **5612042824**

PSRN: **1055612021981**

Receivables: **1,112,056**

Mea. unit: **RUB thous.**

Amount and conditions of overdue receivables (interest rate, fines, sanctions, penalties): **overdue receivables total 195,399 thousand. The issuer has created no bad debt reserve for the debtor as of the reported period.**

Affiliation with the issuer: **None**

RUB 9,218,292 thousand receivables (net of the bad debt reserve) are shown in line 1230 of the Balance Sheet as of 30 June 2017

SECTION VII. FINANCIAL STATEMENTS AND OTHER RELEVANT FINANCIAL INFORMATION

7.1. Annual Accounting (Financial) Statements

This type of information is not disclosed in the 2Q report

7.2. Interim Accounting (Financial) Statements

Contents of the annual accounting (financial) statements disclosed hereof:

The Company's 6M2017 annual accounting (financial) statements consists of:

- 1. Balance sheet as of 30 June 2017.**
- 2. Statement of financial results as of 6M 2017.**

7.3. Consolidated Financial Statements

The Company's annual consolidated financial statements for the last completed financial year are prepared prior to the end of 1Q, included into 1Q report and are not disclosed in 2Q report under the circumstances mentioned above. During the reported period the issuer has prepared interim consolidated financial statements
3M 2017 - IFRS/GAAP

Standards of the statements: IFRS

The information is disclosed in Appendix No.2 hereof. Interim condensed financial statements for the 3 months ended 31 March 2017 were not audited.

7.4. Accounting Policy

Information 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 prior to the end of the reported period: *none*

7.7. Significant Lawsuits with Potential Effect on Operations

The Issuer has/had no lawsuits with potential significant effect on its operations for the period 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 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

The list of commercial organizations with Company's 5% stake in the Charter capital or common stock on the last reported quarter

1. Full corporate name: *Joint-Stick Company Yekaterinburg Electric Grid Company*

Abbreviated corporate name: *EESK (AO)*

Domicile: *1 Ulitsa Borisa Yeltsyna, Yekaterinburg, Russia, 620014*

TIN: *6658139683*

PSRN: *1026602312770*

The Issuer's share in the Charter capital, %: *91.04*

The share of ordinary stock owned by the Issuer, %: *91.04*

Share of the company in the Issuer's Charter capital, %: *0*

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

2. Full corporate name: *Joint-Stock Company Yekaterinburgenergosbyt*

Abbreviated corporate name: *EES (AO)*

Domicile: *48 Surikova Ulitsa, Yekaterinburg, Russia, 620144*

TIN: *6671250899*

PSRN: *1086658002617*

The Issuer's share in the Charter capital, %: *91.04*

The share of ordinary stock owned by the Issuer, %: *91.04*

Share of the company in the Issuer's Charter capital, %: *0*

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

3. Full corporate name: *Limited Liability Company Uralenergotrans*

Abbreviated corporate name: *Uralenergotrans (OOO)*

Domicile: *140 Ulitsa Mamina Sibiryaka, Yekaterinburg, Russia, 620026*

TIN: *6672319085*

PSRN: *1105903003580*

The Issuer's share in the Charter capital, %: *100*

Share of the company in the Issuer's Charter capital, %: *0*

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

8.1.5. Major/Large-Scale Transactions

There were no such transactions during the reported period

8.1.6. Credit Ratings

Information herein has undergone no changes during the reported period

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

Information herein has undergone no changes during the reported period

8.3. Other Issues of Securities (Excluding Shares)

8.3.1. Redeemed Securities

Information herein has undergone no changes during the reported period

8.3.2. Outstanding Securities

Type: *exchange-traded bonds*

Form: *documentary, bearer*

Series: *BO-02*

Other identifying features: *interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion*

The bond issue is not subject to state registration: *yes*

ID No.: *4B02-02-32501-D*

ID assignment date: *31.05.2013*

Assigning authority: *Stock Exchange MICEX (ZAO), Directorate of SE MICEX (ZAO) (Minutes No.62 dd. 31.05.2013)*

Volume, bonds: *1,600,000*

Nominal volume, RUB: *1,600,000,000*

Nominal value, RUB: *1,000*

According to the Russian legislation there is no nominal value presence

Status: *in circulation*

State registration of Issue Results is not carried out: *yes*

The number of interest (coupon) periods: *20*

Maturity period: *3,640th day since the placement date. If a maturity date is a holiday or a weekend - be it a state holiday or holiday for settlement operations - transfer of the first working day following the holiday or weekend.*

Specific instructions: *none*

Web-page containing the Issue Resolution and Prospectus: *www.mrsk-ural.ru/ir/bonds/; http://www.e-disclosure.ru/portal/company.aspx?id=12105*

Additional security issues: *none*

There are no overdue liabilities

Type: *exchange-traded bonds*

Form: *documentary, bearer*

Series: **BO-03**

Other identifying features: *interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion*

The bond issue is not subject to state registration: **yes**

ID #: **4B02-03-32501-D**

ID assignment date: **31.05.2013**

Assigning authority: **Stock Exchange MICEX (ZAO), Directorate of SE MICEX (ZAO) (Minutes No.62 dd. 31.05.2013)**

Volume, bonds: **3,000,000**

Nominal volume, RUB: **3,000,000,000**

Nominal value, RUB: **1,000**

According to the Russian legislation there is no nominal value presence

Status: **the placement has not yet started**

State registration of Issue Results is not carried out: **yes**

The number of interest (coupon) periods: **20**

Maturity period: **3,640th day since the placement date. If a maturity date is a holiday or a weekend - be it a state holiday or holiday for settlement operations - transfer of the first working day following the holiday or weekend.**

Specific instructions: **none**

Web-page containing the Issue Resolution and Prospectus: **www.mrsk-ural.ru/ir/bonds/;
<http://www.e-disclosure.ru/portal/company.aspx?id=12105>**

Additional security issues: **none**

There are no overdue liabilities

Type: **exchange-traded bonds**

Form: **documentary, bearer**

Series: **BO-04**

Other identifying features: *interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion*

The bond issue is not subject to state registration: **yes**

ID #: **4B02-04-32501-D**

ID assignment date: **31.05.2013**

Assigning authority: **Stock Exchange MICEX (ZAO), Directorate of SE MICEX (ZAO) (Minutes No. 62 dd. 31.05.2013)**

Volume, bonds: **4,000,000**

Nominal volume, RUB: **4,000,000,000**

Nominal value, RUB: **1,000**

According to the Russian legislation there is no nominal value presence

Status: **the placement has not yet started**

State registration of Issue Results is not carried out: **yes**

The number of interest (coupon) periods: **20**

Maturity period: **3,640th day since the placement date. If a maturity date is a holiday or a weekend - be it a state holiday or holiday for settlement operations - transfer of the first working day following the holiday or weekend.**

Specific instructions: **none**

Web-page containing the Issue Resolution and Prospectus: **www.mrsk-ural.ru/ir/bonds/;
<http://www.e-disclosure.ru/portal/company.aspx?id=12105>**

Additional security issues: **none**

There are no overdue liabilities

Type: **exchange-traded bonds**

Form: **documentary, bearer**

Series: **BO-05**

Other identifying features: *interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion*

The bond issue is not subject to state registration: **yes**

ID #: **4B02-05-32501-D**

ID assignment date: **31.05.2013**

Assigning authority: **Stock Exchange MICEX (ZAO), Directorate of SE MICEX (ZAO) (Minutes No.62 dd. 31.05.2013)**

Volume, bonds: **5,000,000**

Nominal volume, RUB: **5,000,000,000**

Nominal value, RUB: **1,000**

According to the Russian legislation there is no nominal value presence

Status: **in circulation**

State registration of Issue Results is not carried out: **yes**

The number of interest (coupon) periods: **20**

Maturity period: **3,640th day since the placement date. If a maturity date is a holiday or a weekend - be it a state**

holiday or holiday for settlement operations - transfer of the first working day following the holiday or weekend.

Specific instructions: *none*

Web-page containing the Issue Resolution and Prospectus: www.mrsk-ural.ru/ir/bonds/;
<http://www.e-disclosure.ru/portal/company.aspx?id=12105>

Additional security issues: *none*

There are no overdue liabilities

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 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 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 turn of the year and ending with the last reported quarter

| Indicator | FY 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 discretion of the issuer) | Due to expiry of periods of limitations concerning claims for announced and uncollected dividends, the payment was stopped upon the relevant decree (LYu/04/3448 dd. 03.09.2014) |

| Indicator | FY 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) | FY 2011 dividend payout ended in line with Art. 42 of the Federal Joint-Stock Companies' Law dd. 26.12.1995 No.208-FZ |

| Indicator | FY 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 | FY 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) | |

| | |
|----------------|--|
| of the issuer) | |
|----------------|--|

| Indicator | FY 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, protocol #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 collected dividends since they had not submitted accurate information |
| Other information on announced and/or paid dividends (at the discretion of the issuer) | |

| Indicator | FY 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 | 1,230,151,099 |
| Paid Dividends/Total Announced Dividends of the category (class), % | 99,01 |
| 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 collected dividends since they had not submitted accurate information |
| Other information on announced and/or paid dividends (at the discretion of the issuer) | |

| Indicator | FY 2016 |
|--|---|
| Stock category, class for preferred stock | common |
| Management body of the issuer that adopted a resolution on dividend announcement | General Meeting of Shareholders, 05.06.2017, Minutes No.10 dd. 08.06.2017 |
| Announced dividends per 1 stock, RUB | 0.0083 |
| Total announced dividends per all stock of the type, RUB | 725,673,037.27 |
| Register date | 20.06.2017 |
| Reported period (Y/Q) | 12M 2016 |
| Dividend Payment Deadline | 04.07.2017 and 25.07.2017 |
| 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, % | 21.95 |
| Total amount of paid dividends of the category (class), RUB | 718,632,965.48 |

| | |
|--|---|
| Paid Dividends/Total Announced Dividends of the category (class), % | 99.02 |
| 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) | FY2016 dividends were paid out after the reported date when the present quarterly report is to be prepared |

8.7.2. Accrued and Paid Bond Yield

Type: *exchange-traded bonds*

Form: *documentary, bearer*

Series: *BO-01*

interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion

ID No.: *4D02-01-32501-D*

ID assignment date: *11.07.2012*

Volume, bonds: *3,000,000*

Face value, RUB: *1,000*

Nominal volume, RUB: *3,000,000,000*

Key information on bond yield:

Type of yield: 1st coupon yield (coupon period: 31.01.2013-01.08.2013);

Yield due per 1 bond: RUB 41.88;

Total yield due on the bond issue: 8.4% p.a. or RUB 125,640,000;

Date due: 01.08.2013

Bond yield payment form: monetary resources;

Total yield paid: RUB 125,640,000.

Yield paid/Total yield due: 100%

Type of yield: 2nd coupon yield (coupon period: 01.08.2013-30.01.2014);

Yield due per 1 bond: RUB 41.88;

Total yield due on the bond issue: 8.4% p.a. or RUB 125,640,000;

Date due: 30.01.2014

Bond yield payment form: monetary resources;

Total yield paid: RUB 125,640,000.

Yield paid/Total yield due: 100%

Type of yield: 3rd coupon yield (coupon period: 31.01.2014 - 31.07.2014);

Yield due per 1 bond: RUB 41.88;

Total yield due on the bond issue: 8.4% p.a. or RUB 125,640,000;

Date due: 31.07.2014

Bond yield payment form: monetary resources;

Total yield paid: RUB 125,640,000.

Yield paid/Total yield due: 100%

Type of yield: 4th coupon yield (coupon period: 31.07.2014 - 29.01.2015);

Yield due per 1 bond: RUB 41.88;

Total yield due on the bond issue: 8.4% p.a. or RUB 125,640,000;

Date due: 29.01.2015

Bond yield payment form: monetary resources;

Total yield paid: RUB 125,640,000.

Yield paid/Total yield due: 100%

Type of yield: 5th coupon yield (coupon period: 29.01.2015 - 30.07.2015);

Yield due per 1 bond: RUB 41.88;

Total yield due on the bond issue: 8.4% p.a. or RUB 125,640,000;

Date due: 30.07.2015

Bond yield payment form: monetary resources;

Total yield paid: RUB 125,640,000.

Yield paid/Total yield due: 100%

Type of yield: 6th coupon yield (coupon period: 30.07.2015 - 28.01.2016);

*Yield due per 1 bond: RUB 41.88;
Total yield due on the bond issue: 8.4% p.a. or RUB 125,640,000;
Date due: 28.01.2016
Bond yield payment form: monetary resources;
Total yield paid: RUB 125,640,000.
Yield paid/Total yield due: 100%*

*Type of yield: face value
Date due: 28.01.2016
Bonds redeemed: 3,000,000.
Yield paid: RUB 3,000,000,000.
In line with clause 9.2 of the Issuance Decision the maturity is 28.01.2016. The exchange-traded bonds are redeemed at the face value on the 1,092nd since the effective date. Dates of redemption start and end are the same. Last coupon yield is paid at redemption.*

Type: *exchange-traded bonds*
Form: *documentary, bearer*
Series: *BO-02*
interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion
ID No.: *4B02-02-32501-D*
ID assignment date: *31.05.2013*
Volume, bonds: *1,600,000*
Par value, RUB: *1,000*
Nominal volume, RUB: *1,600,000,000*

Key information on bond yield:
*Type of yield: 1st coupon yield (coupon period: 24.11.2015 - 24.05.2016)
Yield due per 1 bond: RUB 57.74;
Total yield due on the bond issue: 11.58% p.a. or RUB 92,384,000;
Date due: 24.05.2016
Bond yield payment form: monetary resources;
Total yield paid: RUB 92,384,000.
Yield paid/Total yield due: 100%*

*Type of yield: 2nd coupon yield (coupon period: 24.05.2016 - 22.11.2016)
Yield due per 1 bond: RUB 57.74;
Total yield due on the bond issue: 11.58% p.a. or RUB 92,384,000;
Date due: 22.11.2016
Bond yield payment form: monetary resources;
Total yield paid: RUB 92,384,000.
Yield paid/Total yield due: 100%*

*Type of yield: 3rd coupon yield (coupon period: 22.11.2016 - 23.05.2017)
Yield due per 1 bond: RUB 57.74;
Total yield due on the bond issue: 11.58% p.a. or RUB 92,384,000;
Date due: 23.05.2017
Bond yield payment form: monetary resources;
Total yield paid: RUB 92,384,000.
Yield paid/Total yield due: 100%*

Type: *exchange-traded bonds*
Form: *documentary, bearer*
Series: *BO-05*
interest-bearing, non-convertible, with obligatory centralized custody, early payment is possible upon bondholders' request and at issuer's discretion
ID No.: *4B02-05-32501-D*
ID assignment date: *31.05.2013*
Volume, bonds: *5,000,000*
Par value, RUB: *1,000*
Nominal volume, RUB: *5,000,000,000*

Key information on bond yield:

Type of yield: 1st coupon yield (coupon period: 26.08.2016-24.02.2017)

Yield due per 1 bond: RUB 46.47;

Total yield due on the bond issue: 9.32% p.a. or RUB 232,350,000;

Date due: 24.02.2017.

Bond yield payment form: monetary resources;

Total yield paid: RUB 232,350,000.

Yield paid/Total yield due: 100%.

8.8. Other Information

8.9. Information on RDRs and RDR Issuer

The Issuer has not issued such securities

Appendix No.1: Interim Accounting (Financial) Statements

Appendix No.2: 3M 2017 Consolidated Interim Financial Statements.