

QUARTERLY REPORT

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

Issuer's code: 10214-A

FOR QUARTER I, 2008

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

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

General Director
of IDGC of Centre, JSC
14 May 2008

signature

E.F. Makarov

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

signature

S.Yu. Puzenko

seal

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Introduction

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

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

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

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

Governance bodies of the issuer are:

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

Structure of the Board of Directors of the issuer:

- 1) Burnashev Dmitry Aleksandrovich, 1964
- 2) Branis Alexander Markovich, 1977
- 3) Demin Andrey Aleksandrovich, 1974 - Chairman of the Board of Directors
- 4) Zemlyansky Igor Ivanovich, 1969
- 5) Kachay Alexey Romanovich, 1977
- 6) Kolesnikov Anton Sergeevich, 1980
- 7) Kravchenko Vyacheslav Mikhailovich, 1967
- 8) Klaptsov Alexey Vitalievich, 1978
- 9) Makarov Evgeniy Fedorovich, 1955
- 10) Misrikhanov Misrikhan Shapievich, 1955
- 11) Okley Pavel Ivanovich, 1970 - Deputy Chairman of the Board of Directors

Collegial executive body is stipulated by the Charter of the issuer, though as of the date of termination of the period under report – 31.03.2008 – it was not stipulated.

Sole executive body - General Director

Makarov Evgeniy Fedorovich, 1955

1.2. Data on bank accounts of the issuer

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

1.

Full company name	"Absolut Bank" Joint-Stock Commercial Bank (Closed Joint-Stock Company)
Abbreviated company name	"Absolut Bank", JSCB (CJSC)
Location (legal address)	119034, Moscow, Tsvetnoy Boulevard, 18
Taxpayer identification number	7736046991
Type and number of the account	Settlement foreign currency account: No.40702840622000010312
BIC	044525976
Correspondent account	30101810500000000976

2.

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

3.

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

4.

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

5.

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

6.

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

7.

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

8.

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

9.

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

10.

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

11.

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

12.

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

13.

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

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

Full company name	KPMG, Closed Joint-Stock Company
Abbreviated company name	KPMG, CJSC
Location of the auditor company	129110, Moscow, Olimpiysky Avenue, 18/1, office 3035 Postal address: 119019, Moscow, Gogolevsky Boulevard, 11
Phone and fax numbers	phone +7 (495) 937 4477, fax +7 (495) 937 4499
e-mail	moscow@kpmg.ru
Number, date of delivery and date of expiry of the license for realization of the auditor activity	No. E 003330, issued 17 January 2003, date of expiry: 17.01.2013.
Authority which issued the license	Ministry of Finance of the Russian Federation
Data on membership of the auditor in boards, associations or other professional entities (organizations)	KPMG, CJSC is a member of the following professional associations: <ul style="list-style-type: none"> • Association of the European business; • Russian-British chamber of commerce; • American chamber of commerce in Russia; • The Japanese Business-club; • International Forum of Leaders of Business; • Union of German Economy in the Russian Federation; • Russian-American Business Council; • French Club; • Canadian-Eurasian Eurasian Business Association of Russia; • Auditor chamber of Russia; • Association of the international community of Nizhny Novgorod; • Association of the Russian banks; • National Corporate Governance Council; • Institute of Professional Bookkeepers and Auditors
The fiscal period within which the auditor held independent check of book keeping and financial (accounting) reports of the issuer	2006 , 2007

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

- Presence of stakes of participations of auditors (officials of auditors) in the authorized capital of the issuer: auditors have no stakes in the authorized capital of the issuer;

- Granting borrowed funds to auditors (officials of auditors) of the issuer: the issuer did not provide borrowed funds to auditors (officials of auditors);

- **Presence of close business mutual relations (participation in promotion of products (services) of the issuer, participation in joint enterprise activity, etc.), and kinship:** the issuer has no close business mutual relations and kinship with auditors;
- **Data on the officials of the issuer who are simultaneously officials of auditors (who are auditors):** officials of the issuer are not simultaneously officials of auditors.

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

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

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

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

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

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

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

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

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

The procedure of selection of the auditor of the issuer:

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

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

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

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

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

Procedure of nomination of a candidate of the auditor for approval at the shareholders meeting has the features connected with presence of the issuer's unique shareholder which is RAO UES of Russia.

The candidate of the auditor of the issuer for 2008 was determined as a result of the Competitive Selection held by the shareholder of the issuer. The Competitive Selection was performed according to requirements of RAO UES

of Russia of the Regulations for the Competition on selection of auditors of RAO UES of Russia, Group of RAO UES of Russia and SDE of the Group approved by the decision of the Board of Directors.

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

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

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

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

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

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

The amount of the actual rate of remuneration paid to the auditor by the issuer in quarter 1, 2008, and also subject to payment in the 2nd quarter of 2008 for the held independent checks of book keeping and financial (accounting) reporting of the issuer:

- For 2007 - 4.963 million rubles, VAT included (KPMG, CJSC) including for audit of the reporting made according to RAS - 2.444 million rubles, VAT included, for audit of the reporting made according to IFRS - 2.519 million rubles, VAT included.

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

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

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

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

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

In quarter 1 of 2008, the auditor of the reporting of the issuer for 2006, 2007 - KPMG, CJSC, and also the auditor of the reporting of the issuer for 2005 - PricewaterhouseCoopers Audit, CJSC, on the basis of contracts concluded with them held necessary auditor procedures on check of the reports of the issuer for 2005, 2006 in connection with registration of the prospectus for securities of the issuer.

The amount of the actual rate of remuneration paid by the issuer to auditors for the auditor procedures held in connection with registration of the prospectus of the issue of the Central Bank equaled:

- KPMG, CJSC- 380.0 thousand rubles, VAT included;
- PricewaterhouseCoopers Audit, CJSC - 670.0 thousand rubles, VAT included.

1.4. Data on the appraiser of the issuer:

In 1 quarter, 2008 the issuer did not involve appraisers for:

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

- Rendering other services on appraisal connected with realization of issue of securities, the information about which is underlined in the quarterly report.

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

The information disclosed by IDGC of Centre in accordance with the Regulations for the information policy of IDGC of Centre: compensation to the appraiser for rendering services listed in the given item of the report, for 2007 and on results of 1 quarter 2008 was not paid.

1.5. Data on advisers of the issuer:

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

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

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

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

Surname:	Puzenko
Name:	Svetlana
Patronymic:	Yurievna
Year of birth:	1960
Principle place of works and occupation at the principle place of work	Director for the Accounting Policy - Chief Accountant of Corporate Service Systems, JSC
Occupation in IDGC of Centre, JSC:	Director for the Accounting Policy of IDGC of Centre, JSC (part-time worker)
Phone number:	(495) 747-92-92
e-mail:	puzenko@belgorodenergo.ru
Location (place of work):	129090, Moscow, Glukharev lane 4/2

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

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

2.1. Indicators of financial and economic activities of the issuer

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

Indicator	31.12.2005	31.12.2006	30.09.2007	31.03.2008
Net assets cost, thousand rubles	12 446	26 055	74 875	38 994 280
Relation of the amount of involved funds to the capital and reserves, %	975.8%	1,174.2%	302.3%	32.9%
Relation of the amount of short-term liabilities to the capital and reserves, %	975.8%	1,173.1%	301.2%	15.2%
Cover of payments for debt service, %	0.1	0.2	0.6	0.8
Level of deferred debt, %	0	0	0	0
Turnover rate of the debt receivable, times.	3.9	2.7	11.5	0.6
Share of the dividends in the profit, %	95.0	18.7	0	0
Productivity of labour, rubles/people	5, 280, 333	3, 722, 484	6, 107, 826	20, 525, 390
Depreciation to the amount of proceeds, %	0.10	0.52	0.87	0.06

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

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

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

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

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

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

Turnaround rate of net assets, times - the receipt of the goods, products, works, services minus the value added tax, excises, other taxes and obligatory payments / cost of net assets.

Turnaround rate of debt receivable, times - the receipt of the goods, products, works, services minus value added tax, excises, other taxes and obligatory payments / (debt receivable as of the end of the accounting period - debts of participants (founders) under contributions to the authorized capital as of the end of the accounting period)

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

Cost of net assets (CNA) of the issuer during the analyzed period exceeded the amount of the authorized capital that is a main indicator of stability of the company financial condition.

Cost of net assets on 31.03.2008 increased in comparison with 31.12.2007 by 51,979 % that is connected with reorganization of the Company in the form of consolidation of the distribution grid companies with it on 31.03.2008.

Value of the indicator of the relation of the amount of the involved means to the capital and reserves as of the end of 2007 is 302.3 %, and on 31.03.2008 is 32.9 % that is as a result of reorganization in the form of consolidation the financial stability of the company essentially increased.

Changes of the indicator of the relation of the amount of short-term liabilities to the capital and reserves have the same tendency as well as the previous indicator.

Zero value of the indicator "Level of the deferred debt" proves absence at the issuer of the deferred debts that characterizes ability of the company in due time to be liable for.

Decrease in "Turnaround rate of debt receivable" as of 31.03.2008 concerning the value on 31.12.2007 is connected with significant change of the amount of debt receivable in connection with reorganization of the issuer.

As a whole, values of the considered parameters allow to draw a conclusion that the financial position of the issuer in the considered period is steady.

2.2. Market capitalization of the issuer

The information on market capitalization of the issuer is given for each completed fiscal year and as of the date of the end of the last completed accounting period prior to the date of approval of the prospectus for securities.

As shares of the issuer were not and are not circulated in the securities market, it is impossible to determine the market capitalization of the issuer under the method defined in the Regulations about disclosing of the information by issuers of issue securities approved by Order of FFMS of Russia on 10.10.2006 No.06-117/pz-n (as amended).

With a view of this item, the market capitalization of the issuer is defined as cost of net assets of the issuer at the date of the end of each fiscal year and at the date of the end of the last completed accounting period prior to the date of approval of the prospectus for securities. Calculation of the cost of net assets of the issuer is made using the method defined in the Procedure of estimation of the cost of net assets of the joint-stock companies approved by Order of the Ministry of Finance of Russia and Federal Commission for Securities Market of Russia on 29 January 2003 No. 10n/03-6/pz.

Indicator	Market capitalization of the issuer, thousand rubles
2005	12, 446
2006	26, 055
2007	74, 785
1 quarter of 2008	38, 994, 280

2.3. Liabilities of the issuer

2.3.1. Accounts payable

Name of the accounts payable	31.12.2005	31.03.2008
Accounts payable (except for the deferred tax liabilities)	59 166	11, 155, 113
<i>Including</i>		
<i>Long-term liabilities</i> (except for the deferred tax liabilities)	0	5, 531, 827
<i>Short-term liabilities</i>	59, 166	5, 623, 286

thousand rubles

Since the moment of the issuer establishment, the issuer's balance has not included the deferred accounts payable.

The structure of the accounts payable as of 31.12.2007

thousand rubles

Name of the accounts payable	Maturity	
	Up to one year	Over one year
Accounts payable to suppliers and contractors	44, 654	0
<i>Including the deferred one</i>	0	0
Accounts payable to the organization personnel	10, 612	
<i>Including the deferred one</i>	0	0
Accounts payable to the budget of state and non-budgetary funds	2, 374	0
Credits	0	0
<i>Including the deferred one</i>	0	0
Loans, total	0	0
<i>Including the deferred one</i>	0	0
Including the bonded loans	0	0
Including the deferred bonded loans	0	0
Other accounts payable	1, 526	0
<i>Including the deferred one</i>	0	0
Total	59, 166	0
<i>Including the deferred one</i>	0	0

The structure of the accounts payable as of 31.03.2008

thousand rubles

Name of the accounts payable	Maturity	
	Up to one year	Up to one year
Accounts payable to suppliers and contractors	1, 357, 961	0
<i>Including the deferred one</i>	0	0
Accounts payable to the organization personnel	278	0
<i>Including the deferred one</i>	0	0
Accounts payable to the budget of state and non-budgetary funds	735, 910	0
Credits	1, 936, 428	5, 185, 461
<i>Including the deferred one</i>	0	0
Loans, total	0	340, 000
<i>Including the deferred one</i>	0	0
Including the bonded loans	0	0
Including the deferred bonded loans	0	0
Other accounts payable	1, 592, 709	6, 366
<i>Including the deferred one</i>	0	0
Total	5, 623, 286	5, 531, 827
<i>Including the deferred one</i>	0	0

Creditors, the debt of which is at least 10 % of the total amount of accounts payable on 31.03.2008:

Full company name	"Gazprombank" (Open Joint-Stock Company)
Abbreviated company name	"GPB (OJSC)
Location (legal address)	117420, Russia, Moscow, Nametkina street, 16, bld. 1
Amount of accounts payable, thousand rubles	2, 274, 536
Amount and conditions of the deferred accounts payable (interest rate, delayed damages, penalties).	Since the moment of the issuer establishment, the issuer's balance has not included the deferred accounts payable.

This creditor is not an affiliate of the issuer.

Full company name	"ROSBANK" Joint-Stock Commercial Bank, Open Joint-Stock Company
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Abbreviated company name	" ROSBANK" JSCB, OJSC
Location (legal address)	107078, Moscow, Mashi Poryvaevoy street, 11
Amount of accounts payable, thousand rubles	1, 543, 545
Amount and conditions of the deferred accounts payable (interest rate, delayed damages, penalties).	Since the moment of the issuer establishment, the issuer's balance has not included the deferred accounts payable.

This creditor is not an affiliate of the issuer.

2.3.2. Credit history of the issuer

The issuer carries out its industrial and economic activities since December, 17th, 2004. For the period from December, 17th, to December, 31st, 2007 the Company did not conclude credit contracts. In the 1st quarter of 2008, the issuer concluded credit contracts, the amount of the main debt under which is 5 and more percent of the total assets of the issuer on the date of termination of the last completed accounting quarter previous to conclusion of the corresponding contract for a total amount of 10, 500, 000 (ten billion five hundred million) rubles.

Liability name	Creditor (lender) name	Amount of the main debt, rubles	Principle receivable on 31.03.2008, rubles	Term of the credit (loan) / term of repayment	Presence of delay of execution of the liability regarding payment of the amount of the main debt and/or the established interest, term of delay, days
Credit line	"Gazprombank" (Open Joint-Stock Company)	1, 300, 000, 000	0	1.5 years/29.09.2009	none
Credit line	"ORGRESBANK" Joint-Stock Bank, Open Joint-Stock Company	2, 000, 000, 000	0	3 years/28.03.2011	none
Credit line	"Bank of Moscow " Joint-Stock Commercial Bank (Open Joint-Stock Company)	1, 300, 000, 000, 000	0	0.5 years/24.09.2008	none
Credit line	"Raiffeisen " Closed Joint-Stock Company	1, 400, 000, 000	0	1.5 years/28.09.2009	none
Credit line	"ROSBANK" Joint-Stock Commercial Bank, Open Joint-Stock Company	3, 000, 000, 000	0	5 years/01.02.2013	none
Credit contract – overdraft	"Gazprombank" (Open Joint-Stock Company)	700, 000, 000, 000	0	1 year/27.03.2009	none
Credit line	"Gazprombank" (Open Joint-Stock Company)	80, 000, 000, 000	0	1 year/27.03.2009	none

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

For the period from the date of establishment of the Company for 1 quarter 2008 the issuer had no liabilities on granting security to the third parties, including in the form of the mortgage or the guarantee which is at least 5 of the total assets balance.

The amount of liabilities of the issuer from the security given to the third parties as of the date of termination of the 1st quarter of 2008 equaled 2, 349, 363 thousand rubles that is less than 5 percent of the total assets balance of the issuer.

2.3.4. Other liabilities of the issuer

No agreements, including futures contracts which were not reflected in the accounting balance which can be reflected significantly in the financial position of the issuer, its liquidity, sources of financing and conditions of their use, results of activity and charges, were concluded by the issuer within 17 December 2004 to quarter 1 of 2008.

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

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

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

2.5.1. Industry risks

As the sector of the electric power industry is at the stage of restructuring that is connected with certain risks, for the purpose of minimization of influence of these risks on activity of the issuer and DGC of its configuration, the issuer undertakes actions on establishment and coordination of all essential positions in interests of its business with all state and municipal authorities influencing activity of the issuer and DGC, the powers of the sole executive body of which it exercises.

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

- Continuation of the process of restructuring RAO UES of Russia and as a whole of the electric power industry;

- Creation of the competitive electric power market;

- Transition to a new system of tariff regulation;

- Possible implementation of the mechanism of the economic responsibility for infringement of service standards.

Restructuring of the electric power industry will be continued during the first half of 2008. As a result of this reform, the Russian market of the electric power undergoes main changes, and the issuer can be influenced by several operational, commercial, technical, administrative, regulatory and other risks which are now impossible to be predicted, but which can render essential adverse influence on economic activities of the issuer, its incomes and results of its operations.

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

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

- Construction of a network of service centers;

- Participation in development of the branch regulating documents regarding standardization of servicing;

- Constant improvement of the technological probability of the distribution grid companies;

- Implementation of new technologies in the distribution grid companies;

- Realization of the investment program.

In case of preservation of the reform rates, while the process of the sector reform is carried out, the risks will be decreased, and estimation of the cost of the companies of electric power industry will come nearer to their fair cost. At the same time, possible pauses in rates of formation of the final market model are not excluded that as a whole can affect rates of growth of the companies cost.

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

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

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

- Risk of high-grade performance of obligations under contracts on rendering services on transmission of electric energy;

- Worsening of operational and economic parameters of the grid equipment;

- Occurrence of adverse environmental consequences;

- Risk of failures with partial or full short shipment of the electric power with corresponding adverse social consequences;

- Risk of industrial traumatism of the personnel;

Actions of the issuer on this risk management:

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

1. Parameters of repairs programs are executed in full;
2. The structure and amount of volume of spare parts is constantly optimized;
3. The tender selection of the service and supplying organizations was implemented for the purpose of improvement of quality of these services and materials, the responsibility of counterparts and decrease in specific expenses;
4. The probability of occurrence of system failures exists. For maintenance of the system reliability, the emergency control automatics were implemented and are modernized according to the modern requirements. The tasks of the centralized system of the emergency control automatics include maintenance of the system reliability in all power supply system at occurrence of local failures.

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

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

Transfer of the electric power through distributive networks, and also technological connection to electric networks are kinds of activity regulated by the state. Thus, adoption by the regulatory bodies of tariff rates for services of the issuer directly influences volumes of the received proceeds. In this connection, there are risks of:

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

The following measures are applied to eliminate the given risks:

1. Work with Federal Service for tariffs and bodies of regulation of tariffs of subjects of the Russian Federation on economic substantiation of the expenses included in tariffs, on modification of the legislation of the Russian Federation in the sphere of pricing on services of natural monopolies for the purpose of the account of interests of the distributive network companies is held at establishment of tariffs for electric energy in the retail market;
2. Development and coordination of long-term programs of development of regions of the zones of activity of branches of the issuer with regional and local authorities with signing Agreements in is held which volumes of sources of financing of investment programs, in particular, are coordinated;
3. Regular work on reduction of costs of the issuer is held;
4. Stage-by-stage transition to the new system of the regulation based on the method of profitableness of the invested capital is planned to be performed which should promote attraction in branch of long-term investments, and also to decrease influence of subjective factors on taking tariff decisions.

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

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

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

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

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

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

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

- Carrying out by the issuer of the well thought-out financial policy.

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

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

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

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

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

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

After completion of the process of reorganization of the issuer by consolidation of the subordinated DGC with it, the issuer can have the risks connected with increase of the prices for component parts, equipment and other material resources which will be used by the issuer. The given risks are caused basically, by the inflationary processes and can be minimized by the following actions:

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

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

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

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

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

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

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

2.5.2. Country and regional risks

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

Country risks

Now the positive tendency of increase of the international ratings of the Russian Federation is observed. According to the classification of Fitch, Moody's and Standard and Poor's international rating agencies, Russia received an investment rating according to which the economic and political situation in Russia is estimated as harmless in the short-term prospect. The forecast for all ratings remains on the "stable" level. The favorable factors contributing to increase in the ratings of Russia, in opinion of agencies, are the economic growth observed in Russia

within last several years, caused improvement of the majority of key performance indicators, including proficiency of the account of current operations, and also growth of gold and exchange currency reserves of Russia and reduction of external short-term obligations.

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

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

Regional risks

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

According to the Investment Rating of Regions of Russia 2005-2006 (prepared by the "Expert RA" Rating Agency), the majority of regions (8 out of 11), with which the issuer's activity is connected, are referred to the territories with moderate investment risks and in various investment potential, and 2 out of 11 regions of activity of the Company - to the regions with the minimal investment risks.

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

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

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

The most part of the given risks cannot be controlled by the issuer because of their scale. In case of destabilization of the political and economic situation in Russia or in a separately taken region which can negatively affect activity of the issuer, the latter will accept a number of measures on anti-recessionary management for the purpose of the maximum decrease in negative influence of the situation on the issuer, including reduction of production costs and other charges, reduction of investment plans.

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

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

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

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

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

3.5.3. Financial risks

Susceptibility of a financial status of the issuer (its liquidity, sources of financing, results of activity, etc.) to change of a rate of exchange:

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

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

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

In the future the issuer plans attraction of credits that will entail necessity of accounting the interest rates

change risks for economic activities.

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

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

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

Influence of inflation:

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

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

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

The risk of inflation is estimated as average.

Critical value of inflation, in opinion of the issuer:

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

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

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

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

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

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

2.5.4. Legal risks

The legal risks connected with activity of the issuer:

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

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

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

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

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

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

The risks connected with mutual relations with shareholders of the companies attached to the issuer include, in particular: the risks connected with accounting of the rights to DGC shares; risk of "corporate blackmailing" by shareholders; risk of realization by unfriendly shareholders of the actions directed to failure of general meetings of shareholders of the issuer in the future.

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

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

The risks connected with change of the currency legislation

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

The risks connected with change of the tax laws

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

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

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

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

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

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

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

The risks connected with change of requirements to licensing of primary activity of the issuer or licensing of rights to use objects, which availability in its turn is limited (including natural resources).

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

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

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

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

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

2.5.5. The risks connected with activity of the issuer

Below are the risks peculiar exclusively for the issuer.

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

At the moment, there are no proceedings for the amount of over 10, 000, 000 rubles initiated by the issuer and/or against the issuer. In this connection, there are also no risks of the issuer concerning participation in the current litigations.

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

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

The risks connected with absence of an opportunity to prolong effect of the license for realization of

activity connected with the state secret, and also the licenses which passed to the issuer from DGC in connection with reorganization in the form of consolidation according to the current legislation are estimated by the issuer as insignificant.

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

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

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

2.5.6. Bank risks

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

III. Detailed information on the issuer

3.1. Creation and development history of the issuer

3.1.1. Data on company name of the issuer

Full company name of the issuer:

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

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

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

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

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

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

Previous full and abbreviated names of the issuer:

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

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

3.1.2. Data on the state registration of the issuer

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

3.1.3. Data on creation and development of the issuer

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

The issuer was created for an indefinite term.

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

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

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

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

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

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

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

Goal of consolidation:

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

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

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

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

companies into additional ordinary shares of IDGC of Centre, JSC in accordance with the procedure stipulated by the Contract for Consolidation.

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

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

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

As a result of placement of shares of IDGC of Centre of the additional issues which took place on 31.03.2008, additional shares for the total par value of 4, 211, 794, 146.8 rubles were placed. As of the date of termination of the accounting quarter, the reports on results of additional share issues of IDGC of Centre were not registered by FFMS of Russia, changes were made in the charter of IDGC of Centre connected with increase in the authorized capital of IDGC of Centre as a result of additional issues of securities.

After registration of reports on results of additional issues and registration of the respective amendments in the Charter of IDGC of Centre, the amount of the registered authorized capital of IDGC of Centre will equal 4, 221, 794, 146.8 rubles.

Now the amount of the registered authorized capital of IDGC of Centre, JSC is 10, 000, 000 (ten millions) rubles.

Goals of creation and reorganization of the issuer:

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

Mission of the issuer:

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

Using the advanced knowledge and experience in management by the grid complex, we care about quality of human life, family and company. Applying innovations, we render our services more qualitative and more accessible. We bear responsibility for reliable transfer of the electric power to each client and reception of stable incomes by our shareholders.

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

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

3.1.4. Contact information

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

3.1.5. Taxpayer identification number 6901067107

3.1.6. Branches and representative offices of the issuer:

No.	Name and date of the branch opening	Location of the branch	Surname of the branch head	Term of expiry of the power of attorney which was issued
1.	Branch of IDGC of Centre, JSC – Belgorodenergo (18.01.2008) ¹	42 Preobrazhenskaya street, Belgorod RF	V.I. Filatov	31.12.2008
2.	Branch of IDGC of Centre, JSC Bryanskenergo (18.01.2008)	35 Sovetskaya street, Bryansk, RF 241000	N.V.Burenok	31.12.2008
3.	Branch of IDGC of Centre, JSC Voronezhenergo (18.01.2008)	2 Arzamasskaya street, Voronezh, RF 394033	V.I. Pyatigor	31.12.2008
4.	Branch of IDGC of Centre, JSC - Kostromaenergo (18.01.2008)	53 Mira Avenue, Kostroma, RF 156961	A.S. Glebov	31.12.2008
5.	Branch of IDGC of Centre, JSC - Kurskenergo (18.01.2008)	27 K.Marxa street, Kursk, RF 305029	A.V. Pilyugin	31.12.2008
6.	Branch of IDGC of Centre, JSC - Lipetskenergo (18.01.2008)	33, 50 let NLMK street, Lipetsk, RF 398001	A.N. Konanyhin	31.12.2008
7.	Branch of IDGC of Centre, JSC - Orelenergo (18.01.2008)	2 Mira square, Orel, RF 302030	S.V. Zorin	31.12.2008
8.	Branch of IDGC of Centre, JSC - Tambovenergo (18.01.2008)	23 Morshanskoe street, Tambov RF 392680	V.F. Holoptsov	31.12.2008
9.	Branch of IDGC of Centre, JSC - Smolenskenergo (18.01.2008)	33 Tenishevoi street Smolensk RF 214019	M.A. Hvostantsev	31.12.2008
10	Branch of IDGC of Centre, JSC - Tverenergo (18.01.2008)	1 Bebelya street, Tver RF, 170006	S.V. Elkin	31.12.2008
11	Branch of IDGC of Centre, JSC - Yarenergo (18.01.2008)	12 Voinova street, Yaroslavl RF 150003	I. V. Solonikov	31.12.2008

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

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

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

23.01.2008.

3.2. Main economic activities of the issuer

3.2.1. Issuer's industry

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

3.2.2 Main economic activities of the issuer

The main kinds of economic activities (kinds of activity, kinds of products (works, services) providing at least 10 percent of the proceeds (profit) of the issuer for the last 5 completed financial years or for each completed fiscal year, if the issuer carries out the activity less than 5 years, and also for the last completed accounting period before the date of adoption of the prospectus for securities): the specified information is provided for 2005-2006, and also for 9 months of 2007 as the issuer has been actually performing its activity since 2005 (it was registered as a legal entity on 17.12.2004).

Main kinds of the issuer's activity providing at least 10 % of the proceeds for the period from 2005 to 9 months 2007 are:

1. Rendering consulting services to the regional grid companies.
2. Rendering services on realization of powers of the sole executive body of the regional grid companies.
3. Rendering services on regulated purchases, technical audit
4. Proceeds from grid services

Indicator	Period under report			1q, 2008
	2005	2006	2007	
1. Consulting services by the distribution grid companies (DGC)				
Amount of proceeds (profit) of this economic activity, rubles	341, 665, 010	432, 474, 344	134, 576, 000	-
Share of proceeds (profit) of this economic activity in the total amount of proceeds (profit) of the issuer, %	98.0	58.1	13.69	-
2. Services on exercise of the powers of the sole executive body of DCG				
Amount of proceeds (profit) of this economic activity, rubles	6, 837, 000	269, 959, 881	744, 602, 900	168, 083, 515
Share of proceeds (profit) of this economic activity in the total amount of proceeds (profit) of the issuer, %	2.0	36.3	75.72	4.50
3. Services on regulated purchases, technical audit				
Amount of proceeds (profit) of this economic activity, rubles	-	-	104, 181, 200	-
Share of proceeds (profit) of this economic activity in the total amount of proceeds (profit) of the issuer, %	-	-	10.59	-
4. Proceeds from grid services				

Amount of proceeds (profit) of this economic activity, rubles				3 549 724 000
Share of proceeds (profit) of this economic activity in the total amount of proceeds (profit) of the issuer, %				95,02

The proceeds for the 1 quarter 2008 equaled 3, 735, 621 thousand rubles. Proceeds in 2007 was 983, 360.1 thousand rubles. Significant growth of proceeds proves reorganization factor. The consolidated branches increased the total proceeds due to proceeds from rendering network services last month quarter. Its share was 95.02 %. Accordingly, the share of proceeds from other kinds of activity decreased.

Principal cause of increase in proceeds from rendering consulting services of DGC in 2006 in comparison with 2005 by 26.6 % is that IDGC of Centre started its activity only in April, 2005 and services were rendered not for the full year. However, the share of proceeds from rendering consulting services of DGC in total amount of proceeds in 2006 in comparison with 2005 decreased by 39.9 % in connection with the fact that in 2006 some DGC concluded contracts on transmission of powers of the sole executive body which replaced contracts on rendering consulting services. Following the results of 2006, the share of proceeds from rendering consulting services of DGC equaled 58.1 % against 98 % in 2005.

Growth of proceeds from rendering services on realization of powers of the sole executive body of DGC in 2006 in comparison with 2005 is 39.5 times which is caused by the fact that in 2005 the contract on rendering services of the SEB was concluded only with JSC Kostromaenergo, and in 2006 contracts on rendering the given services were concluded with JSC Belgorodenergo, JSC Vladimirenergo, JSC Vologdaenergo, JSC Ivenergo, JSC Lipetskenenergo, JSC Nizhnovenergo, JSC Rostovenergo, JSC Tulenergo and JSC Yarenergo. Moreover, the contract with JSC Kostromaenergo was concluded on 01.12.2005; the incomes on it were received only for December 2005.

IDGC of Centre, JSC conducts its activity exclusively on the territory of the Russian Federation. Main economic activity of IDGC of Centre, JSC is not subject to seasonal fluctuations.

Structure of the cost price of IDGC of Centre, JSC for the last completed fiscal year, and also for the last completed accounting period before the date of approval of the prospectus for securities under the specified clauses in percentage of the total cost price.

The actual cost price of rendering services following the results of 2007 was 928,372.1 thousand rubles.

Budget item	The period under report	
	2007	1 quarter of 2008
Raw and other materials, %	0.7	26.1
Purchased component products, semi-processed materials, %	0.0	0.0
Works and services of industrial character executed by outside organizations, %	0.1	45.6
Fuel, %	0.0	0.0
Energy, %	0.0	22.05
Expenses for payment, %	46.7	10.8
Interest under credits, %	0.0	0.0
Rent, %	5.5	0.2
Deductions for social needs,	3.6	0.8

Amortization of the fixed assets, %	0.9	0.1
Taxes included in the cost price of products, %	0.1	0.5
Other expenses (to be explained), %	42.4	38.9
Amortization on immaterial assets, %	16.5	0.1
Compensations for efficiency proposals, %	2.3	0.2
Obligatory insurance payments, %	1.6	0.1
Expense accounts, %	4.7	0.2
Other, %	17.3	38.3
Total: expenses for manufacture and sale of products (works, services) (cost price), %	100.0	100.0
For reference: the receipt of products (works, services), % to the cost price	105.9	213.8

The structure of the cost price has clear-cut fluctuations under articles of the accounting. For example, charges under article "Energy" increased by 22.05 %, charges under article «Expenses for payment» decreased from 46.7 % to 10.8 %. Such structural shift is explained by the reorganisation actions. The issuer does not offer new kinds of products in the market of the primary activity having essential value (works, services).

Regulations and other statutory acts the accounting reporting and calculations are made under, which are reflected in the present item of the prospectus for securities:

The accounting reporting of the issuer is prepared according to the current laws of the Russian Federation in the field of book keeping:

The issuer does not offer essentially new kinds of products in the market of the primary activity (works, services).

- Federal Law of the Russian Federation "On book keeping" of 21.11.1996 N 129-FZ;
- Federal Law of the Russian Federation "On joint-stock companies" of 26.12.1995 N 208-FZ
- Civil Code of the Russian Federation, Part I of 30.11.1994 N 51-FZ;
- Civil Code of the Russian Federation, Part II of 26.01.1996 N 14-FZ;
- Regulations on conducting book keeping and accounting reporting in the Russian Federation approved by order of the Ministry of Finance of the Russian Federation of 29.07.1998 No.34-n;
- Plan of bills of book keeping of financial and economic activity of the enterprises and Guide to its application (order of the Ministry of Finance of the Russian Federation of 31.10.2000 No. 94-n);
- RAS 1/98 "Accounting policy of the organization" (order of the Ministry of Finance of the Russian Federation as of 9 December 1998 N 60n);
- RAS 2/94 "Account of contracts (contracts) on capital construction"; (order of the Ministry of Finance of the Russian Federation of 20 December 1994 No. 167);
- RAS 3/2000 "Account of assets and liabilities, the cost of which is expressed in the foreign currency" (order of the Ministry of Finance of the Russian Federation of 10 January 2000 N 2n);
- RAS 4/99 "Accounting reporting of the organization" (order of the Ministry of Finance of the Russian Federation of 6 July 1999 N 43n);
- RAS 5/01 "Account of financial and industrial stocks" (order of the Ministry of Finance of the Russian Federation of 9 June 2001 N 44n);
- RAS 6/01 "Account of the fixed assets (order of the Ministry of Finance of the Russian Federation of 30 March 2001 N 26n as amended by Orders of the Ministry of Finance of the Russian Federation of 18.05.2002 N 45n, of 12.12.2005 N 147n, of 18.09.2006 N 116n, of 27.11.2006 N 156n);
- RAS 7/98 "Events after the accounting date" (order of the Ministry of Finance of the Russian Federation of 25 November 1998 N 56n);
- RAS 8/98 "Conditional facts of economic activities" (order of the Ministry of Finance of the Russian Federation of 25 November 1998 N 57n);
- RAS 9/99 "Incomes of the organization" (order of the Ministry of Finance of the Russian Federation of 6 May 1999 N 32n as amended by orders of the Ministry of Finance of the Russian Federation of 30.12.1999 N 107n, of 30.03.2001 N 27n, of 18.09.2006 N 116n, of 27.11.2006 N 156n);
- RAS 10/99 "Charges of the organization" (order of the Ministry of Finance of the Russian Federation of 6

May 1999 N 33n as amended by orders of the Ministry of Finance of the Russian Federation of 30.12.1999 N 107n, of 30.03.2001 N 27n, of 18.09.2006 N 116n, of 27.11.2006 N 156n);

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

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

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

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

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

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

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

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

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

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

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

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

The name and location of suppliers of the issuer which provide at least 10 percent of all deliveries of materials and goods (raw material), and their share in total amount of deliveries for the last completed fiscal year, and also for the last completed accounting period before the date of approval of the prospectus for securities: there were no suppliers of the issuer, the share of which would be at less than 10 percent of all deliveries of materials and goods (raw material) within 2006 and 9 months 2007 at the issuer.

The information on change of the prices for the main materials and goods (raw material) or about absence of such change for the last completed fiscal year, and also for the last completed accounting period before date of approval of the prospectus for securities: the issuer does not hold purchases of materials and goods (raw material), there are no data about change of the prices for the main raw material and materials.

Share of import in deliveries of the issuer for the last completed fiscal year, and also for the last completed accounting period before the date of approval of the prospectus for securities: none.

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

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

The issuer's principle kind of activity as of 31.03.2008 is rendering services on transmission of electric energy, rendering of services on technological connection of power receiving devices (power installations) of legal entities and physical persons to the electric networks on the territory of the Belgorod, Bryansk, Voronezh, Kostroma, Kursk, Lipetsk, Orel, Tambov, Smolensk, Tver and Yaroslavl areas

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

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

3.2.5. Data on the issuer's licenses

(including procedure of legal continuity from DGC consolidated with the issuer)

No.	license, series, number, type of the license	Issued by	Date of delivery – date of termination of the license effect	Probability of the license prolongation
1.	B 363909 No. 2798, performance of works with using the state secret data at the address: 129090, Moscow, Glukharev lane 4/2	The center on licensing certification and protection of the state secret of FSS (Federal Security Service) of Russia	12.09.2007 – 30.09.2009	High
2.	D 577286, No.GS-1-69-02-27-0-6900000300-002122-2, construction of buildings of I and II responsibility levels in accordance with the state standard	Federal agency for construction, housing and communal services	25.04.2005 - 25.04.2010	High
3.	D 586810, No.GS -1-69-02-26-0-6900000300-002233-2, designing of buildings of I and II responsibility levels in accordance with the state standard	Federal agency for construction, housing and communal services	11.07.2005 - 11.07.2010	High
4.	B 301959 No.555, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve	Administration of the Federal Security Service of the Russian Federation in the Tver area	22.07.2005 - 21.07.2010	High
5.	B 30952 No.692, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve	Administration of the Federal Security Service of the Russian Federation in the Tver area	17.04.2007 - 21.07.2010	High
8.	B 300936 No.679, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve	Administration of the Federal Security Service of the Russian Federation in the Tver area	07.03.2007 - 21.07.2010	High
9.	B 300940 No.683, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve	Administration of the Federal Security Service of the Russian Federation in the Tver area	23.03.2007 - 21.07.2010	High
10.	B 300906 No.649, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve	Administration of the Federal Security Service of the Russian Federation in the Tver area	11.01.2007 - 21.07.2010	High
11.	B 300905 No.648, performance of works with using the state secret data, at performance of the mobilization task,	Administration of the Federal Security Service of the Russian Federation	11.01.2007 - 21.07.2010	High

	storing material values of the state and mobilization reserve	in the Tver area		
12.	B 300915 No.647, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve	Administration of the Federal Security Service of the Russian Federation in the Tver area	11.01.2007 - 21.07.2010	High
13.	B 300913 No.646, performance of works with using the state secret data, at performance of the mobilization task, storing material values of the state and mobilization reserve	Administration of the Federal Security Service of the Russian Federation in the Tver area	11.01.2007 - 21.07.2010	High
14.	B 545898, Registration No. GS-1-32-02-26-0-3201000084-001699-1 on realization of designing of buildings of I and II levels of responsibility according to GOST (State Standard).	Federal agency for construction, housing and communal services	21.02.2005 - 21.02.2010	High
15.	series: BRN No. 50506, type: VE for the right to use bowels (extraction of fresh underground waters at the site of Pochep deposit)	Ministry of natural resources of the Russian Federation, Central administrative board in the Bryansk area	20.11.2001 - 01.01.2011	High
16.	series: BRN No. 50636, type: VE for the right to use bowels (extraction of fresh underground waters at the site of Klinty deposit)	Ministry of natural resources of the Russian Federation, Central administrative board in the Bryansk area	22.11.2002 - 01.10.2012	High
17.	No. OT-08-000140 (32) for realization of activity on handling hazardous waste (activity during which dangerous waste are formed, and also activity on use, neutralization, transportation of hazardous waste)	Federal service for ecological, technological and nuclear supervision	20.07.2005 - 20.07.2010	High
18.	No. 61-EV-000474 (KS) for realization of activity on operation of explosive industrial objects	Federal service for ecological, technological and nuclear supervision	30.10.2003 - 30.10.2008	High
19.	L 311383 registration No. 5883 for realization of medical activity.	Департамент здравоохранения администрации администрации Брянской обл.	25.02.2004 - 25.02.2009	High
20.	handling hazardous waste, No. 012565, registration No. 48M04/0060/L	Министерством природных ресурсов РФ	15.06.2004 - 15.06.2009	High
21.	construction of buildings of I and II responsibility levels, series D No. 655140, registration No. GS-1-48-02-27-0-4822000160-001697-3	Federal agency for construction, housing and communal services	07.11.2005 – 07.11.2010	High
22.	Maintenance of explosive industrial objects, series A No.052767, registration number 34-ev-000437 (zhksh)	Management of the Verhny Don district of Federal mining and industrial supervision of Russia (Gosgortekhnadzor of Russia).	25.08.2003 – 25.08.2008	High
24.	Maintenance of fire risk industrial objects No. 0010214, registration number 3/00138	Central administrative board of the State fire service of the Ministry of the Russian Federation for affairs of civil defence, extreme situations and liquidation of consequences of acts of nature	21.01.2004 - 21.01.2009	High

25.	No. GS-1-44-02-27-0-4401007071-000892-1 Construction of buildings of P responsibility level	Federal agency for construction, housing and communal services	15.08.2005 – 15.08.2010	High
26.	No.B 285916 Performance of works with using the state secret data at performance of the mobilization task, storing material values of the state and mobilization reserve	Administration of FSS of the Russian Federation in the Kostroma area	05.05.2006 – 05.11.2011	High
27.	No.42443 Services of communication on data transmission, except for services of communication on data transmission for the purposes of the voice information transmission	Federal service on supervision in the sphere of communication	12.07.2006 – 12.07.2011	High
28.	No.36895 Telematic services	Federal service on supervision in the sphere of communication	12.12.2005 – 12.12.2010	High
29.	Maintenance of explosive industrial objects; No.61-EB-000280(KC)	Federal mining and industrial supervision of Russia (Gosgortekhnadzor of Russia), 02.06.2003	02.06.2003 - 02.07.2008	High
30.	No. 000023-P Repairs of measurement means	Federal agency on technical regulation and metrology, 21.10.2004	21.10.2004 - 21.10.2009	High
31.	construction of buildings of I and II responsibility levels in accordance with the state standard, No. GS-1-57-03-27-0-5751002723-000753-2	Federal agency for construction, housing and communal services, 03.04.2006	03.04.2006 - 03.04.2011	High
32.	On realization of activity on handling dangerous waste, No.57M/04/0034/L	Ministry of natural resources of the Russian Federation (Administration of natural resources and environment protection of MPR of Russia of the Orel area), 27.02.2004	27.02.2004 - 27.02.2009	High
33.	No.3/ 00117 Maintenance of fire risk industrial objects	Central administrative board of the State fire service	25.12.2003-25.12.2008	High
34.	No.2/ 09601 Manufacture of works on installation, repairs and service of means of maintenance of fire safety of buildings and constructions	Central administrative board of the State fire service	01.09.2004-01.09.2009	High
35.	No. 64-EV-000401 Maintenance of explosive industrial objects	Federal mining and industrial supervision of Russia (Gosgortekhnadzor of Russia)	24.12.2003-24.12.2008	High
36.	No.2 /08968 Manufacture of works on installation, repairs and service of means of maintenance of fire safety of buildings and constructions	Central administrative board of the State fire service	02.08.2004-02.08.2009	High
37.	No. 418 B 333309 Observance of requirements of legislative and other statutory acts of the Russian Federation on protection of	Administration of FSS of Russia in the Smolensk area	30.10.2006-08.08.2009	High

	the state secret data			
38.	No. 51225 Services of telecommunication in the dedicated communication network	Federal service on supervision in sphere of communication	05.06.2007-05.06.2012	High
39.	SMO 04090 VE The right to use bowels (extraction of underground waters for the economic and household and industrial purposes of the base of Krasnino EGE)	Smolensk territorial administration of geology and use of bowels.	18.08.1997-01.01.2010	High.
40.	No. 418/4 B 333333 Observance of requirements of legislative and other statutory acts of the Russian Federation on protection of the state secret data	Administration of FSS of Russia in the Smolensk area	19.02.2007г - 08.08.2009	High
41.	CMO- 07307 BЭ Extraction of underground waters for economic and household and industrial purposes of substations 110 KV Hislavichi settlement of the Southern electric Grid branch	MNR of the Russian Federation committee of natural resources in the Smolensk area	14.04.1997 - 01.04.2008	High
42.	No. 418/2 B 333311 Observance of requirements of legislative and other statutory acts of the Russian Federation on protection of the state secret data	Administration of FSS of Russia in the Smolensk area	30.10.2006 - 08.08.2009	High
43.	No. 418/1 B 333310 Observance of requirements of legislative and other statutory acts of the Russian Federation on protection of the state secret data	Administration of FSS of Russia in the Smolensk area	30.10.2006-08.08.2009	High
44.	SMO 07711 VE Extraction of underground waters for economic and household and industrial purposes of Sychevsk EGE and SB Ermolinka	MNR of the Russian Federation committee of natural resources in the Smolensk area	19.07.2000 01.09.2010	High
45.	No. 418 B 333334 Observance of requirements of legislative and other statutory acts of the Russian Federation on protection of the state secret data	Administration of FSS of Russia in the Smolensk area	19.02.2007-08.08.2009	High
46.	No. 39040 Services of communication for the purposes of cable broadcasting	Federal service on supervision in the sphere of communication	16.02.2006 - 16.02.2011	High.
47.	No. 46923 Realization of activity in the field of rendering services of communication on granting liaison channels	Federal service on supervision in the sphere of communication	27.12.2006 27.12.2011	High
48.	No. 46925 Realization of activity in the field of rendering services of local	Federal service on supervision in the sphere of communication	27.12.2006 - 27.12.2011	High

	telecommunication, except for services of local telecommunication with use of payphones and means of group access			
49.	No. 39424 Telematic communication services	Federal service on supervision in the sphere of communication	15.03.2006 - 15.03.2011	High
50.	No. 39425 Services of communication on data transmission, except for services of communication on data transmission for the purposes of voice information transmission	Federal service on supervision in the sphere of communication	15.03.2006-15.03.2011	High
51.	No. 39426 Services of communication on data transmission, except for services of communication on data transmission for the purposes of voice information transmission	Federal service on supervision in the sphere of communication	15.03.2006 - 15.03.2011	High
52.	No. 45547 Services of mobile radio communication in the dedicated communication network	Federal service on supervision in the sphere of communication	17.11.2006-17.11.2011	High
53.	No.36M04/0028/II Activity on dangerous waste handling	Ministry of Natural resources of Russia	30.04.2004 29.04.2009	High
54.	Д 530113 PeNo. ГС-1-36-02 -27-0-3663006330-003175-2 construction of buildings of I and II responsibility levels	Federal agency for construction, housing and communal services	18.10.2004-18.10.2009	High
55.	Series VRZh Reg. No.08701 VE On the right to use bowels - extraction of fresh underground waters	Ministry of Natural resources of Russia	30.03.2001-01.10.2010	High
56.	Performance of works with using the state secret data ; reg. No. 779 Б344786	FSS Administration in the Voronezh area	10.10.2007 - 10.10.2010	High
57.	Maintenance of explosive industrial objects, 40-ЭВ-000550 (KS)	Federal mining and industrial supervision of Russia (Gosgortekhnadzor of Russia)	20.11.2003 - 20.11.2008	High
58.	designing of buildings of I and II responsibility levels in accordance with the state standard, Д 948962 / ГС-1-46-02-26-0-4629023257-002990-5	State committee of the Russian Federation on construction, housing-and-municipal complex	13.11.2007 - 13.11.2012	High
59.	construction of buildings of I and II responsibility levels in accordance with the state standard, АД 822107 / ГС-1-46-02-27-0-4629023257-002657-4	State committee of the Russian Federation on construction, housing-and-municipal complex	12.03.2007 - 12.03.2012	High
60.	Measuring means repairs, 000166-R	Federal agency for the technical regulation and metrology	12.11.2004 - 12.11.2009	High
61.	The right to use bowels (extraction of fresh underground waters by single hydraulic works for economic drinking and industrial water supply), KRS 53 577 VE	Natural Resources Committee in the Kursk Area	22.04.2002 01.01.2012	High
62.	Activity on dangerous waste handling, 7-ОТ-000011 (46)	Federal mining and industrial supervision of Russia (Gosgortekhnadzor of Russia)	24.02.2005 - 24.02.2010	High
63.	Maintenance of fire risk industrial	Ministry of the Russian	18.03.2005 -	High

	objects, 3 / 00924	Federation on affairs of civil defence, extreme situations and liquidation of consequences of acts of nature	18.03.2010	
64.	Realization of medical activity (pretrip medical surveys of drivers of vehicles) FS-1 No.0009645	Federal service on supervision in the sphere of public health services and social development	26.04.2007 - 26.04.2012	High
65.	No. 33-EV-000594 (KC) A 130225 Maintenance of explosive industrial objects	Gosgortekhnadzor of Russia	10.03.2004-10.03.2009	High
66.	No. OT-18-000259 (76) Registration No. 1027600847581 Series AV No. 024130 on realization of activity on gathering, use, neutralization, transportation, accommodation of dangerous waste.	Federal service for ecological, technological and nuclear supervision	06.07.2007-06.07.2012	High
67.	No. 002452-P Series H No. 102345 on manufacturing and repairs of measurement means	Federal agency on technical regulation and metrology	27.04.2006-27.04.2011	High
68.	License for maintenance of fire risk industrial objects, No. 3/01456	Ministry of the Russian Federation on affairs of civil defence, extreme situations and liquidation of consequences of acts of nature	14.07.2005-14.07.2010	High
69.	construction of buildings of I and II responsibility levels in accordance with the state standard GS -1-31-02-27-0-3123117903-003207-1, D7922113	Federal agency for construction, housing and communal services	03.10.2006 - 03.10.2011	High
70.	License for dangerous waste handling, No. OT-06-001089	Federal service for ecological, technological and nuclear supervision	14.04.2005 - 14.04.2010	High
71.	GS-1-68-02-26-0-6829000116-001227-1, designing of buildings of I and II responsibility levels in accordance with the state standard	State committee of the Russian Federation on construction, housing-and-municipal complex	03.05.2005 - 03.05.2010	High
72.	No. 34-EV-000563 (zhksh), Maintenance of explosive industrial objects	Federal mining and industrial supervision of Russia (Gosgortekhnadzor of Russia)	10.11.2003 - 10.11.2008	High
73.	No. 34-OT-000004 (68), Activity on dangerous waste handling	Federal service on technological supervision	29.12.2004 - 29.12.2009	High
74.	GS -1-68-02-27-0-6829000116-000455-1, construction of buildings of I and II responsibility levels in accordance with the state standard	State committee of the Russian Federation on construction, housing-and-municipal complex	17.04.2003-17.04.2008	High
75.	TMB No.56077 Extraction of underground fresh waters for water supply of the enterprise and inhabited settlement in the south-east suburb of the Zherdevka cite of the Tambov area (for Zherdevka electric networks)	Main Administration of the Natural Resources in the Tambov area	15.10.2002-01.06.2012	High
76.	TMB.56153 Extraction of drinking underground waters for economic and drinking water supply of rural settlements and technological provision of industrial	Main Administration of the Natural Resources in the Tambov area	22.07.2003-10.02.2013	High

	object with water. (For Michurinks electric networks)			
77.	B 351371 Work with state secret data.	Administration of FSS of Russia in the Tambov area	13.04.2007- 13.04.2012	High

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

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

3.2.6. Joint activity of the issuer

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

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

The issuer does not present the information on this item.

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

The issuer does not present the information on this item.

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

The issuer does not present the information on this item.

3.3. Plans of the future activity of the issuer

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

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

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

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

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

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

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

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

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

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

The issuer develops the program of actions of management in the cost aimed at:

1. Increase of financial efficiency

- Estimation of efficiency of other possible ways of loans;

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

2. Increase of operational efficiency of business

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

3. Increase of investment efficiency

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

The basic plans of the issuer for the following 3 years of activity in the field of investments (after completion of reorganization in the form of consolidation of DGC of its responsibility zone with the issuer):

DGC	The capacity planned to be put in operation, km/MVA			
	2008	2009	2010	Total
JSC Belgorodenergo	689/116	697/91	909/33	2,294/240
JSC Bryanskenergo	89/40	27/66	57/0	173/106
JSC Voronezhenergo	190/126	50/128	3/0	243/254
JSC Kostromaenergo	174/10	176/55	178/12	528/77
JSC Kurskenergo	395/41	452/75	496/18	1,342/134
JSC Lipetskenergo	376/115	493/193	567/183	1,436/491
JSC Orelenergo	61/126	125/100	73/90	259/316
JSC Smolenskenergo	131/21	136/3	129/3	396/27
JSC Tambovenergo	27/105	170/0	125/0	322/105
JSC Tverenergo	74/16	197/37	219/80	489/133
JSC Yarenergo	116/80	152/50	113/80	381/210
Total	2,321/795	2,674/799	2,867/499	7,863/2,093

Plans of the future activity of the issuer are also reflected in the internal document developed by the issuer - Regulations for the technical policy in the distribution grid complex (approved by Order of the issuer No.228 of 14.11.2006) which defines main goals, priorities, principles of and restrictions for applied technical solutions in the designed and constructed facilities of electric networks.

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

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

The issuer is included in the group of the companies headed by Russian Open Joint-Stock Company Of Power And Electrification "UES of Russia" (hereinafter referred to as the "Holding").

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

The issuer is a 100 % affiliate of RAO UES of Russia from the moment of its establishment (17 December 2004) and plays a significant role in formation of the power industry of Russia regarding the distribution grid complex and is focused on performance of the following functions:

Realization of the uniform power policy pursued by the Government of the Russian Federation and RAO UES of Russia on the regional level;

Maintenance of reliability of functioning of the grid complex of subordinated regions;

Realization of long-term investment programs in the electric power industry;

Prevention of the crisis phenomena in economy of the complex;

Creation of the values for consumers and shareholders.

Term of participation of the issuer in the Holding:

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

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

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

3.5. Associated and dependent economic entities of the issuer

1. full and reduced company names: Kostroma television channel, Limited liability company KTC Ltd.

location: 156000, Russian Federation, Kostroma, Molodezhnaya street 1, office 102.

reasons of recognition of the company to affiliated or dependent in relation to the issuer: prevailing participation in the authorized capital

stake of the issuer in the authorized capital of the affiliated and/or dependent company: 61.59 %

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

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

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

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

personal structure of the collegial agency (board, management) of the affiliated company: is not stipulated by the charter

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

Surname, name, patronymic: Vladimir Vyacheslavovich Buhvits

Year of birth: 1960

Stake in the authorized capital of the issuer: none

Stake of ordinary shares of the issuer: none

2. full and reduced company names: "Energetik" Preventorium Sanatorium, Open joint-stock company

reduced company name: "Energetik" Preventorium Sanatorium, OJSC

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

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

reasons of recognition of the company to affiliated or dependent in relation to the issuer: prevailing participation in the authorized capital

stake of the issuer in the authorized capital of the affiliated and/or dependent company: 100 %

stake of ordinary shares of the affiliated or dependent company belonging to the issuer:100 %

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

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

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

personal structure of the board of directors (supervisory council) of the affiliated company:

Chairman of Board of directors:

Surname, name, patronymic - Ivan Anatolievich Polukhin

Year of birth: 1960

Stake in the authorized capital of the issuer: none

Stake of ordinary shares of the issuer: none

Deputy Chairman of the Board of Directors:

Surname, name, patronymic: Tatyana Anatolevna Kulbakina

Year of birth: 1973

Stake in the authorized capital of the issuer - none

Stake of ordinary shares of the issuer - none

Surname, name, patronymic Yanina Anatolievna: Denisenko

Year of birth: 1978

Stake of the authorized capital of the issuer: none

Stake of ordinary shares of the issuer: none

Surname, name, patronymic Alexander Anatolevich Sopenko

Year of birth: 1962

Stake of the authorized capital of the issuer: none

Stake of ordinary shares of the issuer: none

Surname, name, patronymic Irina Nikolaevna Murzina

Year of birth: 1961

Stake of the authorized capital of the issuer: none

Stake of ordinary shares of the issuer: none

Personal structure of the collegial executive body (board, management) of the affiliated company: the joint agency was not generated according to the Charter.

The person who carries out functions of the sole executive body of the affiliated company: General Director

Surname, name, patronymic: Alexander Anatolievich Sopenko

Year of birth: 1962

Stake of the authorized capital of the issuer: none

Stake of ordinary shares of the issuer: none

3.6. Composition, structure and cost of the fixed assets of the issuer, information on plans for the fixed assets purchase, replacement, retirement, as well as on all facts of the issuer's means charging

3.6.1. Fixed assets

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

No.	Group name	Initial cost	Accrued amortization	Residual cost
1	Land	-		

2	Land	-		
3	Constructions and transfer mechanisms	-		
4	Material-working machinery and equipment	24,237	10,101	14,136
5	Transport			
6	Inventory	6,794	2,389	4,405
	Total	31,031	12,490	18,541

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

Cost and structure of the fixed capital **31.03.2008** of IDGC of Centre is presented by the table:

(thousand rubles)

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

Amortization on the Company is accrued by linear way.

Results of the last reassessment of the fixed assets and the fixed assets rented for a long term:

As of 1.01.2007 according to the order of RAO UES of Russia No.615 of 5 September 2006 "About carrying out reassessment of the cost of the fixed assets under RAS and estimation of cost of assets of the Group of RAO UES of Russia according to the requirements of IFRS, the Company held reassessment of the fixed assets.

Changes during the reassessment held on 1.01.2007 are presented in the table:

(rubles)

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

Way of carrying out reassessment of the fixed assets:

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

As of 1.01.2008 the IDGC of Centre did not held reassessment.

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

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

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

5.1. Results of financial and economic activities of the issuer

5.1.1. Profit and losses

Behaviour of the indicators describing profitability and unprofitability of the issuer for the past 5 completed fiscal years or for each completed fiscal year if the issuer carries out the activity less than 5 years: the specified information is given for 2005, 2006 and 2007, as the issuer performs its activity since 2005 (it was registered as a legal entity on 17.12.2004) and for the 1st quarter 2008.

Indicator name	Period under report			
	2005	2006	2007	Q1, 2008
Proceeds, rubles	348 502 010.00	744 496 749.50	983 360 100	3 735 621 000
Gross profit, rubles	12 630 048.06	74 898 724.78	54 987 900	1 988 018 000
Net profit, rubles	2 446 300.98	15 157 526.99	51 251 400	1 455 801 000
Return on equity, %	19.65	58.2	68.45	3.7
Return on assets, %	1.83	4.6	17.0	2.8
Net profitability ratio, %	0.70	2.0	5.21	38.97
Profitability of products (sales), %	3.62	10.1	5.6	53.2
Capital turnover, times	28.00	28.27	12.99	0.08
Amount of uncovered loss as of the date under report, rubles	-	-	-	-
Relation of the uncovered loss as of the date under report and total assets, %	-	-	-	-

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

The economic analysis of profitability/unprofitability of the issuer proceeding from behavior of the provided figures. The reasons which, in opinion of the governance bodies of the issuer, led to reception of profit by the issuer following the results of 2005-2006.

Following the results of 2005, IDGC of Centre, JSC received net profit in the amount of 2,446 thousand rubles; following the results of 2006 - 15,158 thousand rubles, following the results of 2007 - 15,251 thousand rubles. Reception of net profit was caused by efficient charges management performed by the issuer that caused excess of incomes over charges, and necessity of investments financing of the issuer. The high level of return on equity was caused by rather a small amount of own capital. Its growth was caused by growth of net profit from 2,446 thousand rubles in 2005 up to 15,158 thousand rubles in 2006. Decrease in profitability of own capital in 1 quarter 2008 is caused reorganisation actions.

As of 31.12.2005 and 31.03.2008, the issuer had no uncovered loss.

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

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

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

The essential factor which influenced increase of profit in 1 quarter 2008 in comparison with 2007 by 2, 752, 260.9 thousand rubles (73.68 %) is reorganization of the issuer in the form of consolidation of eleven regional network companies with it. The proceeds considerably increased due to proceeds from network services of branches.

The proceeds in 2007 in comparison with 2006 increased by 238, 863.4 thousand rubles (24.3 %). Basically, the increase in proceeds occurred by the form of activity «Services on carrying out the regulated purchasing procedures, services of technical audit» and equaled in 2007 104, 181 thousand rubles. Also increase in proceeds was caused by conclusion of contracts on functions of the sole executive with JSC Smolenskenergo, JSC Tambovenergo, JSC Tverenergo, JSC Yarenergo, JSC Bryanskenergo, JSC Voronezhenergo, JSC Kurskenergo, for a total amount of 182, 917 thousand rubles.

The factors which influenced increase of proceeds of 2006 in relation to 2005 by 395, 994.98 thousand rubles (113.6 %):

1. The Issuer has been carrying out its activity since April 2005, i.e. for an incomplete year of 2005, in this connection the proceeds from rendering consulting services in 2006 is above the similar indicator of 2005 by 90,810 thousand rubles.

2. In 2006 the Issuer received incomes under 10 concluded contracts on rendering services of the sole executive body, in 2005 - under one contract with JSC Kostromaenergo concluded in December 2005. Accordingly, the proceeds from rendering services of the SEB in 2006 were 269,960 thousand rubles and 6,837 thousand rubles in 2005.

3. The conclusion in 2006 of contracts on rendering services on carrying out the regulated purchasing procedures, the incomes on which equaled 12, 022 thousand rubles in the specified period.

4. Reception in 2006 of proceeds from rendering services on carrying out technical audit in the amount of 30,041 thousand rubles. Contracts on rendering these services were concluded in 2006.

Influence of inflation, change of foreign currencies rates, decisions of the state bodies, other economic, financial, political and other factors was specified in item 3.5 of the Prospectus for Securities.

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

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

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

Behavior of these indicators is presented for 2005, 2006, and for 9 months of 2007.

Indicator	31.03.2007	31.03.2008
Own circulating assets, thousand rubles	57, 779	-4, 795, 849
Constant asset index	0.43	1.12
Current liquidity ratio	1.20	1.35
Acid ratio	1.18	1.00
Equity ratio	0.26	0.75

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

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

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

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

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

Significant deviations of values of factors on 31.03.2008 in comparison with values on 31.03.2007 are connected with reorganization of the issuer in the form of connection to it of the distributive network companies on 31.03.2008.

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

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

The analysis of equity ratio proves growth of own capital of the organization (from 0.26 up to 0.75) that is the positive tendency and proves increase in financial independence of the issuer from the borrowed capital.

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

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

indicator	31.03.2008
Authorized capital	10, 000
Own shares repurchased from shareholders	0
Additional capital	34, 748, 926
Reserve capital	375, 684
Unallotted profit	3, 812, 920
Total own capital	38, 947, 530

Structure and amount of circulating assets of the issuer in accordance with the accounting reports:

Indicator	31.03.2008
Stocks, thousand rubles	1, 955, 191
To the circulating assets, %	24.6%
Value Added Tax under purchased values, thousand rubles	106, 685
To the circulating assets, %	1.3%
Debt receivable (the maturity of which is more than 12 months after the date under report), thousand rubles	27, 110
To the circulating assets, %	0.3%
Debt receivable (the maturity of which is within 12 months after the date under report), thousand rubles	5, 736, 897
To the circulating assets, %	72.1%
Short-term financial investment, thousand rubles	0
To the circulating assets, %	0.0%
Monetary funds, thousand rubles	127, 103
To the circulating assets, %	1.6%

Other circulating assets, thousand rubles	7, 343
To the circulating assets, %	0.1%
Total circulating assets, thousand rubles	7, 960, 329

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

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

Factors which may entail changing in the policy of circulating assets financing, and estimation of probability of their occurrence: advancing rate of dept receivable in comparison with the growth of accounts payable to suppliers that can lead to necessity of credit loans for financing the circulating assets.

4.3.2. Financial investments of the issuer

The information is not disclosed, as securities of the issuer as of the date of termination of the accounting quarter are not circulating at the tenders of stock exchanges and/or other organizers of trade on the securities market.

4.3.3. Immaterial assets of the issuer

4.3.3. Immaterial assets of the issuer

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

(thousand rubles)				
No.	Group name	Initial cost	Accrued amortization	Residual cost
	As of 01.01.2008			
	-	-	-	-
	As of 31.03.2008			
1	Trade mark	125	-	125
2	Software	51, 865	-	51, 865
	Total immaterial assets:	51, 990	-	51, 990

Immaterial assets are accepted to the accounting at the residual cost, according to item 7 of Order No.44n as from 20.05.2003 "Methodical instructions on formation of the accounting reports at realization of reorganization of the organizations". The accounting of Immaterial assets is carried out according to RAS No.14/2007 "Account of Immaterial assets", approved by Order No.153n a s of 27.12.2007. Amortization will be charged since 1.04.2008 in the linear way.

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

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

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

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

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

There is not inventory in the 1st quarter of 2008 on realization of scientific and technical activity.

The information on creation and reception of the right protection of the fixed assets of intellectual property

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

The information on risk factors

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

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

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

The issuer carries out now and will continue to carry out in the further the activity in the sphere of electric power industry. This industry is in its final stage of restructuring. The competitive (generation and sale) and exclusive (transmission, dispatching) kinds of activity in the electric power industry have been already divided. At the moment, there is a territorial integration of companies which carry out the same kind of activity (generation - TGC, OGC, transmission of the electric power - IDGC, FGC). According to the reform action plan, under the decisions of the government, decisions of general shareholders meetings of IDGC of Centre, JSC, JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo, JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Tambovenergo, JSC Smolenskenergo, JSC Tverenergo, JSC Yarenergo, the reorganization of IDGC of Centre, JSC should be carried out by consolidation of the specified 11 DGC with the issuer. At the moment of termination of the period under report 31.03.2008, an entity was made in the uniform state register of legal entities on termination of activity of the above stated entities

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

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

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

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

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

The most significant factors influencing activity of the issuer and results of its activity is changes in legislative base in the sector and Russian Federation, and also plans of economic development of regions of Russia developed by the Government of the Russian Federation and MEDT for the accounting and next years and in the long term for 3, 5 and 10 years.

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

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

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

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

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

- Possible implementation of the mechanism of the economic responsibility for infringement of service

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

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

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

The essential event which may have a significant positive influence on results of the issuer's activity (in the field of tariff formation) is transition to a new system of the regulation based on fair return on investment (Regulated Asset Base). At present, the main regulating and normative documents in this area have not been drawn up yet that does not allow with a sufficient degree of definiteness to predict financial consequences of occurrence of the given risk. This risk will exist up to the moment of issuing administrative documents on the level of the Government of the Russian Federation.

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

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

4.5.2. Competitors of the issuer

The issuer's main type of activity is electric energy transmission and technological connection of consumers to the grid infrastructure. The issuer is an entity of natural monopolies and actually does not have competitors. There are other territorial network organizations in a number of areas of the DGC zone of electric power transmission sales market which render similar services on the electric power transport. The majority of these organizations is in the property of the State and municipal formations and is presented in organizational and legal forms of the municipal unitary enterprises or the state unitary enterprises.

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

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

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

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

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

Full description of the structure of the governance bodies of the issuer and their competence in accordance with the issuer's Charter.

The governance bodies of the Company shall be:

- General Shareholders Meeting
- Board of Directors
- Board
- Director General

General Shareholders Meeting is the highest governance body of the issuer

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

- 1) introduction of alternations and amendments in the By-Law and approval of the revised By-Law;
- 2) restructuring of the Company;
- 3) liquidation of the Company; appointment of the Liquidation Commission and the approval of the interim an final liquidation balances;
- 4) determination of the quantity, nominal value, category "type" of the declared shares and the rights provided by the said shares;
- 5) decrease of the charter capital by way of the reduction of the nominal value of shares or by way of placement of additional shares;
- 6) reduction of the charter capital of the Company by way of decreasing the nominal value of the shares, through the acquisition by the Company of the part of shares with the view of reducing their total amount or with the view of repaying of the acquired or paid out shares;
- 7) fractioning and consolidation of the shares of the Company;
- 8) making the decision on the placement by the Company of bonds converted into shares and other emission securities, converted into shares;
- 9) determination of the quantitative structure of the Board of Directors, the election of its members and the early termination of their powers;
- 10) election of the members of the Auditing Commission of the Company and the early termination of their powers;
- 11) confirmation of the Auditor of the Company;
- 12) making the decision on the transfer of powers of the single executive organ of the Company to the managing organization "manager" and on the early termination of his/her powers;
- 13) approval of annual reports, annual accounting balances, including the report on profit and losses of the Company, distribution of its profits including payment "announcement" of dividends, except for the profit distributed as a dividend by the results of the first quarter, half a year, nine months of the financial year and the losses of the Company by the results of the financial year;
- 14) payment "announcement" of dividends by the results of the first quarter, half a year, nine months of the financial year;
- 15) determination of the procedure for holding the general meeting of the shareholders of the Company;
- 16) making the decision on the approval of deals in cases envisaged by Article 83 of the Federal law "On Joint Stock Companies";
- 17) making the decision on the approval of large deals in cases envisaged by Article 79 of the Federal law "On Joint Stock Companies";
- 18) making the decision on the participation in holding companies, financial and industrial groups, associations and other unions of for-profit organizations;

- 19) approval of the internal documents regulating the activity of the organs of the Company;
- 20) making the decision on paying the members of the Auditing Commission of the Company of remunerations and/or compensations;
- 21) making the decision on paying the members of the Board of Directors of the Company of remunerations and/or compensations;
- 22) solution of other questions envisaged by the Federal law "On Joint Stock Companies".

The competence of the Board of Directors stipulates as follows:

- 1) setting the priority directions of the activity of the Company;
- 2) convocation of the annual and extraordinary general shareholders meetings of the Company, except for the cases stipulated by item 14.8 of Article 14 of this Charter;
- 3) Approval of the Company general shareholders meeting agenda;
- 4) Election of the Secretary of the Company general shareholders meeting;
- 5) Definition of the date of drawing up the list of persons entitled to participate in the Company general shareholders meeting, and solution of other issues connected with preparation and carrying out of the Company general shareholders meeting;
- 6) introduction for the decision of the general meeting of the shareholders of the Company of issues envisaged by subparagraphs 2,5,7,8,12-20 of Item 10.2 of Article 10 of this Charter, as well as on the reduction of the authorized capital of the Company through the reduction of the par value of the shares;
- 7) placement by the Company of bonds and other emission securities except for the cases stipulated by the legislation of the Russian Federation and this Charter;
- 8) approval of the decision on the emission of securities, emission prospect of securities, the report on the results of the emission of securities, approval of the reports on the results of the acquisition of the shares of the Company from its shareholders, reports on the redemption of shares, reports on the results of the demands by the shareholders of the Company on the redemption of the shares owned by them;
- 9) determining the price (monetary value) of the property, the price of the placement and acquisition of emission securities in cases envisaged by the Federal Law "On Joint Stock Companies" as well as while solving issues stipulated in subitems 11, 23, 24, 40 of Item 15.1. of Article 15 of this Charter;
- 10) acquisition of the shares, bonds and other securities placed by the Company in cases envisaged by the Federal Law "On Joint Stock Companies";
- 11) alienation (sale) of the shares of the Company at the disposal of the Company as a result of their acquisition or redemption from the shareholders of the Company, as well as in other cases envisaged by the Federal Law "On Joint Stock Companies";
- 12) election of the Director General of the Company and early termination of his/her powers including the decision making on early termination of the labor contract with him/her;
- 13) Definition of the quantitative structure of the Board of the Company, election of members of the Company Board, establishment of compensations and remunerations paid to them, preschedule termination of their powers, including early termination of labour contracts with them;
- 14) recommendations to the general meeting of the shareholders of the Company on the amount of remunerations and compensations paid to the members of the Auditing Committee and determination of the remuneration of the Auditor's services;
- 15) recommendations on the amount of the dividend per shares and the procedure for its payment;
- 16) approval of the internal documents of the Company determining the procedure for the formation and use of the funds of the Company;
- 17) making the decision on the use of the funds of the Company, approval of the cost estimates for the use of special purpose funds and consideration of the results of the implementation of cost estimates for the use of special purpose funds;
- 18) approval of the internal documents of the Company except for internal documents, the approval of which is referred to the competence of the general meeting of the shareholders of the Company and other internal documents of the Company, the approval of which is referred to the competence of the executive bodies of the Company;
- 19) approval of the business plan (revised business plan) and the report of its implementation;
- 20) approval (correction) of control figures of the cash flows of the Company;
- 21) Approval and change of terms, and termination of realization of the large and medium-scale investment projects defined thereof according to the Regulations about the investment activity, and also approval of quarterly

reports on the course of performance of the specified projects

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- i) on the determination of the agenda of the general meeting of the shareholders (participants of ADEC);
 - ii) on the reorganization and liquidation of ADEC;
 - iii) on the determination of the quantitative composition of the Board of Directors of ADEC, nomination and election of its members and the early termination of their powers;
 - iv) on the determination of the number, nominal value, category (type) of the announced shares of ADEC and the rights provide by the given shares;
 - v) on the increase of the authorized capital of ADEC through the increase of the nominal value of shares or through the placement of additional shares;
 - vi) on the placement of securities of ADEC converted into ordinary shares;
 - vii) on the fractioning and consolidation of the shares of ADEC;
 - viii) on the approval of large deals, made by the ADEC;
 - ix) on the participation of ADEC in other organizations (on entering the existing organization or on the foundation of the new one), as well as on the acquisition, alienation, encumbrance of shares and parts in the authorized capitals of the organizations, in which ADEC participates, changes in the part of the participation in the authorized capital of the respective organization;
 - x) on the deals made by ADEC (including several associated deals) connected with the alienation or the possibility of alienation of property, representing fixed assets, non-material assets, objects of unfinished construction, the purpose of the use of which is the production, transmission, dispatching, distribution of electric and heating power in cases (amount) by the procedure of interrelations of the Company with organizations in which the Company participates, approved by the Board of Directors of the Company;
 - xi) on the introduction of alternations and amendments in the constituent documents of ADEC;
 - xii) on the determination of the procedure of remuneration payments to the members of the Board of Directors and Auditing Committee of ADEC;
 - xiii) on the approval of target meanings of key performance indicators (corrected target meanings of key performance indicators);
 - xiv) on the approval of the report on the implementation of planned meanings of annual and quarter key performance indicators;
 - xv) on the approval of business plan (revised business plan);
 - xvi) on the approval (consideration) of the report on business plan implementation;
 - xvii) on the approval of the distribution of profits and losses on the results of the financial year;
 - xviii) on the recommendations on the amount of dividend on shares and the procedure of its payment;
 - xix) on payment (declaration) of dividends following the results of the first quarter, half of a year, nine months of a financial year as well as following the results of a financial year;
 - xx) on the approval (revision) of the investment program;
 - xxi) on the approval (consideration) of the report on the investment program implementation;
 - xxii) on the approval of the Regulations on ensuring ADEC insurance protection;
 - xxiii) on the approval of ADEC insurers (approval of the results of ADEC insurers elections);
 - xxiv) on the approval of insurance broker carrying out the selection of ADEC insurers;
 - xxv) on the approval of ADEC insurance protection program;
 - xxv) on the approval of alternations in ADEC insurance protection program;
 - xxvi) on the consideration of the single executive ADEC body's report on insurance protection assurance.
- 39) determination of the position of the Company (representatives of the Company) on the following items of the agenda of the ADEC Board of Directors meetings (including the order to participate or not to participate in the vote on the items of the agenda, to vote on draft decisions "for" or "against", or "abstain":
- a) on the determination of the ADEC representatives position on the items of the agenda of the general meetings of shareholders (participants) and the meetings of the Board of Directors of the affiliated and dependent entities in respect of ADEC, concerning the approval of deals, including several associated deals, connected with alienation or the possibility of alienation of the property representing fixed assets,

immaterial assets, objects of unfinished construction, the purpose of the use of which is the production, transmission, dispatching, distribution of electric and heating power in cases (amount) determined by the procedure of interrelations of the Company with organizations in which the Company participates, approved by the Board of Directors of the Company;

b) on the determination of the ADEC representatives position on the items of the agenda of the general meetings of shareholders (participants) and the meetings of the Board of Directors of the affiliated and dependent entities in respect of ADEC, participating in the production, transmission, dispatching, distribution of electric and heating power, reorganization and liquidation, increase of the authorized capital of the given entities through the increase of the nominal value of shares or through the placement of additional shares, securities converted into ordinary shares;

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

a) of deals, the subject of which shall be non-current assets of the Company in the amount exceeding 10 percent of the balance sheet value of the given assets on the date of decision-making on the accomplishment of the given deal;

b) deals (including several associated deals) connected with any way of disposal (or transfer of the rights in any sequence) of the real estate and/or equipment used directly for realization of the main kinds of activity of the Company, the balance sheet value of which is over 5 percent of the balance sheet value of the Company assets, or any kind of encumbrance of the specified property;

c) deals (including several associated deals) connected with alienation or an opportunity of alienation of the property forming the fixed assets, immaterial assets, objects of incomplete construction, the purpose of use of which is production, transmission, dispatching, distribution of electric and thermal energy in the cases (amount) determined by separate decisions of the Company Board of Directors;

d) deals (including several associated deals) connected with alienation or an opportunity of alienation of the property forming the fixed assets, immaterial assets, objects of incomplete construction, the purpose of use of which is production, transmission, dispatching, distribution of electric and thermal energy in the cases (amount) determined by separate decisions of the Company Board of Directors;

41) nomination by the Company of persons for the elections to the position of the single executive body, to other bodies of management, bodies of control, and nominations for the Auditor of the organizations, in which the Company participates, carrying out production, transmission, dispatching, distribution and sales of electric and heating power, as well as the repairs and maintenance types of activities;

42) determination of the directions of ensuring insurance protection of the Company including the approval of the Insurer of the Company;

43) approval of the structure of the executive body of the Company and its amending;

44) coordination of nominees for separate positions of the executive body of the Company defined by the Company Board of Directors;

45) Preliminary approval of the collective agreement, the agreements concluded by the Company within the limits of regulation of social and labor relations;

46) Establishment of committees under the Company Board of Directors, election of members of the Committees of the Company Board of Directors and early termination of their powers, election and preschedule termination of powers of chairmen of committees of the Company Board of Directors;

47) approval of the nomination of the independent appraiser (appraisers) for the determination of the shares value, property and other assets of the Company in cases envisaged by the Federal Law "On Joint Stock Companies", this Charter and separate decisions of the Board of Directors of the Company;

48) approval of the nomination for the financial consultant involved in accordance with the Federal Law "On the Market of Securities" as well as the nominees of securities emission organizers and consultants on deals directly connected with the attraction of means in the form of public loans;

49) tentative approval of deals, which could lead to the appearance of liabilities, expressed in foreign currency (or liabilities the volume of which is pegged to foreign currency) in cases and volumes determined by separate decisions of the Board of Directors of the Company and if the said cases (amounts) are not determined by the Board of Directors of the Company;

50) determination of the purchasing policy of the Company, including the approval of the Regulations on the procedure for carrying out the specified purchases of goods, works and services, approval of the head of the Central purchasing unit of the Company and its members, and approval of the annual comprehensive program of purchases and decision making on other items in accordance with the documents approved by the Company regulating the purchasing activity of the Company;

51) decision making on the nomination of the Director General of the Company for state orders award;

52) approval of the target figures (revised figures) of the key performance indicators (KPI) of the Company and the reports on their implementation;

53) determination of the policy of the Company directed at the improving the stability of the power grids distribution complex and other objects of the power energy complex, including the approval of the Company strategic programs on the improvement of the stability of the power grid complex, its development and its safety;

54) determination of the housing policy of the Company including in the part of providing corporate aid to the employees of the Company for improving their living conditions in the form of subsidies, compensation of their costs, interest free loans and decision making on the provision by the Company of the said aid in cases, when the procedure of its provision is not determined by the housing policy of the Company;

55) other issues falling within the competence of the Board of Directors in accordance with the Federal Law "On Joint Stock Companies" and this Charter.

The issues referred to the competence of the Board of Directors of the Company cannot be transferred for solution by General Director or Board.

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

1) Working-out of the Company development strategy and its submission for consideration to the Board of Directors;

2) Preparation of the annual (quarter) business plan, including the investment program and the report on results of their performance, and also approval (revising) of cash (budget) flow of the Company;

3) Preparation of the annual report on financial and economic activity of the Company, about performance by the Board of the decisions of the Company general shareholders meeting and Board of Directors;

4) Consideration of reports of deputies General Director of the Company, heads of the isolated structural divisions of the Company about results of performance of the approved plans, programs, instructions, consideration of reports, documents and other information on activity of the Company and its affiliated and dependent economic entities;

5) Decision-making concerning the items referred to the competence of the supreme bodies of management of the economic entities, 100 (one hundred) percent of the authorized capital of which belongs to the Company (in view of subitems 38, 39 of item 15.1. of Article 15 of this Charter);

6) Preparation of the reports on financial and economic activity of the economic entities, 100 (one hundred) percent of the authorized capital of which belongs to the Company, and their submission for consideration to the Board of Directors;

7) Decision-making on conclusion of transactions, the subject of which is the property, works and services, the cost of which equals from 5 to 25 percent of the balance sheet value of the Company assets determined on the date of decision-making on the conclusion of the transaction (except for the cases stipulated by subitem 40 of item 15.1 of this Charter);

8) Solution of other issues of the Company current activity management according to the decisions of the general shareholders meeting, the Board of Directors of the Company, and also the issues which were submitted to consideration to the Board by the Company General Director.

The competence of the General Director shall include all the questions of the current activity management of the Company, except for the questions referred to the exceptional competence of the general meeting of shareholders or the Board of Directors.

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

- ensure the fulfillment of the activity plans of the Company necessary for the solution of its tasks;
- organize bookkeeping and accounting in the Company;
- make use of the property of the Company and accomplish deals on behalf of the Company, issue Powers of Attorney, open with the banks and other credit institutions as well as in cases envisaged by the law in the organizations and professional agents of the securities market settlement and other accounts of the Company;
- issue orders, approve "accept" instructions, local regulation reports and other internal documents of the Company on the questions of his/her competence, give instructions necessary for the execution by all employees of the Company;
- approve Provisions on affiliations and offices of the Company;
- approve organizational structure, as well as personnel arrangements and official salaries and wages of the Company's employees;
- exercise in respect of the Company's employees the rights and obligations of the employer, envisaged by the labor law;
- distribute obligations among the Deputies of the Director General;

- submit for the consideration of the Board of Directors reports on financial and business activity of affiliated and dependent societies, the shares “parts” of which are possessed by the Company, as well as information on other organizations in which the Company participates;
- not later than 45 (forty five) days prior to the holding of the annual general meeting of the shareholders of the Company submit for the consideration of the Board of Directors of the Company Annual report, accounting balance sheet, the report on the profits and losses of the Company and distribution of profits and losses of the Company;
- solve other questions of the current activity of the Company, except for the questions referred to the competence of the general meeting of shareholders and the Board of Directors of the Company.”

Data on amendments in for the last accounting period in the charter and internal documents regulating activity of bodies of the issuer:

28.02.2008 the decision of General meeting of shareholders of the issuer, the function of which were carried out for that moment by the Board of RAO UES of Russia (Minutes No. 1829pr/1 from 28.02.2008) were approved:

- Charter of IDGC of Centre, JSC as amended;
- Regulations for the order of preparation and carrying out of the General meeting of shareholders of IDGC of Centre, JSC;
- Regulations for the Board of IDGC of IDGC of Centre;
- Regulations for the order of convocation and carrying out of meetings of the Board of Directors of IDGC of Centre as amended.

The Internet website containing the Charter of the issuer: <http://www.mrsk-1.ru/about/administration/documents/regulations/>.
The Internet website conating the corporate governance code and internal documents of the issuer regulating activity of bodies of the issuer: <http://www.mrsk-1.ru/about/administration/documents1/>.

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

5.2.1. Board of Directors

Data on members of the Board of Directors of the issuer

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

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

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

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

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

Andrey Aleksandrovich Demin, Chairman of the Board of Directors	
Year of birth	1974
Education	Higher
Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order	<p>03.2001 - 07.2002- Chairman of the Management Board of JSC Poltavaoblenergo</p> <p>08.2004 – 09.2004 Chief Expert of the Corporate Center of the Department for Business Planning of JSC RAO UES of Russia</p> <p>03.2005 –09.2005 – Chief of the Department for Management of JSC UES FGC distributive grid company.</p> <p>08.2005 -04.2007 – Chief Expert of the Corporate Centre of the Business Planning Department of JSC RAO UES of Russia</p> <p>04.2007 - current Vice-Chairman of the Management Board of JSC UES FGC</p>
Stake of this person in the authorized capital of the issuer which is a commercial organization	Has no stake
Stake of ordinary shares of the issuer belonging to the person	Has no stake
Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person	Has no such shares
Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer	Has no stake
Stake of ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies)	Has no stake
Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person	Has no such shares
Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer	Has no sibs with the specified persons
Data on bringing to the management responsibility for	Proceedings were not initiated against the person

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

Igor Ivanovich Zemlyansky	
Year of birth	1969
Education	Higher
Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order	09.2002 – current Chief of the Client Relations and Infrastructure Department of JSC UES FGC
Stake of this person in the authorized capital of the issuer which is a commercial organization	Has no stake
Stake of ordinary shares of the issuer belonging to the person	Has no stake
Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person	Has no such shares
Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer	Has no stake
Stake of ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies)	Has no stake
Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person	Has no such shares
Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer	Has no sibs with the specified persons
Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government	Proceedings were not initiated against the person
Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations.	The person did not occupy such positions

Aleksey Romanovich Kachay	
Year of birth	1977
Education	Higher
Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order	10.2002 – current Deputy Chief of the Strategy Department of JSC RAO UES of Russia (earlier occupied the positions of Principal Expert, Head of the Division)

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

Aleksey Vitalievich Klaptsov	
Year of birth	1978
Education	Higher
Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order ³	05.2005- current Vice President of Halcyon Advisors
Stake of this person in the authorized capital of the issuer which is a commercial organization	Has no stake
Stake of ordinary shares of the issuer belonging to the person	Has no stake
Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person	Has no such shares
Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer	Has no stake
Stake of ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies)	Has no stake
Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by	Has no such shares

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

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

Anton Sergeevich Kolesnikov	
Year of birth	1980
Education	Higher
Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order ⁴	07.2005 – 09.2005 Deputy Chief of the Department for the regional grid complexes management of JSC UES FGC 09.2005 – current Deputy Head of Interregional Distribution Grid Complexes Management JSC UES FGC
Stake of this person in the authorized capital of the issuer which is a commercial organization	Has no stake
Stake of ordinary shares of the issuer belonging to the person	Has no stake
Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person	Has no such shares
Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer	Has no stake
Stake of ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies)	Has no stake
Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person	Has no such shares
Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer	Has no sibs with the specified persons
Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government	Proceedings were not initiated against the person
Data on positions in governance bodies of the commercial	The person did not occupy such positions

⁴ Proceeding from the personnel data of the given member of the Board of Directors, the latter did not occupy any positions for the past 5 years except for those specified in this item

organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations.	
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Vyacheslav Mikhailovich Kravchenko	
Year of birth	1967
Education	Higher
Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order	03.2001 – 04.2004 Head of the Department for Restructuring of Natural Monopolies of the Ministry of Economic Development and Trade of the Russian Federation 05.2004 – 07.2007 Deputy Director of the structural and investment policy department in the industry and power 08.2007 – current Director of the Electric Power Industry Department - Ministry of Industry and Power of the Russian Federation
Stake of this person in the authorized capital of the issuer which is a commercial organization	Has no stake
Stake of ordinary shares of the issuer belonging to the person	Has no stake
Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person	Has no such shares
Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer	Has no stake
Stake of ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies)	Has no stake
Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person	Has no such shares
Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer	Has no sibs with the specified persons
Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government	Proceedings were not initiated against the person
Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations.	The person did not occupy such positions

Evgeniy Fyodorovich Makarov, General Director	
Year of birth	1955
Education	Higher

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

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

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

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

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

5.2.2. Collegial executive body

As of the accounting date, the Board was not generated by the issuer.

5.2.3. the sole executive body

General Director

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

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

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

Remuneration of the Board of Directors members

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

The issuer applies the Regulations for payment of remuneration and compensation to members of the Board of Directors of IDGC of Centre, JSC approved by the decision of the sole shareholder on 22 January 2007.

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

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

Data on kinds of remuneration, including wages, bonuses, commission, privileges and/or indemnifications of charges, and also other property granting which were paid by the issuer for 2006, 2007:

Name of the issuer's governance body	Remuneration type	Period under report, 2007, rubles	Period under report, I quarter 2008, rubles
Board of Directors	Remuneration for participation in meetings	1, 276, 869	830, 778
	Wages	0	0
	Bonuses	0	0
	Commission fees	0	0
	Privileges and/or indemnification of charges	0	0
	Extra fees	125, 021	0
	Total:	1, 401, 890	830, 778

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

payments.

In the current 2008 financial year, compensation and indemnification to members of the Board of Directors of the issuer will be paid according to the Regulations for remuneration and compensation payment to members of the Board of Directors of IDGC of Centre, JSC approved by the decision of the general shareholders meeting - Board of RAO UES of Russia 22.01. 2006 (Minutes No. 1602pr/5).

Remuneration of the issuer's General Director

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

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

In 2007 and 1 quarter 2008, the remuneration was paid to General Director according to conditions of its labour contract and Regulations for material stimulation of General Director of IDGC of Centre, JSC.

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

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

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

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

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

By the decision of the general meeting of shareholders of the Company the powers of all or separate members of the Auditing Commission of the Company can be terminated early.

In accordance with item 19.3. of the issuer's Charter, the issuer's Auditing Committee's competence shall include:

- “confirmation of the correctness of the information contained in the annual report, accounting balance sheet, report on profits and losses of the Company;
- analysis of the financial situation in the Company, reveal of the reserves for the improvement of the financial situation in the Company and working out of recommendations for the management organs of the Company;
- organization and carrying out of examination (audit) of the financial and business activity of the Company, in particular:
- examination (audit) of the financial, accounting, settlement and other documentation of the Company, connected with the carrying out by the Company of financial and business activity in order to ensure its correspondence with the legislation of the Russian Federation, the By-Law, internal and other documents of the Company;
- control over safe keeping and use of fixed capital;
- control over the adherence to the order of writing off the losses of the Company of the indebtedness of the insolvent debtors;

- control over cash spending of the Company in accordance with the approved business plan and budget of the Company;
- control over the build up and use of the reserve and other specialized funds of the Company;
- examination of correct and timely allocation and payment of dividends on the shares of the Company, interests on bonds and earnings on other securities;
- examination of the regulations issued before on the correction of violations and shortages revealed by the previous examinations (audit);
- carrying out of other actions “measures” connected with the examination of financial and business activity of the Company”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The key employee of the internal control and audit department of IDGC of Centre, JSC: Sklyarov Dmitry Vladimirovich - Chief of the internal control and audit department of IDGC of Centre, JSC.

The main functions of Internal Audit Service:

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

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

The primary goals of the Department shall be:

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

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

According to the Regulations for the Internal Control And Audit Department, the Department is directly accountable to First Deputy General Director.

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

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

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

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

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

Data on the Auditing Committee's members:

<i>Anatoly Valerievich Baitov</i>

Year of birth	1977
Education	higher
Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order	<p>2002-2003 Adviser for work of the auditing committees of the Representative Office of RAO UES of Russia - Centrenergo</p> <p>2003 - 2004 Deputy General Director of the "Institute of Professional Directors" Fund</p> <p>2004 - current Head of the Management for the financial control and internal audit of UES FGC.</p>
Stake of this person in the authorized capital of the issuer which is a commercial organization	Has no stake
Stake of ordinary shares of the issuer belonging to the person	Has no stake
Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person	Has no such shares
Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer	Has no stake
Stake of ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies)	Has no stake
Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person	Has no such shares
Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer	Has no sibs with the specified persons
Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government	Proceedings were not initiated against the person
Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations.	The person did not occupy such positions

Marina Alekseevna Lelekova

Year of birth	1961
Education	higher
Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order	<p>2001 - 2004 Director for audit, AKFA Auditor firm</p> <p>2001 - 2003 Adviser of the General Director of the Representative Office for work of the auditing committees. The Representative Office of RAO UES of Russia for management by the joint-stock companies of the eastern part of Russia -</p>

	Vostokenergo 2003 - 2004 Adviser for the work of auditing committees of the "Institute of Professional Directors" Fund 2004 - current. Deputy head, leading expert, principle expert of the Management of the financial control and internal audit of UES Federal Grid Company, Joint-Stock Company
Stake of this person in the authorized capital of the issuer which is a commercial organization	Has no stake
Stake of ordinary shares of the issuer belonging to the person	Has no stake
Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person	Has no such shares
Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer	Has no stake
Stake of ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies)	Has no stake
Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person	Has no such shares
Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer	Has no sibs with the specified persons
Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government	Proceedings were not initiated against the person
Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations.	The person did not occupy such positions

<i>Luydmila Romanovna Matyunina</i>	
Year of birth	1950
Education	higher
Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order	1998 - 2004 Deputy Chief of the Financial Audit Department of RAO UES of Russia 2004 - current First Deputy Chief of the internal audit department of the Corporate Centre, RAO UES of Russia;
Stake of this person in the authorized capital of the issuer which is a commercial organization	Has no stake
Stake of ordinary shares of the issuer belonging to the person	Has no stake
Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of	Has no such shares

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

<u>Dmitry Vladimirovich Sklyarov</u>	
Year of birth	1979
Education	higher
Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order	2001 - 2002 - JSC Modern Technologies, adviser for the financial administration of the financial consulting department 2002 - 2003 - RAO UES of Russia, leading expert of the financial audit department 2003 - 2004 - RAO UES of Russia, principle expert of the financial audit department 2004 - 2007 - RAO UES of Russia, leading expert of the internal audit department of the Corporate Centre 2007 - current - IDGC of Centre, JSC, Chief of the internal control and audit department
Stake of this person in the authorized capital of the issuer which is a commercial organization	Has no stake
Stake of ordinary shares of the issuer belonging to the person	Has no stake
Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person	Has no such shares
Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer	Has no stake
Stake of ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies)	Has no stake
Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options	Has no such shares

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

<u>Sergey Olegovich Erdenko</u>	
Year of birth	1972
Education	higher
Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order	2001 - current Principle Expert, Department of corporate management and interaction with shareholders of the Corporate Center of RAO UES of Russia
Stake of this person in the authorized capital of the issuer which is a commercial organization	Has no stake
Stake of ordinary shares of the issuer belonging to the person	Has no stake
Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person	Has no such shares
Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer	Has no stake
Stake of ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies)	Has no stake
Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person	Has no such shares
Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer	Has no sibs with the specified persons
Data on bringing to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government	Proceedings were not initiated against the person
Data on positions in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations.	The person did not occupy such positions

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

<i>Dmitry Vladimirovich Sklyarov</i>	
Year of birth	1979
Education	Higher Moscow Power University, Institute of Thermal Power Industry and Applied Physics, engineer 1996 – 2002.
Citizenship	Russia
Positions occupied in the issuer and other organizations for the past 5 years and at present, in date order	12.2001 - 11.2002 - JSC Modern Technologies, adviser for the financial administration of the financial consulting department 11.2002 - 05.2003 - RAO UES of Russia, leading expert of the financial audit department 05.2003 - 06.2004 - RAO UES of Russia, principle expert of the financial audit department 06.2004 - 01.2007 - RAO UES of Russia, leading expert of the internal audit department of the Corporate Centre 01.2007 - current - IDGC of Centre, JSC, Chief of the internal control and audit department
Stake of this person in the authorized capital of the issuer which is a commercial organization	Has no stake
Stake of ordinary shares of the issuer belonging to the person	Has no stake
Amount of the issuer's shares of each category (type) which may be purchased by this person as a result of exercise of the rights under the issuer's options belonging to the person	Has no such shares
Stake of participation of the person in the authorized (joint-stock) capital (share fund) of subsidiaries and dependent entities of the issuer	Has no stake
Stake of ordinary shares of a subsidiary or dependent entity of the issuer belonging to this person (for subsidiaries and dependent entities of the issuer which are joint-stock companies)	Has no stake
Amount of shares of each category (type) of a subsidiary or dependent entity of the issuer which may be purchased by the person as a result of exercise of the rights under options of a subsidiary or dependent entity of the issuer belonging to the person	Has no such shares
Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic activity of the issuer	Has no sibs with the specified persons
Data on bringing of the member of issuer's body for control over its financial and economic activity to the management responsibility for breach of law in finance, taxes and tax collections, securities market, or to the criminal liability (presence of previous conviction) for crimes in economy or for crimes against the government	Proceedings were not initiated against the person
Data on positions of the member of issuer's body for control over its financial and economic activity in governance bodies of the commercial organizations during the period when proceedings of bankruptcy and/or one of the procedures of bankruptcy stipulated by the legislation of the Russian Federation about insolvency (bankruptcy) were initiated against the specified organizations.	The person did not occupy such positions

<i>Elena Vitalievna Kochkurova</i>	
Year of birth	1978
Education	Far East State University, law faculty, lawyer; Academy of National Economy under the Government of the Russian Federation, faculty of

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

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

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

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

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

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

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

Name of the issuer's control body	Remuneration type	Period under report, 2007, rubles	Period under report, I quarter 2008, rubles
Auditing Committee	Remuneration for participation in the check	74, 250	0
	Wages	0	0

	Bonuses	0	0
	Commission fees	0	0
	Privileges and/or indemnification of charges	0	0
	Extra fees	297, 000	0
	Total:	371, 250	0

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

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

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

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

Indicator	Period under report, 2007	Period under report, I quarter 2008
Average list amount of employees, people	193	177
Amount of the issuer's employees having higher vocational education, %	99	99
Amount of the money resources directed for payment, thousand rubles	247, 572	86, 031
Volume of the money resources directed to social security, thousand rubles	83, 227	1, 256
Total amount of money resources spent, thousand rubles	330, 799	87, 287

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

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

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

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

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

6.1. Data on total amount of shareholders of the issuer registered as of 31.03.2008: 15,792 including nominal shareholders as of 31.03.2008: 28.

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

Full name: Depository and corporate technologies Limited Liability Company
abbreviated name: DCT Ltd.
location: 119607, Moscow, Ramenki street 17, building 1
Contact phone: (495) 641-30-31
Fax: (495) 641-30-31
E-mail address: dktd@depotech.ru
Number, date of delivery and validity of the license for realization of depository activity: No. 177-11151-000100, 4/3/2008, without restriction of validity.
The name of body which issued the license: FFMSof Russia
Amount of ordinary shares of the issuer registered in the register of shareholders of the issuer for the name of the nominal holder: 21, 206, 473, 501 pieces.
Type of the registered person: nominal holder
The shareholders (participants) owning at least 20 percent of the authorized capital of the shareholder (participant) of the issuer: no data

Full name: Depository Clearing Company, Closed Joint-Stock Company
abbreviated name: DCC, JSC.
location: 115162, Moscow, Shabolovka street, 31, bld. "B."
Contact phone: (495) 956-0999
Fax: (495) 232-68-04
E-mail address: dcc@dcc.ru
Number, date of delivery and validity of the license: 177-06236-000100, 9.10.2002, termless.
name of the body which issued the license: FFMS of Russia
Amount of ordinary shares of the issuer registered in the register of shareholders of the issuer for the name of the nominal holder: 9, 275, 111, 423 pieces
type of the registered person: nominal holder
The shareholders (participants) owning at least 20 percent of the authorized capital of the shareholder (participant) of the issuer: no data

Full name: Deutsche Bank Limited Liability Company.
abbreviated name: Deutsche Bank Ltd.
location: 115035, Moscow, Sadovnicheskaya street, 82, bld. 2
Contact phone: (495) 797 5000
Fax: (495) 797 5017
E-mail address: sbrf@sbrf.ru, db.moscow@db.com.
Number, date of delivery and validity of the license: No.177--05616-000100, 4.09.2001, without restriction of validity.
name of the body which issued the licensed: Federal Commission for the Securities of Russia
Amount of ordinary shares of the issuer registered in the register of shareholders of the issuer for the name of the nominal holder: 6, 058, 803, 486 pieces
type of the registered person: nominal holder
The shareholders (participants) owning at least 20 percent of the authorized capital of the shareholder (participant) of the issuer: no data

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

Type of the property: federal

Amount of the share in the authorized capital of the issuer: 0.46 %*

Package holder: the Russian Federation on behalf of the Federal agency for management of federal property

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

** in the present item, calculation of the share in the authorized capital of the issuer is made on the basis of the size of unregistered authorized capital of the issuer as of 31.03.2008; according to the charter of the issuer, the authorized capital of the latter is equal to 10, 000, 000 (ten million) rubles, and registration of reports on results of additional issues of securities of the issuer placed as of 31.03.2008 during reorganization, 31.03.2008 is not carried out*

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

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

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

On 31.03.08 the issuer has no the information on change in the structure and amount of participation of shareholders.

The reference information:

As a result of converting shares of JSC Belgorodenergo, JSC Bryanskenergo, JSC Voronezhenergo, JSC Kostromaenergo, JSC Kurskenergo, JSC Lipetskenergo, JSC Orelenergo, JSC Smolenskenergo, JSC Tambovenergo, JSC Tverenergo, JSC Yarenergo into the share of IDCG of Centre held on 31.03.08, the structure of nominal holders was changed in the register of shareholders of the Company, on accounts of which shares exceeding 5 percent of ordinary shares of the Company are registered.

Change of stakes of ordinary shares of their total, nominal holders which are on accounts of the nominal holders

Тип	Наименование	30.03.08	31.03.08
Nominal holder	Depository and corporate technologies Limited Liability Company	100%	50.23%
Nominal holder	Depository Clearing Company, Closed Joint-Stock Company	-	21.97%
Nominal holder	Deutsche Bank Limited Liability Company	-	14.35%

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

From establishment (17.12.2004) and to the end of the quarter under report, the issuer's Board of Directors did not approve transactions recognized according to the Federal Law "On joint-stock companies" to be interested-party transactions as all shareholders of the issuer were interested in their completion (before 31.03.2008 – RAO UES of Russia). In this connection, the information about the given sorts of transactions in the prospectus for securities is not presented.

6.7. Data on debt receivable amount

thousand rubles

Debt receivable	31.12.2007	31.03.2008
Debt receivable	85 788	5 764 007
<i>Including the deferred debt receivable</i>	0	0

Structure of the issuer's debt receivable as of 31.12.2007

thousand rubles

Debt receivable name	Maturity	
	Under one year	Over one year
Debt receivable of buyers and customers	46, 904	0
<i>Including the deferred debt</i>	0	0
Debt receivable under promissory notes receivable	0	0
<i>Including the deferred debt</i>	0	0
Debt receivable of participants (founders) under contributions to the authorized capital	0	0
<i>Including the deferred debt</i>	0	0
Debt receivable under the advance payments given out	5, 702	0
<i>Including the deferred debt</i>	0	0
Other debt receivable	27, 259	5, 923
<i>Including the deferred debt</i>	0	0
Total	79, 865	5, 923
<i>Including the deferred debt</i>	0	0

Structure of the debt receivable of the issuer as of 31.03.2008

thousand rubles

Debt receivable name	Maturity	
	Under one year	Over one year
Debt receivable of buyers and customers	3, 317, 045	0
<i>Including the deferred debt</i>	0	0
Debt receivable under promissory notes receivable	0	0
<i>Including the deferred debt</i>	0	0
Debt receivable of participants (founders) under contributions to the authorized capital	0	0
<i>Including the deferred debt</i>	0	0
Debt receivable under the advance payments given out	1, 367, 184	0
<i>Including the deferred debt</i>	0	0
Other debt receivable	1, 052, 668	27, 110
<i>Including the deferred debt</i>	0	0
Total	5, 736, 897	27, 110
<i>Including the deferred debt</i>	0	0

As of 31.03.2008 the structure of debt receivable of the issuer did not include debtors, the share of which is at least 10 % of the total amount of the debt receivable.

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

7.1. Annual accounting reporting

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

Structure of the annual accounting statements of the issuer applied to the quarterly report:

form N 1 "Accounting balance sheet" for 2007;
form N 2 "Profit and loss statement" for 2007;
form N 3 "Report on equity changes" for 2007;
form N 4 "Cash flow statement" for 2007;
form N 5 "Appendices to the accounting balance" for 2007;
Explanatory note to the accounting statements for 2007;
Auditor's report on the accounting statements for 2007.

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

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

form 1 "Accounting balance sheet" for 30 September 2007;
form 2 "Profit and loss statement" for 9 months of 2007;

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

The issuer did not make up summary (consolidated) accounting statements.

8.4. Data on the accounting policy of the issuer

Accounting policy of the issuer for 2008 is reflected in Appendix 3 of this Quarterly Report.

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

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

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

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

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

Cost of real estate of IDGC of Center as of 31.03.2008 is presented in the following table:

(thousand rubles)

No.	Name	Initial cost	Accrued amortization	Residual cost
1	Real estate	20, 523, 117	0	20, 523, 117

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

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

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

and economic activities

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

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

8.1. Additional data on the issuer

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

Authorized (joint-stock) capital (share fund) of the issuer as of the date of adoption of the prospectus for securities: 10, 000, 000 (ten million) rubles.

Total par value of ordinary shares: 10, 000, 000 (ten million) rubles.

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

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

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

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

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

From the moment of the state registration of the issuer and to 31.03.2008, the amount of the authorized capital of the issuer was not changed.⁵

8.1.3. Data on formation and use of the reserve fund and of other funds of the issuer

Name of the fund: Reserve Fund.

Amount of the fund established by constituent documents: the issuer creates the Reserve Fund in the amount of 5 (five) percent of the authorized capital of the issuer.

Amount of the fund in money terms on the date of termination of each completed fiscal year and expressed in percentage of the authorized (joint-stock) capital (share fund):

On 31.12.2005: 0.0 thousand rubles (0.0 %)

On 31.12.2006: 122.0 thousand rubles (1.22 %)

On 31.12.2007: 500.0 thousand rubles (5.0%)

On 31.03.2008: 375,684 thousand rubles

Amount of deductions to the fund within each completed fiscal year:

In 2005: 0.0 thousand rubles

In 2006: 122.0 thousand rubles

In 2007: 378 thousand rubles

In q1, 2008: 375,184 thousand rubles

Amount of means of the fund used within each completed fiscal year and direction of use of these means: means of the reserve fund within 2005-2008 were not used.

The means the fund is formed due to: net profit

8.1.4. Data on the procedure of convocation and carrying out the meeting (conference) of the issuer supreme management body

The name of the supreme governance body of the issuer: General Shareholders Meeting.

The notification procedure of shareholders (participants) about carrying out the meeting of the supreme governance body of the issuer: the notice on carrying out the general meeting of shareholders in the form of a meeting is published by the Company in the *Vedomosti* newspaper and is placed in the Internet website of the Company not later than 30 (thirty) days prior to the date of its carrying.

The notice on carrying out the general meeting of shareholders by correspondence voting is published by the Company in the *Vedomosti* newspaper and is placed in the Internet website of the Company not later than 30 (thirty) days prior to the date of its carrying

In case the person registered in the register of shareholders of the Company is the person - nominal holder of shares, the notice on carrying out the general shareholders meeting is sent to the address of the nominal holder

⁵ On 31.03.2008, placement of shares of eleven additional issues of the issuer (registered by FFMS of Russia on 20 March 2008), placed by converting of the shares of the companies consolidated with the issuer into them; however as of the date of termination of the accounting quarter, reports on results of the specified additional issues were not registered - the Charter of the issuer accordingly was not amended in connection with with increase in its authorized capital

of shares if another postal address for sending the notice is not indicated in the list of the persons who have the right to participation in the general shareholders meeting.

Persons (bodies) who have the right to convoke (to demand carrying out) of the extraordinary meeting of the supreme governance body of the issuer, and also the order of sending (presentation) of such requirements.

Extraordinary general shareholders meeting of the Company is held under the decision of the Board of Directors of the Company on the basis of its own initiative, the requirement of the Revision committee of the Company, the Auditor of the Company, and also the shareholder (shareholders), being owner(s) of at least 10 (ten) percent of voting shares of the Company for the date of presentation of the requirement.

The order of definition of the date for carrying out the meeting of the supreme governance body of the issuer.

Annual general shareholders meeting of the Company is held not earlier than two months and not later than six months after the termination of a fiscal year.

Convocation of the extraordinary general shareholders meeting on demand of the Auditing Committee of the Company, the Auditor of the Company or the shareholders (shareholder) being owners of at least 10 (ten) percent of voting shares of the Company is carried out by the Board of Directors of the Company.

Such general shareholders meeting should be held within 40 (forty) days from the moment of representation of the requirement about carrying out the extraordinary general meeting shareholders of the Company, except for the case stipulated by item 14.9. of the charter.

In case the proposed agenda of the extraordinary general shareholders meeting contains a question on election of members of the Board of Directors of the Company, the general shareholders meeting should be held within 90 (ninety) days from the moment of representation of the requirement about carrying out the extraordinary general meeting shareholders of the Company.

Persons who are enabled to make proposals in the agenda of the meeting of the supreme governance body of the issuer, and also the order of making such proposals.

The shareholders (shareholder) of the Company enables in aggregate by owners of at least 2 (two) percent of voting shares of the Company, in time not later than 60 (sixty) days after the termination of a fiscal year have the right to propose items in the agenda of the annual general meeting of shareholders and to propose candidates for the Board of Directors and the Auditing Committee of the Company, the number of which cannot exceed the quantitative structure of the corresponding body.

The proposal on inclusion of items in the agenda of the general shareholders meeting and the proposal on nomination of candidates are made in writing with indication of the name of the shareholders (shareholder) who presented them, amount and category (type) of shares belonging to them and should be signed by shareholders (shareholder).

The offer on inclusion of items in the agenda of general shareholders meeting should contain the formulation of each proposed item, and the proposal on nomination of candidates - the name and data of the document proving the identity (series and (or) number of the document, date and place of its delivery, the body which issued the document) of each proposed candidate, name of the body, for election to which he/she is proposed.

The requirement about carrying out the extraordinary general meeting of shareholders of the Company should have the items which are subject to inclusion in the agenda of the meeting.

The persons (person) demanding convocation of the extraordinary general shareholders meeting of the Company, have the right to present the draft decision of the extraordinary general shareholders meeting of the Company, the proposal on the form of carrying out the general shareholders meeting. In case the requirement about convocation of the extraordinary general meeting of shareholders contains the proposal on nomination of candidates, the corresponding provisions of Article 13 of the Charter extend to such proposal.

In case the requirement about convocation of the extraordinary general meeting of shareholders of the Company comes from the shareholder (shareholders), it should contain the name of the shareholder (shareholders) demanding convocation of the meeting, with the indication of amount, category (type) of shares of the Company belonging to them.

The requirement about convocation of the extraordinary general meeting of shareholders of the Company is signed by the person (persons) demanding convocation of the extraordinary general shareholders meeting of the Company.

In case the proposed agenda of the extraordinary general shareholders meeting contains an item on election of members of the Board of Directors of the Company:

The general shareholders meeting should be held within 90 (ninety) days from the moment of representation of the requirement about carrying out the extraordinary general meeting of shareholders of the Company.

The shareholders (shareholder) of the Company being in aggregate owners of at least 2 percent of voting shares of the Company have the right to propose candidates for election to the Board of Directors of the Company, the number of which cannot exceed the quantitative structure of the Board of Directors of the Company.

Such proposals should be received by the Company at least 30 (thirty) days prior to the date of carrying out the extraordinary general meeting shareholders.

Persons who have the right to examine the information (documents) given for preparation and carrying out of the meeting of the supreme governance body of the issuer, and also the order of examination of such information (documents).

The information (documents) concerning the agenda of general shareholders meeting within 20 (twenty) days, and in case of carrying out the general shareholders meeting, the agenda of which contains an item on reorganization of the Company, within 30 (thirty) days prior to carrying out of general shareholders meeting should be available to the persons enabled for participation in the general shareholders meeting, for examination in the governance body of the Company and other places, the addresses of which are specified in the notice on carrying out the general shareholders meeting. The specified information (materials) should be available to the persons who take part in the general shareholders meeting during its carrying out.

The order of examination of the persons enabled for participation in general shareholders meeting, with the information (documents) concerning the agenda of general shareholders meeting and the list of such information (documents) are defined by the decision of the Board of Directors of the Company.

The order of announcement (bringing to the notice of shareholders (participants) of the issuer) of the decisions taken by the supreme governance body of the issuer, and also results of voting.

Results of voting and decisions taken by the general shareholders meeting of the Company, held by the meeting can be announced at the general shareholders meeting of the Company.

In case the results of voting and the decisions taken by the general shareholders meeting of the Company held as a meeting were not announced at the general shareholders meeting of the Company, than not later than 10 (ten) days after drawing up the minutes on results of voting - the decisions taken by the general shareholders meeting of the Company, and also results of voting in the form of the report on results of voting are brought to the notice of the persons who have the right to participation in the general shareholders meeting of the Company in accordance with the procedure stipulated by item 11.5. of the Charter of the Company, namely: published in the *Vedomosti* newspaper, and also placed on the web-site of the Company in the Internet.

The decisions taken by the general shareholders meeting, held in the form of the correspondence voting, and also results of voting in the form of the report on results of voting not later than 10 (ten) days after drawing up of the minutes on results of voting are brought to the notice of the persons who have the right to participation in the general shareholders meeting of the Company, by the publication in the *Vedomosti* newspaper, and also are placed on the Company Internet web-site.

81.5. Data on the commercial organizations, in which the issuer owns at least 5 percent of the authorized (joint-stock) capital (share fund) or at least 5 percent of ordinary shares:

1. full and reduced company names: Kostroma television channel, Limited liability company.

location: 156000, Russian Federation, Kostroma, Molodezhnaya street 1, office 102.

Stake the issuer in the authorized capital of KTC Ltd.: 61.59 %

Stake of ordinary shares of KTC Ltd. belonging to the issuer: 0 %

Stake of KTC Ltd. in the authorized capital of the issuer: none

Stake of ordinary shares of the issuer belonging to KTC Ltd.: none

2. full and reduced company names: "Energetik" Preventorium Sanatorium, Open joint-stock company

reduced company name: "Energetik" Preventorium Sanatorium, OJSC

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

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

Stake of the issuer in the authorized capital of "Energetik" Preventorium Sanatorium, OJSC: 100 %

Share of ordinary shares of "Energetik" Preventorium Sanatorium, OJSC belonging to the issuer: 100 %

Stake of "Energetik" Preventorium Sanatorium, OJSC in the authorized capital of the issuer: none

Stake of ordinary shares of the issuer belonging to "Energetik" Preventorium Sanatorium, OJSC: none

8.1.6. Data on essential transactions completed by the issuer

Data on the essential transactions completed by the issuer are given in the table of Appendix 4 of this quarterly report

8.1.7. Data on credit ratings of the issuer

Object of assignment of the credit rating: the issuer

Value of the credit rating at the date of termination of the accounting quarter: "A" - high credit status, second level.

The high level of credit status means that the company is capable to exercise in full the credit and promissory notes without loss of solvency and financial stability. The enterprise possesses low risk of loss of solvency in case of increase in debt loading concerning the existing obligations.

History of change of values of the credit rating for the last 5 completed financial years: the rating was appropriated for the first time

The name of the rating agency: National Rating Agency Ltd.

Location: 107023, Moscow, B.Semenovskaya Street, 15, floor 3

The Internet website containing the information on the method of assignment of the credit rating: www. ra-national.ru

Other data: National Rating Agency is private and has been carrying out activity on assignment ratings to participants of the financial market since 2002. Now remote and individual ratings are assigned to over 500 companies and banks of Russia. The analysis is carried out more than on 50 parameters quarterly and monthly. Ratings are divided into two components - remote and individual. The first are based only on the analysis of financial reporting; the methods of the second include the qualitative analysis. The rating of business activity of NCO is supported. The NRA individual ratings are assigned to the largest players of the financial market. Periodicals and electronic mass media on a regular basis publish our materials (*Vedomosti, Kommersant, Delovoy Peterburg, D-Shtrih, Popularnye Financy, Finance, Izvestiya, RBK*, etc.)

8.2. Data on each category (type) of shares of the issuer:

Category of shares: ordinary

Par value of each share: 10 (ten) kopecks

Amount of the shares which are in circulation (amount of shares which are not repaid or cancelled): 100, 000, 000 (one hundred million) pieces.

Amount of the additional shares which are in process of placement (amount of shares of additional issue concerning which the state registration of the report on results of their release is not carried out): 0 (zero) pieces.

Amount of the declared shares: at the date of adoption of the prospectus of securities - 42, 118, 200, 000 (forty-two billion one hundred and eighteen million two hundred thousand) pieces of ordinary registered shares at the 10 (ten) kopecks par value each.

Amount of the shares on the balance of the issuer: none.

Amount of additional shares which may be placed as a result of converting the placed securities convertible into shares, or as a result of exercise of liabilities under options of the issuer: none.

State registration number and date of the state registration of the issue: 1-01-10214-A as of 24.03.2005.

Additional issues, in relation to which the as of the date of the end of the quarter under report, the state registration of reports on results of their issue was not carried out: 1-01-10214-A-001D, 1-01-10214-A-002D, 1-01-10214-A-003D, 1-01-10214-A-004D, 1-01-10214-A-005D, 1-01-10214-A-006D, 1-01-10214-A-007D, 1-01-10214-A-008D, 1-01-10214-A-009D, 1-01-10214-A-010D, 1-01-10214-A-011D, 1-01-10214-A-012D, 1-01-10214-A-013D, 1-01-10214-A-014D, 1-01-10214-A-015D, 1-01-10214-A-016D, 1-01-10214-A-017D, 1-01-10214-A-018D, 1-01-10214-A-019D, 1-01-10214-A-020D, 1-01-10214-A-021D as of 21 March 2008.

Rights provided by each security of the issue:

According to Item 6.2. of the Charter of the issuer: «6.2. Each ordinary share of the Company shall provide a shareholder - its owner - an equal volume of rights.

The rights of shareholders owners of the ordinary shares of the Company shall be the following:

- 1) to participate personally or through representatives in general shareholders meeting of the Company with the right of vote on all items in its competence;
- 2) to introduce moves in the agenda of the general meeting according to the legislation of the Russian Federation and this Charter;
- 3) to obtain information on the activity of the Company and get acquainted with the documentation of the Company in accordance with Article 91 of the Federal Law "On Joint Stock Companies" and other regulatory and legal statements and this Charter;
- 4) to receive dividends announced by the Company;

- 5) to preferential right to acquire additional shares and emission securities placed through the open subscription, converted into shares in the amount proportional to the number of ordinary shares possessed by them;
- 6) to receive a part of the Company's property in case of its liquidation;
- 7) to exercise other rights stipulated in the legislation of the Russian Federation and this Charter».

The issuer did not issue preferred shares.

8.3. Data on the previous issues of equity securities of the issuer except for shares of the issuer

8.3.1. Data on the issues all the securities of which are repaid (annulled)

Securities, except for shares, were not placed by the issuer.

8.3.2. Data on the issues, the securities of which are in circulation

Securities, except for shares were not placed by the issuer.

8.3.3. Data on the issues, the obligations of the issuer under the securities of which were not executed (Default)

Securities, except for the shares, were not placed by the issuer.

8.4. Data on the person (persons), who provided security on bonds of the issue

Data are absent, as the issuer did not carry out issuing bonds.

8.5. Data of security of obligations execution on bonds of the issue

Data are absent, as the issuer did not carry out issuing bonds.

8.5.1. Conditions of maintenance of execution of obligations under bonds with mortgage covering

Data are not specified, as the issuer did not carry out issue of bonds.

8.6. Data on the organizations which carry out accounting of the rights to the equity securities

Person performing keeping the register of owners of the issuer's registered securities	Registrar
Full company name of the registrar	"Central Moscow Depository" Open Joint-Stock Company
Abbreviated company name of the registrar	JSC "CMD" or "Central Moscow Depository"
Location of the registrar	107078, Moscow, Orlikov lane, 3, bld. «B»
License for realization of the securities owners register keeping	10-000-1-00255
Date of deliver of the specified license	13.09.2002
Date of expiry of the specified license	Term less
Authority which issued the license	FCSM of Russia
Other data on keeping the register of owners of the issuer's securities which are specified by the issuer on its own discretion	Postal address of the registrar: 105082, Moscow, B.Pochtovaya street, d. 34, bld. 8 Phone/fax: (495) 221-13-34, 221-13-30, 221-13-33, (495) 221-13-83 E-mail of the registrar: dr@mcd.ru

The issuer did not issue certificated equity securities.

8.7. Data on the legislative acts regulating questions of import and export of the capital, which can influence payment of dividends, interests and other payments to non-residents

Names and data of acts of the Russian Federation applicable on the date of adoption of the prospectus for securities which regulate issues of import and export of the capital and can have effect on payment of dividends to non-residents per shares of the issuer:

Main principles of realization of the currency transactions in the Russian Federation, rights and duties of legal entities and physical persons at ownership, use and disposal of the foreign currency and currency of the Russian Federation, the responsibility for infringement of the currency legislation are established by the Federal Law of the Russian Federation "About currency regulation and currency control of 12/10/2003 173-FZ;

At the same time, the acts specified below also contain the corresponding norms establishing the order of fulfilment of transactions and calculations with use of Russian and the foreign currency:

Civil Code of the Russian Federation (Part I) of 30.11.1994 N 51-FZ;

Civil Code of the Russian Federation (Part III) of 26.11.2001 N 146-FZ;

Tax Code of the Russian Federation (Part I) of 31.07.1998 N 146-FZ;

Tax Code of the Russian Federation (Part II) of 5.08.2000 N 117-FZ;

Federal Law of the Russian Federation of 9.07.1999 N 160-FZ (as amended on 26.06.2007) "On foreign investments into the Russian Federation";

Federal Law of 7.08.2001 No.115-FZ "On countermeasures to legalization (laundering of proceeds) of the incomes, received by criminal way and financing of terrorism".

International agreements (contracts) of Russia with the foreign countries ratified by Federal Laws of the Russian Federation, and establishing the mode of avoidance of the double taxation on the territory of the countries which are participants of these agreements (contracts):

Agreement between the Government of the Russian Federation and the Government of the Republic of Uzbekistan of 2.03.1994 "On avoidance of the double taxation of incomes and property" (Agreement was ratified by the Federal Law of the Russian Federation of 24.04.1995 N 51-FZ);

Agreement between the Government of the Russian Federation and the Government of the Ukraine of 8.02.1995 "On avoidance of the double taxation of incomes and property and prevention of evasion from payment of taxes" (Agreement is ratified by the Federal law of the Russian Federation of 8.07.1999 N 145-FZ);

Agreement between the Government of the Russian Federation and the Government of Belarus of 21.04.1995 "On avoidance of the double taxation and prevention of evasion from payment of taxes concerning taxes to incomes and property" (Agreement was ratified by the Federal Law of the Russian Federation of 10.01.1997 N 14-FZ);

Agreement between the Government of the Russian Federation and the Government of the Republic of Moldova of 12.04.1996 "About avoidance of the double taxation of incomes and property and prevention of evasion from payment of taxes" (the Agreement was ratified by the Federal Law of the Russian Federation of 28.04.1997 N 72-FZ);

Convention between the Government of the Russian Federation and the Government of the Republic of Kazakhstan of 18.10.1996 "On elimination of the double taxation and prevention of evasion from payment of taxes to incomes and the capital" (the Convention was ratified by the Federal Law of the Russian Federation of 28.04.1997 N 74-FZ);

Agreement between the Government of the Russian Federation and the Government of the Republic of Armenia of 28.12.1996 "On elimination of the double taxation on incomes and property" (the Agreement was ratified by the Federal Law of the Russian Federation of 17.12.1997 N 151-FZ);

The Agreement between the Government of the Russian Federation and the Government of the Kirghiz Republic of

13.01.1999 "On avoidance of the double taxation and prevention of evasion from payment of taxes to incomes" (the Agreement was ratified by the Federal Law of the Russian Federation of 8.07.1999 N 146-FZ);

Agreement between the Government of the Russian Federation and the Government of the Lithuanian Republic of 29 June 1999 "On avoidance of the double taxation and prevention of evasion from payment of taxes concerning taxes to incomes and the capital" (the Agreement was ratified by the Federal Law of the Russian Federation of 26.04.2005 N40-FZ);

Contract between the Russian Federation and the USA from 17.06.1992 "On avoidance of the double taxation and prevention of evasion from the taxation concerning taxes to incomes and the capital" (the Contract was ratified by the Decision of the Supreme Council of the Russian Federation of 22.10.1992 N 3702-1);

Convention between the Government of the Russian Federation and the Government of the State of Israel of 25.04.1994 "On avoidance of the double taxation and prevention of evasion from the taxation concerning taxes to incomes" (the Convention was ratified by the Federal law of the Russian Federation of 8.10.2000 N 126-FZ);

The Convention between the Government of the Russian Federation and the Government of the United Kingdom of the Great Britain and Northern Ireland of 15.02.1994 "On avoidance of the double taxation and prevention of evasion from the taxation concerning taxes to incomes and increase in value of property (together with exchange of the Notes of 15.02.1994 "Between the plenipotentiary Ambassador of the United Kingdom of the Great Britain and Northern Ireland in the Russian Federation and the deputy minister of foreign affairs of the Russian

Federation) (the Convention and the Agreement concluded in the form of an exchange by notes, on application of separate provisions of the Convention, were ratified by the Federal Law of 19.03.1997 N 65-FZ);

Agreement between the Russian Federation and Federal Republic Germany of 29.05.1996 "On avoidance of the double taxation concerning taxes to incomes and property" (the Agreement was ratified by the Federal Law of the Russian Federation of 18.12.1996 N 158-FZ);

Agreement between the Government of the Russian Federation and the Government of the Republic of Cyprus of 5.12.1998 "On avoidance of the double taxation concerning taxes to incomes and the capital" (the Agreement was ratified by the Federal Law of 17.07.1999 N 167-FZ).

8.8. Description of incomes taxation procedure of the issuer's floated equity securities and equity securities which are in the process of floatation

Taxation of incomes from the placed issuer's equity securities and the securities in the process of placement are regulated by the Tax Code of the Russian Federation (further on called "TC"), and also other normative legal acts of the Russian Federation adopted according to the Tax Code of the Russian Federation.

TAXATION RATES

Profit type	Legal entities		Physical persons	
	Residents	Non-residents	Residents	Non-residents
Coupon profit	24% (including: federal budget – 6,5%, budget of the federation entity– 17,5%)	20%	13%	30%
Profit from sale of securities	24% (including: federal budget – 6,5%, budget of the federation entity – 17,5%)	20%	13%	30%
Profit in the form of dividends	0% (subitem 1 item 3 Article 284 of the RF-TC) and 9%(subitem 2 item 3 Article 284 of the RF-TC	15%	9%	15%

TAX ASSESSMENT METHOD FOR PHYSICAL PERSONS

Tax - the income tax.

The sources of income of the Russian Federation include:

- Dividends and interest received from the Russian organization, and also the interest received from the Russian individual businessmen and (or) the foreign organization in connection with activity of its permanent mission in the Russian Federation;
- Incomes of sale in the Russian Federation of shares or other securities, and also stakes in the authorized capital of the organizations.

Tax base.

The income of the tax bearer received in the form of material benefit is material benefit received from purchase of securities. The tax base is defined as excess of the market cost of the securities defined in view of the limiting border of fluctuations of the market price of securities, over the amount of actual charges of the tax bearer on their purchase. The order of definition of the market price of securities and the limiting border of fluctuations of the market price of securities is established by the federal authority which carries out regulation of the securities market. At definition of the tax base under incomes from operations with securities, the incomes received on the following operations are considered:

- Sale and purchase of the securities circulating on the organized securities market;
- Sale and purchase of the securities which are not circulating on the organized securities market.

The income (loss) under securities sale and purchase operation is defined as a difference between the amount of incomes received from realization of securities, and documentary confirmed charges on purchase, realization and storage of the securities actually made by the tax bearer, or the property deductions accepted in the part of reduction of incomes of the transaction of sale and purchase.

The specified charges include:

- Amounts paid to the seller according to the contract;
- Payment of the services rendered by the depositary;
- Commission deductions to professional participants of the securities market, the discount paid (compensated) to the management company of the share investment fund at sale (repayment) by the investor of the investment

contribution defined according to the order established by the legislation of the Russian Federation about the investment funds;

- Exchange collections (commission fee);
- Payment of services of the registrar;
- Other charges directly connected with the purchase, sale and safe keeping of the securities made for the services rendered by professional participants of the securities market within the limits of their professional work.

The income (loss) on operations of sale and purchase of the securities circulating on the organized securities market, decreases (increases) by the sum of the percent paid for using money resources involved for fulfillment of the transaction of sale and purchase of securities, within the limits of the sums calculated proceeding from the current rate of refinancing of the Central Bank of the Russian Federation.

Under operations with the securities circulating on the organized securities market - the amount of the loss is defined in view of the limiting border of fluctuations of the market price of securities.

The securities circulating on the organized securities market include securities admitted to circulation at organizers of trade who have the license of the federal body which is carrying out regulation of the securities market.

The market quotation of the securities circulating on the organized securities market is the average price of the securities under the transactions completed within the trading day through the organizer of trade. If under one and the same security, the transactions were made through two and more organizers of trade, the tax bearer is entitled to choose independently the market quotation of the securities developed at one of organizers of trade. In case the organizer does not calculate the average price, a half of the sum of the maximal and minimal prices of the transactions completed within the trading day through this organizer of trade is accepted as the average price.

If charges of the tax bearer on purchase, realization and storage of securities cannot be related directly to charges on purchase, realization and storage of the specific securities, the specified charges are distributed proportionally to the cost of estimation of securities, the specified charges are related to. The cost estimation of securities is defined for the date of realization of these charges.

In case charges of the tax bearer cannot be confirmed documentary, he has the right to use the property tax deduction stipulated by paragraph 1 of subitem 1 of item 1 of Article 220 TC.

The loss under operations with the securities circulating on the organized securities market received following the results of the specified operations completed in the tax period reduces the tax base on operations of sale and purchase of securities of the given category.

The income on operations of sale and purchase of the securities which are not circulating on the organized securities market which at the moment of their purchase met the requirements established for the securities circulating on the organized securities market can be reduced by the sum of the loss received in the tax period from operations of sale and purchase of the securities circulating on the organized securities market.

Date of actual reception of the income:

- Day of payment of the income, including transfer of the income to bills of the tax bearer in banks or under its assignment - to bills of the third parties - at reception of incomes in the monetary form;
- Day of purchase of securities.

The tax base under operations of sale and purchase of securities and operations with financial tools of futures deals is defined upon termination of the tax period. Calculation and payment of the sum of the tax are carried out by the tax agent upon termination of the tax period or at realization of payment of money resources by it to the tax bearer before the expiration of the next tax period.

At realization of payment of money resources by the tax agent before the expiration of the next tax period, the tax is paid from the share of the income corresponding to the actual sum of paid money resources. The share of the income is defined as product of a total sum of the income and the relation of the sum of payment to the cost estimation of securities defined for the date of payment of money resources on which the tax agent represents itself as the broker.

At realization of payment of money resources to the tax bearer more than once during the tax period, the calculation of the sum of the tax is made by an accruing result including earlier paid sums of the tax.

The cost estimation of securities is defined proceeding from actually made and documentary confirmed charges on their purchase.

Payment of money resources is payment of cash money resources, transfer of money resources to the bank account of the physical person or to the account of the third party on demand of the physical person.

At impossibility to withhold the estimated sum of the tax from the tax bearer, the source of payment of the income, the tax agent (the broker, the confidential managing director or another person making operations under the contract of the assignment, to the contract of commission, other contract in favor of the tax bearer) within one month from the moment of occurrence of this circumstance in writing notifies tax body at the place of its accounting on impossibility of the specified deduction and the sum of debt of the tax bearer. Payment of the tax in this case is made in conformity with Article 228 TC.

TAX ASSESSMENT METHOD FOR LEGAL ENTITIES

Tax - the profit tax.

The income includes:

- Proceeds from realization of property rights (incomes of realization);
- Extraordinary incomes in the form of interest under securities and other promissory notes and/or from individual share in other organizations.

Tax base.

Incomes of the tax bearer from operations on realization or other retirement of securities (including repayment) are defined proceeding from the price of realization or other retirement of the securities, and also the sum of the accumulated interest (coupon) income paid by the buyer to the tax bearer, and the sum of the interest (coupon) income paid to the tax bearer by the issuer. Thus, the income of the tax bearer from realization or other retirement of securities does not include the amounts of the interest (coupon) income earlier considered at tax assessment.

Charges at sale (or other retirement) of securities are defined proceeding from the price of purchase of the securities (including charges on its purchase), expenses for its realization, the amount of discounts from settlement cost of the investment contributions, the sum of the accumulated interest (coupon) income paid by the tax bearer to the seller of the securities. Thus, the charges do not include the sums of the accumulated interest (coupon) income earlier considered at tax assessment.

Securities are recognized to be circulating on the organized securities market only at the simultaneous observance of the following terms:

- 1) if they are admitted to circulation at least by one organizer of trade who is entitled for making such permission according to the national legislation;
- 2) if the information on their prices (quotations) is published in mass media (including the electronic mass media) or may be presented by the organizer of trade or other authorized person to any interested person within three years after the date of fulfillment of operations with securities;
- 3) if the market quotation is calculated on their basis when it is stipulated by the corresponding national legislation.

Market price of the securities circulating on the organized securities market, for the purposes of tax assessment is an actual price of sale or other retirement of securities if this price is in the interval between the minimal and maximal prices of transactions (an interval of the prices) with the specified securities registered by the organizer of trade on the securities market for the date of fulfillment of the corresponding transaction. In case sale of the securities circulating on the organized securities market as for its price is below the floor price of transactions for the organized securities market, at definition of financial result the floor price of the transaction for the organized securities market is considered.

The accumulated interest (coupon) income is a part of the interest (coupon) income, the payment of which is stipulated by terms of the issue of these securities calculated proportionally to the quantity of the days which passed from the date of issue of the securities or date of payment of the previous coupon income till the date of fulfillment of the transaction (date of transfer of the securities).

Concerning the securities which are not circulating on the organized securities market, for the purposes of tax assessment the actual price of realization or other retirement of the given securities is accepted at performance at least of one of the following terms:

- 1) if the actual price of the corresponding transaction is in an interval of the prices on similar (identical, homogeneous) security registered by the organizer of trade on the securities market for the date of completion of the transaction or for the date of the nearest tenders which took place before the day of completion of the corresponding transaction if the tenders under these securities were held at the organizer of trade even once within the last 12 months;
- 2) if the deviation of the actual price of the corresponding transaction is within the limits of 20 percent aside increases or downturn from the average price of the similar (identical, homogeneous) security calculated by the organizer of trade on the securities market according to the rules established by it following the results of the tenders at the date of conclusion of such transaction or at the date of the nearest tenders which took place before the day of completion of the corresponding transaction if the tenders under these securities were held at the organizer of trade even once within the last 12 months.

The tax base under operations with securities is defined by the tax bearer separately, except for the tax base on operations with the securities defined by professional participants of the securities market. Thus, tax bearers (except for the professional participants of the securities market who carry out dealer activity) define tax base on operations with the securities circulating on the organized securities market, separately from tax base on operations with the securities which are not circulating on the organized securities market.

At sale or other retirement of securities, the tax bearer independently according to the accounting policy accepted with a view of the taxation chooses one of the following methods of write-off of the cost of the retired securities to charges:

- 1) First In First Out (FIFO);
- 2) Last In First Out (LIFO);
- 3) cost of a unit.

The tax bearers who received the loss (losses) from operations with securities in the previous tax period or during the previous tax periods, have the right to reduce the tax base received from operations with securities in the accounting (tax) period (to transfer the specified losses on the future) in accordance with the procedures and on terms established by Article 283 TC.

Thus losses from operations with the securities which are not circulating on the organized securities market received in the previous tax period (the previous tax periods) may be referred to reduction of tax base from operations with such securities defined in the accounting (tax) period. Losses from operations with the securities circulating on the organized securities market received in the previous tax period (the previous tax periods) may be referred to reduction of tax base from operations on sale of the given category of securities.

During the tax period, carryover of the losses occurred in the corresponding accounting period from operations with securities circulating on the organized securities market, and the securities which are not circulating on the organized securities market, is referred separately to the specified categories of securities accordingly within the limits of the profit received from operations with such securities.

In case the payment by the foreign organization tax agent of incomes which according to the international contracts (agreements) are assessed in the Russian Federation under the lowered rates, calculation and deduction of the sum of the tax from incomes are made by the tax agent under the corresponding lowered rates under condition of presentation by the foreign organization to the tax agent of the acknowledgement stipulated by item 1 of Article 312 TC of the Russian Federation. Thus, in case of payment of incomes by the Russian banks on operations with foreign banks acknowledgement of the fact of a constant location of foreign bank in the state with which there is the international contract (agreement) regulating issues of the taxation is not required, if such location proves to be true data of popular information directories.

8.9. Data on declared (added) and paid dividends per shares of the issuer

2005

The amount of the declared (accrued) dividends per one share of the issuer, rubles: 0.01549

Total sum of the declared (accrued) dividends per the share of the issuer, rubles: 1, 549, 000

The name of the of the issuer governance body which made a decision (declared) on payment of dividends per shares of the issuer: annual general shareholders meeting

Date of carrying out the meeting of the issuer's governance body where the decision on payment (declaration) of dividends was taken: 24 June 2006

Number of the minutes of the issuer governance body meeting, where the decision on payment (declaration) of dividends was taken: 1484pr/6

Date of the minutes of the meeting of the issuer governance body where the decision on payment (declaration) of dividends was taken: 24 June 2006

The term allocated for payment of declared dividends per shares of the issuer: within 60 days from the date of decision-making on their payment

The form and other terms of payment of the declared dividends per shares of the issuer: the form and other terms of payment of the declared dividends per the shares of the issuer: in the monetary form by transfer of the corresponding sums of money from the account of the issuer to the bank account (postal address) containing in the system of keeping the register of the issuer's shareholders.

The accounting period (year, quarter) for which the declared dividends per shares of the issuer were paid: 2005

The total amount of the dividends paid per all shares of the issuer on the accounting period, for which the decision on payment (declaration) of dividends was taken, rubles: 1, 549, 000

The reasons of incomplete payment of the declared dividends: dividends were paid in full

Other data on the declared and/or paid dividends per shares actions of the issuer: no such data

2006

The amount of the declared (accrued) dividends per one share of the issuer, rubles: 0.0283

Total sum of the declared (accrued) dividends per the share of the issuer, rubles: 2, 830, 000

The name of the of the issuer governance body which made a decision (declared) on payment of dividends per shares of the issuer: annual general shareholders meeting

Date of carrying out the meeting of the issuer's governance body where the decision on payment (declaration) of dividends was taken: 29 June 2007

Number of the minutes of the issuer governance body meeting, where the decision on payment (declaration) of dividends was taken: 1694pr/2

Date of the minutes of the meeting of the issuer governance body where the decision on payment (declaration) of dividends was taken: 29 June 2007

The term allocated for payment of declared dividends per shares of the issuer: within 60 days from the date of decision-making on their payment

The form and other terms of payment of the declared dividends per shares of the issuer: the form and other terms of payment of the declared dividends per the shares of the issuer: in the monetary form by transfer of the corresponding sums of money from the account of the issuer to the bank account (postal address) containing in the system of keeping the register of the issuer's shareholders.

The accounting period (year, quarter) for which the declared dividends per shares of the issuer were paid: 2006

The total amount of the dividends paid per all shares of the issuer on the accounting period, for which the decision on payment (declaration) of dividends was taken, rubles: 2, 830, 000

The reasons of incomplete payment of the declared dividends: dividends were paid in full

Other data on the declared and/or paid dividends per shares actions of the issuer: no such data

The issuer did not carry out issue of bonds and, accordingly, did not pay incomes per bonds for all time of realization of its activity.

The information is disclosed by IDGC of Centre, JSC according to the Regulations for the information policy of IDGC of Centre: the information about the dividend history of IDGC of Centre, JSC for the period 2005-2006. It is placed on the website of the Company at: <http://www.mrsk-1.ru/about/administration/dividend/>

8.10. Other data

8.10. Other data

According to the Regulations for the information policy of IDGC of Centre, item 8.10. of the quarterly report in addition discloses the information on activity of the Company.

8.10.1 Data on the structures of the committees under the Board of Directors of the Company.

As of 31.03.2008 IDGC of Centre set up the Reliability Committee under the Board of Directors. The information on the structure of the Reliability Committee under the Board of Directors of IDGC of Centre is placed on the website of the Company at: http://www.mrsk-1.ru/about/administration/apparatus/comitet_2007/

8.10.2. The statistical information on shareholders of the Company

Structure of the capital as of 31.03.2008

Holder name	% from the placed securities and the securities which are in process of placement (reports on results of issue and placement on which are not registered as of the accounting date)
Owners – physical persons	4.68%
Owners – legal entities	1.81%
Nominal holders	93.21%
Trustees	0.29%
Total:	100%

8.10.3. Data on the companies, the which the Company owns at least 5 % of voting shares

The information on the companies, in which the Company owns at least 5 % of voting shares, is given in item 3.5. of the given report.

8.10.4. The description of organizational structure of the Company and main, functional relations between key operational divisions

The organizational structure of IDGC of Centre is placed on the website of the Company on the website: <http://www.mrsk-1.ru/about/structure/struktura/>

8.10.5. Calendar of key events and news of the Company

The calendar of key events and news of the Company is placed on the website of the Company at page: <http://www.mrsk-1.ru/stockholder/developments/>

**8.10.6. The information on participation of the Company in exhibitions and conferences, activity
The international organizations**

The information on participation of the company in exhibitions and conferences, activity of the international organizations is placed on the website of the Company at: <http://www.mrsk-1.ru/about/konferenc/>

8.10.7. The information on transfer agents of the registrar of the Company

As of a date of termination of the accounting quarter, the issuer did not carry out the function of a transfer agent.

**8.10.8. Data on the depository banks which are holders of the programs of
depository receipts of the Company**

Securities of IDGC of Centre are not stored in depository banks.

8.10.9. Local normative documents of the Company

Internal documents of IDGC of Centre are placed on the website of the Company at: <http://www.mrsk-1.ru/about/administration/documents1/>

8.10.10. The information on activity of the Company governance bodies

Reports of the governance bodies and control of IDGC of Centre are placed on the website of the Company at: <http://www.mrsk-1.ru/stockholder/session/sovet/2008/>

8.10.11. Data on procedures of nomination of candidates for the Board of Directors of the Company, procedure of convocation, procedure of submission of items in the agenda of the annual and extraordinary general meetings of shareholders, procedure of submission of items to the Board of Directors of the Company

Data on the procedures of nomination of candidates for the Board of Directors of the Company, procedure of convocation, procedure of submission of items in the agenda of the annual and extraordinary general meetings of shareholders, procedure of submission of items for the Board of Directors of the Company are given in item 8.1.4. of this report and on the website of the Company at: <http://www.mrsk-1.ru/stockholder/session/>

8.10.12. Data on the system of the internal control of the Company (division and procedures of the internal control).

Data on the system of the internal control of IDGC of Centre are placed on the website of the Company at: <http://www.mrsk-1.ru/about/administration/sistem/>

8.10.13. The information on corporate governance appraisal

In 2007 Consortium of the Russian Institute of Directors and the Expert RA rating agency - "RID - RA" appropriated IDGC of Centre the rating of corporate governance NCGR 6 + - "Developed practice of corporate governance" under the scale of the National Corporate Governance Rating".

From the moment of assignment of the National Corporate Governance Rating at the end of 2006, the practice of corporate governance of the Company underwent a number of changes that was the basis for revision and increase of the rating of corporate governance up to the level of NCGR 6 +.

The given class of the rating estimation proves that the practice of corporate governance of IDGC of Centre is estimated positively. Its level as a whole exceeds the average on the given rating class. The company possesses appreciable potential for its increase in the near future.

The certificate on assignment to the Company of the corporate governance rating is published on the Internet website of the Company at: <http://www.mrsk-1.ru/about/administration/corporative/rating/>

8.10.14. Data on the shares of the Company which are in cross ownership (amount, stake of shares in cross ownership, data on persons who possess the specified shares, bases of occurrence of the cross ownership)

There are no shares in cross ownership.

8.10.15. Dividend policy of the Company

The information about the dividend policy of IDGC of Centre is placed on the website of the Company at: <http://www.mrsk-1.ru/about/administration/dividend/>

8.10.17. Data on financial and economic activity of the Company and its affiliated and dependent companies

Data on financial and economic activity of IDGC of Centre are given in sections 3 and 4 of the given reports and placed on the website of the Company at: http://www.mrsk-1.ru/stockholder/fh_account/analisis2/

8.10.18. Procedures of decision-making on payment of compensation to members of the Board of Directors and executive bodies of the Company

The information on procedures of decision-making on payment of compensation to members of the Board of Directors and executive bodies of IDGC of Centre is placed on the website of the Company at: http://www.mrsk-1.ru/about/administration/apparatus/sovet_2006/

8.10.19. Data on training of the members of the Board of Directors due to means of the Company

Training of members of the Board of Directors due to means of the Company was not held.

8.10.20. Data on the market environment

Data on the market environment are placed on the website of the Company at: http://www.mrsk-1.ru/about/information_environm/obzor/

8.10.21. Data on essential transactions

Data on essential transactions are placed on the website of the Company at: http://www.mrsk-1.ru/stockholder/inform/transaction/2007/1_2007/

8.10.22. Data on the amount of remuneration of the registrar of the Company paid for the last completed fiscal year, and also data on the existing agreements concerning such payments in the current financial year.

On the basis of the concluded contract between IDGC of Centre and Central Moscow Depository, the following remuneration, VAT included, was paid to the registrar:

- In 2007 - 36, 000 rubles for rendering services under the contract for keeping and storing of the register of owners of nominal issue securities;
- In 1 quarter 2008 - 9, 000 rubles for rendering services under the contract on keeping and storing of the register of owners of registered issue securities.

8.10.23. Data on transactions (group of the associated transactions) with subsidiaries and dependent companies, data on intracorporate transactions, on transactions between and with subsidiaries and dependent companies, and also about transactions which do formally fall under definition of material ones, however, capable to influence activity of the Company.

Transactions (group of the associated transactions) with subsidiaries and dependent companies, data on intracorporate transactions, on transactions between and with subsidiaries and dependent companies, and also about transactions which do formally fall under definition of material ones, however, capable to influence activity of the Company are placed on the website of the Company at: http://www.mrsk-1.ru/stockholder/inform/transaction/2007/2_2007/.

8.10.24. The information additionally disclosed on the shares of the Company.

Shares of the issuer as of the date of termination of the accounting quarter did not circulate in the organized market of securities.

8.10.25. Data on the market makers of the Company.

In the 1st quarter of 2008, the Company did not make agreements with market-makers.

8.11. Data on the represented securities and the issuer of the represented securities, the property right to which is certified by Russian depository receipts

Russian depository receipts were not issued by the Company.

8.11.1. Data on represented securities

Russian depository receipts were not issued by the Company.

8.11.2. Data on the issuer of represented securities

Russian depository receipts were not issued by the Company.

**Appendix 1
Annual Accounting Statements**

JSC IDGC of Centre accounting statements for 2007

ACCOUNTING BALANCE

according to the internal standard of JSC RAO UES of Russia

for December 31, 2007

Company: OJSC IDGC of the Centre
 Taxpayer Identification Number
 Activity: Management by financial and industrial groups and holding companies

form of incorporation \ form of ownership: open joint stock company

unit of measurement: thousand rubles
 Location: 129090 Moscow, Glukharev lane 4/2

	codes
Form 1 under ARCMD date [year, month, day]	0710001
under ARCBO TIN	2007.12.31
under ADCEA	75720657
under ARCFI \ARCFO	6901067107
under ARCM	74.15,74.14, 40.10.2
	47\16
	384

date of approval
 date of sending
 [reception]

ASSETS	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
1	A	2	3	4
I. NON-CIRCULATION ASSETS				
Immaterial assets		110	-	-
including:				
right to patents, programs, trade marks (service marks),				
other similar rights and assets		111	-	-
organisation costs		112	-	-
business reputation of the company		113	-	-
other kinds of immaterial assets		114	-	-
results of research and development		115	-	-
Fixed assets		120		18 541

including:			24 495	
land areas and land use facilities		121	-	-
buildings, cars, equipment, constructions		122	19 305	14 136
other kinds of fixed assets		123	5 190	4 405
Construction-in-process		130	-	-
including				
<i>equipment to be installed</i>		13001	-	-
<i>investment in the non-circulation assets</i>		13002	-	-
interest-bearing investment in the material values		135	-	-
including:				
property for leasing		136	-	-
property provided under the rent contract		137	-	-
Long-term financial investment		140	-	-
including:				
investment in the affiliated companies		141	-	-
investment in the dependent companies		142	-	-
investment in other companies		143	-	-
loans given by companies for the term of more than 12 months		144	-	-
other long-term financial investments		145	-	-
<i>FOR THE SUMMARY REPORTING</i>				
<i>Business reputation of affiliated companies</i>		146	-	-
<i>Estimation of participation of the parent organisation in the affiliated company</i>		147	-	-
deferred tax assets		148	14 626	40 306
other non-circulating assets		150	-	-
TOTAL section I		190	39 121	58 847
ASSETS	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
1	A	2	3	4
II. CIRCULATING ASSETS				
Stocks		210	6 300	6 023
including:				
raw material, material and other similar values		211	804	-
<i>including:</i>				
<i>black oil</i>		21101	-	-
<i>coal</i>		21102	-	-

		-	
<i>diesel oil</i>	21103	-	-
<i>other process fuel</i>	21104	-	-
<i>spare parts</i>	21105	232	-
<i>other raw material and other material</i>	21107	572	-
rearsers and fatteners	212	-	-
expenses in production-in-process	213	-	-
end product and goods for resale	214	-	-
goods loaded out	215	-	-
expenses of future periods	216	5 496	6 023
other stocks and expenses	217	-	-
Value Added Tax on values purchased <i>including</i>	220	-	-
<i>Vat at purchase of electric power in</i>	22001	-	-
Debt receivable (payments on which are expected in more than 12 months after the accounting date) including:	230	-	5 923
buyers and customers <i>including:</i>	231	-	-
<i>financed from the federal budget</i>	23101	-	-
<i>financed from the budgets of RG constituent entities</i>	23102	-	-
<i>financed from local funds</i>	23103	-	-
<i>other buyers and customers</i>	23104	-	-
notes receivable	232	-	-
debt of affiliated and dependent companies	233	-	-
advance payments given out	234	-	-
other debtors <i>including:</i>	235	-	5 923
<i>debt under partnership agreements</i>	23501	-	-
<i>promissory notes</i>	23502	-	-
<i>othr debtors</i>	23503	-	5 923
Debt receivable (payments under which are expected to be effected			

during 12 months after the accounting date) including:		240	279 028	79 865
buyers and customers <i>including:</i>		241	239 776	46 904
<i>at sale of the electric power inside the group</i>		24101	-	-
<i>middlemen at sale of the electric and thermal power</i>		24102	-	-
<i>companies financed from the federal fund</i>		24103	-	-
<i>companies financed from the the RF funds</i>		24104	-	-
<i>companies financed from the the local funds</i>		24105	-	-
<i>other consumers of the electric and thermal power</i>		24106	-	-
<i>debt under the customer payment</i>		24107	-	-
<i>other buyers and customers</i>		24108	239 776	46 904
ASSETS	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
1	A	2	3	4
II. CIRCULATING ASSETS				
notes receivable		242	-	-
debt of affiliated and dependant companies		243	-	-
debt of participants (founders) under contributions in the				
capital stock		244	-	-
advances given out <i>including to:</i>		245	29 088	5 702
<i>suppliers of the electric and thermal power</i>		24501	-	-
<i>fuel suppliers</i>		24502	-	-
<i>materials suppliers</i>		24503	21	29
<i>building companies</i>		24504	-	-
<i>repair companies</i>		24505	-	13
<i>services suppliers</i>		24506	29 067	1 420
<i>other advances given out</i>		24507	-	4 240
other debtors <i>including:</i>		246	10 164	27 259
<i>on penalties, fines, penal sums under the contracts</i>		24601	-	-
<i>excess payment of taxes in the federal funds</i>		24602	-	21 036
<i>excess payment of taxes in the budgets of RF constituent entities</i>		24603	-	4 890

<i>excess payment in the local budgets</i>	24604	-	-
<i>excess payment in the state non-budgetary funds</i>	24605	140	166
<i>debt to RAO UES of Russia for engineering services</i>	24607	-	-
<i>debt of RAO UES of Russia for engineering services</i>	24608	-	-
<i>debt to RAO UES of Russia for reconstruction and re-equipment</i>	24609	-	-
<i>debt of RAO UES of Russia for reconstruction and re-equipment</i>	24610	-	-
<i>settlement of shares purchase</i>	24612	-	-
<i>promissory notes</i>	24613	-	-
<i>other debtors</i>	24611	10 024	1 167
Short-term financial investments	250	-	-
including:			
loans provided to companies for not more than 12 months	251	-	-
other short-term financial investments	253	-	-
monetary funds	260	7 939	150 544
including:			
cash	261	-	-
settlement accounts	262	1 133	148 279
currency accounts	263	-	-
other monetary funds	264	6 806	2 265
including:			
<i>special accounts in banks</i>	26401	1 806	2 265
<i>financial documents</i>	26402	-	-
<i>transfers in transit</i>	26403	5 000	-
other circulating assets	270	-	-
including:			
<i>intra-organizational settlements under current operations</i>	27002	-	-
<i>intra-organizational settlements under construction</i>	27003	-	-
<i>intra-organizational settlements under reconstruction and re-equipment</i>	27004	-	-
<i>intra-organizational settlements under the cost sheet of facilities protection</i>	27006	-	-
<i>intra-organizational settlements under VAT</i>	27007	-	-
<i>other circulation assets</i>	27005	-	-
TOTAL section II	290	293 267	242 355

balance		300	332 388	301 202
LIABILITIES	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
1				
III. CAPITAL AND RESERVES				
Capital stock		410	10 000	10 000
<i>including:</i>				
<i>in preferred shares</i>		41001	-	-
<i>in ordinary shares</i>		41002	10 000	10 000
own shares reacquired from shareholders		415	-	-
Additional fund		420	508	497
settlements on segregated property		423	-	-
Reserve capital		430	122	500
<i>including:</i>				
reserves formed in conformity with legislation		431	122	500
reserves formed in conformity with the constituent documents		432	-	-
Target financing		450	-	-
Unappropriated balance (uncovered loss)				
Unappropriated balance of past years		460	15 824	12 627
Uncovered loss of past years		465	-	-
Unappropriated balance of the accounting period		470	-	51 251
Uncovered loss of the accounting period		475	-	-
TOTAL section III		490	26 454	74 875
<i>FOR THE SUMMARY REPORTING</i>				
<i>business reputation of affiliated companies</i>		495	-	-
<i>minority interest</i>		500	-	-
IV. LONG-TERM LIABILITIES				
Loans and credits		510	-	-
<i>including:</i>				
<i>credits of banks redeemable</i>				
<i>more than 12 months after the accounting date</i>		511	-	-
<i>loans redeemable</i>				
<i>more than 12 months after the accounting date</i>		512	-	-
deferred tax liabilities		515	279	813
other long-term liabilities		520	-	-
<i>including:</i>				
accounts payable of suppliers and contractors		52001	-	-

accounts payable to social funds <i>including:</i>	52002	-	-
<i>to the RF-pension fund</i>	52003	-	-
<i>to the obligatory health insurance fund</i>	52004	-	-
<i>to the employment fund</i>	52005	-	-
<i>to the fund of social insurance</i>	52006	-	-
<i>under the fines and penalty payments in the state non-</i> <i>budgetary funds</i>	52007	-	-
accounts payable to the budget (restructured taxes) <i>including:</i>	52008	-	-
<i>to the federal budget</i>	52009	-	-
<i>to the budgets of the RF-constituent entities</i>	52010	-	-
<i>to the local budgets</i>	52011	-	-
accounts payable under the profit tax of the transition period base <i>including:</i>	52020	-	-
<i>to the federal budget</i>	52021	-	-
<i>to the budgets of the RF-constituent entities</i>	52022	-	-
<i>to the local budgets</i>	52023	-	-
other long-term liabilities	52012	-	-
TOTAL section IV	590	279	813
V .SHORT-TERM LIABILITIES			
Loans and credits <i>including:</i> credits of banks redeemable	610	-	-
during 12 months after the accounting date	611	-	-
loans redeemable during			
12 months after the accounting date	612	-	-

LIABILITIES	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
1	A	2	3	4
Accounts payable <i>including:</i>		620	132 036	59 166
suppliers and contractors <i>including:</i>		621	5 119	44 654
<i>to suppliers of te electric power through FWEPM</i>		62101	-	-

<i>to other suppliers of the electric and thermal power</i>	62102	-	-
<i>to gas suppliers</i>	62103	-	-
<i>to balck oil suppliers</i>	62104	-	-
<i>to coal suppliers</i>	62105	-	-
<i>to suppliers of other fuel</i>	62112	-	-
<i>to suppliers of building companies</i>	62106	-	-
<i>to repair companies</i>	62107	-	-
<i>under the customer payment of RAO UES of Russia</i>	62108	-	-
<i>debt to Rosenergoatom Concern</i>	62110	-	-
<i>debt to APS</i>	62111	-	-
<i>to other suppliers and contractors</i>	62109	5 119	44 654
<i>under the customer payment of JSC SO CDA of UES</i>	62113	-	-
<i>under the customer payment of JSC UES FGC</i>	62114	-	-
notes payable	622	-	-
debt to affiliated and dependant companies	623	-	-
debt under labour payment to the personnel <i>including:</i>	624	7 345	10 612
<i>current</i>	62401	7 345	10 612
<i>overdue</i>	62402	-	-
debt to state and non-budgetary funds <i>including:</i>	625	1 409	307
<i>to the RF-pension funds</i>	62501	738	157
<i>to the obligatory health insurance fund</i>	62502	177	36
<i>to the employment fund</i>	62503	-	-
<i>to the fund of social insurance</i>	62504	494	114
<i>under the fines and penalty payments in the state non- budgetary funds</i>	62505	-	-
debt under taxes and tax collections	626	61 303	2 067
current debt to the budget <i>including:</i>	62610	61 303	2 067
<i>to the federal budget</i>	62601	40 494	1 969
<i>to the budgets of the RF-constituent entities</i>	62602	20 809	98
<i>to the local budgets</i>	62603	-	-

debt to the budget under the profit tax of the transition period base		62620	-	-
<i>including:</i>				
<i>to the federal fund</i>		62621	-	-
<i>to the budgets of the RF-constituent entities</i>		62622	-	-
<i>to the local budgets</i>		62623	-	-
advance payments received		627	55 787	-
<i>including:</i>				
<i>from consumers of the electric power</i>		62701	-	-
<i>from other consumers of the electric and thermal power</i>		62702	-	-
<i>other advances received</i>		62703	55 787	-
other creditors		628	1 073	1 526
<i>including:</i>				
<i>VAT in the products unpaid</i>		62801	-	-
<i>debt to the non-budgetary fund of R&D</i>		62802	-	-
<i>debt to RAO UES of Russia for engineering services</i>		62804	-	-
<i>debt of RAO UES of Russia for engineering service</i>		62805	-	-
<i>debt to RAO UES of Russia for reconstruction and re-equipment</i>		62806	-	-
<i>debt of RAO UES of Russia for reconstruction and re-equipment</i>		62807	-	-
<i>other creditors</i>		62808	1 073	1 526
LIABILITIES	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
1	A	2	3	4
Debt to participants (founders) on revenue payment		630	-	-
Profit of future periods		640	-	-
Reserves of future expenses and payments		650	173 619	166 348
other short-term liabilities		660	-	-
<i>including:</i>				
<i>intra-organizational settlements under current operations</i>		66002	-	-
<i>intra-organizational settlements under construction</i>		66003	-	-
<i>intra-organizational settlements under reconstruction and re-equipment</i>		66004	-	-
<i>intra-organizational settlements under the cost sheet of facilities protection</i>		66006	-	-

<i>intra-organizational settlements under VAT</i>	66007	-	-
<i>other short-term liabilities</i>	66005	-	-
TOTAL section V	690	305 655	225 514
BALANCE	700	332 388	301 202

Reference note on availability of values registered on the off balance sheet account

ASSETS	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
Leased fix assets		910	7 645	11 609
including on leasing		911	-	-
Commodity and material valubles impounded		920	-	-
Material accepted for processing		925	-	-
Goods accepted for commission		930	-	-
Equipemnt accepted for installation		935	-	-
Debt of insolvent debtors written-off as a loss		940	-	-
securing obligations and payments received		950	-	-
securing obligations and payments given out		960	-	-
depreciation of fixed assets		970	-	-
depreciation of land improvement facilities and other similar facilities		980	-	-
strict security forms		990	-	-
fixed assets leased out		992	-	-
property in the federal property		993	-	-
immaterial assets received for use		995	-	-
property transferred to the capital stock for payment of shares purchased		997	-	-

Head signature

Chief Accountant signature

Profit and Loss Statement

for 12 months of 2007

Company: JSC IDGC of the Center
 Taxpayer Identification Number
 Activity: Management by financial and industrial groups and holding companies
 form of incorporation \ form of ownership: open joint stock company
 unit of measurement: thousand rubles

	codes
Forn 2 under ARCMD	0710002
date [year, month, day]	2007.12.31
under ARCBO	75720657
TIN	6901067107
under ADCEA	74.15,74.14,40.10.2
under ARCFI \ARCFO	47\16
under ARCM	384

indicator	note	line code	as of the accounting period	as of the same period of last year
1	A	2	3	4
Profit and expenditure on common activities				
Receipts (net) from sale of goods, products, works and services net of VAT, excise and similar obligatory payments),		010	983 360	744 497
<i>of electric power to the internal consumers</i>		011	-	-
<i>of the electric power for export</i>		012	-	-
<i>of the thermal power</i>		013	-	-
<i>of the customer payment (for RAO UES of Russia)</i>		014	-	-
<i>receipts from transport of the electric and thermal power</i>		018	-	-
<i>of the electric power for sale companies</i>		019	-	-
<i>of other goods, products, works and services of industrial character</i>		015	983 360	744 497
<i>of other goods, products, works and services of non-industrial character</i>		016	-	-
<i>of goods, products, works and services of primary activity (for institutes)</i>		017	-	-
<i>profit from participation in other companies</i>		032	-	-
Production cost of the goods, products, works and services sold including:		020	(928 372)	(669 598)
<i>electric power sold to internal consumers</i>		021	-	-
<i>electric power sold for export</i>		022	-	-
<i>thermal power</i>		023	-	-
<i>customer payment (for RAO UES of Russia)</i>		024	-	-
<i>transportation of the electric and thermal power</i>		028	-	-
<i>of electric power sold to sales companies</i>		031	-	-
<i>of other goods, products, works and services of industrial character</i>		025	(928 372)	(669 598)

<i>of other goods, products, works and services of non-industrial character</i>	026	-	-
<i>of goods, products, works, services on primary activity (for institutes)</i>	027	-	-
<i>expenses due to participation in other companies</i>	033	-	-
		54	
gross profit	029	988	74 899
business expenses	030	-	-
managerial expenses	040	-	-
profit (loss) from sales	050	54	74 899
Other profit and expenses		988	
interest receivable	060	165	40
interest payable	070	-	-
profit from participation in other companies	080	-	-
		105	
other profit	090	743	1 364
		(69)	
other expenses	100	336)	(38 671)
			-
			-
		91	
Profit (loss) before taxation	140	560	37 632
		25	
deferred tax asset	143	680	7 045
deferred tax liability	144	(545)	(279)
		(65)	
current profit tax	145	055)	(29 130)
other similar obligatory payments	146	(389)	(110)
		(40)	
Profit tax and other similar obligatory payments	150	309)	(22 474)
		51	
Profir (loss) from primary activity	160	251	15 158
<i>FOR THE SUMMARY REPORTING</i>			
<i>Capitalized profit (loss)</i>	184	-	-
<i>Minority interest</i>	185	-	-
Net profit (unappropriated profit (loss)) of the accounting period			

Net profit (unappropriated profit (loss)) of the accounting period		51	
	19010	251	15 158

	note	line code	as of the accounting period	as of the same period of last year

indicator				
1	A	2	3	4
FOR REFERENCE ONLY FOR STRUCTURAL SUBDIVISIONS OF RAO UES OF RUSSIA				
V. Intra-organizational settlements				
Profit received from representative offices and branches of RAO UES of Russia				
including from lines				
page 140 Profit (loss) before taxation		19011	-	-
page 150 Profit tax and other similar obligatory payment...		19012 19013 19014	-	-
Net profit (undistributed profit (loss)) of the accounting period taking into account the profit received from representative offices and branches				
(19011+19012+19013+19014)		19020	-	-
Profit transferred from representative offices and branches to RAO YES of Russia				
including: from lines				
page 140 Profit (loss) before taxes		19031	-	-
page 150 Profit tax and other similar obligatory payment...		19032 19033 19034	-	-
Net profit (undistributed profit (loss)) of the accounting period taking into account profit transferred to RAO UES of Russia				
(19031+19032+19033+19034)		19040	-	-
Net profit (undistributed profit (loss)) of the accounting period			51	
(19010+19020-19040)		190	251	15 158

(RUR)

indicators name	note	line code	as of the accounting period	as of the same period of last year
1	A	2	3	4
FOR REFERENCE				
permanent tax liabilities (assets)		200	17 946	13 332
base profit (loss) per a share		201	0,5125	0,1516
dividends proposed per a share(loss)		202	0,5125	0,1516

EXPLANATION OF CERTAIN PROFIT AND LOSS

indicator	note	line code	as of the accounting period	as of the same period of last year

1	A	2	3	4
Fines and penalty payments acknowledged or those, on which the court resolutions were received (arbitrage) on their collection profit		210	-	-
loss		211	-	-
Profit (loss) of past years	profit	220	637	522
loss		221	2	
			013	217
Payment of damages caused by non-performance of improper performance of obligations profit		230	-	-
loss		231	-	-
Currence difference on operations performed in the foreign currency profit		240	-	-
loss		241	1	-
Contributions to the estimation reserves	loss	250	-	-
Write-off of debt receivable and account payable, the limitation period of which expired profit		260	-	-
loss		261	-	-

Explanation of form 2 Prprofit and Loss Statement **for**
under the internal standard of RAO UES of Russia **2007**

on the unloaded products

indicator	note	line code	as of the accounting period	as of the same period of last year
1		2	3	4
interest payable		070	-	-
including:				
interest on credits, loans		07003	-	-
other interest payable (interest on bills, notes, etc.)		07004	-	-
other profit		090	105	
including:			743	1 364
from sale of fixed assets, apartments excluded		09001	1	
			355	600
from sale of apartments		09002	-	-
from sale of inventories		09003	148	40
from sale of currency		09004	-	-
from sale of immaterial assets		09005	-	-
from sale of securities		09006	-	-
from sale of other assets		09007	3	
			838	-
from the joint activity		09009	-	-
profit of year 2006 ascertained in the accounting period		12001	6	-

			637	
profit of year 2005 ascertained in the accounting period		12002	-	522
profit of year 2004 ascertained in the accounting period		12003	-	-
profit before 01.01.2004 ascertained in the accounting period		12004	-	-
Fines and penalty payments acknowledged or those, on which the court resolutions were received (arbitrage) on their collection		12005	-	-
Accounts payable (more than 3 years)		12008	-	-
currency defences		12009	-	-
property fund to be surplus as a result of inventory		12010	-	-
Non-repayable assets received, except fixed assets and immaterial assets		12011	-	-
Profit from non-repayable fixed assets defined according to the established procedure		12012	-	-
sum differences				
cost of material assets remaining after writing-off as a result of extraordinary situations inadequate for recovery and further use of assets		17032	-	-
			93	
other profit		12014	765	202
	note	line code	as of the accounting period	as of the same period of last year
indicator				
1	A	2	3	4
other expenses		100	69 336	38 671
including:				
from sale of fixed assets, apartments excluded		10001	985	251
from sale of apartments		10002	-	-
from sale of inventories		10003	148	40
from sale of the currency		10004	-	-
from sale of immaterial assets		10005	-	-
from sale of securities		10006	-	-
from sale of other assets		10007	3 800	-
miliya tax		10011	-	-
car re-sale tax		10013	-	-
garbage tax		10014	-	-
advertising tax		10015	-	-
additional payment in budget for the profit tax		10016	-	-
securities trading tax		10026	-	-
"Russia" name tax		10028	-	-
other taxes		10017	-	-
bank services		10018	917	1 100
inactive installation support		10019	-	-

			-	
nulified production orders		10020	-	-
manufacturing orders, which did not gave goods		10021	-	-
costs for securities servicing		10022	-	-
provision for doubtful debts		10024	-	-
provision for devaluation of financial investments		10025	-	-
provision for decrease in cost of material assets		10029	-	-
provision for the activity terminated		10030	-	-
provision for other contingent obligations		10031	-	-
retirement of assets without profit		10032	-	-
VAT on the property transferred without compensation		10033	-	-
transfere of property in the municipal ownership		10034	-	-
profit of year 2006 ascertained in the accounting period		13001	013	-
profit of year 2005 ascertained in the accounting period		13002	-	217
profit of year 2004 ascertained in the accounting period		13003	-	-
profit before 01.01.2004 ascertained in the accounting period		13004	-	-
Fines and penalty payments acknowledged or those, on which the court resolutions were received (arbitrage) on their collection		13005	-	-
state duties under economic duties		13007	-	-
Accounts payable (more than 3 years)		13008	-	-
currency defferences		13009	1	-
court costs		13010	-	-
thefts		13021	-	-
write-off of inventories over the rates of natural loss		13022	-	-
enforcement proceedings loss		13024	-	-
maintenance of the social sphere due to profit		13026	-	-
employees' apartment costs repayment		13027	-	-
costs for sports actions holding		13030	-	-
social activities costs		13031	-	108
charity costs		13032	-	-
cost of inventory lost		18001	-	-
write-off losses due to extraordinary events		18002	-	-
other expenses		13029	61 472	36 955
	note	line code	as of the accounting period	as of the same period of last year
indicator				

1	A	2	3	4
			40	
profit tax and other similar payments		150	309	22 474
including:			21	
contingent gain (expenditure)		15071	974	9 032
Profit tax on the base of transition period		15005	-	-
permanent tax liabilities		15006	17 946	13 332
write off of deferred tax liability		15007	(11)	-
write off of deferred tax assets		15008	-	70
fines of state tax inspection,		15010	-	23
including:				
on the profit tax		15011	-	-
on VAT		15012	-	23
on the property tax		15013	-	-
on other taxes		15014	-	-
penalty fees of state tax inspection		15020	360	16
including:				
on the profit tax		15021	24	2
on VAT		15022	325	14
on the property tax		15023	-	-
on other taxes		15024	11	-
penalty fees of state tax inspection - restructured (acknowledged in the accounting year)		15050	-	-
including:				
on the profit tax		15051	-	-
on VAT		15052	-	-
on the property tax		15053	-	-
on other taxes		15054	-	-
fines in the state non-budgetary funds,		15030	27	-
including:				
RF-pension fund		15031	21	-
social insurance fund		15032	2	-
obligatory health insurance fund		15033	4	-
employment fund		15034	-	-
penalty fees in the state non-budgetary funds,		15040	13	1
including:				
RF-pension fund		15041	13	1
social insurance fund		15042	-	-
obligatory health insurance fund		15043	-	-

employment fund	15044	-	-
penalty fees in the state non-budgetary funds - restructured (acknowledged in the accounting period) including:	15060	-	-
RF-pension fund	15061	-	-
social insurance fund	15062	-	-
obligatory health insurance fund	15063	-	-
employment fund	15064	-	-
other obligatory payments	15045	-	-
profit at writing-off of resrtuctures penalty fees on the taxes	15070	-	-

Head signature

Chief Accountant signature

**CAPITAL CHANGE STATEMENT
for 2007**

Company: OJSC IDGC of the Centre
Taxpayer Identification Number

Activity: Management by financial and industrial groups and holding companies
Form of incorporation \ form of ownership: open joint stock company

Location: 129090 Moscow, Glukharev lane 4/2

Unit of measurement: thousand rubles

	codes
Form 3 under ARC MD date [year, month, day]	0710001
under ARC BO TIN	75720657 6901067107
under ADC EA	74.15,74.14, 40.10.2
under ARC FI \AR CFO	47\16
under ARC M	384

I. Capital change

indicator name
1
Balance as of December 31 of the year prior to the last year
2006 (previous year)
changes in the accounting policy
Result from the re-estimation of facilities of fixed assets
Changes of rules of the accounting
Balance as of January 1 of the previous year

code	capital stock	additional capital	reserve capital	undistributed profits (uncovered loss)	total
2	3	4	5	6	7
010	10 000	-	-	2 446	12 446
011	x	x	x	-	-
012	x	-	x	-	-
013	x	-	x	-	-
020	10 000	-	-	2 446	12 446

Result of recalculation of foreign currencies	023	x	-	x	x	-
Net assets	025	x	x	x	15 158	15 158
Dividend	026	x	x	x	(1 549)	(1 549)
Contributions to the reserve fund	030	x	x	122	(122)	-
Increase in the volume of the capital due to:	040	-	-	-	-	-
Additional issue of shares	041	-	x	x	x	-
Increase in the par value of shares	042	-	x	x	x	-
Reorganization of the legal entity	043	-	x	x	-	-
others	044	-	-	-	-	-
						-
Decrease in the volume of the capital due to:	050	-	-	-	-	-
Decrease in the par value of shares	051	-	x	x	x	-
Decrease in the amount of shares	052	-	x	x	x	-
Reorganization of the legal entity	053	-	x	x	-	-
others	054	-	-	-	-	-
						-
Balance as of December 31 of the previous year	060	10 000	-	122	15 933	26 055
2007 (accounting year)						
changes in the accounting policy	061	x	x	x	-	-
Result from the re-estimation of facilities of fixed assets	062	x	508	x	(109)	399
Changes of rules of the accounting	063	x	-	x	-	-
Balance as of January 1 of the accounting year	100	10 000	508	122	15 824	26 454
Result of recalculation of foreign currencies	103	x	0	x	x	-
Net asset	105	x	x	x	51 251	51 251
Dividend	106	x	x	x	(2 830)	(2 830)
Contributions to the reserve fund	110	x	x	378	(378)	-
Increase in the volume of the capital due to:	120	-	(11)	-	11	-

Additional issue of shares	121	-	x	x	x	-
Increase in the par value of shares	122	-	x	x	x	-
Reorganization of the legal entity	123	-	x	x	-	-
others	124	-	(11)	-	11	-
Decrease in the volume of the capital due to:	130	-	-	-	-	-
Decrease in the par value of shares	131	-	x	x	x	-
Decrease in the amount of shares	132	-	x	x	x	-
Reorganization of the legal entity	133	-	x	x	-	-
others	134	-	-	-	-	-
Balance as of December 31 of the accounting year	140	10 000	497	500	63 878	74 875

II. Reserves

indicator		balance	enteres	used	balance
name	code				
1	2	3	4	5	6
Reserves formed according to the legislation					
data of the previous year	150	-	122	-	122
Data of the accounting year	151	122	378	-	500
Reserves formed according to the constituent documents					
Data of the previous year	152	-	-	-	-
Data of the accounting year	153	-	-	-	-
Assessed reserves					
Reserves for the doubtful debt					
Data of the previous year	160	-	-	-	-
Data of the accounting year	161	-	-	-	-
Reserve for financial investments depreciation					
Data of the previous year	162	-	-	-	-
Data of the accounting year	163	-	-	-	-
reserve formed on liabilities occurred due to recognition of the activity being terminated					

Data of the previous year	164	-	-	-	-
Data of the accounting year	165	-	-	-	-
reserves formed in connection with consequences of conditional factors of economic activity					
Data of the previous year	166	-	-	-	-
Data of the accounting year	167	-	-	-	-
reserve for decrease in the cost of inventories					
Data of the previous year	168	-	-	-	-
Data of the accounting year	169	-	-	-	-
others					
Data of the previous year	170	-	-	-	-
Data of the accounting year	171	-	-	-	-
reserves for future expenses: reserve for remuneration payment according to the results of the year					
Data of the previous year	180	83 724	130 951	(41 056)	173 619
Data of the accounting year	181	173 619	72 584	(79 855)	166 348
reserves for holidays payment (including contributions)					
Data of the previous year	182	-	-	-	-
Data of the accounting year	183	-	-	-	-
reserves for payment of yearly remuneration for years of service					
Data of the previous year	184	-	-	-	-
Data of the accounting year	185	-	-	-	-
reserve for fixed assets repairs					-
Data of the previous year	186	-	-	-	-
Data of the accounting year	187	-	-	-	-
others					
Data of the previous year	188	-	-	-	-
Data of the accounting year	189	-	-	-	-

references

indicator	код	code	balance as of the	balance as of the end of
-----------	-----	------	-------------------	--------------------------

name
1
1) Net assets
2) received for: expenditures on ordinary kinds of activity - total
including: for compensations to Chernobyl victims
Capital investments in the non-current assets
including:

	beginning of the year		the year	
2	3		4	
200	26 454		74 875	
	from the budget		from non-budgetary funds	
	as of the accounting year	as of the previous year	as of the acco untin g year	as of the previous year
	3	4	5	6
210	-	-	-	-
211	-	-	-	-
212	-	-	-	-
220	-	-	-	-
221	-	-	-	-
222	-	-	-	-

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Chief Accountant signature

CASHFLOW STATEMENT

for 2007

Company: OJSC IDGC of the Centre
 Taxpayer Identification Number
 Activity: Management by financial and industrial groups
 and holding companies
 Form of incorporation \ form of ownership: open joint
 stock company

Location: 129090 Moscow, Glukharev lane 4/2

Unit of measurement: thousand rubles

	codes
Forn 4 under ARCMD date [year, month, day]	0710004 2007.12.31
under ARCBO TIN	75720657 6901067107
under ADCEA	74.15,74.14,40.10.2
under ARCFI \ARCFO	 47 16
under ARCM	384

indicator name	код code	as of the accounting period	as of the same period of last year
1	2	3	4
Balance of the monetary funds as of the beginning of the accounting year	010	2 939	7 988
Cash flow on the current activity			760
Means received from purchasers, customers	020	1 304 131	171
Receipts of purchased foreign currency	030	-	-
Receipts in connection with extraordinary situations	040	-	-
Receipts of funds from the account inside the company	045	-	-
Other profit (receipts)	050	5 134	384
Monetary means directed to:			
Payment for purchased goods, works, services, raw material, and other circulating assets	150	(449 074)	(316 307)
For remuneration of labor	160	(247 572)	(253 051)
For payment of dividends, interest	170	(2 575)	(1 410)
For settlement of taxes and collections	180	(331 191)	(118 668)
Payment in connection with extraordinary situations	181	-	-
Transfer from the account to the account inside the company	182	-	-
Social payments	183	(83 227)	(21 760)

for other expenses (payments)	190	(45 762)	(32 750)
Net cash received from the current activity	200	149 864	16 609
Cashflow under the investment activity			
Profit from sale of facilities of fixed assets and other non-current assets	210	6 054	434
Profit from sale of securities and other financial investments	220	-	-
dividends received	230	-	-
interest received	240	165	40
Receipts from repayment of loans granted by other companies	250	-	-
other receipts	260	-	-
Purchase of affiliated companies	280	-	-
Purchase of facilities of fixed assets, profitable investments in the material values and immaterial assets	290	(8 478)	(22 132)
Purchase of securities and other financial investments	300	-	-
Loans granted to other companies	310	-	-
Other expenditures	320	-	-
Net cash from the investment activity	340	(2 259)	(21 658)
Cashflow under the financial activity			
Receipts from emission of shares or other securities	350	-	-
Receipts from loans and credits granted by other companies	360	-	-
Receipts of means on target financing	370	-	-
Other income	380	-	-
Repayment of loans and credits (interest free)	390	-	-
Repayment of liabilities under financial lease	400	-	-
other expenditures	405	-	-
Net cash from financial activity	410	-	-
			(5 049)
Net increase (decrease) of cash and its equivalents	420	147 605	2 939
Balance of monetary funds as of the end of the accounting period	430	150 544	
Volume of influence of foreign currency rates changes in relation to the ruble	440	-	-

Head signature

Chief Accountant signature

**APPENDIX TO THE ACCOUNTING BALANCE
for 2007**

Company: OJSC IDGC of the Centre
 Taxpayer Identification Number
 Activity: Management by financial and industrial groups and holding companies
 Form of incorporation \ form of ownership: **open joint stock company**
 Location: 129090 Moscow, Glukharev lane 4/2
 Unit of measurement: thousand rubles

	codes
Forn 5 under ARCMD	0710005
date [year, month, day]	2007.12.31
under ARCBO	75720657
TIN	6901067107
under ADCEA	74.15,74.14,40.10.2
under ARCFI \ARCFO	47 16
under ARCM	384

Immaterial assets

indicator		presence as of the beginning of the accounting period	in	out	presence as of the end of the accounting year
name	code				
1	2	3	4	5	6
Intellectual property matters (exclusive rights to intellectual property results)	010	-	-	-	-
including:					
Patenter's right to invention, industrial design, utility model	011	-	-	-	-
Petenter's right to computer programs, data bases	012	-	-	-	-
Owner's right to trademark and service designation, goods point of origin	014	-	-	-	-
Business charges	020	-	-	-	-
Business reputation of the company	030	-	-	-	-
others	040	-	-	-	-
Total	045	-	-	-	-

indicator		as of the beginning of the accounting year	as of the end of the accounting period
name	code		
1	2	3	4
Immaterial asset depreciation -	050		

total		-	-
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Fixed assets

indicator			Presence as of the beginning of the accounting period	in	out	Presence as of the end of the accounting period
	name	code				
1	2		3	4	5	6
Buildings	110		-	-	-	-
Constructions and transfer devices	111		-	-	-	-
Machines and equipment	112		22 365	2 662	(790)	24 237
Transport means	113		-	-	-	-
Production and organizational stock	114		6 360	943	(509)	6 794
Plough cattle	115		-	-	-	-
Productive livestock	116		-	-	-	-
Perennial plantings	117		-	-	-	-
Other fixed assets	118		-	-	-	-
Land lots and nature facilities	119		-	-	-	-
Capital investments in land radical improvement	120		-	-	-	-
Total	130		28 725	3 605	(1 299)	31 031

indicator			as of the beginning of the accounting year	as of the end of the accounting period
	name	code		
1	2		3	4
Fixed assets depreciation - total	140		4 230	12 490
including of:				
buildings and constructions	141		-	-
machines, equipment, transport means	142		3 060	10 101
others	143		1 170	2 389
fixed assets leased out - total	150		-	-
including:				
buildings	151		-	-
Constructions	156		-	-
machines, equipment, transport means	152		-	-
others	153		-	-

fixed assets temporary closed down	155	-	-
fixed assets leased back - total	160	7 645	11 609
including:			
buildings and constructions	161	7 645	1 150
machines, equipment, transport means	162	-	4 354
others	163	-	6 105
Immovables accepted in operation and being in the process of state registration	165	-	-
For reference Result of fixed assets reassessment:	code	as of the beginning of the accounting year	as of the beginning of the previous year
	2	3	4
	170	399	-
of primary (recovery) cost	171	469	-
of depreciation	172	70	-
Change of cost of fixed assets as a result of construction completion, additional equipment, reconstruction, partial liquidation	code	as of the beginning of the accounting year	as of the end of the accounting period
	2	3	4
	180	-	-

Interest-bearing investments in tangible assets

indicator			Presence as of the beginning of the accounting period	in	out	Presence as of the end of the accounting period
	name	code				
1	2	3	4	5	6	
Property for leasing	210	-	-	-	-	
Property given under the hire contract	220	-	-	-	-	
Others	230	-	-	-	-	
Total	240	-	-	-	-	
	code	as of the beginning of the accounting period	as of the end of the accounting period			
1	2	3	4			

Depreciation of interest-bearing investments in tangible assets	250	-	-
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Charges for scientific research, design, experimental and engineering works

works type		Presence as of the beginning of the accounting period	in	written-off	Presence as of the end of the accounting period
name	код				
1	2	3	4	5	6
Total	310	-	-	-	-
including:					
	311	-	-	-	-
	312	-	-	-	-
	313	-	-	-	-
For reference:	code			as of the beginning of the accounting year	as of the end of the accounting year
	2			3	4
Sum of charges on unfinished scientific research, design and experimental, and engineering works	320	-	-	-	-
Sum of charges on the research, design and experimental, and engineering works which did not give positive results - referred to the miscellaneous costs	code			for the accounting period	for the similar period of the previous year
	2			3	4
	330	-	-	-	-

Resource development charges

indicator		Balance as of the beginning of the accounting period	in	written-off	Balance as of the end of the accounting period
name	code				
1	2	3	4	5	6
Resource development charges - total	410	-	-	-	-
including:					
	411	-	-	-	-
	412	-	-	-	-
	413	-	-	-	-

		-	-	-	-
For reference				as of the beginning of the accounting year	as of the end of the accounting period
		code		3	4
		2			
Sum of charges on subsoil plots which did not result in search and estimation of deposits, investigation and (or) hydro- geological researches and other similar works		420		-	-
Sum of charges on the natural resources development referred to miscellaneous costs in the accounting period as ineffectual		430		-	-

Financial investments

indicator name	code	long-term		short-term	
		as of the beginning of the accounting period	as of the end of the accounting period	as of the beginning of the accounting year	as of the end of the accounting period
1	2	3	4	5	6
Investments in the authorized (joint-stock) capitals of other companies - total	510	-	-	-	-
including of affiliated and dependant economic entities	511	-	-	-	-
State and municipal securities	515	-	-	-	-
Securities of other companies - total	520	-	-	-	-
including debt securities (bonds, promissory notes)	521	-	-	-	-
Granted loans	525	-	-	-	-
Deposit contributions	530	-	-	-	-
Others	535	-	-	-	-
Total	540	-	-	-	-
Financial investments out of the total sum which have the current market value: Contributions to authorized (joint-stock) capitals of other companies - total	550	-	-	-	-
including of affiliated and dependant economic entities	551	-	-	-	-
State and municipal securities	555	-	-	-	-
Securities of other companies - total	560	-	-	-	-
including debt securities (bonds, promissory notes)	561	-	-	-	-
Others	565	-	-	-	-
Total	570	-	-	-	-

For reference. On the financial investments which have the current market value, change of the value as a result of the estimation updating	580	-	-	-	-
On debt securities: difference between initial value and par value is referred to the financial result of the accounting period	590	-	-	-	-

Debt receivable and account payable

indicator		Balance as of the beginning of the accounting period	Balance as of the end of the accounting period
name	код		
1	2	3	4
Debt receivable:			79
short-term - total	610	279 028	865
including:			
settlement of accounts with purchasers and customers	611	239 776	46 904
advances given out	612	29 088	5 702
others	613	10 164	27 259
long-term - total	620	-	5 923
including:			
settlement of accounts with purchasers and customers	621	-	-
advances given out	622	-	-
others	623	-	5 923
Total	630	279 028	85 788
Accounts payable:			59
short-term - total	640	132 036	166
including:			
settlement of accounts with suppliers and contractors	641	5 119	44 654
advanced received	642	55 787	-
settlement of accounts on taxes and tax collections	643	61 303	2 067
credits	644	-	-
loans	645	-	-
others	646	9 827	12 445
long-term - total	650	-	-
including:			
settlement of accounts with suppliers and contractors	651	-	-

settlement of accounts on taxes and tax collections	652	-	-
credits	653	-	-
loans	654	-	-
others	655	-	-
Total	660	132 036	59 166

Costs on ordinary kinds of activity (on elements of cost)

indicator		as of the accounting period	as of the previous period
name	код		
1	2	3	4
Tangible costs	710	5 295	7 878
Labour costs	720	433 658	383 080
Contributions to social needs	730	40 738	38 366
Depreciation	740	8 513	3 844
Other costs	750	440 168	236 430
Total on elements of costs	760	928 372	669 598
Balance change (growth [+], decrease[-]) of:			
construction-in-process	765	-	-
charges of future periods	766	527	4 785
reserves for future charges	767	(7 271)	89 895

Provision

indicator		Balance as of the beginning of the accounting period	Balance as of the end of the accounting period
name	code		
1	2	3	4
Received - total	810	-	-
including:			
promissory notes	811	-	-
Property in pawn	820	-	-
including:			
fixed assets facilities	821	-	-
securities and other financial investments	822	-	-
others	823	-	-

Given out - total	830	-	-
including:			
promissory notes	831	-	-
Pledged property	840	-	-
including:			
fixed assets facilities	841	-	-
securities and other financial investments	842	-	-
others	843	-	-

State assistance

indicator	code	Accounting period		as of the similar period of the previous year	
		as of the beginning of the accounting year	received for the accounting period	returned for the accounting period	as of the end of the accounting period
1	2	3	4	5	6
Budget means received in the accounting year - total	910	-	-	-	-
including:					
	911	-	-	-	-
	912	-	-	-	-
Budget credits - total	920	-	-	-	-
including:					
	921	-	-	-	-
	922	-	-	-	-

Head signature

Chief Accountant signature

Adopted by Accounting and Tax Department of RAO UES of Russia as of 21 March 2008

IDGC of Centre, JSC

Explanatory Note for Financial Statement for 2007

(Data is expressed in thousand roubles)

Contents:

- 1. Information on the company**
- 2. General rules of drawing up of the financial statement**
- 3. Accounting policy**
- 4. Disclosure of essential indicators**

1. Information on the company

1. Full name	“Interregional Distribution Grid Company of Centre”, Joint-Stock Company
2. Short name	IDGC of Centre, JSC
3. Date of state registration	December 17, 2004

4. Information on the authorised capital	Authorised capital of the company is 10,000,000 (ten million) roubles
5 Information on the participants	JSC "RAO UES of Russia" is the unique shareholder of the company that owns 100 percent of the voting shares
6. Information on the auditor	JSC "KPMG" that performs auditor functions under License No E 003330 issued by the Ministry of Finance of the Russian Federation as at 17.01.2003 with the validity term of ten years

Number of the Company's personnel as at December 31, 2007, was 169 people.

1.1. Management bodies of the Company

Management bodies of the Company are:

- General Meeting of Shareholders;
- Board of Directors;
- General Director;

The Company's Board of Directors performs general management of the Company's activity, except for solution of issues referred to the Federal Law *On joint-stock companies* and the Company's articles of association to the competence of the General Meeting of Shareholders.

Structure of the Board of Directors of IDGC of Centre, JSC

Name	Post
Dyomin Andrey Aleksandrovich	Deputy Chairman of the Management Board, JSC "UES FGC"
Branis Aleksandr Markovich	Director of Moscow office, "Prosperity Capital Management Ltd"
Burnashev Dmitry Aleksandrovich	Head of the Department of Business-Planning, JSC "RAO UES of Russia" Corporate Centre
Makarov Evgeny Fyodorovich	General Director, IDGC of Centre, JSC
Zemlyankys Igor Ivanovich	Head of the Customer Relations Department, JSC "UES FGC"
Kolesnikov Anton Sergeevich	Deputy Head of the Interregional Distribution Grid Complexes Management Centre, JSC "UES FGC"
Kachay Aleksey Romanovich	Deputy Head of the Strategy Department, JSC "RAO UES of Russia", Reform Management Centre
Klaptsov Aleksey Vitalievich	Vice-President of "Halcyon Advisors" company
Misrikhanov Misrikhan Shapievich	General Director of "Transmission Electric Networks of Centre", a JSC "UES FGC" subsidiary
Okley Pavel Ivanovich	Head of the Interregional Distribution Grid Complexes Management Centre, JSC "UES FGC"

Chairman of the Company's Board of Directors – Deputy Chairman of the Management Board, JSC "UES FGC" **Dyomin Andrey Aleksandrovich**.

Management of the Company's current activity is performed by the unique executive body – General Director. General Director of IDGC of Centre, JSC – **Makarov Evgeny Fyodorovich**.

The Audit Committee of IDGC of Centre, JSC includes:

Name	Post
------	------

L.R. Matyunina	First Deputy Head of the Department of Internal Audit, JSC "RAO UES of Russia", Corporate Centre
S.O.Erdenko	Chief Specialist of the Corporate Management and Shareholder Relations Department, JSC "RAO UES of Russia" Corporate Centre
D.V.Sklyarov	Head of the Department of Financial Control and Audit, IDGC of Centre, JSC
A.V.Baitov	Head of the Management of Financial Control and Internal Audit, JSC "UES FGC"
M.A.Lelekova	Deputy Chairman of the Management of Financial Control and Internal Audit, JSC "UES FGC"

2. General rules of drawing up of the financial statement

Annual financial statement of the Company was prepared in accordance with the requirements of the RF legislation.

Financial accounting of the property, liabilities and business operations is drawn up on the basis of natural indicators in monetary expression by way of continuous, documental and correlated reflexion. Indicators of annual financial statement are listed on the basis of the principle of essentiality for estimation of the financial state by all interested customers.

Annual financial statement of the company was drawn up in accordance with assumptions of the going concern that presupposes the possibility of assets disposal and performance of obligations during ordinary business activity.

Data of the financial statement is expressed in thousands of roubles.

3. Accounting policy

The present financial statement of the Company was prepared on the basis of the accounting policy approved by order as at 26.12.2005 No 195. The accounting policy was formed in accordance with the requirements of:

The RF Civil Code;

Federal Law *On Financial Accounting* as at 29.11.1996

Regulation on introduction of the financial accounting and financial statement in the Russian Federation (order No 34-n of the Ministry of Finance of the RF as at 29.07.1998).

Russian Accounting Standards (RAS) 1/98 *Accounting policy of an organisation*, RAS 2/94 *Accounting of agreements (contracts) on capital construction*, RAS 3/95 *Accounting of the property and liabilities of an organisation, the price of which is expressed in foreign currency*, RAS 4/99 *Financial statement of an organisation*, RAS 5/98 *Accounting of inventory*, RAS 6/2001 *Accounting of fixed assets*, RAS 7/98 *Events after the reporting date*, RAS 8/98 *Contingencies*, RAS 9/99 *Profit of an organisation*, RAS 10/99 *Expenses of an organisation*, RAS 11/2000 *Information on affiliated entities*, RAS 12/2000 *Segment information*, RAS 13/2000 *Accounting of state aid*, RAS 14/2000 *Accounting of intangible assets*, RAS 15/2001 *Accounting of loans and credits and expenses for their servicing*, RAS 16/2002 *Information on the discontinuing operation*, RAS 17/2002 *Accounting of expenses for research, development, and technological work*, RAS 18/2002 *Accounting of expenses for income tax*, RAS 19/2002 *Accounting of financial investments*, RAS 20/2003 *Information on participation in the joint activity*.

3.1. Assets and liabilities in foreign currency

Operations in foreign currency were not executed in the current period.

3.2. Short-term and long-term assets and liabilities

In the statement assets and liabilities are referred to as short-term if the term of their retirement does not surpass 12 months since the day after the reporting date. All other assets and liabilities are presented in the statement as long-term.

3.3. Intangible assets

There are no intangible assets on the Company's balance sheet

3.4. Fixed assets

The fixed assets include cars and equipment, production and organisational stock.

Objects of the fixed assets are taken into account according to the actual expenses for their acquisition.

In the statement fixed assets are shown according to their current cost less amortization accumulated during the whole time of exploitation.

As at 01.01.2007 the Company performed re-estimation of the fixed assets. The estimation was carried out with use of the expense approach and procedure of comparative approach by the following groups: cars and equipment, production and organizational stock. Resolution on the necessity of fixed assets cost re-estimation performance for 01.01.2007 was approved on the basis of order No 615 of "RAO UES of Russia" as at September 05, 2006. The current cost of the fixed assets with account of re-estimation for 01.01.2007 increased by RUR 469 thousand and equaled RUR 28, 725 thousand. Under order No 26-n *On approval of the Russian Accounting Standards* Accounting of the fixed assets RAS 6/01 of the Ministry of Finance of the RF as at 30.03.2001, changes of the current cost of the fixed assets are reflected in the accounting balance sheet for the beginning of 2007.

Amortisation of the fixed assets was accrued by the line way under the norms of Decree No 1 *On classification of the main assets included in amortisation groups* a the RF Government as at 01.01.2002.

Group of fixed assets	Useful life (number of years) of assets taken on the balance sheet
Computer hardware	1 – 3
Means of communication	7 – 10
Other	5 – 20

During the reporting period amortisation of RUR 8, 513 thousand was accrued.

Income and expenses from retirement and disposal of fixed assets are set out in the Income Statement, form No 2, within operating income and expenses.

3.5. Fixed assets (p.120 of the Accounting Balance Sheet)

Cost of the fixed assets by groups for 31.12.2007

No	Name of the fixed assets group	Current cost for 31.12.2007	Remaining cost for 31.12.2007	% of the total amount
1	Cars and equipment	24, 237	14, 136	76.25
2	Other fixed assets	6, 794	4, 405	23.75
	TOTAL	31, 031	18, 541	100

Remaining cost of the fixed assets for 01.01.2007 was RUR 24, 096 thousand; for 31.12.2007 – RUR 18, 541 thousand. Change in the cost of the fixed assets was due to re-estimation – RUR 339 thousand, acquisition of the fixed assets – RUR 3, 605 thousand, capital consumption – RUR 1, 046 thousand and decrease in the cost of the fixed assets due to accrued depreciation – RUR 8, 513 thousand.

3.6. Inventory

Inventory was estimated in the sum of actual expenses for acquisition. Disposal of inventory for production was performed per a unit of the prime cost.

Reserve for the sum of decrease in the cost of the materials was not created by the Company.

3.7. Expenses of future periods

Expenses taken by the Company in the reporting year but referring to the next reporting periods are presented as expenses of future periods. These expenses are gradually written off according to their intended purpose, within the periods they are related to.

3.8. Debts of customers

Debts of customers is defined on the basis of prices fixed by the contracts concluded between the Company and customers with account of all discounts granted by the Company and VAT. In the reporting period the Company did not render services under the conditions of commercial credit granted in the form of deferral of payment.

For the accounting date the Company did not recognise debts as uncollectable. The Company did not create a reserve for doubtful debts.

3.9. Physical stocktaking

Physical stocktaking of property and financial liabilities is performed under the existing Methodological Instructions No 49 of the Ministry of Finance of the Russian Federation as at 13.06.95. Before drawing up of the annual report the Company performed physical stocktaking of material valuables, fixed assets, incomplete construction, intangible assets for 01.10.2007, monetary funds, securities, other financial investments, calculations of taxes and obligatory deductions to the budget, calculations with debtors and creditors, expenses of future periods, reserve of future expenses and payments for 31.12.2007.

3.10. Authorised, additional and reserve capital

The authorised capital is reflected in the sum of nominal cost of ordinary nominal shares purchased by shareholders. The amount of the authorised capital conforms to the amount fixed in the Company's articles of association.

3.11. Reserves of future expenses

The Company reserved sums for future payment of remuneration by the results of work for the year. Sums for the end of the reporting year were defined on the basis of the record of work of the personnel as at the reporting date and in the amount defined by the regulation on material incentives of the Company's top managers, regulation on remuneration of managers, specialists, and office workers of the Company, regulation on remuneration of managers, specialists and office workers of the Company with account of accruals of the Uniform Social Tax.

3.12. Revenue recognition

Revenue from the sales of production and rendering of services was recognized for financial accounting in the process of shipping of the production to customers (or rendering of services) and production to them of accounting documents. The revenue is set out in the Income Statement less the value-added tax.

3.13. Order of recognition of expenses.

Commercial and managerial expenses are fully recognized in the prime cost of the sold production, goods, work, services in the reporting year of their recognition as expenses for ordinary types of activity.

13.4. Comparative data

For the beginning of the reporting period, as at 01.01.2007, the balance currency changed as a result of re-estimation of the fixed assets.

No of the balance sheet line	For the end of the reporting period, 31.12.2006	For the beginning of the reporting period, 01.01.2007	Change
120 <i>Fixed assets</i>	24, 096	24, 495	399
420 <i>Additional capital</i>	0	508	508
460 <i>Undistributed profit of the past years</i>	15, 933	15, 824	- 109
Balance currency	331, 989	332, 388	399

4. Disclosure of essential indicators

4.1. Inventory (p.210 of the Accounting Balance Sheet)

Inventory was estimated on the basis of actual expenses for acquisition, and their amount for the end of the year is RUR 6,023 thousand, i.e. 2.49% of circulating assets, or 2.0% of all assets of the Company.

4.2. Debts of customers (p.230 and 240 of the Accounting Balance Sheet)

Main kind of the Company's activity is rendering of consulting and management services to regional grid companies, including services on performance of functions of DGC unique executive body.

Proceeds from the main kinds of activity equals 90.27% of the total proceeds.

4.2.1. Accounts receivable which is expected to be paid later than 12 months after the reporting date equals RUR 5, 923 thousand and has the form of loans given to the employees.

4.2.2. Short-term accounts receivable.

Short-term accounts receivable includes the following:

No	Name	Sum
1	Customers	46, 904
	Including:	
	JSC "Belgorodenergo"	7, 275
	JSC "Vologdaenergo"	1, 394
	JSC "Vladimirenergo"	488
	JSC "Nizhnovenergo"	4, 351
	JSC "Orelenergo"	5, 454
	JSC "Lipetskenergo"	1, 640
	JSC "Twerenergo"	826
	JSC "Voronezhenergo"	1, 129
	JSC "Ryazanenergo"	597
	JSC "Ivenergo"	374
	JSC "Kurskenergo"	5, 632
	JSC "Kostromaenergo"	2, 061
	JSC "Kalmenergo"	411
	JSC "Tambovenergo"	3, 696
	JSC "Yarenergo"	5, 609
	JSC "Smolenskenergo"	712
	JSC "Tulenergo"	1, 038
	JSC "Energostroi"	347
	JSC "Bryanskenergo"	3, 870
2	Prepaid expenses	5, 702
	Including:	
	JSC "Interfax Business Service"	84
	Moscow Finance and Industry Academy on-government educational institution	385
	JSC "Interfax-South"	47
	"Advex Consulting", ltd	98
	"Energopress Informational Bureau", ltd	68
	"Fainomika", ltd	260
	"Ural-Press Centre", ltd	263
	"IT-Energopress Service" ltd	4, 240
	Other	257
3	Other debtors	27, 259
	Including:	
	Overpayment of taxes to the federal budget	21, 036
	Overpayment of taxes to the regional budget	4, 890
	Overpayment of payments to the state non-budget funds	166
	"Sporting Service", ltd	370
	Other	797
	Total short-term accounts receivable	79, 865

4.3. Short-term accounts payable

Short-term accounts include the following:

No	Name	Sum
	Suppliers and contractors	44, 654

	Including:	
	JSC "Kalugaenergo", Kaluga Electric Networks	220
	JSC "Corporate Service Systems"	2, 216
	"Depositary and Corporate Technologies" ltd	106
	"Energostroi" ltd	11, 207
	JSC "MobileTeleSystems"	482
	JSC "TransTelecom"	121
	JSC "IDGC of North-West"	2, 711
	JSC "IDGC of Centre and Volga Region"	6, 793
	JSC "UES Energostroisnabkomplekt"	17, 476
	JSC "IDGC of South"	2, 188
	Other	1, 134
2	Debts of labour payment to the personnel	10, 612
3	Debts to state and non-budget funds	307
4	Tax and due debts	2, 067
5	Other creditors	1, 526
	Including:	
	Calculations of enforcement orders	262
	Calculations with accountable entities	1, 159
	Other	105
	Total short-term accounts payable	59, 166

4.4. Additional capital (p.420 of the Accounting Balance Sheet)

The Company's additional capital was established as a result of the performed re-estimation for 01.01.2007 in the sum of RUR 508 thousand. For the accounting period the additional capital decreased by RUR 11 thousand in connection with writing-off of sums on former retirement fixed assets.

The Company's fixed assets for 31.12.2007 was RUR 497 thousand.

4.5. Shares of the Company

As at December 31, 2007, the authorised capital of the Company was fully paid and consists of:

Name	General amount, pieces	Par value, RUR
Ordinary shares	100,000,000	10,000,000
Preferred shares	-	-
Total	100,000,000	10,000,000

Shares of the Company belong to JSC "RAO UES of Russia"

4.6. Income and expenses on ordinary types of activity

Income and expenses for the reporting period are set out in the income statement on each type of activity and other income and expenses with regard of types and amounts for 2007.

For the reporting period the proceeds from rendering of services, compared to the previous year, increased by 32.08% and equaled RUR 983, 360.

Name	2006	2007	Deviation	
			sum	%
Total proceeds (p.010 of form No 2)	744, 497	983, 360	238, 863	32.08

For the reporting period prime cost of service rendering, compared to the previous year, increased by 38.65% and equaled RUR 258, 744 thousand.

Name	2006	2007	Deviation	
			sum	%
Total prime cost (p.020 of form No 2)	669, 598	928, 372	258, 744	38.65

4.7. Leased fixed assets

Leased fixed assets for a total sum of RUR 11, 609 thousand are on the off-balance accounting of the Company. The given cost was calculated on the basis of the cost of property set out in the lease contracts for the reporting period. Among leased fixed assets are:

No	Lessor	No of the contract	Subject of the contract	Property cost under the contract
1	JSC "Corporate Service Systems"	46-342/469169	Furniture	757
2	JSC "Corporate Service Systems"	46-245/46-9077	Furniture	2, 973
3	JSC "Corporate Service Systems"	46-618	Equipment	3, 915
4	JSC "Orelenergo"	46-793	Furniture	1,039
5	JSC "Orelenergo"	46-794	Non-residential premises	77
6	JSC "Kurskenergo"	46-790	Non-residential premises	97
7	JSC "Kurskenergo"	46-789	Furniture	4
8	JSC "Voronezhenergo"	46-814	Non-residential premises	34
9	JSC "Voronezhenergo"	46-813	Furniture	22
10	JSC "Belgorodenergo"	46-806	Non-residential premises	183
11	JSC "Lipetskenergo"	46-692	Furniture	527
12	JSC "Lipetskenergo"	46-791	Non-residential premises	47
13	JSC "Kostromaenergo"	46-800	Non-residential premises	80
14	JSC "Kostromaenergo"	46-799	Furniture	27
15	JSC "Tambovenergo"	46-805	Furniture	38
16	JSC "Tambovenergo"	46-804	Non-residential premises	116
17	JSC "Tverenergo"	46-795	Furniture	959
18	JSC "Tver Power System"	46-796	Non-residential premises	44
19	JSC "Tver Power System"	46-797	Non-residential premises	11
20	JSC "Bryanskenergo"	46-803	Furniture	149
21	JSC "Bryanskenergo"	46-802	Non-residential premises	249
22	JSC "Yarenergo"	46-808	Non-residential premises	84
23	JSC "Yarenergo"	46-807	Equipment	18
24	JSC "Smolenskenergo"	46-788	Equipment	31
25	JSC "Smolenskenergo"	46-787	Non-residential premises	128
Total:				11, 609

4.8. Statement on the cash flow

Cash balance for the beginning of the reporting period in *the Statement on the cash flow* does not include cash float in the amount of RUR 5000 thousand. Inflow of the given cash in the reporting period is set out in *the Statement on the cash flow* in line 050 *Other income (inflow)*.

4.9. Income and expenses

The Company receives proceeds from rendering of the following services to affiliate companies of JSC "RAO UES of Russia".

No	Kinds of proceeds	Sum
----	-------------------	-----

1	Proceeds from rendering of consulting services	134, 576
2	Proceeds from rendering of services of the unique executive body	744, 603
3	Proceeds from performance of regulated purchasing procedures	89, 207
4	Proceeds from performance of technical audit of the main production activity	14, 974
	Total other expenses	983, 360

Variable component of remuneration under the contracts of service rendering on execution of the unique executive body's powers is recognised within the proceeds of the period in which the given remuneration was approved by the Board of Directors of the corresponding distribution grid company. Thus, within the 2007 proceeds, the remuneration by the results of work of distribution grid companies for 2006 was RUR 51, 984 thousand.

Other income consists of:

No	Name	Sum
1	Sales of fixed assets	1,355
2	Sales of inventory	148
3	Sales of other assets	3,838
4	Income of the past years revealed in the reporting period	6,637
	Including:	
4.1	Price of air tickets	27
4.2	Services on technical audit performance	6,610
5	Exceeding the reserve for remuneration of 2006 over actual payments by the results of inventory	93,764
6	Other	1
	Total other income	105,743

Prime cost of the company consists of:

No	Name	Sum
1	Material cost	5,295
2	Salary	433, 658
	Including Reserve for remuneration by the results of the year	159, 101
3	Uniform Social Tax (UST)	40,738
4	Amortisation of the fixed assets	8,513
5	Other expenses	440,168
	Including:	
	Information services	17,816
	Consulting services	153,970
	Lease of real estate	48,113
	Lease of vehicles	42,948
	Other	177,321
	Total prime cost from sales	928,372

Under the Regulation on material encouragement of top managers, Regulation on material encouragement of General Director approved by the Company's Board of Directors, the Company accrued reserve for payment of remuneration by the year results in the amount of RUR 166,348 thousand, including the UST of RUR 7,247 thousand.

Other expenses consist of:

No	Name	Sum
1	Contributions	1,337
2	Cultural and sport events	6,231
3	Material aid and other payments to employees	34,629
4	Payments to the Board of Directors	1,777
5	Unrecoverable value-added tax	2,031
6	Expenses for maintenance of the social sphere	5,203
7	Membership dues	934
8	Information, consulting, legal services and legal costs	2,139
9	Hospitality expenses	2,202

10	Expenses from sales of fixed and other assets	4,775
11	Other	8,078
	Total other expenses	69,336

4.10. Taxes

For accounting of income and expenses at calculation of the taxable income, the Company uses the accrual method. Income and expenses are recognised in the reporting (tax) period in which they took place, regardless of actual inflow of cash, other property or property rights. Cases of income and expenses reception at the accrual method are set out in articles 271, 272, 316, 317 of the Tax Code of the RF. Tax computation by the 2007 results was produced on the basis of the tax accounting data. Taxable profit for the reporting period equaled RUR 271,063 thousand, income tax calculated at the rate of 24% equaled RUR 65,055 thousand.

One of the following dates is recognised by the Company as the date of defining of the tax base for VAT calculation under article 21 of the Tax Code of the RF:

1. Day of dispatch (transfer) of goods (products, services), property rights.
2. Date of payment, partial payment of future goods delivery (performance of works, offered services), transfer of property rights.

The sum of the value-added tax accrued for payment for 2007 is RUR 96,792 thousand.

Tax base of the property tax is fixed by the Company on the basis of the fixed assets cost set out in the Company's asset side of the balance sheet. The fixed assets are taken into account at their current cost. The sum of property tax for 2007 is RUR 485 thousand.

Accrual and payment of other taxes and dues is performed under the legislation on taxes and dues that regulates the order of accrual and payment of corresponding taxes and dues.

4.11. Deferred tax assets and deferred tax liabilities

The Company reflects in the business accounting differences which arise due to divergence between the accounting income and the income calculated under the requirements of chapter 25 of the Tax Code (TC) of the RF.

Obligatory character and rules of formation of such indicators are set out in RAS 18/02 *Accounting of the income tax calculations*.

Transfer from the accounting income to taxable income for 2007 is presented in the table:

No	Indicator	Sum
1	Income (expenses) under form No 2 (p.140)	91,560
2	Permanent differences	68,884
2.1	Transfer (reception) of property without compensation	148
2.2	Material aid, social benefits, etc to employees, pensioners,	39,832
2.3	Amortisation of the fixed assets	106
2.4	Income of the past years	(6,637)
2.5	Expenses of last tax periods,	2,013
2.6	Other	33,422
3	Deductible temporary difference	107,000
3.1	Sum of expenses at sales of fixed assets adjourned to future period	(13)
3.2	Other	107,013
4	Taxable temporary difference	2,270
4.1	Amortisation of the fixed assets (sum of amortization for tax accounting is greater than the sum of amortization for business accounting)	272
4.2	Expenses taken in the business accounting as expenses of future periods (licenses, software)	1,998
	Total	173,614
	DATA OF THE TAX DECLARATION	
5	Total income (expense) under p.050 of Page 02 of the Tax Declaration of the current tax period	265,174
6	Total accrued income under p.050 of Page 02 of the Tax Declaration of the past tax periods	5,891

4.12. Income per share

Basic income per share reflects part of income of the reporting period which may be distributed between shareholders – owners of ordinary shares. It is calculated as ratio of basic income for the reporting period to average number of ordinary shares circulating during the reporting period. Basic income equals net income of the reporting period (line 190 of the income statement).

Name	2007
Basic income for the reporting period, RUR	51,250,830
Average number of ordinary shares circulating during the reporting period, RUR	100,000,000
Basic income per share, RUR	0.5125

4.13. Affiliated parties

Under strategic development plans of JSC “IDGC of Centre”, in 2005 functions of JSC “Kostromaenergo”’s unique executive body (the “UEB”) were transferred to JSC “IDGC of Centre”, and in 2006 functions of unique executive bodies of the following DGCs were transferred to JSC “IDGC of Centre”: JSC “Belgorodenergo”, JSC “Yarenergo”, JSC “Vologdaenergo”, JSC “Ivenergo”, JSC “Nizhnovenergo”, JSC “Rostovenergo”, JSC “Vladimirenergo”, JSC “Tulaenergo”, JSC “Lipetskenergo”, JSC “Kostromaenergo”.

Sales of products to affiliated parties

Cost of services offered to affiliated parties is formed on the basis of the cost of purchased external services and prime cost of the Company’s own expenses, and also the interest of profitability set by the resolution of the sole founder. The Company’s proceeds from sales of its services to affiliated companies equaled (exclusive of VAT):

Name	2007
JSC “Orelenergo”	17,782
JSC “Bryanskenergo”	26,452
JSC “Volgogradenergo”	70,305
JSC “Ivenergo”	23,473
JSC “Astrakhanenergo”	21,122
JSC “Kalugaenergo”	25,305
JSC “Kostromaenergo”	38,068
JSC “Kurskenergo”	48,113
JSC “Lipetskenergo”	55,074
JSC “Ryazanenergo”	30,077
JSC “Smolenskenergo”	37,779
JSC “Stavropolenergo”	772
JSC “Tambovenergo”	24,311
JSC “Tverenergo”	35,230
JSC “Tulenergo”	45,609
JSC “Yarenergo”	40,591
JSC “Nizhnovenergo”	59,653
JSC “Rostovenergo”	74,501
JSC “Belgorodenergo”	98,377
JSC “Vladimirenergo”	41,101
JSC “Voronezhenergo”	49,624
JSC “Moscow United Grid Company”	5,035
JSC “Moscow City Grid Company”	4,790
JSC “Kalmenergo”	186
JSC “Kubanenergo”	50,732
JSC “Vologdaenergo”	58,563
JSC “Dagenergo”	362
JSC “Caucasus Power Managing Company”	373
TOTAL	983,360

Purchases from affiliated parties

Cost of services (exclusive of VAT) offered to affiliated parties equaled:

Name	Kinds of services	2007
JSC "Belgorodenergo"	Lease	41,951
JSC "RAO UES of Russia"	Services of appraiser	46
JSC "Kalugaenergo"	Lease	2,508
JSC "Kostromaenergo"	Lease	31
JSC "Orelenergo"	Lease	58
JSC "Bryanskenergo"	Lease	20
JSC "Kurskenergo"	Lease	51
JSC "Lipetskenergo"	Lease	49
JSC "Smolenskenergo"	Lease	83
JSC "Tambovenergo"	Lease	51
JSC "Twerenergo"	Lease	54
JSC "Yarenergo"	Lease	51
JSC "Voronezhenergo"	Lease	18
JSC "IDGC of Centre and Volga Region"	Consulting services	61,295
JSC "IDGC of North-West"	Consulting services	16,443
JSC "IDGC of South"	Consulting services	47,271
JSC "Orenburgenergo"	Services on organisation and performance of competitions	780
TOTAL		170,760

State of calculations with affiliated parties

As at the end of the year (December 31), debts of the affiliated parties to the company and the Company to the affiliated parties equals:

Accounts receivable:

Name	Kinds of services	2007
JSC "Belgorodenergo"	Regulated purchases, UEB	7,275
JSC "Lipetskenergo"	Regulated purchases, UEB	1,640
JSC "Twerenergo"	Regulated purchases, UEB	826
JSC "Voronezhenergo"	Regulated purchases, UEB	1,129
JSC "Vladimirenergo"	Regulated purchases, UEB	488
JSC "Tulenergo"	Regulated purchases, UEB	1,038
JSC "Vologdaenergo"	Regulated purchases, UEB	1,394
JSC "Kurskenergo"	Regulated purchases, UEB	5,632
JSC "Nizhnovenergo"	Regulated purchases, UEB	4,351
JSC "Yarenergo"	Regulated purchases, UEB	5,609
JSC "Smolenskenergo"	Regulated purchases, UEB	712
JSC "Kostromaenergo"	Regulated purchases, UEB	2,061
JSC "Orelenergo"	Regulated purchases, UEB	5,454
JSC "Bryanskenergo"	Regulated purchases, UEB	3,870
JSC "Kalmenergo"	Regulated purchases, UEB	411
JSC "Ryazanenergo"	Regulated purchases, UEB	597
JSC "Tambovenergo"	Regulated purchases, UEB	3,696
JSC "Ivenergo"	Regulated purchases, UEB	374
TOTAL		46,557

Accounts payable:

RUR, thousand

Name	Kinds of services	2007
JSC "Kalugaenergo"	Lease	220
JSC "RAO UES of Russia"	Services of appraiser	54
JSC "IDGC of North-West"	Consulting services	2,711
JSC "IDGC of Centre and Volga Region"	Consulting services	6,793
JSC "IDGC of South"	Consulting services	2,188

TOTAL	11,966
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4.14. Events after the reporting date

Reorganisation

Establishment of JSC "IDGC of Centre" is an integral part of the approved plan of Russian power industry reforming which stipulates interregional integration of re-established companies after distribution of power companies by kinds of their business activity.

Original configuration of IDGC was approved by Decree No 77-r of the RF Government as at 26.01.06, under which the structure of JSC "IDGC of Centre" included 24 regional network companies.

For the present time in accordance with Decree No 1857-r of the RF Government as at 19.12.2007 IDGC's configuration was changed. Decree No 77-r of the RF Government as at 26.01.06 was recognised as invalid.

On December 3, 2007 JSC "IDGC of Centre"'s Board of Directors approved reorganization of the company in form of consolidation within it of JSC "Belgorodenergo", JSC "Bryanskenergo", JSC "Voronezhenergo", JSC "Kurskenergo", JSC "Lipetskenergo", JSC "Orelenergo", JSC "Tambovenergo", JSC "Smolenskenergo", JSC "Twerenergo", JSC "Yarenergo", JSC "Kostromaenergo". Consolidation of the specified companies will take place in 2008.

Placement of ordinary shares

On February 11, 2008 JSC "IDGC of Centre"'s Board of Directors approved increase in JSC "IDGC of Centre"'s Authorised Capital by way of placement of 42,118,200,000 shares with a par value of 10 kopecks by way of:

- Placement of additional nominal shares in the amount of 42,118,200,000 pieces. Way of placing – conversion of the shares of JSC "Belgorodenergo", "JSC "Bryanskenergo", JSC "Voronezhenergo", JSC "Kurskenergo", JSC "Lipetskenergo", JSC "Orelenergo", JSC "Tambovenergo", JSC "Smolenskenergo", JSC "Twerenergo", JSC "Yarenergo", JSC "Kostromaenergo" into the shares of JSC "IDGC of Centre".

Dividends

Amount of the annual dividend per one share will be set in 2008 by the General Meeting of Shareholders of the Company by the 2007 work results.

General Director _____ E.F.Makarov
(signature)

Chief Accountant _____ S.Y.Puzenko
(signature)

Auditor's Report

Information on the auditor of JSC IDGC of Centre

The full company name (or name of the individual auditor):	"KPMG" joint-stock company
The brief company name:	JSC "KPMG"
Location:	129110 Moscow, the Olympic prospectus 18/1, office 30/35
Postal address:	123317 Moscow, Krasnopresnenskaya Embankment 18, "Bashnya na Naberezhnoy" complex, block C
State registration	Registered by Moscow Registration Chamber. Certificate No. 011.585as of 25 May 1992. An entry was made in the Unified State Register of Legal Entities of the Interregional Inspection of the RF-Ministry of Taxation No. 39 in Moscow under number 1027700125628 as of 13 August 2002. Certificate series 77 No. 005721432
License	No. 003330 for performance of auditor activity, issued under Order No. 9 of the RF-Ministry of Finances as of 17 January 2003. Term of effect was prolonged till 17 January 2013
Membership in the certificated professional auditor association	Member of Auditor Chamber of Russia. Member of the Institute of Professional Accountants and Auditors of Russia

Data on the company to be audited

Full name of the Company	Joint-Stock Company “Interregional Distribution Grid Company of Centre”
Short name of the Company	IDGC of Centre
Location of the Company	4/2 Glukharev alley, Moscow, Russia, 129090
Postal Address	4/2 Glukharev alley, Moscow, Russia, 129090
State registration	Registered in the Unified State Register of Legal Entities of the Interregional Inspection of the Federal Taxation Service No. 46 in Moscow under number 207775872433 (primary state registration number 1046900099498) as of 6 August 2007. Certificate series 77 No. 008165394 as of 6 August 2007.

For shareholders of Interregional Distribution Grid Company of Centre .

We, JSC “KPMG”, performed audit of the financial (accounting) reporting of Interregional Distribution Grid Company of Centre (later on – the Company) attached to the present Audit Report (later on – the Report) for the period since January 1 through December 31, 2007.

The applied financial (accounting) reporting of the Company (later on – the Reporting) is 38 pages long and contains:

- accounting balance as of December 31, 2007
- profit and loss statement for 2007
- Appendices to the accounting balance sheet and profit and loss statement including:
- Capital change statement for 2007

- Cash flow statement for 2007

- Appendix to the accounting balance sheet

- explanatory note.

The executive body of the Company bears responsibility for keeping of accounting report, preparation and performance of the Reporting. Our obligation is to express our opinion on the

basis of the performed audit on reliability of the Reporting in all material respects and conformity with the order of keeping of accounting reporting in all material respects to the government of the Russian Federation.

Audit is performed according to Federal law "On Audit Activity" (as amended), Federal rules (standards) of the audit activity, Intracompany standards of KPMG on audit, and Rules and standards adopted by the Auditor Chamber of Russia.

The audit was planned and performed to ensure that the Reporting does not contain gross errors. The audit was performed on a test basis and comprised study on the test basis of evidences that proved indexes of the Reporting and disclosure in it of information on financial and economic activity, estimation of conformity to the principles and rules of accounting reporting used during preparation of the Reporting, study of the main estimated figures received by the management of the Company and also estimation of the performance of the reporting. We suppose that the performed audit show reasonable cause for expressing of our opinion on reliability of the Reporting in all material respects and conformity with the legislation of the Russian Federation of the order of realization of the accounting reporting.

In our opinion, the Reporting attached to the present Report gives reliable information in all material respects on the financial situation of the Company as of December 31, 2007 and results of its financial and economic activity for the period since January 1 through December 31, 2007, and the order of the keeping of accounting reporting by the Company, on the basis of which the Reporting was formed, conforms in all material respects to the legislation of the Russian Federation.

17 March 2008

Andrew Corn
Director of JSC KPMG

(signature)

(power of attorney No. 25/07 as of 21 November 2007)

T. N. Astankovich
Executive Head of Financial Audit,
Qualification certificate No. K 005724 on the right of performance
Of auditor activity in the sphere of general audit, termless

(signature)

(stamp here)

Appendix 2

Quarterly accounting statements

ACCOUNTING BALANCE

according to the internal standard of JSC RAO UES of Russia

for March 31, 2008

Company: OJSC IDGC of the Centre
Taxpayer Identification Number

Activity: eletrci power transmission

form of incorporation \ form of ownership: open joint stock
company

unit of measurement: thousand rubles

Location: 129090 Moscow, Glukharev lane 4/2

	codes
Form 1 under ARCMD	0710001
date [year, month, day]	2008.03.31
under ARCBO	75720657
TIN	6901067107
under ADCEA	40.10.2
under ARCFI \ARCFO	47\16
under ARCM	384

date of approval
date of sending
[reception]

30 Apr 2008

ASSETS	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
1	A	2	3	4
I. NON-CIRCULATION ASSETS				
Immaterial assets		110	-	51 990
including:				
right to patents, programs, trade marks (service marks),				12
other similar rigths and assets		111	-	052
organisation costs		112	-	-
business reputation of the company		113	-	-
other kinds of immaterial assets		114	-	39 938
results of research and development		115	-	-
Fixed assets		120	18 541	40 493 610
including:				
land areas and land use facilities		121	-	87 205
buildings, cars, equipment, constructions		122	14 136	40 078 599
other kinds of fixed assets		123	4 405	327 806
Construction-in-process		130	-	2 724 140
including				
<i>equipment to be installed</i>		<i>13001</i>	-	266 077

<i>investment in the non-circulation assets</i>		13002	-	2 458 063
interest-bearing investment in the material values including:		135	-	-
property for leasing		136	-	-
property provided under the rent contract		137	-	-
Long-term financial investment including:		140	-	349 476
investment in the affiliated companies		141	-	15 440
investment in the dependent companies		142	-	692 333
investment in other companies		143	-	344
loans given by companies for the term of more than 12 months		144	-	-
other long-term financial investments		145	-	-
<i>FOR THE SUMMARY REPORTING</i>				
<i>Business reputation of affiliated companies</i>		146	-	-
<i>Estimation of participation of the parent organisation in the affiliated company</i>		147	-	-
deferred tax assets		148	40 306	170 913
other non-circulating assets		150	-	-
TOTAL section I		190	58 847	43 790 129
ASSETS	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
1	A	2	3	4
II. CIRCULATING ASSETS				
Stocks including:		210	6 023	1 955 191
raw material, material and other similar values <i>including:</i>		211	-	1 212 159
<i>black oil</i>		21101	-	-
<i>coal</i>		21102	-	-
<i>diesel oil</i>		21103	-	-
<i>other process fuel</i>		21104	-	-
<i>spare parts</i>		21105	-	340 052
<i>other raw material and other material</i>		21107	-	872 107
rearsers and fatteners		212	-	-
expenses in production-in-process		213	-	-
end product and goods for resale		214	-	14

		-	695
goods loaded out	215	-	-
expenses of future periods	216	6 023	728 337
other stocks and expenses	217	-	-
Value Added Tax on values purchased	220	-	106 685
<i>including</i>			
<i>Vat at purchase of electric power in</i>	22001	-	-
Debt receivable (payments on which are expected in more than 12 months			
after the accounting date)	230	5 923	27 110
<i>including:</i>			
buyers and customers	231	-	-
<i>including:</i>			
<i>financed from the federal budget</i>	23101	-	-
<i>financed from the budgets of RG constituent entities</i>	23102	-	-
<i>financed from local funds</i>	23103	-	-
<i>other buyers and customers</i>	23104	-	-
notes receivable	232	-	-
debt of affiliated and dependent companies	233	-	-
advance payments given out	234	-	-
other debtors	235	5 923	27 110
<i>including:</i>			
<i>debt under partnership agreements</i>	23501	-	-
<i>promissory notes</i>	23502	-	-
<i>othr debtors</i>	23503	5 923	27 110
Debt receivable (payments under which are expected to be effected			
during 12 months after the accounting date)	240	79 865	5 736 897
<i>including:</i>			
buyers and customers	241	46 904	3 317 045
<i>including:</i>			
<i>at sale of the electric power inside the group</i>	24101	-	-
<i>middlemen at sale of the electric and thermal power</i>	24102	-	-
<i>companies financed from the federal fund</i>	24103	-	-
<i>companies financed from the the RF funds</i>	24104	-	-
<i>companies financed from the the local funds</i>	24105	-	-

			-	-
<i>other consumers of the electric and thermal power</i>		24106	-	-
<i>debt under the customer payment</i>		24107	-	-
<i>other buyers and customers</i>		24108	46 904	3 317 045
ASSETS	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
1	A	2	3	4
II. CIRCULATING ASSETS				
notes receivable		242	-	-
debt of affiliated and dependant companies		243	-	-
debt of participants (founders) under contributions in the				
capital stock		244	-	-
advances given out		245	5 702	1 367 184
<i>including to:</i>				269
<i>suppliers of the electric and thermal power</i>		24501	-	995
<i>fuel suppliers</i>		24502	-	13 879
<i>materials suppliers</i>		24503	29	47 963
<i>building companies</i>		24504	-	487 350
<i>repair companies</i>		24505	13	28 999
<i>services suppliers</i>		24506	1 420	401 304
<i>other advances given out</i>		24507	4 240	117 694
other debtors		246	27 259	1 052 668
<i>including:</i>				81
<i>on penalties, fines, penal sums under the contracts</i>		24601	-	103
<i>excess payment of taxes in the federal funds</i>		24602	21 036	168 685
<i>excess payment of taxes in the budgets of RF constituent entities</i>		24603	4 890	67 110
<i>excess payment in the local budgets</i>		24604	-	1 086
<i>excess payment in the state non-budgetary funds</i>		24605	166	2 755
<i>debt to RAO UES of Russia for engineering services</i>		24607	-	-
<i>debt of RAO UES of Russia for engineering services</i>		24608	-	-
<i>debt to RAO UES of Russia for reconstruction and re-equipment</i>		24609	-	-
<i>debt of RAO UES of Russia for reconstruction and re-equipment</i>		24610	-	-
<i>settlement of shares purchase</i>		24612	-	-
<i>promissory notes</i>		24613	-	-

<i>other debtors</i>		24611	1 167	731 929
Short-term financial investments		250	-	-
including:				
loans provided to companies for not more than 12 months		251	-	-
other short-term financial investments		253	-	-
monetary funds		260	150 544	127 103
including:				
cash		261	-	-
settlement accounts		262	148 279	123 014
currency accounts		263	-	-
other monetary funds		264	2 265	4 089
including:				
<i>special accounts in banks</i>		26401	2 265	4 088
<i>financial documents</i>		26402	-	1
<i>transfers in transit</i>		26403	-	-
other circulating assets		270	-	7 343
including:				
<i>intra-organizational settlements under current operations</i>		27002	-	-
<i>intra-organizational settlements under construction</i>		27003	-	-
<i>intra-organizational settlements under reconstruction and re-equipment</i>		27004	-	-
<i>intra-organizational settlements under the cost sheet of facilities protection</i>		27006	-	-
<i>intra-organizational settlements under VAT</i>		27007	-	-
<i>other circulation assets</i>		27005	-	7 343
TOTAL section II		290	242 355	7 960 329
balance		300	301 202	51 750 458
LIABILITIES				
	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
	1			
III.CAPITAL AND RESERVES				
Capital stock		410	10 000	10 000
including:				
<i>in preferred shares</i>		41001	-	-
<i>in ordinary shares</i>		41002	10 000	10 000
own shares reacquired from shareholders		415		

		-	-
Additional fund	420	497	34 748 926
settlements on segregated property	423	-	- 375
Reserve capital	430	500	684
including:			
reserves formed in conformity with legislation	431	500	375 684
reserves formed in conformity with the constituent documents	432	-	-
Target financing	450	-	-
Unappropriated balance (uncovered loss)			
Unappropriated balance of past years	460	63 878	2 357 119
Uncovered loss of past years	465	-	- 1 455
Unappropriated balance of the accounting period	470	-	801
Uncovered loss of the accounting period	475	-	- 38 947
TOTAL section III	490	74 875	530
<i>FOR THE SUMMARY REPORTING</i>			
<i>business reputation of affiliated companies</i>	495	-	-
<i>minority interest</i>	500	-	-
IV. LONG-TERM LIABILITIES			5 525
Loans and credits	510	-	461
including:			
<i>credits of banks redeemable</i>			5 185
<i>more than 12 months after the accounting date</i>	511	-	461
<i>loans redeemable</i>			340
<i>more than 12 months after the accounting date</i>	512	-	000
deferred tax liabilities	515	813	1 359 960
other long-term liabilities	520	-	6 366
including:			
accounts payable of suppliers and contractors	52001	-	-
accounts payable to social funds	52002	-	-
including:			
<i>to the RF-pension fund</i>	52003	-	-
<i>to the obligatory health insurance fund</i>	52004	-	-
<i>to the employment fund</i>	52005	-	-
<i>to the fund of social insurance</i>	52006	-	-
<i>under the fines and penalty payments in the state non-</i>			
<i>budgetary funds</i>	52007	-	-
accounts payable to the budget			
(restructured taxes)	52008	-	-
including:			

<i>to the federal budget</i>	52009	-	-
<i>to the budgets of the RF-constituent entities</i>	52010	-	-
<i>to the local budgets</i>	52011	-	-
accounts payable under the profit tax of the transition period base	52020	-	-
<i>including:</i>			
<i>to the federal budget</i>	52021	-	-
<i>to the budgets of the RF-constituent entities</i>	52022	-	-
<i>to the local budgets</i>	52023	-	-
other long-term liabilities	52012	-	6
			366
TOTAL section IV	590	813	6 891
V .SHORT-TERM LIABILITIES			787
Loans and credits	610	-	1 936
including:			428
credits of banks redeemable			1 495
during 12 months after the accounting date	611	-	628
loans redeemable during			440
12 months after the accounting date	612	-	800

LIABILITIES	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
1	A	2	3	4
Accounts payable		620	59 166	3 686
including:				858
suppliers and contractors		621	44 654	1 357
<i>including:</i>				961
<i>to suppliers of te electric power through FWEPM</i>		62101	-	-
<i>to other suppliers of the electric and thermal power</i>		62102	-	237
<i>to gas suppliers</i>		62103	-	988
<i>to balck oil suppliers</i>		62104	-	-
<i>to coal suppliers</i>		62105	-	-
<i>to suppliers of other fuel</i>		62112	-	1
<i>to suppliers of building companies</i>		62106	-	476
<i>to repair companies</i>		62107	-	221
<i>under the customer payment of RAO UES of Russia</i>		62108	-	939
<i>debt to Rosenergoatom Concern</i>		62110	-	7
				823

		-	-
<i>debt to APS</i>	62111	-	-
<i>to other suppliers and contractors</i>	62109	44 654	888 735
<i>under the customer payment of JSC SO CDA of UES</i>	62113	-	-
<i>under the customer payment of JSC UES FGC</i>	62114	-	-
notes payable	622	-	-
debt to affiliated and dependant companies	623	-	-
debt under labour payment to the personnel	624	10 612	278
<i>including:</i>			
<i>current</i>	62401	10 612	278
<i>overdue</i>	62402	-	-
debt to state and non-budgetary funds	625	307	81
<i>including:</i>			
<i>to the RF-pension funds</i>	62501	157	-
<i>to the obligatory health insurance fund</i>	62502	36	-
<i>to the employment fund</i>	62503	-	-
<i>to the fund of social insurance</i>	62504	114	12
<i>under the fines and penalty payments in the state non-budgetary funds</i>	62505	-	69 735
debt under taxes and tax collections	626	2 067	829 735
current debt to the budget	62610	2 067	829
<i>including:</i>			
<i>to the federal budget</i>	62601	1 969	412 224
<i>to the budgets of the RF-constituent entities</i>	62602	98	323 447
<i>to the local budgets</i>	62603	-	158
debt to the budget under the profit tax of the transition period base	62620	-	-
<i>including:</i>			
<i>to the federal fund</i>	62621	-	-
<i>to the budgets of the RF-constituent entities</i>	62622	-	-
<i>to the local budgets</i>	62623	-	-
advance payments received	627	-	1 364 755
<i>including:</i>			
<i>from consumers of the electric power</i>	62701	-	-
<i>from other consumers of the electric and thermal power</i>	62702	-	-

			-	-
<i>other advances received</i>		62703	-	1 364
			-	755
other creditors		628	1 526	227
<i>including:</i>				954
<i>VAT in the products unpaid</i>		62801	-	-
<i>debt to the non-budgetary fund of R&D</i>		62802	-	-
<i>debt to RAO UES of Russia for engineering</i>				
<i>services</i>		62804	-	-
<i>debt of RAO UES of Russia for engineering service</i>		62805	-	-
<i>debt to RAO UES of Russia for reconstruction and re-</i>				
<i>equipment</i>		62806	-	-
<i>debt of RAO UES of Russia for reconstruction and re-</i>				
<i>equipment</i>		62807	-	-
				227
<i>other creditors</i>		62808	1 526	954
LIABILITIES	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
1	A	2	3	4
Debt to participants (founders) on revenue payment		630	-	74
				757
Profit of future periods		640	-	46
				750
Reserves of future expenses and payments		650	166 348	166
				348
other short-term liabilities		660	-	-
<i>including:</i>				
<i>intra-organizational settlements under current operations</i>		66002	-	-
<i>intra-organizational settlements under construction</i>		66003	-	-
<i>intra-organizational settlements under reconstruction and re-</i>				
<i>equipment</i>		66004	-	-
<i>intra-organizational settlements under the cost sheet of facilities</i>				
<i>protection</i>		66006	-	-
<i>intra-organizational settlements under VAT</i>		66007	-	-
<i>other short-term liabilities</i>		66005	-	-
				5 911
TOTAL section V		690	225 514	141
				51 750
BALANCE		700	301 202	458

Reference note on availability of values registered on the off balance sheet account

	note	code	as of the beginning of the fiscal year	as of the end of the fiscal year
ASSETS				

Leased fix assets	910	11 609	6 224 320 3 178
including on leasing	911	-	027 37 266
Commodity and material valubles impounded	920	-	911
Material accepted for processing	925	-	-
Goods accepted for commission	930	-	-
Equipemnt accepted for installation	935	-	-
Debt of insolvent debtors written-off as a loss	940	-	1 564 671
securing obligations and payments received	950	-	-
securing obligations and payments given out	960	-	2 349 363 3
depreciation of fixed assets	970	-	031
depreciation of land improvement facilities and other similar facilities	980	-	1 117
strict security forms	990	-	848 68
fixed assets leased out	992	-	774 113
property in the federal property	993	-	336
immaterrail assets received for use	995	-	-
property transferred to the capital stock for payment of shares purchased	997	-	-

Head

Chief Accountant

Form No. 2 - Profit and Loss Statement
for quarter 1, 2008

Company: OJSC IDGC of Centre

Taxpayer Identification Number

Activity: electric power transmission

	codes
Forn 2 under ARCMD	0710002
date [year, month, day]	2008.03.31
under ARCBO	75720657
TIN	6901067107
under ADCEA	40.10.2

form of incorporation \ form of ownership: open joint
stock company

under
ARCFI
\ARCFO 47\16

unit of measurement: thousand rubles

under
ARCM 384

indicator	note	line code	as of the accounting period	as of the same period of last year
1	A	2	3	4
Profit and expenditure on common activities				
Receipts (net) from sale of goods, products, works and services net of VAT, excise and similar obligatory payments),		010	3 735 621	302 866
<i>of electric power to the internal consumers</i>		011	-	-
<i>of the electric power for export</i>		012	-	-
<i>of the thermal power</i>		013	-	-
<i>of the customer payment (for RAO UES of Russia)</i>		014	-	-
<i>receipts from transport of the electric and thermal power</i>		018	3 549 724	-
<i>of the electric power for sale companies</i>		019	-	-
<i>of other goods, products, works and services of industrial character</i>		015	185 897	302 866
<i>of other goods, products, works and services of non-industrial character</i>		016	-	-
<i>of goods, products, works and services of primary activity (for institutes)</i>		017	-	-
<i>profit from participation in other companies</i>		032	-	-
Production cost of the goods, products, works and services sold including:		020	(1 747 603)	(198 572)
<i>electric power sold to internal consumers</i>		021	-	-
<i>electric power sold for export</i>		022	-	-
<i>thermal power</i>		023	-	-
<i>customer payment (for RAO UES of Russia)</i>		024	-	-
<i>transportation of the electric and thermal power</i>		028	(1 581 991)	-
<i>of electric power sold to sales companies</i>		031	-	-
<i>of other goods, products, works and services of industrial character</i>		025	(165 612)	(198 572)
<i>of other goods, products, works and services of non-industrial character</i>		026	-	-
<i>of goods, products, works, services on primary activity (for institutes)</i>		027	-	-
<i>expenses due to participation in other companies</i>		033	-	-
gross profit		029	1 988 018	104 294
business expenses		030	-	-
managerial expenses		040	-	-
profit (loss) from sales		050	1	104 294
Other profit and expenses			988 018	

interest receivable		060	294	6
interest payable		070	(434)	-
profit from participation in other companies		080	-	-
other profit		090	66 433	7 896
other expenses		100	(124 802)	(11 671)
			1	-
Profit (loss) before taxation		140	929 509	100 525
deferred tax asset		143	(45 900)	5 682
deferred tax liability		144	120	(993)
current profit tax		145	(420 899)	(30 712)
other similar obligatory payments		146	(7 029)	(6)
Profit tax and other similar obligatory payments		150	(473 708)	(26 029)
			1	-
Profit (loss) from primary activity		160	455 801	74 496
<i>FOR THE SUMMARY REPORTING</i>				
<i>Capitalized profit (loss)</i>		184	-	-
<i>Minority interest</i>		185	-	-
Net profit (unappropriated profit (loss)) of the accounting period				

Net profit (unappropriated profit (loss)) of the accounting period		19010	1 455 801	74 496

indicator	note	line code	as of the accounting period	as of the same period of last year
			3	4
1	A	2	3	4
FOR REFERENCE ONLY FOR STRUCTURAL SUBDIVISIONS OF RAO UES OF RUSSIA				
V. Intra-organizational settlements				
Profit received from representative offices and branches of RAO UES of Russia				
including from lines				
page 140 Profit (loss) before taxation		19011	-	-
page 150 Profit tax and other similar obligatory payment...		19012	-	-
		19013		
		19014		

Net profit (undistributed profit (loss)) of the accounting period taking into account the profit received from representative offices and branches (19011+19012+19013+19014)		19020	-	-
Profit transferred from representative offices and branches to RAO YES of Russia including: from lines				
page 140 Profit (loss) before taxes		19031	-	-
page 150 Profit tax and other similar obligatory payment...		19032	-	-
		19033		
		19034		
Net profit (undistributed profit (loss)) of the accounting period taking into account profit transferred to RAO UES of Russia (19031+19032+19033+19034)		19040	-	-
Net profit (undistributed profit (loss)) of the accounting period (19010+19020-19040)		190	455 801	74 496

(rur)

indicators name	note	line code	as of the accounting period	as of the same period of last year
1	A	2	3	4
FOR REFERENCE				
permanent tax liabilities (assets)		200	3 597	1 897
base profit (loss) per a share		201	0,0000	0,0000
dividends proposed per a share(loss)		202	0,0000	0,0000

EXPLANATION OF CERTAIN PROFIT AND LOSS

indicator	note	line code	as of the accounting period	as of the same period of last year
1	A	2	3	4
Fines and penalty payments acknowledged or those, on which the court resolutions were received (arbitrage) on their collection profit		210	5	-
loss		211	-	-
Profit (loss) of past years profit		220	37	3 419
loss		221	68	972
Payment of damages caused by non-performance of improper performance of obligations profit		230	-	-
.		231		

loss			-	
Currence difference on operations performed in the foreign currency profit		240	-	-
loss		241	-	-
Contributions to the estimation reserves loss		250	-	-
Write-off of debt receivable and account payable, the limitation period of which expired profit		260	-	-
loss		261	-	-

**Explanation of form 2 Prprofit and Loss Statement
under the internal standard of RAO UES of Russia**

**for quarter I,
2008**

indicator	note	line code	on the unloaded products	
			as of the accounting period	as of the same period of last year
1		2	3	4
interest payable including:		070	434	-
interest on credits, loans		07003	434	-
other interest payable (interest on bills, notes, etc.)		07004	-	-
other profit including:		090	66 433	7 896
from sale of fixed assets, appartments excluded		09001	701	491
from sale of appartments		09002	-	-
from sale of inventories		09003	-	147
from sale of currency		09004	-	-
from sale of immaterial assets		09005	-	-
from sale of securities		09006	60 000	-
from sale of other assets		09007	-	3 838
from the joint activity		09009	-	-
profit of year 2007 ascertained in the accounting period		12001	37	-
profit of year 2006 ascertained in the accounting period		12002	-	3 419
profit of year 2005 ascertained in the accounting period		12003	-	-
profit before 01.01.2005 ascertained in the accounting period		12004	-	-
Fines and penalty payments acknowledged or those, on which the court resolutions were received (arbitrage) on their collection		12005	5	-
Accounts payable (more than 3 years)		12008	-	-
currency defferences		12009	-	-
property fund to be surplus as a result of inventory		12010	-	-

Non-repayable assets received, except fixed assets and immaterial assets		12011	-	-
Profit from non-repayable fixed assets defined according to the established procedure		12012	-	-
sum differences				
cost of material assets remaining after writing-off as a result of extraordinary situations inadequate for recovery and further use of assets		17032	-	-
other profit		12014	5 690	1
	note	line code	as of the accounting period	as of the same period of last year
indicator				
1	A	2	3	4
other expenses		100	124 802	11 671
including:				
from sale of fixed assets, apartments excluded		10001	-	442
from sale of apartments		10002	-	-
from sale of inventories		10003	-	147
from sale of the currency		10004	-	-
from sale of immaterial assets		10005	-	-
from sale of securities		10006	48 852	-
from sale of other assets		10007	-	3 800
milyia tax		10011	-	-
car re-sale tax		10013	-	-
garbage tax		10014	-	-
advertising tax		10015	-	-
additional payment in budget for the profit tax		10016	-	-
securities trading tax		10026	-	-
"Russia" name tax		10028	-	-
other taxes		10017	-	-
bank services		10018	1 004	193
inactive installation support		10019	-	-
fulfilled production orders		10020	-	-
manufacturing orders, which did not give goods		10021	-	-
costs for securities servicing		10022	328	-
provision for doubtful debts		10024	-	-
provision for devaluation of financial investments		10025	-	-
provision for decrease in cost of material assets		10029	-	-
provision for the activity terminated		10030	-	-

provision for other contingent obligations		10031	-	-
retirement of assets without profit		10032	203	-
VAT on the property transferred without compensation		10033	-	-
transfere of property in the municipal ownership		10034	-	-
Loss of year 2007 ascertained in the accounting period		13001	58	-
Loss of year 2006 ascertained in the accounting period		13002	10	972
Loss of year 2005 ascertained in the accounting period		13003	-	-
Loss before 01.01.2005 ascertained in the accounting period		13004	-	-
Fines and penalty payments acknowledged or those, on which the court resolutions were received (arbitrage) on their collection		13005	-	-
state duties under economic duties		13007	12 713	-
Accounts payable (more than 3 years)		13008	-	-
currency defferences		13009	-	-
court costs		13010	-	-
thefts		13021	-	-
write-off of inventories over the rates of natural loss		13022	-	-
enforcement proceedings loss		13024	-	-
maintenance of the social sphere due to profit		13026	-	-
employees' apartment costs repayment		13027	-	-
costs for sports actions holding		13030	33	-
social activities costs		13031	-	-
charity costs		13032	-	-
cost of inventory lost		18001	-	-
write-off losses due to extraordinary events		18002	-	-
other expenses		13029	61 601	6 117
	note	line code	as of the accounting period	as of the same period of last year
indicator				
1	A	2	3	4
profit tax and other similar payments including: contingent gain (expenditure)		150	473 708	26 029
Profit tax on the base of transition period		15071	463 082	24 126
permanent tax liabilities		15005	-	-
write off of deferred tax liability		15006	3 597	1 897
write off of deferred tax assets		15007	741	-
		15008	3 732	-

fines of state tax inspection, including:	15010	-	-
on the profit tax	15011	-	-
on VAT	15012	-	-
on the property tax	15013	-	-
on other taxes	15014	-	-
penalty fees of state tax inspection including:	15020	108	6
on the profit tax	15021	108	6
on VAT	15022	-	-
on the property tax	15023	-	-
on other taxes	15024	-	-
penalty fees of state tax inspection - restructured (acknowledged in the accounting year) including:	15050	-	-
on the profit tax	15051	-	-
on VAT	15052	-	-
on the property tax	15053	-	-
on other taxes	15054	-	-
fines in the state non-budgetary funds, including:	15030	-	-
RF-pension fund	15031	-	-
social insurance fund	15032	-	-
obligatory health insurance fund	15033	-	-
employment fund	15034	-	-
penalty fees in the state non-budgetary funds, including:	15040	-	-
RF-pension fund	15041	-	-
social insurance fund	15042	-	-
obligatory health insurance fund	15043	-	-
employment fund	15044	-	-
penalty fees in the state non-budgetary funds - restructured (acknowledged in the accounting period) including:	15060	-	-
RF-pension fund	15061	-	-
social insurance fund	15062	-	-
obligatory health insurance fund	15063	-	-
employment fund	15064	-	-
other obligatory payments	15045	2 448	-

profit at writing-off of resrtuctures penalty fees on the taxes		15070	-	-
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Head

Chief Accountant

Appendix 3

- Appendix 1
- To Order No. 2 of IDGC of Centre, JSC as from 14.01.2008

REGULATIONS FOR
THE ACCOUNTING POLICY
OF IDGC OF CENTRE, JSC
FOR 2008
(is applied since 31.03.2008)

1. Organizational and technical aspects of accounting policy
 - 1.1. Principles of the organization and tasks of book keeping
 - 1.2. Forms of primary accounting documents, rules of document circulation
 - 1.3. The order and terms of drawing up the reports
 - 1.4. Procedure of formation, approval and amending of the accounting policy
 - 1.5. Applied book of accounts
 - 1.6. The procedure of carrying out inventory of assets and liabilities
2. Methodical aspects OF the accounting policy
 - 2.1. General requirements to the reports.
 - 2.2. General approaches to qualification of objects of the account
 - 2.3. General approaches to estimation of objects of the accounting
 - 2.4. Selected ways of accounting of capital expenses and non-current assets
 - 2.4.2. Accounting of operations on share construction of objects
 - 2.4.3. Accounting of interest under loans and credits involved
 - 2.4.4. Fixed assets
 - 2.4.5. Change of cost of the fixed assets
 - 2.4.6. Term of useful life of objects of the fixed assets
 - 2.4.7. Amortization of the fixed assets
 - 2.4.8. Accounting of rent of the fixed assets
 - 2.4.9. Accounting of the equipment demanding installation
 - 2.4.10. Immaterial assets and their amortization
 - 2.5. Selected ways of the accounting of Inventories
 - 2.5.1. Recognition of assets of the Inventories and their estimation
 - 2.5.2. Accounting of receipt of Inventories
 - 2.5.3. Accounting of retirement of Inventories
 - 2.5.4. Accounting of Inventories (including spare parts) credited as a result of removal from the fixed assets in the stage of restoration (reconstruction, modernization, repair)
 - 2.5.5. Accounting of automobile tires
 - 2.6. Selected ways of the accounting of the incomes, current expenses and charges
 - 2.6.1. General approaches to the accounting of incomes and charges
 - 2.6.2. Incomes and charges of usual kinds of activity
 - 2.6.3. Other incomes and charges
 - 2.6.4. Incomes and charges of the future periods
 - 2.6.5. Accounting of rate differences
 - 2.7. Accounting of reserves.
 - 2.8. Selected ways of the accounting of financial investments
 - 2.9. Features of the accounting of operations under the contract of simple company
 - 2.10. Selected ways of the accounting of own means (capital)
 - 2.11. Selected ways of the accounting of obligations (accounts payable)
 - 2.12. Accounting of calculations under the profit tax
 - 2.13. Information by the segments
 - 2.14. Events after the accounting date
 - 2.15. Conditional facts of economic activities
 - 2.16. Information about affiliated persons
 - 2.17. Order of formation of parameters of the accounting reporting at realization of reorganization of the Company in the form of connection.

1. ORGANIZATIONAL AND TECHNICAL ASPECTS OF ACCOUNTING POLICY

The present Regulations were developed according to requirements of the accounting and financial legislation of the Russian Federation.

Regulations are aimed:

- To declare the basic assumptions, requirements and approaches to the organization and conducting the accounting process in IDGC of Centre, JSC (further on called the Company);
 - To provide reliability of the prepared financial (accounting) reporting;
 - To provide formation of full and trustworthy information about such objects of the tax account as incomes, charges, property, property rights, obligations and economic operations, the cost estimation of which defines tax base of the current accounting (tax) period;
 - To provide with the information of internal and external users for control over correctness of calculation, completeness and timeliness of payment in the budget of the amounts of taxes in view of organizational and sector features of the Company;

These Regulations of accounting policy shall be used by:

- Heads and workers of branches of the Company;
- Heads and workers of all structural divisions, services and departments of the Company who are responsible for duly representation in accounting service of primary documents and other registration information;
- Heads and workers of all services and departments, responsible for duly and grounded development, revision and bringing of the normative help information up to executive divisions (including the accounting service);-
- Employees of the centralized accounts departments of Corporate Service Systems, JSC who on a contractual basis conduct book keeping and responsible for duly and qualitative performance of all kinds of registration works and drawing up of the authentic reporting of all kinds; workers of accounting services of branches.

Other administrative documents on the Company should not contradict to the positions of the present aspects of the accounting policy.

1.1. PRINCIPLES OF THE ORGANIZATION AND TASKS OF BOOK KEEPING

The responsibility for the organization of book keeping in the Company, observance of the legislation at performance of economic operations is undertaken by the head of the Company.

Conducting book keeping is carried out on the basis of the contract on rendering accounting services with Corporate Service Systems, JSC.

Functions of the chief accountant on formation of the accounting policy - conducting book keeping, signing and duly representation of the reporting - are assigned to Director for the accounting policy of the Company. Performance of other functions of the chief accountant, and also the responsibility of Corporate Service Systems, JSC to the Company for infringements of the established order of conducting the accounting and representation of the reporting, are provided by contract provisions on conducting book keeping. The organization of book keeping in the Company is carried out through strict performance by all workers, divisions and services of the Company who are involved in the accounting, requirements of the current legislation and the order of accounting and representation for the accounting of documents and data, instructions of director for the accounting policy of the Company, employees carrying out conducting book keeping under the contract on the accounting service.

1.2. FORMS OF PRIMARY ACCOUNTING DOCUMENTS, RULES OF DOCUMENT CIRCULATION AND FEATURES OF THE ACCOUNTING OF INTERCOMPANY CALCULATIONS

Accounting registration notes are made on the basis of the primary documents fixing the fact of fulfillment of economic operations.

Primary accounting documents are accepted to the accounting if they are made:

- Under the form containing in albums of unified forms of the primary registration documentation;
- Under the form approved by the head of the Company or persons authorized by him/her, also

are used after their inclusion as the application to the present Regulations. The given forms of primary accounting documents should contain the following obligatory requisites:

- The name of the document;
- Date of drawing up of the document;
- The name of the organization on behalf of which the document is made;
- The maintenance of economic operation;
- Measuring instruments of economic operation in kind and money;
- The name of positions of the persons responsible for fulfillment of the economic operation and correctness of its registration;
- Personal signatures of the specified persons.

The primary and summary accounting documents received with application of computer programs, are accepted to book keeping if they are issued on the paper carrier and contain obligatory details.

The validity of documents, kept, processed and transmitted by means of the automated information and telecommunication systems, can prove to be true by the electronic digital signature. The validity of the electronic digital signature is recognized at presence of the automated information system of the software providing identification of the signature, and observance of the established rules of their use.

The primary accounting documents which are received by the centralized accounts department are necessarily subject to check.

Check is carried out under the form (completeness and correctness of official registration of papers, filling in the details), contents (legality of the documentary operations, logic of coordination of separate parameters).

The primary accounting document should be made during the moment of fulfillment of the operation and if it is not obviously possible - directly after its termination.

At acceptance of primary accounting documents to the accounting, the control over competences of the persons who signed them is carried out. The list of the persons who are authorized to sign primary accounting documents is approved by the head of the Company.

Movement of primary documents in the Company (creation or reception from other enterprises, establishments or organizations, movement between structural divisions of the Company, acceptance to the accounting, processing, transfer to archive - document circulation) is regulated by the schedule of document circulation. The schedule of document circulation is approved by the head of the Company and is made out by a separate order in the Company. The schedule of document circulation on branches of the Company is approved by the order of the head of the branch.

The Company stores primary accounting documents, registers of book keeping and accounting reports during the terms established by internal organizational and administrative documents, but not less than five years.

The working book of accounts of book keeping, other documents of accounting policy, procedure of coding, accounting information on correcting the accounting and reports are stored by the Company at least five years after the year when they were used for drawing up the accounting reports last time.

The responsibility for the organization of storing the accounting documents, registers of book keeping is undertaken by the head of the Company.

Reflection of operations by calculations with the branches allocated for a separate balance is conducted on the account «intercompany calculations » in analytical groupings.

Between accounts departments of branches and accounts department of the executive body of the Company, a monthly verification of data about the intercompany calculations which were reflected in accounts is carried out. The data coordinated thus later are compared to indicators of the intercompany calculations reflected in book keeping.

The reports made on results of considered economic operations, under forms of the accounting reporting of branches, monthly, quarterly, annually are represented to the accounts department of the executive body in the terms established for representation of the accounting reporting. The responsibility for reliability of the represented reporting is assigned to the head of accounts department of the branch.

All kinds of intercompany calculations between branches are held through accounts department of management personnel of the Company.

1.3. THE ORDER AND TERMS OF DRAWING UP THE REPORTS

Drawing up of the reports is based on the data of the registers of book keeping. For maintenance of an individual responsibility of the personnel of accounts department, the registers are monthly printed and signed by the persons who made them up. These persons are responsible for correctness of reflection of economic operations in memory registers.

The Company provides the interested users with the accounting reports reflecting a status of its assets and liabilities, incomes and charges, in structure of and the order stipulated by the Law on book keeping.

The accounting reports are signed by the head of the Company and director for the accounting policy of the Company.

The annual accounting reporting is approved by the decision of the annual shareholders meeting of the Company.

The intermediate accounting reports of the Company are made within 30 days upon termination of a quarter, the annual one - within 90 days upon termination of a year.

Book keeping of property, obligations and economic operations of the Company is conducted in roubles and kopecks. The accounting reports are made in thousand roubles.

The main sections of the explanatory note are defined by item 4 of Article 13 the Federal Law as of 21 November 1996 N 129-FZ "About book keeping".

In particular:

- The information on the organization,
- The financial Regulations of the organization,
- Comparability of data for the year under report and the previous years,
- Methods of estimation and essential articles of the accounting reports on:
 - immaterial assets and research and development;
 - Fixed assets and interest-bearing investments;
 - Inventory;
 - Financial investments;
 - Credits and loans;
 - Calculation of the profit tax;
 - rate differences;
 - Events after the date under report;
- conditional facts of economic activities;
- Terminated activity;
- Affiliated persons;
- State help;
- Segments.
- Facts of non-application of rules of book keeping,
 - Changes in the accounting policy for the next fiscal year.

The structure of an explanatory note can be another if the facts of separate sections (for example, non-application of rules of book keeping, change in the accounting policy) are absent or activity of the organization demands expansion of explanatory.

The decision made by the annual shareholders meeting of the Company on distribution of profit of the fiscal year is reflected in the accounting reports in the period when the meeting was held, i.e. in the year following the fiscal year.

The reports submitted for approval to shareholders meeting includes the final part of the auditor conclusion which was issued following the results of obligatory audit of the accounting reports. The Company represents the annual reports according to addresses and terms stipulated by the current legislation. Besides, the Company publishes the annual reporting not later on 1 June - the year following the year under report.

1.4. PROCEDURE OF FORMATION, APPROVAL AND AMENDING OF THE ACCOUNTING POLICY

Within a year, Director for the accounting policy of the Company. carries out preparation and

substantiation of decisions on change of various positions of the accounting policy which can be accepted for execution, since the next year.

Any change of the accounting policy is made out in the form of amendments, additions and changes to this Regulations which are approved in the same order, as Regulations, the organizational and administrative documentation (orders, instructions, etc.) of the Company.

Changes of accounting policy are declared by the Company in the explanatory note to the accounting reports for a year previous to the year of the beginning of their application.

If new economic activities appear in the Company, the ways of book keeping of which are not determined in the accounting policy, the addition to the accounting policy is made out. Addition to the accounting policy is made out in the form of addition to the present Regulations which is not considered as its revised version and is applied from the moment of its approval.

Disclosing of the ways of the book keeping accepted at formation of accounting policy essentially influencing estimation and decision-making by interested users of the accounting reports, is carried out by the Company by inclusion of extracts from the present Regulations in an explanatory note to the accounting reports for a fiscal year.

Essential ways of conducting book keeping are the ways, without knowing which the application by the interested users of the accounting reports make estimation of financial status, cash flow or financial results of activity of the Company impossible.

1.5. APPLIED BOOK OF ACCOUNTS

The Company applies the work book of accounts of the book keeping which is the application to the present Regulations.

The working book of accounts of book keeping allows to realize the scheme of accounting and grouping of data about the facts of economic activities which is necessary for formation of necessary forms of the reports (financial, statistical, tax, system of budgetary management) and is intended for unification of book keeping of the Company.

Process of registration and grouping of data is carried out by means of a typical set of accounts (sub accounts), reference books of analyses under accounts (sub accounts, technical accounts), correspondence of accounts in a combination with the used reference books an analyses.

Changes and additions of the working book of accounts are made only in a centralized way, by the order of director for the accounting policy of the Company who is authorized by the head of the Company to perform this.

1.6. THE PROCEDURE OF CARRYING OUT INVENTORY OF ASSETS AND LIABILITIES

Inventory is held by the Company with a view of provision of reliability of data of book keeping and accounting reporting. All kinds of assets and liabilities of the Company are subject to inventory, including property (irrespective of location) owned by the Company, debt receivable and accounts payable, articles of the capital, the property which does not belong to the Company, but registered in book keeping on the off-balance accounts (being under the responsible safekeeping, received for sale under the contract of the commission, rented, etc.).

The primary goals of inventory are: revealing of actual presence of property, comparison of actual presence of property with data of book keeping, check of completeness of liabilities reflection in the account.

Carrying out inventory is obligatory:

-Before drawing up the annual accounting reports (except for the property which inventory was held not earlier than on 1 October of the fiscal year):

The fixed assets and immaterial assets - once a year as of 1 October,

Inventory stock - once a year as of 1 October,

Financial obligations - once a year as of 31 December,

-At change of materially responsible persons;

- At revealing the facts of plunder, abusing or damage of property;
- In case of act of nature, fire or other extreme situations caused by extreme conditions;
- At reorganization or liquidation of the organization;
- In other cases stipulated by the legislation of the Russian Federation.

Besides the inventories stipulated with a view of drawing up of the accounting reporting, the Company holds the inventory necessary for acknowledgement of data of the operative accounting and for other purposes.

The schedule of carrying out inventories is approved by the head of the Company or the heads of structural divisions (branches) of the Company authorized by him/her in the structural divisions (branches).

For carrying out inventories, the inventory commissions are created the structure of which is approved by the head of the Company.

The divergences revealed at inventory between actual presence of property and data of book keeping are reflected in accounts of book keeping in the following order:

- Surplus of property is credited at the market cost for the date of carrying out the inventory, the corresponding sum is reflected on account 91 "Other incomes and charges";
- Shortage of property and its damage within the limits of norms of natural loss are related to production costs or circulation cost, and over the norms - to guilty persons. If guilty persons are not established or the court refused to collect losses from them, the losses from shortage of property and its damage are written off to account 91 "Other incomes and charges".

2. METHODOLOGICAL ASPECTS OF THE ACCOUNTING POLICY

In the present section, the selected ways of conducting the book keeping are stated which essentially influence estimation and decision-making by users of the reports which are typical at formation of accounting policy of the Company.

2.1. GENERAL REQUIREMENTS TO THE REPORTS. REQUIREMENTS AND ASSUMPTIONS ACCEPTED AT CONDUCTING THE ACCOUNTING AND DRAWING UP OF THE REPORTS. REQUIREMENTS TO THE INFORMATION FORMED BY THE SYSTEM OF BOOK KEEPING

The system of book keeping of the Company should provide reliability, completeness and trustworthiness of the accounting information at admissible level of costs for its formation and representation.

Authentic and full reports are reports generated by rules, established statutory acts on book keeping.

Reliable reports are reports which do not contain essential mistakes. It is possible to rely absence of mistakes in connection with the multilevel control over reliability of conducting the accounting and drawing up of the reports of the Company: the control of the expert who carries out the corresponding accounting procedures, the control of the head of structural division of the accounts department signing summary accounting registers, auditor checks.

The external reports includes the information on the property status of the Company (it is represented in the form of the accounting balance - form 1), financial results of activity and changes in the financial Regulations of the Company (it is represented in the form of the profit and loss statement - form 2), decoding and explanatory useful to the broad audience of interested users at decision-making (it is represented in the form of applications to balance - forms 3 statement of equity changes, 4 Cash flow movement, 5 Appendix to the accounting balance and in an explanatory note).

The annual reporting is represented by the Company in full with the application of an explanatory note, the intermediate reports are represented by the Company in the volume of the Accounting balance and the profit and loss statement.

At formation of the information, the Company is guided by the standard requirements to conducting the account and drawing up of the reports: the requirement of discretion, the requirement of completeness, the requirement of rationality, the requirement of consistency, the requirement of a priority of the contents to the form.

Besides the specified requirements, the registration process (including formation of the reports) is conducted by the Company proceeding from the following assumptions:

- Property and obligations of the Company are considered separately from property and obligations of proprietors of this organization (an assumption of property isolation of the organization);

-The Company will continue the activity in the foreseeable future, and it does not have intentions and necessity of liquidation or essential reduction of activity, and, hence, obligations will be repaid in accordance with the established procedure (an assumption of a continuity of activity of the organization);

-The accounting policy chosen by the Company is applied consistently: from one fiscal year to another, within the limits of one organization, and also group of the interconnected organizations (an assumption of sequence of application of accounting policy);

-The facts of economic activities of the Company are related to the accounting period (and, hence, are reflected in book keeping) in which they took place, irrespective of actual time of receipt or payment of the money resources connected with these facts (an assumption of time definiteness of the facts of economic activities).

2.2. GENERAL APPROACHES TO QUALIFICATION OF OBJECTS OF THE ACCOUNT

Assets of the Company are subdivided into assets and expenses (not completed investments in creation of assets).

During the accounting period, the Company carries out use (expenditure) of resources of various kind: material, financial, labour and other. The cost estimation of the used resources accepted to accounting is qualified as expense (incomplete investments in creation of assets).

Upon termination of the period of accumulation, the expense lead to formation of assets (fixed assets, ready goods, etc.), or charges (decision-making on write-off to losses of incomplete capital expenditures owing to liquidation or sales of incomplete object of construction, write-off of expenses for the research and development, which did not give results, write-off of the cost price of the executed works and rendered services, etc.).

The moment of termination of the period of accumulation of expenses is the moment of meeting the conditions of the recognition of assets, the moment of becoming obvious that the made expenses reduce economic gains of the Company without creation of any asset.

Expenses share on capital (non-current) and current (circulating).

Capital expenditures of the Company are expenses for purpose of creation of non-current assets, including expenses for purchase of the new objects, new construction, expansion, reconstruction, re-equipment and modernization. All other expenses are recognized by the Company *as current*.

Cost estimation of the used resources - expenses - are preliminary settled on calculation accounts:

-Expenses for products, works, services (current) - account 20;

-Common economic expenses - account 26;

-Expenses for purchase (creation) of non-current assets (capital expenditures) - account

08.

Object - by - object accounting is used in accounts of expenses on purchase (creation) of non-current assets.

Nomenclature numbers, parties, homogeneous groups of Inventories are aused in the accounting of expenses on purchase of circulating assets.

Upon termination of the period of accumulation of expenses, the Company recognizes that realization of expenses led to creation of the asset if there was formation of the object of property, from use or alienation of which the economic gain in the future is expected. Assets are recognized by the Company as objects of property belonging to him under the property right (assumption of property isolation).

The future economic gains are potential opportunity of property directly or indirectly to promote cash flow to the Company or its equivalents. It is considered that the object of property will bring economic gains when it can be in the future:

-used separately or in a combination with other object during production, works, services intended for sale;

-exchanged for another object of property;

-used for repayment of accounts payable;

-distributed between proprietors.

For the object of property to be recognized in book keeping, its cost should be measured with a sufficient degree of reliability. The Company recognizes measurement of cost to be reliable enough in case when the object of property is ready to be used in the planned purposes, and all expenses on its

finishing up to this status are recognized in the account and estimated on the basis of settlement documents, contractual or market quotations and tariffs.

If realization of expenses did not lead to creation of an asset upon termination of the period of accumulation of expenses, the Company recognizes charges. At the same time, charges are reduction of economic gains of the Company as a result of retirement of assets (money resources, other property) and (or) occurrence of obligations leading to reduction of the capital (except for reduction of contributions of participants).

The Company recognizes charges only in the event when leaving of assets has *unconditional character*. If under certain conditions, the retired assets are returned to the Company, the account admits debt receivable or formation of another asset (for example, financial investments).

The Company does not recognize as charges the money resources and other property transferred under the condition of possible or obligatory subsequent return (the given out loans, advance payments, assignation for realization to the commission agent or the attorney, the amounts of the turnaround taxes allocated in the separate line in settlement documents with suppliers, etc.).

Incomes are understood as increase in economic gains of the Company as a result of receipt of assets (money resources, other property) or repayment of the obligations leading to increase in the capital, except for contributions of participants (owners of property).

The Company does not recognize as incomes the receipt of money resources and other property received under the condition of possible or obligatory subsequent transfer to other participants of economic circulation (the received loans, the acted advance payments and advance payments, the sums of the circulating taxes allocated in the separate line in settlement documents with buyers, etc.).

The Company recognizes accounts payable if there is a probability of outflow of resources of the Company capable to bring economic gains which is a consequence of execution of the existing obligation in the account, and the amount of this obligation can be measured with a sufficient degree of reliability.

The capital of the Company is the amount of cost of assets net of the amount of its obligations (accounts payable).

2.3. GENERAL APPROACHES TO ESTIMATION OF OBJECTS OF THE ACCOUNTING

The Company makes estimation property and obligations in money terms for their taking into account. The estimation of property is carried out as follows:

-The property received by the Company as the contribution to the authorized capital, is estimated by the monetary estimation defined by founders (shareholders) of the Company, according to requirements of the current legislation;

-The property purchased by the Company for payment, is estimated under the amount of actually made expenses for its purchase. In case of insignificance of the amount (3 % of the contractual cost) expenses for purchase of securities (except for the amounts paid according to the contract to the seller) such expenses are recognized by the Company as miscellaneous costs;

-The property made in the Company is estimated under the cost price of its manufacturing (the actual expenses connected with manufacture of the object of property);

-The material assets remaining after write-off of the fixed assets unsuitable to restoration and further use, the spare parts formed as a result of restoration of the fixed assets (reconstruction, modernization, repair) are estimated at the current market cost for the date of write-off of the fixed assets or for the date of acceptance of spare parts to accounting;

-The property received by the Company gratuitously and the property revealed at carrying out by the Company of inventory of assets and obligations, is estimated at the current market cost for the date of taking the property to accounting;

-Current market cost is understood as the amount of money resources which can be received as a result of sale of the named assets for the date of taking to accounting.

The current market cost is formed proceeding from the prices acting on the given or similar kind of property. Thus data about an established price should be confirmed documentary or by an expert.

At definition of the current market cost, the data about the prices for the similar fixed assets received in writing from the manufacturer organizations, data on the price level, available in state statistics bodies, trading inspections, and also mass media, special literature, expert judgments (for example, appraisers) about cost of separate objects of the fixed assets can be used. The expert judgment is understood as the report of the independent expert or the authorized specialist (specialists) of the Company possessing special knowledge and skills. The given experts are appointed by the order of the

head of the Company or the persons authorized by him as members of constantly operating commission for of property to accounting or write-off.

The current market cost of the securities having market quotations is accepted at a rate of their market price calculated in accordance with the established procedure by the organizer of trade for the securities market and confirmed documentary;

-The property received by the Company under contracts, providing execution of obligations (payment) by non-money resources (in particular, under contracts of exchange) is estimated at the cost of the values which are transferred or subject to transfer by the Company. Cost of the values which are transferred or subject to transfer by the Company is established under the price which is in similar circumstances usually used by the Company at determining the cost of similar values.

At estimation of the property purchased by any reasons, its actual cost is formed with addition of the expenses made by the Company on bringing the property up to the condition suitable for use (on carrying out examinations, consultations and estimations, on payment of services of agents and other intermediaries, delivery, installation and trial start-up, registration of transactions, payment of duties, etc.).

Cost of property in which they are taken to book keeping, is not a subject to change, except for the cases established by the legislation of the Russian Federation.

For non-current assets (except for immaterial assets), it is supposed in case of completion, additional equipment, reconstruction, modernization, partial liquidation and reassessment of objects of the fixed assets.

For circulating assets, it is supposed in case Inventories become morally outdated, in full or in part lost the initial quality or current market cost which cost of sale decreased.

For financial investments, under which it is possible to define in accordance with the established procedure the current market cost, updating of registration cost up to market is made.

At absence by the moment of receipt of property (the fixed assets, Inventories, etc.) documents on cost of the acted objects they are accepted to accounting under conditional estimation in view of contractual cost, charges on the delivery, transport bills defined according to data and other transport documents.

Debt receivable and accounts payable (including under the received/given out credits, loans) in the account and the reports are reflected in view of interest, fines, penalties, collections recognized or made by the court.

In the reports, the property related to depreciated assets (fixed assets, immaterial assets and interest-bearing investments in material assets) is reflected at the residual cost (initial cost minus the accrued amortization).

In the reporting on the property related to securities, and debt receivable, the method of net estimation is applied providing formation of reserves under depreciation of the specified assets on separate accounts.

2.4. SELECTED WAYS OF ACCOUNTING OF CAPITAL EXPENSES AND NON-CURRENT ASSETS

Capital expenses are connected:

-With realization of capital construction in the form of new construction, and also reconstruction, expansion and modernization (further on called construction);

-Purchase of buildings, constructions, equipment, vehicles and other separate objects (or their parts) of the fixed assets;

-Purchase of the land areas and objects of wildlife management;

-Purchase and creation of assets of immaterial character.

2.4.1. CAPITAL CONSTRUCTION BY FORCES OF OUTSIDE CONTRACTORS AND OWN FORCES

Capital expenses lead to creation of non-current assets (fixed assets) on objects of civil and construction works after input of the specified objects in the operation issued by the corresponding certificates, and in necessary cases - with registration of the certificate on state registration of the property right to the real estate.

At acceptance to the accounting of object of the real estate as object of the fixed assets, the amount of actual expenses on its creation considered as capital expenditures in the given object forms an initial project cost of the fixed assets:

-On the objects of the real estate purchased from the previous owners under contracts of sale and purchase, exchange, leasing, etc., - after registration of transition of the property right to object in the state registration body of operations with the real estate;

-on objects of the real estate constructed by the Company and its divisions in the economic or contract way, - after submission of the complete set of documents for registration of the property right to the object;

-on the fixed assets entering into the estimates of constructions (intended for operation in the constructed objects), after commissioning of the whole object of construction;

-on the fixed assets demanding installation, after end of the process of installation;

-on the fixed assets which do not demand installation, - after receipt of the object from the supplying division to the maintaining division. Thus, if the maintaining division places the received object to the warehouse, in the accounting it is reflected as the stock .

(as the reserve).

The accounting of investments into non-current assets is conducted as a whole on construction, separate objects of investments.

Object of construction is separate buildings or constructions, type or complex of works, construction of which demands the design-budget documentation.

The object of construction is considered with all arrangements related to them, equipment, furniture, stock, subsidiary and auxiliary devices, and also if necessary with engineering networks adjoining to them and such works as vertical lay-out, accomplishment, gardening, etc.).

The accounting of expenses is conducted by the accruing result from the beginning of construction of the object by the accounting periods up to putting of objects in service or full execution of the corresponding works. The builder (customer) the of construction keeps accounting of the expenses on the account "Investments in non-current assets".

The builder is understood as a legal entity who owning under the property or rent of the land and made a decision on realization of the program of construction of a complex of objects at it which define methods of financial provision of construction and carrying out coordination of works on its realization.

Incomplete construction - expenses of the builder on erection of objects of construction from the beginning of construction to putting objects in operation is considered as capital expenditures under account "Investments in non-current assets".

The accounting of incomplete construction is conducted:

-As a whole on construction;

-In separate turns;

-On separate objects of construction;

-technological structure of expenses on object of construction.

Expenses on separate object of construction are grouped on the technological structure of charges defined by the budget documentation on the corresponding object.

The technological structure of charges provides in particular, charges:

-On construction work;

-Works on installation of equipment;

-Purchase of the equipment which was handed over for installation;

-Purchase of the equipment which does not demand installation, tool and stock, equipment demanding installation, but intended for the permanent stock;

-Other capital expenses.

Capital expenditures in the form of construction (reconstruction, modernization) of the objects carried out in the economic way are reflected in the account monthly, in the process of their formation on the account "Investments in non-current assets" monthly.

The capital expenditures which were carried out during capital works executed for the Company by third-party contract organizations are reflected in the account in the process of their performance on the basis of the signed certificates of the executed works and settlement documents.

2.4.2. ACCOUNTING OF OPERATIONS ON SHARE CONSTRUCTION OF OBJECTS

Two variants of the conclusion of contracts of share construction of objects are possible:

-The Company enters into joint activity, the subject of which is construction of an object. The distinctive feature of such contract is that under such a contract, all the parties not only bring money resources, but also to some extent actually take part in construction;

-The Company invests own means or accumulates means of other persons for construction of the object. In this case actually one of the parties (builder-customer) is engaged in construction only, other party (parties) only put money resources for reception of the required result is the investor.

In the first case, relation of the parties are reflected according to the order established for joint activity.

The contribution of the Company to joint activity is reflected in the account "Financial investments. Contributions under the contract of simple company". Reception of contributions and expenses on construction are considered on a separate balance of joint activity by the party which according to the contract undertook such duty.

Upon termination of construction, the Company forms accounts payable on the completed capital expenditures, reflection of which is in the account "Investments in non-current assets". Thus, commissioning of the object of finished construction (regarding, belonging the Company according to treaty provisions) is reflected in the account of the Company. Such object of the fixed assets which are being the property of two or several organizations, is reflected in structure of the fixed assets of the Company in proportion to its share in a total cost of object.

In the second case investments actually made by the Company (transfer of money resources and other property) are reflected in structure of long-term debt receivable in the separate account "Calculations with different debtors and creditors" (including payment of services of the builder customer).

If the Company carries out duties of the customer-builder, the means of other investors received by it are reflected as long-term accounts payable. Thus additional payment of services of the Company (over the sum of expenses for construction) on realization of supervision of construction, etc. works is reflected by the Company in accounts of the account of sales (the account of "Sale").

After end of construction, these expenses are passed to investors

(In the due share) for reflection by them in structure of capital expenditures and the subsequent transfer to the structure of the fixed assets).

2.4.3. ACCOUNTING OF INTEREST UNDER LOANS AND CREDITS INVOLVED FOR PURCHASE AND/OR CREATION OF NON-CURRENT ASSETS

With a view of definition of the order of the accounting of capitalized expenses regarding percent under the involved loans and credits, the Company allocates investment assets among objects of investments. Investment assets are understood as objects of property which preparation for prospective use demands significant time, and also greater expenses for purchase and (or) construction (property complexes and other similar assets).

Expenses under the received loans and credits directly related to purchase and (or) construction of the investment asset should join in the cost of this assets and be repaid by means of accruing amortization, except for cases when accruing amortization of the asset is not stipulated by rules of the accounting.

Expenses under the received loans and credits connected with formation of the investment asset, under which amortization is not accrued, is not included in the cost of such asset, and is related to the operational expenditure of the Company (recognized as miscellaneous costs).

Expenses under the received loans and credits made prior to the beginning of manufacture of works on creation of assets is not included in the cost of investments in non-current assets, and is referred to the miscellaneous costs of the Company.

In case of stay of the works connected with realization of investments in non-current assets, during the term exceeding three months, inclusion of expenses under the received loans and credits in the volume of capitalized expenses also stops. In this case expenses under loans are related to the operational expenditure of the Company in the structure of miscellaneous costs.

The period, in which the additional coordination of the arisen technical and (or) organizational questions during construction of the assets is carried out is not considered cessation of work on formation of the investment asset.

2.4.4. FIXED ASSETS

The fixed assets are recognized by the Company as assets concerning which the following conditions are simultaneously met:

- Use in production is supposed, at performance of works or rendering of services or for administrative needs for long time (term of useful life duration of over 12 months or usual operational cycle if it exceeds 12 months);

- Ability to bring economic gains (income) in the future, and also the organization does not stipulate the subsequent resale of the given assets.

Assets concerning which the above described conditions are satisfied, and in cost within the limits of no more than 20,000 rubles for a unit are reflected in book keeping and accounting reporting in the structure of Inventories, except for objects of the grid equipment (electric main, transformer substations) and vehicles. With a view of maintenance of safety of these objects in manufacture or at operation in the Company, the control over their movement is organized. The given objects are accounted in quantitative expression.

The Company does not recognize objects concerning which at their acceptance to accounting (during the moment of certification) the decision on alienation in favour of other persons is accepted as the fixed assets - resale is supposed, exchange, etc. In this case the object is qualified by the Company as the goods.

The objects which are not intended for sale, with the useful life of no more than 12 months, for which participation in processes of manufacture or management and also reception of economic gains from their use cannot be grounded enough, are considered in the structure of the fixed assets separately, as non-productive fixed assets. The amortization accrued to the specified objects of the fixed assets, and also charges on service of the specified objects are recognized as the operational expenditure without recognition for the purposes of the taxation under the profit tax.

Inventory object of the fixed assets is an object with all adaptations and accessories or a structurally isolated subject intended for performance of certain independent functions.

If one or several subjects of one or different purpose represent the isolated complex of structurally jointed subjects having common adaptations and accessories, the general management mounted on one base, therefore each of subjects can carry out the functions only within the structure of the complex, the whole complex as a unity is taken into accounting.

In case of presence at one inventory object of the several parts having essentially different term of useful life, each such part is considered as independent inventory object irrespective of the fact whether the specified part of the object can carry out an independent function.

The following is accepted to accounting as independent inventory objects:

- capital expenditures in the rented objects of the fixed assets;

- capital expenditures on radical improvement of the grounds (drying, irrigating and other ameliorative works);

- Shares of objects of the fixed assets which are share property of the Company and other proprietor(s) (organization(s)).

Computers can be accounted separate structurally isolated subjects having its number or as an object consisting of separate subjects (the processor, monitor, etc.), each of which has the accession number.

The fixed assets are accepted to book keeping at the initial cost defined depending on the way of receipt - purchase for a payment, creation by own forces (construction), gratuitous reception, etc.

Initial cost of the fixed assets purchased for a payment are reorganized as the amount of actual expenses of the Company on purchase, construction and manufacturing (except for the tax to the added value and other compensated taxes).

The actual expenses include:

- The amounts paid to suppliers according to the contract of delivery;

- The sums paid to the outside organizations for services on delivery of property up to warehouses (including the tariff);

- The amounts paid to the organizations for the information and consulting services connected with purchase of the fixed assets;

- The customs duties and custom charges;
- Nonrefundable taxes, State Tax paid in connection with purchase of object of the fixed assets;
- The compensations paid to the intermediary organization through which the object of the fixed assets is purchased;
- Expenses for carrying out starting-up and adjustment works, individual approbation of separate kinds of machines and mechanisms, complex approbation of all kinds of the equipment and technical installations for the purpose of quality check of their installation held idly;
- Other expenses directly connected with purchase, construction and manufacturing of object of the fixed assets and their bringing up to the status in which they are suitable to use (for example, charges on opening the letter of credit for purchase of the fixed assets, travelling and living expenses, including over the norms established by the legislation if they are directly connected with purchase of the fixed assets).

The estimation of object of the fixed assets, which cost at purchase is expressed in the foreign currency made in rubles by recalculation of the sum in a foreign currency at the rate of the Central bank of the Russian Federation, acting on the date of acceptance of object to book keeping as investments in the non-current assets.

-Moving objects of the fixed assets between branches of the Company is reflected through account 79 "intercompany calculations". Thus both the cost of the fixed assets and the amount of the accumulated amortization is handed over.

-Charges on internal moving objects of the fixed assets by branches are not included in the initial cost and are included in the current expenses.

-The ground for acceptance to the account of the fixed assets received from structural divisions of the Company is the notice (advice note), waybill on internal moving of objects of the fixed assets (f. FA-2) and a card of the account of the fixed assets (f. FA-6).

-The objects of the fixed assets accepted or passed to is material-responsible storage are considered on the off-balance account 002 "Inventory taken for responsible safe keeping" in the prices stipulated in the acceptance reports.

-If the Company makes a decision on the full termination of own operation of separate objects of the fixed capital, the account depending on the situation reflects the following:

-Preservation of the specified objects - then the given objects stand apart in the analytical account;

-Transfer of the specified objects to other users on the basis of contracts (of rent, hire) - then the given objects are transferred to the account of the profitable investments into material assets;

-Write-off from the account of the objects which are not used constantly (moral and/or physical deterioration) - then the Company recognizes miscellaneous costs.

Expenses for realization of all kinds of repairs of the fixed assets (current and capital) are included in the charges as usual kinds of activity in the period in which repair works are finished and accepted. Reserves for repairs of the fixed capital or repair fund are not created.

2.4.5. CHANGE OF COST OF THE FIXED ASSETS

Change of initial cost of the fixed assets in which they are accepted to book keeping is supposed in cases of completion, additional equipment, reconstruction, modernization, partial liquidation and reassessment of objects of the fixed assets.

Works on completion, reconstruction and upgrading (including partial liquidation) of the fixed capital are carried out by the Company on the basis of the annual plan of reconstruction and modernization of the fixed capital approved by the head of the Company.

The re-equipment, or modernization, includes reorganization of the existing objects of fixed capital as a result of which the earlier accepted quality indicators of functioning of the fixed assets are improved:

- Capacity;
- Productivity;
- Transmission capacity;
- Other qualitative characteristics.

The full or partial reorganization and re-equipment of the existing objects without expansion of available designs, buildings and constructions, connected with improvement of manufacture and increase of its technical and economic level is **reconstruction**. Reconstruction is made with a view of increase in

capacities, improvement of their qualitative characteristics.

Modernization is the complex of actions on increase of technical and economic level of separate objects on the basis of introduction of high technology, mechanization and automation of manufacture, replacement of the out-of-date and physically worn out equipment by the new, more productive.

Erection of new parts of buildings, constructions, reorganization of the existing objects making the unity with the object of the fixed capital as a result of which quantitative characteristics of the fixed capital change is **completion**:

-Construction of additional premises at the operating object (superstructure of floors, extension of new premises);

-Construction of additional objects and introduction in the structure of the existing complex of the fixed assets.

Qualitative change (downturn) of physical or technical properties of objects which lead to decrease in economic gains from their use (liquidation of separate constructive elements of the object operating in the structure of the complex basic of means, replacement of separate parts at modernization or reconstruction, etc.) is **partial liquidation**.

In case of partial liquidation of objects of the fixed assets, in the same proportion the amortization accumulated on them is written off.

Modernization of objects of the fixed assets is possible at carrying out of major overhaul of objects of the fixed assets. Major overhaul of the equipment is held according to the engineering specifications: the operation manual and major overhaul, the passport of the equipment, norms of the expenditure of materials and spare parts. If carrying out of scheduled tasks within the limits of major overhaul-regenerative entails improvement (increase) before the accepted quality indicators of functioning of object of the fixed assets with prolongation of service life, such works are equated to modernization and are considered accounted in the process of capital expenditures with increase in cost of objects of the fixed assets. Allocation of works as a result of which modernization of the object of the fixed assets is carried out is made on the basis of the opinion of the employee of repairs management services authorized by the chief engineer.

Acceptance of the fixed assets from reconstruction and modernization is made out by the certificate of acceptance of the reconstructed and modernized objects (form of FA-3) on the basis of the certificate of the executed works on repairs (form CA-2) on the basis of which the information on cost of the executed works and expenses (form AC-3) is filled.

2.4.6. TERM OF USEFUL LIFE OF OBJECTS OF THE FIXED ASSETS

Definition of the term of useful life of objects of the fixed assets is made proceeding from the expected physical deterioration depending on the mode of operation, natural conditions and influence of aggressive environment, system of carrying out repairs. Term of useful life of objects of the fixed assets is defined within the limits approved by the governmental order of the Russian Federation from 1.01.2002 No.1, under the list approved by the head of the Company or the person authorized by him/her.

On the fixed assets received by the Company as a result of reorganization in the form of connection and those put in operation at in the reorganized companies up to 1.01.2002, term of useful life is defined according to the norms approved by the Decision of the Soviet Ministry of the USSR as of 22.10.1990 No.1072.

Term of useful life of objects of the fixed assets is established at their acceptance to accounting on the basis of the passport of object, other technical documentation or on the basis of estimation of technical services of the Company or its divisions according to the internal documents on the basis of the decision of a constantly operating commission. Term of useful life is fixed in the inventory card (FA-6).

Term of the fixed assets object useful life is reconsidered in case of improvement (increase) of originally accepted normative parameters of functioning of object as a result of the held completion, additional equipment, reconstruction or modernization. Thus, the increase in the term of useful life of the fixed assets can be carried out within the limits of the terms established for amortization group in which the given fixed assets is included.

Term of useful life of the modernized part of object is calculated as a difference between newly established target date of useful life of the object after restoration term of its operation by the moment of the modernization completion.

Definition of the term of useful life of the object of the fixed assets, earlier used at another

organization, is made proceeding from the remained service life of the fixed assets or other prospective term of useful life by the Company which is defined in view of:

- Expected term of use in the organization of this object according to expected productivity or capacity;

- The expected physical deterioration depending on the mode of operation; natural conditions and influence of aggressive environment, system of carrying out repairs;

- regulatory legal and other restrictions of use of this object.

Prospective term of useful life of the fixed assets on the basis of documentary acknowledgement of its value is established by the commission and is approved by the head of the corresponding structural division (branch) in which the given object will be maintained, at acceptance of object to accounting as the fixed assets.

2.4.7. AMORTIZATION OF THE FIXED ASSETS

Cost of the fixed assets is repaid by charge of depreciation charges during the term of their useful life.

The Company applies a linear way of amortization of the fixed assets. Amortization on each inventory object is charged monthly by application of the established norms estimated depending on term of useful life of the object.

Charge of amortization of the property received by the Company under the contract of leasing and considered on its balance, can be made with use of the way of the reduced rest stipulated by the contract.

The Company can apply lowering (raising) factors to effective standards of depreciation charges on the fixed assets purchased under the contract of leasing, in cases if factors are stipulated in treaty provisions of leasing.

Objects of the real estate on which capital expenditures are finished, the corresponding primary registration papers on acceptance-transfer are drawn up, documents are passed to the state registration and actually maintained, are accepted to book keeping as the fixed assets and stand apart in the analytical account.

At accruing amortization on gratuitously received fixed assets, and also the fixed assets purchased with attraction of means of target financing, simultaneously with write-off of the sum of amortization in the same proportion, the part of incomes of the future periods are admitted as other incomes of the Company.

Amortization is not charged:

- On the fixed assets used for realization of the legislation of the Russian Federation about mobilization preparation and mobilization which are stored and are not used in production, at performance of works or rendering services, for administrative needs of the organization or for granting by the organization for payment in time possession and using or in time using,

- On objects of the fixed assets which consumer properties of which eventually do not change (ground areas; objects of wildlife management; objects referred to museum subjects and museum collections, etc.).

- On the objects of available housing which were not repaid;

Thus:

On the objects of available housing which are considered in the structure of interest-bearing investments into material assets, amortization is accrued in accordance with the generally established order

If objects of available housing are used for reception of the income differently than by transfer to rent and meet the requirements of recognition as fixed assets, they join the structure of objects of the fixed assets and amortization is regularly accrued on them.

Charge of amortization stops:

- On the fixed assets transferred to preservation. The Company recognizes as preservation the time termination of operation of object for the term of more than three months. Charges on preservation of objects (survey, greasing, enclosing, etc.), and also on the time termination of operation of objects within three months are recognized by the Company as miscellaneous costs;

- For the period of reconstruction and modernization, major overhaul of objects of the

fixed assets if duration of works exceeds 12 months.

On the specified objects, the amortization stops in the month following the month of translation, and begins in the month following the month of commissioning of the given objects.

On property in the stock (reserve) which is not translated in the mode of preservation, charge of amortization is carried out regularly.

2.4.8. ACCOUNTING OF RENT OF THE FIXED ASSETS

The Company (Lessor) can lease out the fixed assets purchased for own industrial activity or for administrative needs. The given fixed assets are considered on the account "fixed assets" but stand apart in the analytical accounting.

Expenses for carrying out routine repairs are charges of the Company if the contract of rent stipulates carrying out of routine repair at the expense of the Lessor, otherwise the Lessor is obliged to support property in the serviceable status and to make *operating repair* at own expense.

The lessor is obliged to make at own expense *major overhaul* of the property transferred in rent if other is not stipulated by the law, other legal certificates or the contract of rent. In this case Lessor's charges on carrying out major overhaul leased property are related to the charges connected with reception of the income on rent.

The Company (Lessor) can rent the fixed assets belonging to other proprietors according to the concluded contracts.

The Lessor is obliged to support property in the serviceable status, to make at own expense operating repair and to bear charges on the maintenance of property if other is not established by the law and the contract of rent. The specified charges are reflected in the same accounts of expenses, as charges on rent of the fixed assets.

The separable improvements of the property taken in rent made by the Company (Lessor) due to own means and without consent of the Lessor to compensate the made charges, are the property of the Lessor. Term of useful life on such property is defined in the generally established order (according to internal documents of the Company on the basis of the decision of constantly operating commission).

Cost of the improvements made by the Company (Lessor), *inseparable* without harm for the rented property and carried out due to own means and with the consent of Lessor can be considered at calculation on the rent payment, or the Lessor has the right after the termination of the contract to compensation of cost of these improvements if other is not stipulated by the contract of rent.

The fixed assets intended only for granting by the organization for a payment in time possession and using or in time using with the purpose of reception of the income, are reflected in book keeping and accounting reporting in structure of profitable investments in material assets.

2.4.9. ACCOUNTING OF THE EQUIPMENT DEMANDING INSTALLATION

The equipment for installation is the equipment put into operation only after assembly of its parts and attachment to the base or support concerns to a floor, interflow overlapping and other bearing designs of buildings and constructions, and also complete sets of spare parts of such equipment. The structure of this equipment includes instruments or other devices intended for installation in the structure of the established equipment.

The equipment for installation is accepted to accounting on account 07 under the actual cost price of purchase which develops the cost under the prices of purchase and charges on purchase and delivery of this equipment to the warehouse of the Company.

2.4.10. IMMATERIAL ASSETS AND THEIR AMORTIZATION

Immaterial assets are non-monetary objects belonging to the Company, which do not have physical structure, irrespective of their cost, intended for useful life in production, rendering of services or for administrative needs during a term of at least 12 months and capable in the future to bring economic gains.

The Company does not recognize as immaterial the objects concerning which at their acceptance to the accounting (during the moment of certification) the decision on alienation in favour of other persons is accepted as resale, exchange, etc. In this case, the object is qualified by the Company as the goods.

The objects of Immaterial assets are created or purchased on the basis of corresponding contracts:

- Exclusive rights of the patentee on inventions, industrial samples, useful models;
- Exclusive rights of the owner of the certificate to a trade mark, service marks, name of the place of origin of the goods;

- Exclusive copyrights to the computer programs, databases;
- Business reputation.

Object of the accounting of Immaterial assets is a set of the rights arising from one patent, certificate, contract of concession of the rights. The main attribute on which the object is identified from another, by its performance of independent function serves in production, performance of works or rendering services or use for administrative needs of the Company.

Immaterial assets are accepted to the account at the initial cost defined depending on the reason of their receipt (purchase, creation by own forces, reception as the contribution in the authorized capital, etc.).

Cost of Immaterial assets on which they are accepted to the account, is not subject to change.

The business reputation is accepted to the accounting in the amount of the difference between an actual purchase price of the purchased company (or its parts) as property complex as a whole and cost of all (or corresponding part) of its assets and obligations on the balance.

The negative business reputation is qualified as incomes of the future periods and in regular intervals is related to the financial results of the Company in the structure of the operational incomes.

The positive business reputation is considered as the extra charge to the price paid by the buyer pending of the future economic gains. It is considered as a separate inventory object.

The amount of depreciation charges on Immaterial assets is defined under the norms calculated proceeding from their initial cost and term of useful life (linear way).

Terms of useful life of Immaterial assets are defined by a commission of experts and is approved by the head of the Company (or the special representative person) at acceptance of the object to accounting proceeding from the following positions:

- By the rights purchased on the basis of patents, certificates and other similar security documents containing terms of their effect, or having legislatively target dates of the action - proceeding from the term fixed in such document;
- By the rights obtained on the basis of author's contracts, contracts of concession and other similar contracts containing concrete terms, during which Immaterial assets are purchased proceeding from the terms specified in such contracts;
- On other objects of Immaterial assets - proceeding from an expected term of use of object during which the Company can receive economic gains from the use of the given assets;
- On objects of Immaterial assets, the term of the useful life of which cannot be established, depreciation charges are established with regard to 20 years (but no more than a term of activity of the property complex, to which the given assets is related);
- Term of useful life of business reputation and organizational charges is established with regard to 20 years (but no more than a term of activity of the property complex, to which the given asset is related).

Charge of amortization is carried out monthly on the special account "Amortization of Immaterial assets" (except for business reputation, the cost of which is repaid by reduction of the rest under the accounting of Immaterial assets).

Accrual of depreciation charges does not stop, except for cases of preservation of the property complex, to which the given asset concerns, as a whole.

Use of objects of Immaterial assets for the purposes of manufacture, rendering of services or for administrative needs of the Company stops in connection with:

- expiry of the term of the action fixed in patents, certificates or other similar security documents;
- expiry of the term of the action fixed in the corresponding contracts;
- impossibility of useful life of the object before the expiration of the above-stated terms if there is a definiteness that in the future this object will not be used in production, at rendering services or for administrative needs of the Company;
- concession of the exclusive right and their transfer in accordance with the order established by statutory acts.

In case of retirement of the object of Immaterial assets, its cost is subject to write-off in the corresponding accounting period. Thus retirement of Immaterial assets is reflected at the residual cost like the order established for the fixed assets.

2.5. SELECTED WAYS OF THE ACCOUNTING OF INVENTORIES

2.5.1. RECOGNITION OF ASSETS OF THE INVENTORIES AND THEIR ESTIMATION

Assets are recognized as Inventories.

-Used as materials and etc. at rendering services on transfer and transit of electric energy, performance of works (production intended for sale), including the special tool, special adaptations, special equipment, electric counters, overalls;

-Intended for sale - the goods;

-used for administrative needs of the Company.

Unit of book keeping of inventories is the nomenclature number or homogeneous group (depending on the kind of inventories).

The actual cost price of the materials purchased for payment, the amount of actual expenses of the Company on purchase, except for the tax to the added value and other compensated taxes.

The actual cost price of the materials purchased for payment, includes

-Cost of materials at contractual prices;

-Transport and preparation charges;

-Charges on bringing the materials up to the status in which they are suitable for use for the purposes stipulated by the Company;

Inventories which do not belong to the Company on the property right passed to it under contracts of the commission, storage and etc. are accounted off the balance of an estimation stipulated in the corresponding contracts and acceptance-transfer documents (certificates, bills, etc.). Being guided by the requirement of rationality, the Company recognizes interest under loans and credits involved for purchase of Inventories as miscellaneous costs.

The purchased special clothes and special footwear, irrespective of cost and term of useful life, are considered in the Company in the structure of circulating means.

Cost of special clothes with life of more than 12 months is repaid by linear way proceeding from the terms of useful life defined according to the above-stated norms.

Cost of special clothes, which term of use under the norms of delivery does not exceed 12 months is subject to lumpsum write-off during the moment of transfer (supply) in operation.

The overalls, which term of operation exceeds 12 months subject to write-off during the term of useful life starting with the month of its transfer to use.

2.5.2. ACCOUNTING OF RECEIPT OF INVENTORIES

Materials are a kind of stocks. The raw material, the main and auxiliary materials, purchased semifinished items and completing products, fuel, container, spare parts, building and other materials, and also the special tool, special equipment, overalls are related to materials.

The expenses directly connected with process of preparation and delivery of materials are recognized as transport and preparation charges. The structure of transport and preparation charges includes:

-Charges on loading materials to vehicles and their transportation subject to payment by the buyer over the price of these materials according to the contract;

-Payment for storage of materials in places of purchase, at railway stations, ports, quays;

-Charges on business trips on direct preparation of materials;

-Other charges.

Materials are accepted to the accounting (are accounted) on account 10 "Materials" at the actual cost price of their purchase (preparation) or the registration prices. Registration price is the price specified in the contract of the supplier (contractual).

At impossibility of direct inclusion of transport and preparation charges in actual cost of materials (connection to the contractual price of material), transport and preparation charges are accepted to the account to account 15 "Preparation and purchase of material assets".

Deliveries without invoice are material stocks came the to Company which do not have settlement documents. Deliveries without invoice are invoiced and accounted

in analytical and synthetic book keeping at the registration prices accepted in the Company - the price specified in the contract of the supplier (contractual).

Expenses on internal of the moving Inventories (between divisions of the Company or its warehouses) are not included in cost of the purchased material assets and are related to the cost price of services, works or products.

2.5.3. ACCOUNTING OF RETIREMENT OF INVENTORIES

Inventories which are written off to manufacture, sold to the outside, retired on the other bases

are estimated under the average cost price.

Supply of materials to manufacture is understood as their delivery from warehouse directly for rendering services (performance of works, manufacturing of products), and also supply of materials for administrative needs of the Company.

Materials, either number (code) and (or) name of expenses. In primary accounting documents, supply of materials from warehouses are specified:

- Name of the material;
- Quantity;
- Price (registration price);
- Amount, and also purpose - number (code) and (or) name of the type of service (maintenance service, repair, starting-up and adjustment works, etc.) for which realization are released.

On actually spent materials, the division - addressee of materials - makes the Report on the spent materials in which specified are the name, quantity, registration price and amount under each name, number (code) and (or) name of the type of service (maintenance service, repairs, starting-up and adjustment works, etc.) for realization of which the materials, number (code) and (or) name of expenses, quantity and amount on norms of the charge are released, as well as quantity and amount of the charge over norms and their reasons; in necessary cases amounts of executed works are specified.

Write-off of materials from the sum paid out on account of the corresponding division of the organization and accounting of their cost to expenses of manufacture (depending the reasons the materials are spent for) are made on the basis of the Report specified above.

2.5.4. ACCOUNTING OF INVENTORIES (INCLUDING SPARE PARTS) CREDITED AS A RESULT OF REMOVAL FROM THE FIXED ASSETS IN THE STAGE OF RESTORATION (RECONSTRUCTION, MODERNIZATION, REPAIR)

The spare parts credited as a result of removal from the fixed assets in the stage of restoration are estimated at registration cost of the latter on time of purchase of similar spare parts in view of percent of actual deterioration of credited objects (not below the cost of scrap metal), in case of absence of the similar information at the current market cost.

The spare parts credited as a result of removal from the fixed assets at the stage of restoration are accounted separately from new spare parts as independent nomenclature numbers.

Inventories (including spare parts) remaining after retirement of the fixed assets and other retirement are estimated proceeding from the current market cost for the date of acceptance to book keeping. Current market cost is understood as the amount of money resources which can be received as a result of sale of the specified assets.

2.5.5. ACCOUNTING OF AUTOMOBILE TIRES

Automobile tires (tire cover, chamber and rim strip) being at a vehicle and included in initial cost are accounted in the structure of the fixed assets.

The basic document regulating service and operation of tires is the Service regulations of automobile tires approved by the Order of the Ministry of Transport of the Russian Federation as of 21.01.2004 AK-9-r (further on called Service regulations of automobile tires).

Primary documents which are necessary for registration in the account of economic operations on movement of automobile tires are:

- commodity-transport invoices and other accompanying documents (at acceptance and posting automobile tires);
- Card of the account of the automobile tire (while in service);
- The sheet (certificate) on write-off of automobile tires.

The registration form reflects the moving, the received defects, repairs, quantity of the passed kilometers. Data about actual run of the tire proceeding from indications of a speedometer, are brought in the registration form monthly.

For definition of the basis of transfer of automobile tires to operation, the purpose they will be used for is established. The tires can be transferred :

- For replacement worn out or unfit for use for other reasons;
- For seasonal change ("winter", "summer");
- For replacement of worn out seasonal.

Replacement of the tires worn out or unfit for use for another reasons is considered as carrying out of operating repairs (replacement of the worn out parts) of the car which is related to the fixed assets. In this case, the Company is guided by the general rules regulating the order of write-off to production

costs of expenses for carrying out repairs of object of the fixed assets (purchase of the new and their installation on the vehicle). Charges on repair of automobile tires subject to restoration, is included in the structure of material expenses in the charges by usual kinds of activity.

Cost of the tires purchased separately from a vehicle is considered on account 10, the subaccount "Automobile tires in stock". Replacement of tires at a vehicle is made in the following cases:

- Full deterioration of tires and unfitness for operation according to the Service regulation of automobile tires;
- Damages while in service;

In case of damage of tires while in service, the driver is obliged to advise the responsible person a date of replacement, factory number of the replaced tire, indication of the speedometer during the moment of installation. Data about installation on a vehicle are brought in a card of the account of automobile tires.

At the moment of installation on a vehicle of tires, their cost is written off to production costs, and continues to be registered in the quantitative account.

Cost of the purchased *seasonal tires* is registered on account 10, the sub account« "Automobile tires in stock". During the moment of installation of seasonal tires on a vehicle their account is reflected in the account "Automobile tires in operation". Data about installation and removal of seasonal tires from a vehicle, run for a season, are reflected in a card of the account of automobile tires. Cost *of the seasonal* tires which worn out or have become unfit for use for other reasons, is related to the accounts of the account of production costs during the moment of write-off, within the limits of the norms approved by the Ministry of Transport of Russia. Write-off of the seasonal tires worn out or become unfit for use for another reasons is made out by the certificate on write-off of automobile tires.

The worn out tires which are not subject to restoration are enlisted on account 10, the sub account "Other materials" as utility refuse. Cost of utility refuse is subject to inclusion in structure of other incomes.

2.6. SELECTED WAYS OF THE ACCOUNTING OF THE INCOMES, CURRENT EXPENSES AND CHARGES

2.6.1. GENERAL APPROACHES TO THE ACCOUNTING OF INCOMES AND CHARGES

The Company subdivides incomes into incomes of usual kinds of activity and other incomes.

Incomes of usual kinds of activity are the receipts connected with rendering of services, performance of works, from sale of products and goods to the outside organizations.

The Company recognizes the following as incomes from usual kinds of activity's:

- Incomes of services on transfer and transit of the electric power;
- Incomes of services on technological connection to a network,
- Incomes of performance of civil and erection works;
- Incomes of realization of other works and services of industrial character;
- Incomes of realization of other works and services of non-industrial character

Incomes of services on transfer and transit of the electric power include all incomes of transfer of the energy consumed by subjects of the market in the region of service of the Company. Transfer of the electric power is a regulated kind of activity

The incomes of the Company received by them as a result of performance of a complex of works (actions) of organizational and technical character are related to incomes of services on technological connection to a network aimed at possibility of transfer of electric energy to the power receiving devices of legal and physical persons according to the parameters declared by them, and also on maintenance of delivery of capacity with power stations. Services on technological connection are an regulated kind of activity.

The incomes received by the Company as a result of performance by them of works and services within the limits of construction contracts for the outside organizations are related to incomes of performance of civil and erection works.

All the incomes connected with realization of other works for the Company and services are related to incomes of realization of other works and services (except for services on transfer and transit of the electric power, services on technological connection, performance of civil and erection works).

All other incomes which are not connected with realization of works and services by usual kinds of activity are related to *other incomes*. The proceeds are accepted to book keeping in the sum estimated in money terms, equal size of receipt of money resources and other property and (or) size debt receivable.

Incomes of the Company according to the principle of charge are recognized in the accounting period in which they took place, irrespective of actual time of receipt of the money resources connected with these facts.

The incomes received (added) in the accounting period but concerning to the future accounting periods and also the forthcoming receipts of debts on the shortage revealed in the accounting period for the last years, and differences between the amount which is subject to collecting from guilty persons, and the cost of values accepted to book keeping at revealing of shortage and damage are recognized as incomes of the future periods.

The Company subdivides charges by charges of usual kinds of activity and miscellaneous costs.

Charges of usual kinds of activity are the charges connected with rendering of services, performance of works.

Charges of usual kinds of activity are formed of the expenses connected with manufacture (the cost price of services, works, products), administrative charges.

Charges, *first of all*, are related to *charges of usual kinds of activity* in directions:

- Charges on transfer and transit of the electric power;
- Charges on technological connection to a network;
- Charges on performance of civil and erection works;
- Charges from realization of other works and services of industrial character;
- Charges from realization of other works and services of non-industrial character;

The cost price of services on transfer and transit of the electric power represents set of the charges connected with the maintenance and operation:

- Electric mains, switching centres, substations and other constructions and the equipment, intended for transfer and distribution of the electric power;
- Means of the account and control over the electric power.

The cost price of services on technological connection to a network represents set of the charges connected with performance of a complex of works (actions) of organizational and technical character aimed at a possibility of transfer of electric energy to the power receiving devices of legal and physical persons according to the parameters declared by them, and also to maintenance of delivery of capacity with power stations.

The cost price of civil and erection works represents the total charges connected with performance of works and services within the limits of construction contracts for the outside organizations.

- Cost price of other works and services represents the total charges connected with realization of other works for the Company and services.

Charges are recognized the Company in two cases:

-When there is a confidence that realization of expenses is the reason of extraction of the corresponding income. Expenses can be recognized by the charge directly (in case of realization of services, works, recognition of administrative or commercial charges) or through retirement of assets for creation of which the Company earlier carried out these expenses (the fixed assets, Inventories, own products, etc.). Then charges of usual kinds of activity or miscellaneous costs (retirement of the other assets which are distinct from products) are recognized for accounting;

-When realization of expenses cannot be directly correlated with any income or becomes obvious that the prospective income on corresponding expenses is not received. Then miscellaneous costs are recognized in the accounting (for example, payment of interest under credits, charges on preservation of

the fixed assets, etc.) or losses. Charges also are recognized in case of occurrence of the obligation without the fact of receipt of property.

Charges of usual kinds of activity are accepted to the account in the sum estimated in money terms, equal size of payment of monetary and other form or size of accounts payable.

All charges which were not connected with realization of works and services of usual kinds of activity are related to *miscellaneous costs*.

Charges are recognized by the Company in two cases:

-When there is a confidence that realization of expenses is the reason of extraction of the corresponding income. Expenses can be recognized as the charge directly (in case of realization of services, works, recognition of administrative or commercial charges) or through retirement of assets, for creation of which the Company earlier carried out these expenses (the fixed assets, Inventories, own products, etc.). Then charges are recognized to be accounted of usual kinds of activity or as miscellaneous costs (retirement of the other assets which are distinct from products);

-When realization of expenses cannot be directly correlated with any income or it becomes obvious that the income prospective on corresponding expenses will not be received. Then miscellaneous costs are recognized accounted (for example, payment of percent under credits, charges on preservation of the fixed assets, etc.) to losses. Charges also are recognized in case of occurrence of the obligation without the fact of receipt of property.

Common charges are recognized in full as administrative charges and are recognized at the cost price of the rendered services, executed works completely in the accounting year of their recognition as charges of usual kinds of activity

2.6.2. INCOMES AND CHARGES OF USUAL KINDS OF ACTIVITY

Incomes of services on transfer of the electric power are recognized on the basis of Certificates of the executed works about volume of the rendered services on transfer of electric energy under the contracts concluded with Marketing company (companies). The certificate is made on the basis of the monthly Summary sheet of power consumption (in natural measuring instruments) with regard to consumers.

Incomes on transfer of electric energy are recognized to book keeping for the date of the approval by the parties of calculations of the Certificate about the volume of the rendered services on transfer of electric energy.

The basis for formation of proceeds and calculations with customers is the certificate of the rendered services on technological connection to a network. Incomes of services on technological connection to a network are recognized in book keeping for the date of the approval by the parties of the Certificate of the rendered services.

Articles of charges on transfer and transit of electric energy have the following structure:

-Charges under the maintenance of the electronetwork equipment and means of the account of and the control over the electric power:

-Direct costs on repair and operating-technical service of the electronetwork equipment:

-Operating-technical service of the electronetwork equipment;

-Operating repair of the electronetwork equipment;

-Major overhaul of the electronetwork equipment;

-Direct costs on repair and operating-technical service of means of the control over and account of the electric power:

-Operating-technical service of means of the control and the account of the electric power;

-Operating repair of means of the control over and account of the electric power;

-Major overhaul of means of the control and account of the electric power;

- Amortization of the electronetwork equipment and means of the control over and account of the electric power;

- The technological charge of power resources on transfer of the electric power;
- Charges on services on transit of the entering electric power;
- Charges on actions on decrease in losses of the electric power;
- Starting charges;
- Common economic charges.

Process of transfer of electric energy is characterized by absence of work in progress. The expenses made at realization of the given kind of activity are recognized as charges in the full sum.

Charges of usual kinds are formed on accounts "Main manufacture", "Auxiliary manufactures", "Common economic charges".

The account "Main manufacture" includes the direct costs connected directly with rendering of services on transfer and transit of electric energy, the indirect charges connected with service of the main manufacture, and also charges of auxiliary manufactures . Charges of auxiliary manufactures are written off to the account "Main manufacture" from the account "Auxiliary manufactures". The indirect charges connected with service of manufacture are written off to the account "Main manufacture" from the account "Common economic charges".

The account "Auxiliary manufactures" includes charges connected with processes being auxiliary in relation to the main technological processes on transfer and transit of the electric power.

Services of mechanization and transport are related to auxiliary manufactures. *Direct costs and* (materials and spare parts, wages of industrial workers, services of the outside organizations and so forth) directly connected with manufacturing of necessary products, works, services are reflected in the account "Auxiliary manufactures".

The overhead charge connected with management and service of auxiliary manufactures: charges on the maintenance of the personnel which is not related to the industrial personnel, the maintenance of buildings, constructions of the equipment, stock, amortization of the fixed assets, charges on labour safety and so forth, - included directly in the account "Auxiliary manufactures" without preliminary accumulation on the account "Common economic charges".

Charges of auxiliary manufactures join in the cost price of the products (works, services), during the manufacture of which the products were used (works, services) of the considered structural divisions.

The distributed cost of production, works, services of auxiliary manufacture joins in charges of the main manufacture, common production, common economic charges with regard to elements of expenses.

The account "common production charges" is used for the account of the information on charges on management of branches of the Company and service of divisions of the main manufacture.

The information about common production charges is formed in with regard to articles and elements of expenses.

The expenses considered on the account "common production charges" are subject to distribution to the proportionally sums of actually added wages of the main industrial workers with regard to the performed kinds of activity.

The account "common economic charges" is used for the account of the administrative charges providing functioning of the Company as the complete managing subject, the production functions is not connected directly with performance in branches and structural divisions of the main and auxiliary manufacture of the Company.

The information about common economic charges is formed with regard to the articles and elements of expenses.

Incomes and charges of usual kinds of the activity formed by the Company generated in branches (places of their occurrence), monthly, about use of account 79 "intercompany calculations"; the turns

generated on accounts of proceeds are passed to the Management of the Company, for formation of summary proceeds.

Similarly with incomes, charges of usual kinds of the activity generated on accounts of the account of expenses in branches of the Company (places of their occurrence) with regard to articles of charges and elements of expenses, monthly about use of account 79 "intercompany calculations" are passed to Management of the Company, for formation of the summary amount of charges on the Company.

2.6.3. OTHER INCOMES AND CHARGES

Other incomes are incomes on the independent economic operations which are not a subject of its activity but carried out for the purpose of data acquisition of incomes, namely:

-Incomes connected with sale of assets of the Company, distinct from money resources, products, goods:

- Incomes of realization of the fixed assets;
- Incomes of realization of Immaterial assets;
- Incomes of realization of materials and stocks;
- Incomes of realization of other assets;
- Incomes received under separate independent contracts:
- Incomes of delivery of property in rent;
- Incomes of possession by securities;
- Incomes of participation in authorized capitals of other organizations;
- Profit received as a result of joint activity;
- Percent for using money resources of the Company;
- Other incomes.

Other incomes are recognized by the company as incomes which were not connected with the processes of manufacture and circulation. As a rule, they are not made out by separate independent contracts and thus it is impossible to reveal the actions specially directed to their extraction. Incomes of receipt of penalties are related to such incomes and fines, compensation of the losses made by the Company, gratuitous reception of property, write-off of non-demanded accounts payable, formation of course differences, etc. Such incomes are single rather than periodic.

The recognition of the income of sale of products and other property is carried out by the Company during the moment of transition of the property right to the given property to the buyer. The moment of transition of the property right is defined according to conditions of the concluded contracts. As a rule, transition of the property right from the seller to the buyer is carried out during the moment of shipment of production if other is not established by the contract.

The miscellaneous costs are as follows, according to the Company:

- Charges connected with extraction of other incomes:
- Charges on interest-bearing retirement of property (exchange, sale, transfer as the contribution to the authorized capital);
- Charges on performance of the contracts for a fee which are not referred to the category of transactions of usual kinds of activity;
- Charges which are the result of the target actions (operations), caused industrial or economic necessity, but not accompanied by the corresponding incomes as periodic (charges on preservation of the fixed assets, payment of interest under credits and loans), and single (connected with participation in authorized capitals of other organizations, on cancellation of industrial orders, on formation of estimated reserves, etc.).
- Charges being by-product of economic operations on which there were no the actions undertaken specially for their realization (course differences);
- Charges revealed in case when the undertaken actions led unexpected or even to opposite expected result - to the loss (the paid penalties, fines, penalties, written off to uncollectible debt receivable);
- Charitable and social charges.

Besides other incomes and charges are recognized by the Company following the results of the

inventories held:

-During acceptance to the account of surpluses of property, the corresponding sum is enlisted to the account of incomes to estimation at the market cost of excessive property;

-During write-off of shortage of property over norms of the natural loss provided that guilty persons are not established or the court refused collecting the loss from them, the corresponding sum is enlisted to the account of charges in estimation at actual cost of the missing property.

Cost of excessive property is defined as cost of the last on time of purchase of similar property in view of actual deterioration of the objects revealed as surpluses. In case of absence of the facts of purchase of similar property and impossibility of the proved definition of their cost, the current cost of excessive property is defined on the basis of the report of the independent expert (appraiser).

Norms of natural loss for the purposes of book keeping are approved by the order of the Head of the Company or the persons authorized by him/her within the limits of the parameters established by normative documents of Federal enforcement authorities.

Extreme incomes of receipt arising as a consequence of force majeure of economic activities are related to other incomes (act of nature, fire, failure, nationalization, etc.):

-Insurance compensation;

-Covering of losses from extreme events (fires, failures, etc.);

-Liquidating cost of unsuitable property;

-Other extreme incomes.

The structure of extreme charges reflects the charges arising as a consequence of force majeure of economic activities (act of nature, earthquake, flooding, fire, failure, nationalization of property, etc.), for example: payments for the damage made to environment, write-off of residual cost lost or unsuitable objects for restoration of the fixed assets, cost of the lost or spoiled materials and the goods, ect.

2.6.4. INCOMES AND CHARGES OF THE FUTURE PERIODS

Incomes of gratuitous receipt of the assets, forthcoming receipts of debts are related to incomes of the future periods on shortage revealed for the last years, differences between the sums which are subject to collecting from guilty persons, and balance cost on shortage values, the rests of the means of target financing which are not used in the accounting period (including from the budget), etc.

Accounting of incomes of the future periods is conducted with regard to the following articles:

-Gratuitously received fixed assets;

-Other gratuitously received material assets;

-Forthcoming receipts of debts on shortage, revealed for the last years;

- Difference between the sum which is subject to collecting from guilty persons and balance cost on shortage of values;

-Other incomes of the future periods.

Incomes of the future periods on gratuitously received property are written off on the account of other incomes of proportionally cost of gratuitously received property recognized as the charge: on the fixed assets - proportionally added amortization, on circulating assets - lumpsum, during the moment of write-off on expenses of cost of materials or write-offs on the account of the account of sales of cost of the goods.

In case of write-off of objects of the fixed assets from balance on any bases up to term of their full amortization, the unwritten-off part of incomes of the future periods is recognized by the Company as miscellaneous costs during the moment of write-off of objects of the fixed assets.

On gratuitously received objects of the fixed assets on which according to the established order amortization is not charged, their cost is not recognized as incomes of the future periods. For such objects during the moment of their acceptance to book keeping, the records under the account of the account of investments in non-current assets ("Investments into the non-current assets") are reflected, and other incomes are recognized.

In case of gratuitous receipt of objects of incomplete construction, write-off of incomes of the future periods on accounts of other incomes begins only simultaneously with amortization of the specified objects, t. e. After their completion, commissioning and acceptance to the account as the fixed assets. If these objects are not completed, as incomes of the future periods, recognized are the other incomes during the moment of write-off of objects of incomplete construction from balance on any bases.

The Company recognizes charges concerning the future periods and distributes the given charges between the subsequent periods in case when the size of charges is essential and charges cause reception of incomes during the several accounting periods or when relation between incomes and

charges cannot be defined precisely or defined indirectly.

The Company recognizes the made payments and (or) transfer of other property as charges of the future periods if these payments and (or) assignment are carried out in the unconditional order.

If the passed money resources and (or) other property can be returned to the Company under condition of refusal of consumption of works, the services paid specified monetary and non-monetary instead of charges of the future periods in the account admits debts receivable. If thus it is supposed, that the amount of returned monetary and non-monetary resources can be reduced according to treaty provisions, the amount of the difference between the paid (passed) and returned means is considered by the Company as sanctions for refusal of execution of the contract - the account "Other incomes and charges".

If transfer of money resources and (or) other property is carried out in the unconditional order, but the Company refused consumption of works, the services paid by the specified monetary and non-monetary resources, or assured that the given works, services will not be consumed for other reasons, the charges of the future periods recognized earlier are recognized in full as the made losses during the moment of decision-making about non-consumption of works, services - the account « Other incomes and charges".

At approach of the period when the suffered charges brought incomes corresponding to them, charges of the future periods are recognized as current.

Charges of the future periods are written off on the account of the operational expenditure to proportionally expired time period. Thus, as charges of the future periods, the single payments connected with purchase of licenses and programs are recognized only. The periodic payments made according to conditions of contracts and connected with use of licenses and programs join in the structure of current expenses (at realization of monthly payments) or stand apart as independent object of the account of charges of the future periods (at realization of payments for the period of more than a month - quarter, year, etc.).

Term of write-off of charges of the future periods is defined by the head of the Company on the basis of the expert judgment or other documentary acknowledgement. Charges of the future periods are subject to write-off at regular intervals during the period they are related to.

2.6.5. ACCOUNTING OF RATE DIFFERENCES

Rate difference is a difference between a ruble estimation of an asset or the obligation, the cost of which is expressed in a foreign currency, for the date of execution of obligations on payment or accounting date of the given accounting period, and a ruble estimation of the same asset or the obligation for the date of its acceptance to book keeping in the accounting period or accounting date of the previous accounting period.

The rate difference arises in case of:

-Full or partial repayment of debt receivable or accounts payable expressed in a foreign currency if the rate for the date of execution of obligations on payment differed from its rate for the date of acceptance of this debt receivable or accounts payable to the account in the accounting period or from the rate for the accounting date of drawing up of the reporting for the accounting period in which this debt receivable or the accounts payable was revised last time;

-Recalculation of cost of assets and obligations expressed in a foreign currency;

-Bank notes in cash department of the Company;

-Means for accounts in the credit organizations;

-Monetary and payment documents;

-Short-term currency securities (cost of long-term currency securities is not overestimated);

-Means in calculations (including calculations under extra obligations) with legal and physical persons (including accountable persons);

-The rests of means of target financing received from the budget or foreign sources within the limits of technical or other help rendered to the Russian Federation according to the concluded agreements (contracts).

Recalculation of cost of an asset or obligation expressed in the foreign currency in rubles is made at an official rate of this foreign currency to the ruble established by the Central bank of the Russian Federation.

If for recalculation of the cost of an asset expressed in a foreign currency or obligation, subject payment in rubles, law or agreement of the parties another order is established, other rate recalculation is made at such rate.

The specified recalculation in rubles is made for the purposes of book keeping at the rate, acting on the date of fulfillment of operation in a foreign currency. Dates of fulfillment of separate operations in a foreign currency for the purposes of book keeping are given in the table.

Operations in the foreign currency	Date of fulfilment of the operation in the foreign currency is
Operations under bank accounts (bank contributions) in the foreign currency	Date of receipt of money resources on the bank account (bank contribution) of the organizations in the foreign currency or their write-off from the bank account (bank contribution) of the Company in the foreign currency
Cash operations with the foreign currency	Date of receipt of the foreign currency, monetary documents in the foreign currency in cash department of the organization or their delivery from cash department of the Company
Incomes of the organization in the foreign currency	Date of recognition of incomes of the organization in the foreign currency
Charges of the organization in the foreign currency Including: Import of inventornies Import of service The charges connected with official journeys and service trips outside the limits of the territory of the Russian Federation	Date of recognition of charges on purchase of inventories Date of recognition of charges on service Date of adoption of the advance report
Investments of the organization in the foreign currency in the non-current assets (fixed assets, immaterial assets, etc.)	Date of recognition of the expenses forming cost of non-current assets

Recalculation of cost of bank notes in cash department of the organization, means on bank accounts (bank contributions), monetary and payment documents, short-term securities, means in calculation (including under extra obligations) with legal and physical persons, the rests of means of the target financing received from the budget or foreign sources within the limits of technical or other help of the Russian Federation according to the concluded agreements (contracts) expressed in the foreign currency, into rubles should be made at the date of fulfilment of the operation in the foreign currency, and also at the accounting date. Recalculation of the cost of the transferred assets and liabilities in rubles is made for drawing up of the accounting reports at the rate acting at the date under report.

Cost of investments into non-current assets (fixed assets, immaterial assets, etc.), inventories and other assets, is accepted at estimation in rubles at the rate which acted on the date of fulfilment of the

operation in the foreign currency as a result of which these assets are accepted to book keeping. Recalculation of cost of the transferred assets after their acceptance to book keeping in connection with change of the rate is not made.

The course difference is reflected in book keeping and accounting reporting in that accounting period, to which the date of execution of obligations on payment is related to, or for which the accounting reporting was made.

The rate difference is subject to transfer to financial results of the Company as other incomes or miscellaneous costs.

The rate difference connected with calculations with founders under contributions, including to the authorized (joint-stock) capital of the organization is subject to transfer to the additional capital of the Company.

2.7. ACCOUNTING OF RESERVES.

The Company can charge the following reserves:

-Reserve under doubtful debts

Doubtful duty is the debt receivable which is not repaid within the terms established by the contract, and is not provided by the corresponding guarantees (deposit, mortgage, security for payment, surety fro a bill, etc.).

The Company creates the reserve under doubtful debts following the results of the held inventory of the debt receivable.

The amount of the reserve is defined separately on each doubtful debt depending on the financial status (solvency) of the debtor and estimation of probability of repayment of the debt in full or partially.

Account 63 is applied to the account of the reserve of doubtful debts "Reserves for doubtful debts".

At retirement (repayment) of the debts, write-off of the corresponding sum of the reserve is made. The written off sums of the reserve is recognized as other incomes of the Company.

In the process of recognition of the doubtful debt, for which the reserve was created, as uncollectable - the amount of this debt is subject to write-off from the balance of the Company to reduction of the reserve (record on reduction of the rest on the account "Reserves for doubtful debts" and the corresponding reduction of debt receivable). At recognition within a fiscal year of the debt receivable, for which the reserve was not created, to be uncollectable or not created, the reserve under doubtful debts is not additionally accrued, and the sum of uncollectable debt is qualified as miscellaneous costs.

Similarly, in case the amount of uncollectable debt exceeds the amount the reserve of doubtful debts on the given debt receivable was formed for, the reserve under doubtful debts is not additionally accrued, and the sum of uncollectable debt is qualified as miscellaneous costs.

If up to the end of the fiscal year following after the year of creation of the reserve of doubtful debts, this reserve in any part is not used, the amounts which were not spent at the end of the fiscal year are included in other incomes as other incomes.

Write-off of the debt at a loss owing to insolvency of the debtor is not cancellation of debts. This debts should be reflected in the accounting balance within five years from the moment of write-off for supervision over an opportunity of its collecting in case of change of the property status of the debtor.

Reserves on payment of holidays, payment of compensation on results of works for a year and payment of annual compensations for long service, forthcoming charges on repairs, under depreciation of securities by the Company are not created.

2.8. SELECTED WAYS OF THE ACCOUNTING OF FINANCIAL INVESTMENTS

Financial investments the Company ar the assets which are do not have material form and capable to bring economic gains (income) in the future in the form of interest, dividends or gain of their cost (in the form of the difference between sale (repayment) and purchased cost) as a result of their exchange, use at repayment of obligations, increase in current market cost.

The financial investments of the Company include:

-Securities (state, municipal, securities of other organizations, including bonds and bills);

-Contributions to the authorized (joint-stock) capitals of other organizations (including affiliated and dependent economic companies);

-Contributions under contracts of simple company (joint activity);

-Loans given to another organizations;

- Depository contributions to the credit organizations;
- Debt receivable purchased on the basis of concession of the right of demand and so forth

The bills which were issued by buyers of the goods, works or services of the Company which were received from the drawer of the Company at calculations for this goods, works or services, are not recognized as financial investments and are reflected in the accounting and reports as debt receivable of buyers and customers secured by bills received.

Financial investments are subdivided by the Company into individually definable and non-definable. Individually definable investments, the unit of which has own individual distinctive attributes are: a series and number of the securities, details of the organization, in the authorized capital of which the Company makes investments, details of contracts of simple company, loan, depository contribution, purchase of the rights of demand, etc. Individually non-definable are investments, the unit of which has not individual, but more general distinctive attributes - details of the issue of uncertificated shares, etc.

Registration unit of financial investments is:

-For individually definable financial investments - separate investment (securities, contribution to the authorized capital of the separate organization, the separate contract of simple company, loan or depository contribution issued by the separate contract, rights of the requirement purchased under the separate contract, etc.);

-For individually non-definable financial investments - a package of securities. A package of securities is a set of securities of one issue (that is of one issuer, one type, term of the circulation, par value, etc.) purchased by the Company as a result of one transaction.

The analytical account of financial investments is conducted in relation of short-term and long-term financial investments. The investments made with intention to receive incomes on them during more than one year are related to long-term financial investments. Other financial investments are short-term.

In the accounting reports, financial investments should be represented by the division by the short-term and long-term depending on the term of circulation (repayment).

When there are 365 days before repayment of securities or return of the loans given out by the Company, translation of long-term financial investments into short-term is carried out.

Actual expenses for purchase of financial investments are:

-The sums paid according to the contract to the seller;

-The sums paid to the organizations and other persons for the information and consulting services connected with purchase of the specified assets.

-The compensations paid to the intermediary organization or other person through which assets are purchased as financial investments;

-Other expenses directly connected with purchase of assets as financial investments.

The expenses connected with realization by the Company of financial investments:

-Join in their cost if they are made before or during the moment of registration;

-Are written off to the structure of miscellaneous costs if they are made after the moment of registration.

For the purposes of the subsequent estimation, financial investments are subdivided into two groups:

-Financial investments, under which it is possible to define current market cost;

-Financial investments, under which their current market cost is be defined.

Financial investments in the securities circulating in the share market (stock exchange, auction), quotations of which on a regular basis are published, are related to financial investments, under which it is possible to define current market cost. All the others are related to financial investments, under which current market cost is not defined.

Financial investments, under which it is possible to define in accordance with the established procedure the current market cost, are reflected in the reports as of the end of a fiscal year at the current market cost by updating their estimation for the previous accounting date. The Company makes the specified updating quarterly.

The difference between estimation of financial investments at the current market cost for the accounting date and previous estimation of financial investments is recognized by the Company as other incomes or charges. Thus, the gain of market cost of investments is reflected under the debit of the account "Financial investments" and credit of the account "Other incomes and charges", decrease - on debit of the account "Other incomes and charges" and the credit of the account "Financial investments".

In case on the object of financial investments earlier estimated at current market cost, at the accounting date the current market cost is not defined, such object of financial investments is reflected in

the reports at the cost of its last estimation.

Financial investments, under which the current market cost is not defined are reflected in the account at the initial cost.

At retirement of the assets accepted to the accounting as financial investments, under which the current market cost is defined, their cost is defined by the Company proceeding from the last estimation.

At retirement of financial investments, under which the current market cost is not defined, their cost is defined as follows:

-Contributions to authorized capitals of other organizations (except for actions of joint-stock companies), loans given to other organizations, depositary contributions to the credit organizations, debt receivable purchased on the basis of concession of the right of demand, are estimated at the initial cost of each retired financial investments provided;

-Securities (shares and bonds) are estimated at retirement at the average initial cost which is defined under each type of securities;

-Purchased bills are estimated at retirement (payment for performed works, (goods, works, services)) under the cost price of a unit;

-Other financial investments - under the initial cost price of each retired unit.

Incomes on financial investments are recognized by the Company as other incomes.

The charges connected with granting to other organizations of loans, with service of financial investments of the Company, payment of services of bank and/or depositary for storage of financial investments, granting of an extract from the account of depot, etc.) are recognized as miscellaneous costs.

2.9. FEATURES OF THE ACCOUNTING OF OPERATIONS UNDER THE CONTRACT OF SIMPLE COMPANY

Under the contract of simple company (the contract about joint activity), two or several persons (comrades) undertake to connect the contributions and jointly operate without formation of the legal person for extraction of profit or achievement of another purpose which does not contradict the law.

The contribution to simple company is recognized in the account as financial investments. The property brought to account of the contribution under the contract about the joint activity (contract of simple company) is included in the association organization in the structure of financial investments at the balance cost as of the date of the contract coming into effect.

Acknowledgement of the fact of reception of the property contribution for the association organization is the notice (letter of advice) about acceptance to accounting of property by the association holding common business, or the primary registration document for reception of property (the certificate of acceptance-assignation, invoice, payment documents, etc.).

At formation of financial result, each association organization includes the share of profit or the losses which are subject to reception as a result of joint activity in the structure of other incomes or charges.

The property which is subject to reception by each association organization following the results of dispersal, according to item 1050 of Civil Code of the Russian Federation, at termination of the joint activity is reflected as repayment of the contributions considered in the structure of the financial investments. In case of occurrence of the difference between the cost of estimation of the contribution considered in the structure of financial investments and cost of the received assets after termination of the joint activity, it is included in the structure of other incomes or charges at formation of the financial result. The assets received by the association organization after the termination of joint activity are accepted to accounting at the estimation which is registered in separate balance for the date of decision-making on the termination of joint activity.

2.10. SELECTED WAYS OF THE ACCOUNTING OF OWN MEANS (CAPITAL)

Own capital of the Company includes:

-Authorized capital;

-Reserve capital;

-Additional capital;

-Net (unallotted) profit;

-Other reserves.

The Company does not reduce the size of the authorized capital reflected in its reports, by the size of unpaid capital: authorized capital and actual debts of founders under contributions to the authorized capital are reflected in the accounting reports separately.

All changes of the amount of the authorized capital (including direction of means of the

additional capital to increase in the authorized capital) are reflected in the reporting of the Company only after making the respective alterations in its constituent documents.

The reserve capital is formed by the Company of its profit on the basis of constituent documents and decision of founders (shareholders) of the Company. The reserve capital is intended for covering of possible losses, and also for the repayment of shares of the Company in case of absence of other means.

The additional capital of the Company consists of increase in value of its property from its reassessment and from the issue income.

The expenditure of the additional capital is carried out separately. The sums of increase in value of property from reassessment are used for write-down of those objects of property which earlier were exposed to final appraisal, and only within the limits of the sums which were accumulated on each separate inventory object. During the moment of write-off of the object from the account (on any bases), the sums of accumulated final appraisal are written off to the account of unallotted profit of the Company. The issue income is used under the decision of shareholders meeting (upon termination of a year) as a source of covering of possible losses from activity of the Company.

The unallotted profit is spent by the Company for the following purposes:

- write-down of non-current assets of the Company over the amounts of the additional capital (accumulated on the given inventory object of final appraisal);
- The purposes defined by founders (shareholders) of the Company including payment of dividends, financial maintenance of industrial development and other similar actions on purchase (creation) of new property, etc.

2.11. SELECTED WAYS OF THE ACCOUNTING OF OBLIGATIONS (ACCOUNTS PAYABLE)

The *liabilities* are recognized by the Company as debts which are consequence of the certain actions or inactivity in relation to another person (creditor) and are connected with the requirement to pass money resources, property, to perform works or services, to make other actions in favor of this person (creditor) arising by virtue of the contract, the law or other rule of law, and also customs of business practice.

Liabilities of the Company are subdivided into:

- debts to suppliers of the goods, works, services;
- debts to the budget and unappropriated funds;
- debts to employees on wages;
- debts to buyers on the received advance payments;
- debts on the received extra means (credits and loans);
- other debts.

The accounts payable to suppliers of the goods, works, services are considered in the sum of the accounts accepted for payment and size of the accrued obligations according to settlement documents.

The accounts payable on unbilled deliveries is considered in the sum of the received values defined proceeding from the price and conditions stipulated in contracts.

As a separate kind of the liabilities considered on independent accounts, the Company recognizes debts on the received extra means (under loans and credits).

The debts under credits and loans is divided into:

The long-term and short-term:

- The short-term debts are debts under the received loans and credits, the term of repayment of which according to contract provisions does not exceed 12 months;
 - The long-term debts are debts under the received loans and credits, the term of repayment of which according to the contract provisions exceeds 12 months;
- future and deferred debts:
- The future debts are debts under the received loans and credits, the term of repayment of which under contract provisions has not come or is prolonged in accordance with the established procedure;
 - The deferred debts are debts under the received loans and credits with expired term according to contract provisions for repayment.

In case of conclusion of additional agreements to the contract, the short-term debts is translated to the long-term.

The Company makes accounting of extra means at its disposal, the term of repayment of which under the contract of the loan or the credit exceeds 12 months, before the expiration of the specified term

as being in the structure of long-term debts.

The debts under the received loans and credits are estimated in view of due as of the end of the accounting period payment of interest according to the terms of the contracts.

The charges connected with reception and use of loans and credits (interest under the received loans and credits, interest, discount under bills and bonds, additional expenses under loans and credits, and also rate and sum differences concerning the interest due for payment under loans and credits), are recognized as miscellaneous costs of the Company of the corresponding accounting period. Exception is expenses under loans and credits which are subject to inclusion in cost of investment assets or in cost of other property.

Expenses under loans and credits involved for purchase of objects of fixed assets and immaterial assets which cannot be recognized as investment assets, in the general order are reflected in the structure of miscellaneous costs of the Company.

The additional expenses of the Company made in connection with reception of loans and credits, issue and placement of extra obligations, include the following kinds of the expenses connected with:

-rendering of legal and consulting services (including audit on demand of the creditor) to the borrower ;

-realization of multiple copying works;

-carrying out examinations;

-consumption of services of communication;

-other expenses directly connected with reception of loans and credits.

In case the additional expenses in structure of the expenses connected with reception and use of loans and credits, are not related to increase in cost of the investment asset, the Company includes these additional expenses in the structure of miscellaneous costs in that accounting period, in which they were made (without its preliminary accounting as debt receivable and uniform write-off to the miscellaneous costs during the term of repayment of extra obligations).

The accounts payable - at attraction of extra means by delivery by the Company of own bill - is formed as follows:

-At attraction of extra means by delivery of own interest bill providing accruing of interest, in the amount of actually received means which is equal to the bill amount. The interest charged subsequently increases accounts payable till the moment of their payment to the creditor;

-At attraction of the interest-free loan by delivery of own bill - in the amount of actually received means which is equal to the bill amount. During the whole term of the loan, the amount of accounts payable does not change;

-At attraction of extra means by delivery of own discount bill - in the amount of actually received means and discount (the income which is subject to reception by the creditor, at repayment of the bill by the borrower) that is equal to the bill amount. During the term of the loan, the amount of accounts payable in this case also does not change (all incomes due to the borrower initially generated the amount of accounts payable). At delivery of the bill for reception of the loan by money resources, the amount due to the holder for payment interest or discount joins in the structure of miscellaneous costs. The given miscellaneous costs are recognized by the Company during the moment of their accruing. The amount of interest due for payment is charged for the expired month on the last working day of each month.

Operational charges on discounts and interest under bills are recognized by the Company during the moment of their charging. The Company does not consider the given charges as charges of the future periods, the sum of a discount due for payment joins in the structure of miscellaneous costs during the moment of transfer of the bill to the payee (the first holder); the sum of the interest due for payment is charged for the expired month on the last working day of each month.

2.12. ACCOUNTING OF CALCULATIONS UNDER THE PROFIT TAX

Formation in book keeping and order of disclosing

In the accounting reports, the information on calculations under the profit tax is established according to RAS 18 // 02 "Accounting of calculations under the profit tax".

Difference between the accounting profit (loss) and taxable profit (loss) of the accounting period which was formed as a result of application of various rules of recognition of incomes and charges which are established

in normative legal certificates on book keeping and the legislation of the Russian Federation on

taxes and tax collections, consists of constant and time differences.

Constant difference (CD) - incomes and charges forming accounting profit (loss) of the accounting period and excluded from the calculation of tax base both of the accounting and subsequent period. CD lead to formation of the constant tax obligation (CTO) which is defined as product of the constant difference which have arisen in the accounting period and the rate of the profit tax.

For the purposes of formation of accounting and tax profit, the following constant differences are accepted:

- Charges on payment made over the charges regulated by item 255 of the Tax Code of the Russian Federation, and the charges which are not considered with a view of the taxation in conformity with item 270 of the Tax Code of the Russian Federation;

- Charges on the voluntary insurance made over the charges regulated by item 255 and item 263 of the Tax Code of the Russian Federation;

- Charges on non-state provision of pensions made over the charges regulated by item 255 of the Tax Code of the Russian Federation;

- Interest under the promissory notes paid over the percent recognized for the purposes of taxation of the interest (item 269 of the Tax Code of the Russian Federation).

The limiting amount of the interest recognized as the charge is accepted equal to the rate of refinancing of the Central Bank of the Russian Federation increased 1.1 times at registration of promissory notes in rubles, and equal to 15 percent - under promissory notes in the foreign currency:

- The charges connected with gratuitous assignation (goods, works, services) in the amount of the cost of property and charges connected with their transfer (item 16. of Item 270 of the Tax Code of the Russian Federation);

- The expense accounts made over the charges regulated by item 264 of the Tax Code of the Russian Federation;

- Charges on the advertising made over the charges regulated by item 264 of the Tax Code of the Russian Federation. Application of the different order of recognition of the income of the gratuitously received property for the purposes of book keeping and purposes of taxation (provision 4 of paragraph 1 of Item 271 of the Tax Code of the Russian Federation);

- The profit (loss) connected with the difference between estimated cost of property at its entering in the authorized capital of another organization and the cost at which this property is reflected in the accounting balance at the passing party (provision 1 of item 277 of the Tax Code of the Russian Federation);

- Incomes in the form of the sums of accounts payable to budgets of the different levels written off or reduced according to the legislation of the Russian Federation (provision 1 of paragraph 21 of item 251 of the Tax Code of the Russian Federation);

- The miscellaneous costs connected with manufacture and sale, and other non-sale charges made over the norms regulated by chapter 25 of the Tax Code of the Russian Federation.

The information for reflection in book keeping of constant differences is formed on the basis of primary documents and registers of the tax account.

Time differences (TD) - incomes and charges forming the accounting profit (loss) in one accounting period; tax base under the profit tax - in other tax period(s).

Time differences depending on the character of their influence on taxable profit are subdivided into:

- Subtracted time differences (STD);

- Taxable time differences (TTD).

Subtracted time differences (STD) lead to formation of the deferred profit tax (deferred tax asset - DTA) which should reduce the sum of the profit tax which is subject to payment in the budget in the following accounting periods.

For the purposes of formation of the accounting and tax profit, the following subtracted time differences are accepted:

- Application in case of sale of objects of fixed assets of different rules of recognition for the purposes of book keeping and purposes of taxation of the residual cost of objects of fixed assets (par.3. of Item 268 of the Tax Code of the Russian Federation);

- Unduly paid profit tax, the amount of which is not returned, but is accepted to offset at formation of taxable profit in period following the accounting or subsequent accounting periods;

- The loss transferred to the future, which is not used for reduction of the profit tax in the accounting period but which will be accepted with a view of the taxation in the subsequent accounting

periods;

-Other similar differences.

The information for reflection in book keeping of the subtracted time differences is formed on the basis of primary documents and registers of the tax account.

Taxable time differences (TTD) lead to formation of the deferred profit tax (deferred tax obligation - DTO) which should increase the amount of the profit tax which is subject to payment to the budget in the following accounting periods.

For the purposes of formation of the accounting and tax profit, the following subtracted time differences are accepted:

-The difference which developed at formation of cost of fixed assets for the purposes of the accounting and tax account (sum differences, registration of property and miscellaneous costs which were not considered at formation of cost of depreciated property for the purposes of the taxation);

-Application of different order of recognition of charges in the accounting and tax account on special clothes, the term of service of which according to the norms of delivery exceeds 12 months.

The information for reflection in book keeping of the subtracted time differences is formed on the basis of primary documents and registers of the tax account.

2.13. INFORMATION BY THE SEGMENTS

The Company does not disclose the information by the segment in the annual accounting reporting.

2.14. EVENTS AFTER THE ACCOUNTING DATE

Event after the accounting date is the fact of economic activities which influences or can influence the financial status, movement of money resources or results of activity of the organization and which took place in the period between the accounting date and date of signing the accounting reporting for a fiscal year.

Event after accounting date is announcement of annual dividends following the results of activity of the Company for a fiscal year.

The events after the accounting date are:

The events confirming economic conditions which existed as of the accounting date, in which the organization conducted the activity

-The announcement in accordance with the established procedure of the debtor of the organization being a bankrupt if as of the accounting date, the procedure of bankruptcy was already executed concerning this debtor;

-The estimation of assets made after the accounting date, the results of which prove steady and essential decrease in their cost defined as of the accounting date;

-The announcement of dividends of subsidiaries and dependent entities for the periods preceding the accounting date;

-Detection after the accounting date of an essential mistake in book keeping or infringement of the legislation at realization of activity of the organization which leads to distortion of the accounting reporting for the accounting period.

The events testifying to economic conditions which arose after the accounting date, in which the organization conducts the activity:

-Decision-making on reorganization of the organization;

-Purchase of the enterprise as property complex;

-Reconstruction or planned reconstruction;

-Decision-making on issue of shares and other securities;

-Fire, failure, act of nature or other extreme situation as a result of which the significant part of assets of the organization is destroyed;

-The termination of essential part of primary activity of the organization if it could not be expected as of the accounting date;

Event after the accounting date is recognized essential if without knowledge of it, users of the

accounting reporting cannot authentically judge about the financial status, cash flow or results of activity of the Company.

After the accounting date, the organization defines importance of the event independently proceeding from requirements of positions of statutory acts on book keeping.

At drawing up of the accounting reporting, the Company estimates consequences of the event after the accounting date in money terms. For estimation in money of the terms of consequences of the event after the accounting date, the Company makes the corresponding calculation and provides acknowledgement of such calculation.

Event after the accounting date testifying the economic conditions which arose after the accounting date, in which the organization conducts the activity, is disclosed in explanatory to the accounting balance and the profits and losses statement. Thus, in the accounting period no records in accounting (synthetic and analytical) are made.

The same order is applied to the annual dividends recommended or declared in accordance with the established procedure on the results of work of the organization for a fiscal year.

The information disclosed in explanatory to the accounting balance and report on profits should include brief description of the event after the accounting date and estimation of its consequences in money terms. If there is no opportunity to estimate the consequence of event after the accounting date in money terms, the Company should specify this.

2.15. CONDITIONAL FACTS OF ECONOMIC ACTIVITIES

The accounting reporting of the Company reflects conditional facts of economic activities concerning which the consequences and probability of their occurrence in the future are uncertain.

Conditional facts include:

- The judicial proceedings which are not completed for the accounting date;
- The disagreements with tax bodies with regard to payment to the budget which are completed for accounting date ;
- Guarantees and other kinds of maintenance of the obligations given out in favor of the third parties, terms of execution on which did not come;
- The discounted bills, the term of repayment of which did not come;
- Other similar facts.

The conditional obligation and conditional loss arising owing to the conditional fact are reflected in the synthetic and analytical accounting as final turns of the accounting period up to approval of the annual accounting report.

Calculation of the loss (profit) is carried out according to the recommendations stated in RAS 8/98.

Calculation is made by the service to which, according to the exercised functions, the conditional fact of economic activities relates.

2.16. INFORMATION ABOUT AFFILIATED PERSONS

According to RAS 11/2000, the Company includes in the explanatory note which is a part of the accounting reporting, in the form of separate section the information about affiliates. Thus, the specified data are not applied at formation of the reports for the internal purposes, and also the reports made for the state statistical supervision and for the credit organization, or other special purposes.

2.17. ORDER OF FORMATION OF PARAMETERS OF THE ACCOUNTING REPORTING AT REALIZATION OF REORGANIZATION OF THE COMPANY IN THE FORM OF CONNECTION.

At reorganization of the Company in the form of connection, the accounting reporting is formed according to "Methodical instructions on formation of the accounting reporting at realization of reorganization of the organizations" approved by the order of the Ministry of Finance as of 20 May 2003 N 44n.

Information on major transactions completed by the issuer

Date of the transaction completion	Subject and other material terms of the transaction	Observance of requirements of the state registration and/or the notarial certification of the transaction in the cases stipulated by the legislation of the Russian Federation	Value of the transaction in money terms (rubles) and in percentage of the balance cost of assets of the issuer on the date of termination of the last completed accounting period previous to the date of fulfilment of the transaction	Term of execution of obligations under the transaction, and also data on execution of the specified obligations	The reasons of delay of execution of obligations, consequences for the contract party or the issuer with indication of penal sanctions	Data on relation of the completed transaction to large transactions, and also about approval of the transaction by governance bodies of the issuer	Other data
2005							
01.06.2005 (40200001)	consultation and information services on management system improvement (JSC Kostromaenergo)	-	8 067 660,00 , VAT included - 1 230 660,04 (68,51 % from the balance cost of assets as of 30.03.2005)	25.12.2005, the obligations were undertaken	-	large	-
15.06.2005 (4200006)	consultation and information services on management system improvement (JSC Lipetskenergo)	-	23 362 820,00, VAT included - 3 563 820,00 (198 % from the balance cost of assets as of 30.03.2005)	25.12.2005, the obligations were undertaken	-	large	-
14.07.2005 (40200019)	consultation and information services on management system improvement (JSC Orelenergo)	-	9 585 140,00, VAT included - 1 462 140 (18 % from the balance cost of assets as of 30.06.2005)	25.12.2005, the obligations were undertaken	-	-	-
24.07.2005 (4020015)	consultation and information services on management system improvement (JSC Kalugaenergo)	-	10 214 080,00, VAT included - 1 558 080, 00 (19 % from the balance cost of assets as of 30.06.2005)	25.12.2005, the obligations were undertaken	-	-	-
09.06.2005 (No. 40200007)	consultation and information services on management system improvement (JSC Stavropolenergo)	-	16 617 940,00, VAT included - 2 534 940,00 (141 % from the balance cost of assets as of 30.03.2005)	25.12.2005, the obligations were undertaken	-	large	-
16.06.2005 (No.40200013)	consultation and information services on management	-	11 320 920,00, VAT included - 1 726 920,00 (96 % from the	25.12.2005, the obligations were	-	large	-

	system improvement (JSC Ryazanenergo)		balance cost of assets as of 30.03.2005)	undertaken			
01.06.2005 (No.40200010)	consultation and information services on management system improvement (JSC Astrakhanenergo)	-	6 980 880,00, VAT included - 1 064 880,00 (59 % from the balance cost of assets as of 30.03.2005)	25.12.2005, the obligations were undertaken	-		large
01.06.2005 (No.40200012)	consultation and information services on management system improvement (JSC Bryanskenergo)	-	8 822 860,00, VAT included - 1 345 860,00 (75 % from the balance cost of assets as of 31.03.2005)	25.12.2005, the obligations were undertaken	-		large
12.08.2005 (No.40200020)	consultation and information services on management system improvement (JSC Vladimirenergo)	-	10 578 700,00, VAT included - 1 613 700,00 (20 % from the balance cost of assets as of 30.06.2005)	25.12.2005, the obligations were undertaken	-		
08.06.2005 (No.40200008)	consultation and information services on management system improvement (JSC Yarenergo)	-	16 484 600,00, VAT included - 2 514 600,00 (140 % from the balance cost of assets as of 31.03.2005)	25.12.2005, the obligations were undertaken	-		large
01.06.2005 (No.40200011)	consultation and information services on management system improvement (JSC Smolenskenergo)	-	17 828 620,00, VAT included - 2 719 620,00 (151 % from the balance cost of assets as of 30.03.2005)	25.12.2005, the obligations were undertaken	-		large
20.06.2005 (No.40200011)	consultation and information services on management system improvement (JSC Kurskenergo)	-	18 383 220,00, VAT included - 2 804 220,00 (156 % from the balance cost of assets as of 30.03.2005)	25.12.2005, the obligations were undertaken	-		large
06.07.2005 (No.40200017)	consultation and information services on management system improvement (JSC Tambovenergo)	-	9 736 180,00, VAT included - 1 485 180,00 (19 % from the balance cost of assets as of 30.06.2005)	25.12.2005, the obligations were undertaken	-		
01.06.2005 (No.40200002)	consultation and information services on management system improvement (JSC Tulenergo)	-	18 228 640,00, VAT included - 2 780 640,00 (155 % from the balance cost of assets as of 30.03.2005)	25.12.2005, the obligations were undertaken	-		large
26.06.2005 (No.40200016)	consultation and information services on management system improvement (JSC Rostovenergo)	-	34 079 580,00, VAT included - 5 198 580,00 (289 % from the balance cost of assets as of 31.03.2005)	25.12.2005, the obligations were undertaken	-		large
16.06.2005 (No.40200014)	consultation and information services on management	-	28 256 280,00, VAT included - 4 310 280,00 (243 % from the	25.12.2005, the obligations were	-		large

	system improvement (JSC Nizhnovenergo)		balance cost of assets as of 30.03.2005)	undertaken			
09.06.2005 (No.40200004)	consultation and information services on management system improvement (JSC Tverenergo)	-	21 516 120,00, VAT included - 3 282 120,00 (183 % from the balance cost of assets as of 30.03.2005)	25.12.2005, the obligations were undertaken	-	large	
03.06.2005 (No.40200004)	consultation and information services on management system improvement (JSC Ivenergo)	-	7 559 080,00, VAT included - 1 153 080, 00 (64 % from the balance cost of assets as of 30.03.2005)	25.12.2005, the obligations were undertaken	-	large	
01.06.2005 (No.40200005)	consultation and information services on management system improvement (JSC Volgogradenergo)	-	27 455 060,00, VAT included - 4 188 060,00 (233 % from the balance cost of assets as of 30.03.2005)	25.12.2005, the obligations were undertaken	-	large	
18.10.2005 (40200049)	consultation and information services on management system improvement (JSC Moscow Regional Grid Company)	-	97 940 000,00, VAT included - 14 940 000,00 (65 % from the balance cost of assets as of 30.09.2005)	25.12.2005, the obligations were undertaken	-	large	
2006							
01.03.2006 (No.40200024)	Complex of consulting services at solution of technological, financial, administrative, legal and organizational issues, and also on maintenance of functioning and organizational and technical development of the management system of the distribution grid complex (JSC Smolenskenergo)	-	16 831 432,68, VAT included - 2 567 506,68 (11 % from the balance cost of assets as of 31.12.2005)	25.12.2006, the obligations were undertaken	-	-	-
01.03.2006 (No.40200025)	Complex of consulting services at solution of technological, financial, administrative, legal and organizational issues, and also on maintenance of functioning and organizational and technical development of the management system of the	-	18 926 237,12, VAT included - 2 887 053,12 (12 % from the balance cost of assets as of 31.12.2005)	25.12.2006, the obligations were undertaken	-	-	-

	distribution grid complex (JSC Yarenergo)						
28.02.2006 (No.4020028)	Complex of consulting services at solution of technological, financial, administrative, legal and organizational issues, and also on maintenance of functioning and organizational and technical development of the management system of the distribution grid complex (JSC Kurskenergo)	-	15 346 487,64, VAT included - 2 340 989,64 (10 % from the balance cost of assets as of 31.12.2005)	25.12.2006, the obligations were undertaken	-	-	-
28.02.2006 (No.4020029)	Complex of consulting services at solution of technological, financial, administrative, legal and organizational issues, and also on maintenance of functioning and organizational and technical development of the management system of the distribution grid complex (JSC Voronezhenergo")	-	18 623 850,32, VAT included - 2 840 926 (12 % from the balance cost of assets as of 31.12.2005)	25.12.2006, the obligations were undertaken	-	-	-
28.02.2006 (No.4020031)	Complex of consulting services at solution of technological, financial, administrative, legal and organizational issues, and also on maintenance of functioning and organizational and technical development of the management system of the distribution grid complex (JSC Volgogradenergo)	-	32 847 275,32, VAT included - 5 010 601,32 (21 % from the balance cost of assets as of 31.12.2005)	25.12.2006, the obligations were undertaken	-	-	-
06.03.2006 (No.4020033)	Complex of consulting services at solution of technological, financial, administrative, legal and organizational issues, and also	-	17 336 772,40, VAT included - 2 644 592,40 (11 % from the balance cost of assets as of 31.12.2005)	25.12.2006, the obligations were undertaken	-	-	-

	on maintenance of functioning and organizational and technical development of the management system of the distribution grid complex (JSC Tverenergo)						
06.03.2006 (No.4020035)	Complex of consulting services at solution of technological, financial, administrative, legal and organizational issues, and also on maintenance of functioning and organizational and technical development of the management system of the distribution grid complex (JSC Rostovenergo)	-	30 393 408,68, VAT included - 4 636 282,68 (19 % from the balance cost of assets as of 31.12.2005)	25.12.2006, the obligations were undertaken	-	-	-
06.03.2006 (No.4020036)	Complex of consulting services at solution of technological, financial, administrative, legal and organizational issues, and also on maintenance of functioning and organizational and technical development of the management system of the distribution grid complex (JSC Ryazanenergo)	-	11 279 435,92, VAT included - 1 720 591,92 (19 % from the balance cost of assets as of 31.12.2005)	25.12.2006, the obligations were undertaken	-	-	-
11.04.2006 (No.4020040)	Complex of consulting services at solution of technological, financial, administrative, legal and organizational issues, and also on maintenance of functioning and organizational and technical development of the management system of the distribution grid complex (JSC Moscow Regional Grid Company)	-	141 925 621,00, VAT included - 21 649 671,00 (84 % from the balance cost of assets as of 31.03.2006)	25.12.2006, the obligations were undertaken	-	-	-

29.09.2006 No.40200080	on transfer of powers of the sole executive body JSC Vladimirenergo	-	41 569 680,36, VAT included - 6 341 137,68 (23 % from the balance cost of assets as of 30.06.2006)	1 year from the date of the transaction completion, the obligations were undertaken	-	-	-
06.04.2006 No.40200050	on transfer of powers of the sole executive body JSC Belgorodenergo	-	108 145 628,88, VAT included - 16 496 790,85 (64 % from the balance cost of assets as of 31.03.2006)	1 year from the date of the transaction completion, the obligations were undertaken	-	-	-
11.08.2006 No.40200079	on transfer of powers of the sole executive body JSC Vologdaenergo	-	126 687 948,24, VAT included - 19 325 280,24 (71 % from the balance cost of assets as of 30.06.2006)	1 year from the date of the transaction completion, the obligations were undertaken	-	large	-
29.09.2006 No.40200081	on transfer of powers of the sole executive body JSC Ivenergo	-	48 836 238,12, VAT included - 3 930 895,82 (14 % from the balance cost of assets as of 30.06.2006)	1 year from the date of the transaction completion, the obligations were undertaken	-	-	-
29.09.2006 No.40200082	on transfer of powers of the sole executive body JSC Nizhnovenergo	-	111 242 026,56, VAT included - 16 969 122,70 (62 % from the balance cost of assets as of 30.06.2006)	1 year from the date of the transaction completion, the obligations were undertaken	-	large	-
03.05.2006 No.40200083	on transfer of powers of the sole executive body JSC Rostovenergo	-	89 860 554,00, VAT included - 13 707 542,14 (50 % from the balance cost of assets as of 30.06.2006)	1 year from the date of the transaction completion, the obligations were undertaken	-	large	-
02.10.2006 No.40200084	on transfer of powers of the sole executive body JSC Tulenergo	-	142 079 171,04, VAT included - 21 673 093,89 (67 % from the balance cost of assets as of 30.09.2006)	1 year from the date of the transaction completion, the obligations were undertaken	-	large	-
02.10.2006 No.40200085	on transfer of powers of the sole executive body JSC Yarenergo	-	61 511 705,52, VAT included - 9 383 141,52 (36 % from the balance cost of assets as of 31.03.2006)	1 year from the date of the transaction completion, the obligations were undertaken	-	large	-

03.05.2006 No.40200081	on transfer of powers of the sole executive body JSC Lipetskenergo	-	61 511 705,52, VAT included - 9 383 141,52 (36 % from the balance cost of assets as of 31.03.2006)	1 year from the date of the transaction completion, the obligations were undertaken	-	large	-
2007							
20.04.2007 No.40200125	on transfer of powers of the sole executive body JSC Volgogradenergo	-	113 410 336,44, VAT included - 17 299 881,83 (24 % from the balance cost of assets as of 31.03.2007)	1 year from the date of the transaction completion, the obligations were undertaken	-	-	-
20.04.2007 No.40200126	on transfer of powers of the sole executive body JSC Voronezhenergo"	-	48 836 238,12, VAT included - 7 449 595, 65 (10 % from the balance cost of assets as of 31.03.2007)	1 year from the date of the transaction completion, the obligations were undertaken	-	-	-
20.04.2007 No.40200128	on transfer of powers of the sole executive body JSC Kurskenergo	-	59 764 944,24, VAT included - 9 116 686,41 (12 % from the balance cost of assets as of 31.03.2007)	1 year from the date of the transaction completion, the obligations were undertaken	-	-	-
20.04.2007 No.40200129	on transfer of powers of the sole executive body JSC Ryazanenergo	-	48 483 110,76, VAT included - 7 395 728,76 (10 % from the balance cost of assets as of 31.03.2007)	1 year from the date of the transaction completion, the obligations were undertaken	-	-	-
2008							
No. 06-09-0052/46-854 As of 01.01.2008	Rent of the bulding at: Moscow, Zhivarev lane 2/4 bld. 1	-	81 221 965 rubles , VAT included 18 % 14619953,7 rubles (27 % from the balance cost of assets as of 31.12.2007)	29.12.2008		large	

The large transactions specified in the table by virtue of item 5 of Article 79 FL "On joint-stock companies" were not subject to approval by the corresponding governance bodies of the issuer on the bases established by item 2 of item 81 FL "On joint-stock companies" as such transactions simultaneously were interested-party transactions and were not subject to approval as Chapter XI FL "On joint-stock companies" in this case is not applied by virtue of the law (all shareholders of the issuer were interested in transactions of the issuer).

