

QUARTERLY REPORT

Open Joint-Stock Company “Moscow United Electric Grid Company”

Issuer's code:

6 5 1 1 6 – D

For quarter I, 2009

Issuer's location: *115114, Moscow, 2nd Paveletsky passage, 3, bld. 2*

The information containing in this quarterly report is to be disclosed in accordance with the Russian Federation law on securities

Director General		Y.I. Trofimov
Date “ 14 ” May 20 09	_____	(signature)
Chief Accountant of the issuer		L.A. Sklyarova
Date “ 14 ” May 20 09	_____	(signature)
		Seal

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Introduction

The issuer is obliged to disclose the information in the form of the quarterly report since the quarter, during which the registration of the first prospectus for securities was carried out that is since quarter IV, 2005.

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

I. Brief data on the persons that form part of governance bodies of the issuer, data on bank accounts, auditor, appraiser and financial adviser of the issuer, and on other persons who signed the quarterly report

1.1. Persons who that form part of the issuer's governance bodies

Issuer's governance bodies in accordance with its Charter (item 9.1. of Article 9) are

- *General Shareholders Meeting;*
- *Board of Directors;*
- *Management Board;*
- *General Director.*

Structure of the Board of Directors of OJSC "Moscow United Electric Grid Company":

	<i>Name, patronymic, surname</i>	<i>Position</i>	<i>Year of birth</i>
<i>1</i>	<i>Andrey Natanovich Rappoport</i>	<i>Chairman of the Board of Directors</i>	<i>1963</i>
<i>2</i>	<i>Alexander Nikolaevich Chistyakov</i>	<i>Deputy Chairman of the Board of Directors</i>	<i>1973</i>
<i>3</i>	<i>Anatoly Anatolievich Gavrilenko</i>	<i>Member of the Board of Directors</i>	<i>1972</i>
<i>4</i>	<i>Denis Lvovich Guryanov</i>	<i>Member of the Board of Directors</i>	<i>1977</i>
<i>5</i>	<i>Sergey Valentinovich Grishchenko</i>	<i>Member of the Board of Directors</i>	<i>1972</i>
<i>6</i>	<i>Igor Alikovich Zenyukov</i>	<i>Member of the Board of Directors</i>	<i>1966</i>
<i>7</i>	<i>Alexander Ivanovich Kazakov</i>	<i>Member of the Board of Directors</i>	<i>1948</i>
<i>8</i>	<i>Sergey Mikhailovich Kerber</i>	<i>Member of the Board of Directors</i>	<i>1973</i>
<i>9</i>	<i>Misrikhan Shapievich Misrikhanov</i>	<i>Member of the Board of Directors</i>	<i>1951</i>
<i>10</i>	<i>Vladimir Nikolaevich Silkin</i>	<i>Member of the Board of Directors</i>	<i>1957</i>
<i>11</i>	<i>Wolfgang Skribot</i>	<i>Member of the Board of Directors</i>	<i>1966</i>
<i>12</i>	<i>Yury Ivanovich Trofimov</i>	<i>Member of the Board of Directors</i>	<i>1945</i>
<i>13</i>	<i>Nikolay Grigorievich Shulginov</i>	<i>Member of the Board of Directors</i>	<i>1951</i>

The Board of Directors was elected at the general shareholder meeting which was held on 28 May 2008.

The sole executive body (General Director), and members of the collegial executive body (Management Board) of the issuer:

Structure of the Management Board of OJSC "Moscow United Electric Grid Company"

	<i>Name, patronymic, surname</i>	<i>Position</i>	<i>Year of birth</i>
<i>1</i>	<i>Yury Ivanovich Trofimov</i>	<i>Chairman of the Management Board</i>	<i>1945</i>

2	<i>Stanislav Vyacheslavovich Voronin</i>	<i>Member of the Management Board</i>	<i>1974</i>
3	<i>Georgy Nikolaevich Groshev</i>	<i>Member of the Management Board</i>	<i>1951</i>
4	<i>Oleg Anatolievich Kazakov</i>	<i>Member of the Management Board</i>	<i>1948</i>
5	<i>Evgeniy Anatolievich Kopanov</i>	<i>Member of the Management Board</i>	<i>1970</i>
6	<i>Igor Alekseevich Kosolapov</i>	<i>Member of the Management Board</i>	<i>1971</i>
7	<i>Pavel Anatolievich Livinsky</i>	<i>Member of the Management Board</i>	<i>1980</i>
8	<i>Andrey Vladimirovich Majorov</i>	<i>Member of the Management Board</i>	<i>1967</i>
9	<i>Alexander Alexandrovich Mityaev</i>	<i>Member of the Management Board</i>	<i>1952</i>
10	<i>Alexander Grigorievich Raev</i>	<i>Member of the Management Board</i>	<i>1955</i>
11	<i>Lyudmila Alekseevna Sklyarova</i>	<i>Member of the Management Board</i>	<i>1958</i>
12	<i>Nikolay Mikhailovich Soldatov</i>	<i>Member of the Management Board</i>	<i>1940</i>
13	<i>Anatoly Anatolievich Talalaev</i>	<i>Member of the Management Board</i>	<i>1954</i>
14	<i>Viktor Andreevich Shapoval</i>	<i>Member of the Management Board</i>	<i>1950</i>

General Director of OJSC “Moscow United Electric Grid Company”

	<i>Name, patronymic, surname</i>	<i>Year of birth</i>
<i>1</i>	<i>Yury Ivanovich Trofimov</i>	<i>1945</i>

1.2. Data on the issuer’s bank accounts

Information on all settlement accounts of the issuer

Full and shortened company names of the credit organization	Location	TIN (taxpayer identification number) of the credit organization	Type of account	Number of account	BIC of the credit organization	Number of the correspondent account of the credit organization
<i>VTB Bank (Open Joint-Stock Company) (VTB Bank OJSC)</i>	<i>190000, St. Petersburg, Bolshaya Morskaya, 29</i>	<i>7702070139</i>	<i>In rubles, Settlement In rubles, foreign</i>	<i>40702810500060021123 40702810500060021123</i>	<i>044525187</i>	<i>30101810700000000187</i>
<i>Open Joint-Stock Company Joint-Stock Commercial Bank “Agroimpuls” (OJSC JSCB “Agroimpuls”, “Moskovsky” branch)</i>	<i>127106, Moscow, Gostinichnaya street, 5, bld. 10</i>	<i>3664036384</i>	<i>In rubles, Settlement In rubles, Settlement</i>	<i>40702810300010000082 40702810900010000084</i>	<i>044552444</i>	<i>301018103000000000444</i>

"Moskovsky" branch)			<i>t</i> Current, foreign currency Transit, foreign currency	40702840900010000070 40702840500011000071		
Joint-Stock Commercial Bank "Bank of Moscow" (Open Joint-Stock Company) (OJSC "Bank of Moscow")	107996 Russia, Moscow, Rozhdestvenka St, 8/15 bld. 3	7702000406	In rubles, settlement	40702810301050000069	044525219	30101810500000000219
Open Joint-Stock Company "ALFA-BANK" (OJSC "ALFA-BANK")	107078, Moscow, Kalanchevskaya street, 27	7728168971	In rubles, settlement	40702810701300000554	044525593	30101810200000000593
"Gazprombank (Open Joint-Stock Company) (OJSC "Gazprombank")	117420, Moscow, Nametkina street, 16, bld. 1	7744001497	In rubles, settlement	40702810900000003645	044525823	30101810200000000823
Joint-Stock Commercial Savings Bank of the Russian Federation (Open Joint-Stock Company, Branch – Kiev division No. 5278)	117997, Moscow, Vavilova street, 19	7707083893	Settlement	40702810838260011503	044525225	30101810400000000225

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

Full company name: *HLB Vneshaudit Closed Joint Stock Company*

Abbreviated company name: *HLB Vneshaudit CJSC*

Location of the auditor company: *123610, Moscow, Krasnopresnenskaya embankment, 12, entrance 3, office 701*

Phone and fax numbers: *(495) 967 04 95, 967 04 97*

e-mail: info@vneshaudit.ru

Number, date of delivery and date of expiry of the license for realization of the auditor activity: *license for realization of auditor activities E 000548; issued on 25 June 2002 by The Ministry of Finance of the Russian Federation, valid till 25 June 2012.*

The fiscal years, for which the auditor held independent check of book keeping and financial (accounting) statements of the issuer: the fiscal years 2005, 2006, 2007, and 2008

Factors which may influence independence of auditors from 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 auditors (officials of auditors) in the issuer's authorized capital: none;

The issuer did not grant borrowed funds to auditors (officials of auditors);

Presence of close business mutual relations (participation in promotion of issuer's products (services), participation in joint enterprise activities, etc.), and family ties between the issuer and auditors: none;

The issuer's officials who are simultaneously auditors' officials: none.

The measures undertaken by the issuer and auditors to decrease the specified factors:

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

The procedure of the issuer's auditor selection:

The procedure of the tender connected with selection of the auditor, is not applied now:

Under the Decision of OJSC "MOESK" as of 13 December 2006 (Minutes 37 as of 15 December 2006), the Company created the Audit Committee under the Board of Directors of OJSC "MOESK", the competence of which among other issues includes "issue of preparation for the Company Board of Directors of the recommendations concerning a nominee of the Company Auditor, which shall be elected from among the independent auditors possessing high professional reputation, for the subsequent approval of this nominee by the Company General Shareholder Meeting; development of recommendations on the conditions of carrying out of the competitive selection of the Company Auditor, participation in carrying out the competitive selection of the Company auditor in case of its carrying out".

The procedure of nomination of the auditor, including the governance body, making the corresponding decision:

According to item 10.2., Article 10, the issuer's Charter, the competence of the issuer's general meeting of participants includes:

«approval of the Company Auditor».

According to item 15.1. of Article 15 of the issuer's Charter, the competence of the issuer's Board of Directors includes the item:

"Recommendations to the Company General Shareholders Meeting on the amount of remuneration and compensation paid to members of the Company Checkup Committee and definition of the amount of payment for the Auditor's services".

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

The Auditor did not hold works within the limits of special auditor tasks.

The procedure of definition of the auditor's remuneration amount:

According to item 23.9. of Article 23 of the issuer's Charter, the amount of payment for the auditor's services is defined by the Board of Directors.

Actual amount of the auditor's remuneration paid by the issuer to the auditor following the results of each fiscal year, for which the auditor held an independent check of the issuer's book keeping and financial (accounting) statements:

For the year 2005: RUR 280,000, VAT excluded

For the year 2006: RUR 280,000, VAT excluded

For the year 2007: RUR 2,100,000, VAT excluded

There are no deferred and back payments for services rendered by the auditor

The auditor who carried out an audit of the financial reporting of OJSC "MOESK" for 2005, 2006 and 2007, prepared according to the International Financial Reporting Standards:

The full company name: *KPMG Limited*

The shortened company name: *KPMG Limited*

The location of the auditor organization:

The Moscow representative office: 119019, Moscow, Gogolevsky boulevard, 11

The auditor rendered to the issuer the service on carrying out of an audit check of the financial reporting of OJSC "Moscow United Electric Grid Company" for 2005, 2006 and 2007, prepared according to the International Financial Reporting Standards.

1.4. Data on the issuer's appraiser:

In the 1st quarter 2007, the issuer involved the appraiser for definition of the market value of the fixed assets, in relation to which the issuer carried out the reassessment of the value reflected in subitem 3.6.1 of the quarterly report.

The full company name of the appraiser: *Closed Joint-Stock Company "CIS Deloitte & Touche"*

The shortened company name of the appraiser: *CJSC "CIS Deloitte & Touche"*

The location of the appraiser: *125009, Moscow, Vozdvizhenka street, 4/7, bld. 2, Business Center "Mokhovaya"*

The number of the license for realization of valuation activities: *004646*

The date of license granting: *1 August 2002*

The validity of the license for realization of valuation activities: *1 August 2007*

The agency which issued the license for realization of valuation activities: *The Ministry of Property Relations of the Russian Federation*

The information on valuation services which are (were) rendered by the appraiser: *definition of the market value of the fixed assets, in relation to which the issuer carried out the reassessment of the value reflected in subitem 3.6.1 of the quarterly report.*

According to the contract No. 162/O as of 31 May 2007, the consortium of appraisers in the structure of "The Institute for Enterprise Issues" LLC and CJSC "CIS Deloitte and Touche" fulfilled the valuation of the market value of one ordinary share in the structure of 100%-share holding of OJSC "Moscow United Electric Grid Company".

The full company name of the appraiser: *"The Institute for Enterprise Issues" Limited Liability Company*

The shortened company name of the appraiser: *The Institute for Enterprise Issues LLC*

The location of the appraiser: *St. Petersburg, 12 Liniya V.O., 11, lit. A, office 3-H*

The number of the license for realization of valuation activities: *000154*

The date of license granting: *20 August 2001*

The validity of the license for realization of valuation activities: *till 20 August 2007*

The agency which issued the license for realization of valuation activities: *The Ministry of Property Relations of the Russian Federation*

The full company name of the appraiser: *Closed Joint-Stock Company "CIS Deloitte & Touche"*

The shortened company name of the appraiser: *CJSC "CIS Deloitte & Touche"*

The location of the appraiser: *125009, Moscow, Vozdvizhenka street, 4/7, bld. 2, Business Center "Mokhovaya"*

The number of the license for realization of valuation activities: *004646*

The date of license granting: *on 1 August 2002*

The validity of the license for realization of valuation activities: *till 1 August 2007*

The agency which issued the license for realization of valuation activities: *The Ministry of Property Relations of the Russian Federation*

The information on valuation services which are (were) rendered by the appraiser: *the valuation was held under the order of OJSC "Moscow United Electric Grid Company" only for the purposes of assistance in taking administrative decisions.*

According to the contract No. 302/O as of 7 December 2007, the consortium of appraisers on behalf of The Institute for Enterprise Issues LLC and CJSC "CIS Deloitte & Touche" (the "Consortium" or the "Appraiser") fulfilled the valuation of the market value of one ordinary share in the structure of the 100%-share holding of OJSC "Moscow United Electric Grid Company".

The full company name of the appraiser: *"The Institute for Enterprise Issues" Limited Liability Company*

The shortened company name of the appraiser: *The Institute for Enterprise Issues LLC*

The location of the appraiser: *St. Petersburg, 12 Liniya V.O., 11, lit. A, office 3-H*

The number of the license for realization of valuation activities: *000154*

The date of license granting: *August, 20th, 2001*

The validity of the license for realization of valuation activities: *till 20 August 2007*

The agency which issued the license for realization of valuation activities: *The Ministry of Property Relations of the Russian Federation*

The full company name of the appraiser: *Closed Joint-Stock Company "CIS Deloitte & Touche"*

The shortened company name of the appraiser: *CJSC "CIS Deloitte & Touche"*

The location of the appraiser: *125009, Moscow, Vozdvizhenka street, 4/7, bld. 2, Business Center "Mokhovaya"*

Number of the license for realization of valuation activities: *004646*

Date of license granting: *1 August 2002*

Validity of the license for realization of valuation activities: *till 1 August 2007*

The agency which issued the license for realization of valuation activities: *The Ministry of Property Relations of the Russian Federation*

The information on valuation services which are (were) rendered by the appraiser: *the valuation was held under the order of OJSC "Moscow United Electric Grid Company" only for the purposes of assistance in taking administrative decisions.*

According to the contract No. 302/O as of 7 December 2007, the appraisers of The Institute for Enterprise Issues LLC made a valuation of the market value of one ordinary share in the structure of the minority share holding.

The full company name of the appraiser: *"The Institute for Enterprise Issues" Limited Liability Company*

The shortened company name of the appraiser: *The Institute for Enterprise Issues LLC*

The location of the appraiser: *St. Petersburg, 12 Liniya V.O., 11, lit. A, office 3-H*

Number of the license for realization of valuation activities: *000154*

Date of license granting: *20 August 2001*

Validity of the license for realization of valuation activities: *till 20 August 2007*

The agency which issued the license for realization of valuation activities: *The Ministry of Property Relations of the Russian Federation*

The information on valuation services which are (were) rendered by the appraiser: *Definition of the market value of one ordinary shares of OJSC "MOESK" in the structure of the minority share holding for the purpose of the repayment from minority shareholders within reorganization of OJSC "MGEsK" in the form of merging with OJSC "MOESK".*

In the 1st quarter 2009, the issuer involved the appraiser for definition of the market value of the fixed assets, in relation to which the issuer carried out the reassessment of the value reflected in subitem 3.6.1 of the quarterly report.

The full company name of the appraiser: *Closed Joint-Stock Company "CIS Deloitte & Touche"*

The shortened company name of the appraiser: *CJSC "CIS Deloitte & Touche"*

The location of the appraiser: *125009, Moscow, Vozdvizhenka street, 4/7, bld. 2, Business Center "Mokhovaya"*

Number of the license for realization of valuation activities: *004646*

Date of license granting: *1 August 2002*

Validity of the license for realization of valuation activities: *till 1 August 2007*

The agency which issued the license for realization of valuation activities: *The Ministry of Property Relations of the Russian Federation*

The information on valuation services which are (were) rendered by the appraiser: *definition of the market value of the fixed assets, in relation to which the issuer carried out the reassessment of the value reflected in subitem 3.6.1 of the quarterly report.*

1.5. Data on the issuer's advisers:

The financial adviser on the securities market that signed the prospectus for securities (ordinary uncertificated shares; the state registration number and the date of the state registration of the issue is 1-01-65116-D-001D as of 30 June 2008):

The full company name: ***OTKRITIE Brokerage house Joint Stock Company***

The shortened company name: ***OTKRITIE Brokerage house JSC***

The location: ***129010, Moscow, Protopopovsky lane 19, bld. 10***

Telephone and fax number: ***(495) 232-03-00, fax: (495) 956-47-00***

The Internet website used by the financial adviser for disclosing the information on the issuer: ***<http://www.bdopen.ru>***

The number, date of issuance and validity of the license for realization of professional activities on the securities market; the agency that granted the specified license:

The license of the professional participant of the securities market for realization of broker activities No. 177-06097-100000 as of 28 June 2002; issued for an indefinite time; issued by the FCSM of Russia;

The license of the professional participant of the securities market for realization of dealer activities No. 177-06100-010000 as of 28 June 2002; issued for an indefinite time; issued by the FCSM of Russia

The services rendered by the adviser:

- Rendering assistance to the issuer at compilation and registration of the issuer's prospectus for securities;
- Signing the issuer's Prospectus for Securities and the issuer's Report on Results of the Securities Issuance;
- Rendering consultancies to the issuer
 - on the issues of information disclosure;
 - other issues connected with issuance of the issuer's securities.

OTKRITIE Brokerage house Joint Stock Company acted also as the financial adviser on the following issue of the issuer's securities (the state registration number is 1-01-65116-D as of 31 May 2005).

1.6. Data on other persons who signed the quarterly report:

There are no other persons who signed the issuer's quarterly report and who were not mentioned in the above items of this section:

II. Main information on the issuer's financial and economic standing

2.1. Indicators of the issuer's financial and economic activities

Indicators of the issuer's financial and economic activities for the past 5 completed financial years are not specified in connection with the fact that the issuer was registered as a legal entity on 01.04.2005.

The indicators of the financial and economic activities for as of the end of the years 2005, 2006, 2007 and 2008 and at the date of the end of the first quarter of the current financial year are specified.

The indicators describing the issuer's financial standing:

<i>Indicator</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>Q 1 2008</i>	<i>Q 1 2009</i>
<i>Net asset value of the issuer, RUR '000</i>	<i>27,135,086</i>	<i>30,863,843</i>	<i>48,930,597</i>	<i>86,976,157</i>	<i>51,028,413</i>	<i>118,256,271</i>
<i>Relation of the borrowed funds to the capital and reserves, %</i>	<i>19.20</i>	<i>57.20</i>	<i>93.96</i>	<i>148.30</i>	<i>100.45</i>	<i>104.25</i>
<i>Relation of the short-term liabilities amount to the capital and reserves, %</i>	<i>18.69</i>	<i>25.48</i>	<i>60.88</i>	<i>68.19</i>	<i>68.86</i>	<i>47.28</i>
<i>Cover of payment for debt service, %</i>	<i>43.54</i>	<i>38.17</i>	<i>36.38</i>	<i>14.80</i>	<i>11.35</i>	<i>11.86</i>
<i>Level of the debt overdue, %</i>	<i>1.64</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Receivables turnover, times</i>	<i>5.51</i>	<i>3.25</i>	<i>1.39</i>	<i>1.04</i>	<i>0.67</i>	<i>0.37</i>
<i>Share of dividend in the profit, %</i>	<i>3.86</i>	<i>1.61</i>	<i>0</i>	<i>*</i>	<i>0</i>	<i>*</i>
<i>Labour productivity, RUR '000/person</i>	<i>1,204.68</i>	<i>2,428.20</i>	<i>3,762.01</i>	<i>5,605.85</i>	<i>1,704.74</i>	<i>1,617.45</i>
<i>Depreciation to the amount of proceeds, %</i>	<i>8.47</i>	<i>6.96</i>	<i>11.11</i>	<i>9.52</i>	<i>7.45</i>	<i>12.91</i>

** the indicator "Share of dividend in the profit" for 2008 will be calculated after approval by the annual general shareholders meeting of the final amount of the dividend.*

The issuer's net assets as of the date of the end of 2008 equaled RUR 86,976,157 thousand. The sizable amount of net assets is explained by the issuer's activities peculiarities. The primary business of OJSC "MOESK" is rendering paid services on transmission and distribution of electric energy to the city of Moscow and the Moscow region. The primary goal of the Company is transformation, distribution and supply of the electric power to consumers. The company structure includes more than 600 high-voltage substations (they belong to the company on the basis of a right of ownership), over 16 thousand km of overhead and cable high-voltage transmission lines, nearby 60 thousand km of distribution grids. Dynamics for 2005-2008 allows for drawing a conclusion on a significant growth of the net asset value of the issuer. In comparison with 2007, the value of net assets in 2008 grew more than by 77.75 % that is a positive factor. The substantial growth of the net assets value of the issuer per 2005-2008 is caused by reassessment of fixed capital of OJSC "MOESK" which was held on 01.01.2007, reorganization of OJSC "MOESK" in the form of merger with it of OJSC "MGEsK" in 2008, input of fixed capital in operation and performance of the Company's Investment Program per 2005-2008 aimed at liquidation of deficiency of electric capacity in Moscow region.

At the date of the end of the 1 quarter 2009 net asset value of the issuer was 118,256,271 thousand rubles. A substantial growth of net asset value in 1 quarter 2009 was caused by reassessment of the fixed asset of OJSC "MOESK" made as of 01.01.2009 under the group of "machine and equipment".

From the date of the state registration of the issuer (01.04.2005) up to the date closed of the first quarter 2009, authorized capital of the issuer changed. On the basis of the decision of the extraordinary General meeting shareholders of OJSC "MOESK" from 18.04.2008 (Report №6 from 28.04.2008) the Company is reorganized in the form of merger with it OJSC "Moscow City Electric Grid Company". The meeting of shareholders of OJSC "MOESK" took the decision on increase of the authorized capital of OJSC "MOESK" by placement of additional shares by means of converting into them of the shares of OJSC

"MGEsK" by merger. As of 31.03.2009 the authorized capital of the issuer was 24,353,545,787 rubles. The structure of the authorized capital of the issuer has no preference shares.

The additional capital of OJSC "MOESK" in 2008 increased due to the reorganization held by the Company and merger of OJSC "MGEsK" and totaled 36,243,169 thousand rubles at 31.12.2008

On 01.01.2009 the additional capital of the issuer was 63,775,454 thousand rubles that is connected with the held reassessment of the fixed assets of the issuer under the group of machine and equipment.

At the date of the end of the 1 quarter 2009, the additional capital was 63,775,454 thousand rubles.

The issuer uses both own sources, and short-term and long-term sources of extra financing.

The most part in structure of balance of the issuer is item "Capital and reserves" consisting, according to the reporting of the issuer, of the authorized, additional capital and unallotted profit. The share "Capital and reserves" in structure of balance is 40.27 %. Long-term loans and credits are 19.41 % of the book value at the end of 2008.

At the date of the end of 1 quarter 2009, the share «Capital and reserves» in the structure of balance is 48.96 %. Long-term loans and credits are 16.59 %.

Indicators of the relation of the sum of the involved means to the capital and reserves and relation of short-term liabilities to the capital and reserves are indicators of financial dependence. The less these indicators, the less financial lever of the company that proves a greater financial independence of the company.

The indicators of the relation of the sum of the involved means to the capital and reserves at the date of the end of 2008 was 148,30 %. The increase in the indicators of the relation of the sum of the involved means to the capital and reserves in comparison with indicators of the year 2007 is connected with a growth of long-term obligations in the form of attraction of the long-term extra capital for the purposes of investment activity.

The indicators of the relation of the sum of the involved means to the capital and reserves at the date of the end of the 1 quarter 2009 was 104.25 %.

The indicators of the relation of the sum of short-term obligations to the capital and reserves shows dependence of the Company from short-term extra means.

At the date of the end of 2007 the indicators of the relation of the sum of short-term obligations to the capital and reserves was fixed at the level of 60.88 %, and in 2008 – 68.19 %. The growth of short-term obligations of the issuer is not a negative factor. Occurrence of short-term payables is caused by the advance payments received under contracts of merger. The short-term debts will not be repaid by money resources, and will be closed after performance of works on connection of consumers.

At the date of the end of 1 quarter 2009 the indicator of the relation of the sum of short-term obligations to the capital and reserves was fixed at a level of 47.28 %.

The indicators of covering of payments for servicing debts during the considered period is around 15 % that characterizes ability of the issuer to cover the obligations from an operational monetary flow. Change of the given indicator is caused substantially by a growth of payables due to reception of advance payments for servicing technological connection of consumers and transition of a greater part of payables from OJSC "MGEsK".

The indicators of covering payments for servicing debts at the date of the end of the 1 quarter 2009 was 11.86 %.

At the date of the end of 2008 and 1 quarter 2009 the issuer has no delayed debts.

The positive factor describing financial and economic activity of the Company is an increase in labour productivity in 2008 in comparison with the similar period of the previous year.

In order to calculate the specified indicators, the method recommended by the Regulations for the Information Disclosing by Issuers of Equity Securities was used, which was approved by Order of Federal Financial Markets Service as of 10 October 2006 No. 06-117/pz-n (06-117/n3-n).

Net assets are calculated according to the procedure of estimation of the net asset value of the joint-stock company approved by Order of the Ministry of Finance of Russia and Federal Commission for the Securities of Russia No. 10n/03-6/pz (No.10n/03-6/n3) as of 29 January 2003.

2.2. Issuer's market capitalization

The information on the issuer's market capitalization as of the date of the end of the years 2005, 2006, 2007, 2008 and as of the date of the end of the reporting quarter of the current fiscal year.

As the issuer's shares as of 31 December 2005 on the organized markets were not outstanding, it is not possible to define market capitalization of the issuer under the method provided in Regulations for the Information Disclosing by Issuers of Equity Securities approved by Order as of 16 March 2005 No. 05-5/pz-n (No.05-5/n3-n) (as amended by Order of FFMS of Russia as of 1 November 2005 No. 05-57/pz-n (No.05-57/n3-n)).

For the purposes of this paragraph, the issuer's market capitalization at 31 December 2005 is defined on the basis of the net asset value. Calculation of net asset value of OJSC "Moscow United Electric Grid Company" is made under the method specified in "Procedure of estimation of net asset value of joint-stock companies" approved by Order of the Ministry of Finance of Russia and Federal Commission for the Securities of Russia as of 29 January 2003 No. 10n/03-6/pz (10n/03-6/n3).

The issuer's market capitalization as of 31 December 2005 was RUR 27,135,086 thousand.

The market capitalization of OJSC "Moscow United Electric Grid Company" at the date of the end of the years 2006, 2007, 2008 and at the date of the end of the previous completed reporting period:

<i>Period</i>	<i>Quantity of shares, pcs</i>	<i>State registration number of the share issue</i>	<i>Market value of one share at the date of the last day of the reporting period, RUR</i>	<i>Capitalization, RUR</i>
<i>2006</i>	<i>28,249,359,700</i>	<i>1-01-65116-D</i>	<i>2.704</i>	<i>76,386,268,628.80</i>
<i>2007</i>	<i>28,249,359,700</i>	<i>1-01-65116-D</i>	<i>2.460</i>	<i>69,493,424,862.00</i>
<i>2008</i>	<i>48,707,091,574</i>	<i>1-01-65116-D</i>	<i>1.143</i>	<i>55,672,205,669.08</i>
<i>Q 1 2009</i>	<i>48,707,091,574</i>	<i>1-01-65116-D</i>	<i>0.829</i>	<i>40,378,178,914.85</i>

The market capitalization at the date of the end of the years 2006, 2007, 2008 and at the date of the end of the reporting period of the current fiscal year is calculated as product of total of shares of the respective category (type) and the market price of one share disclosed by the securities market trade organizer and defined according to the Procedure of Calculation of the Market Value of Equity Securities and Investment Units of Unit Investment Funds Admitted to be Outstanding through Trade Organizers approved by the Decision of Federal Commission for Securities of Russia as of 24 December 2003 No.03-05/ps (No.03-52/nc).

In order to calculate the Company market capitalization, the data on the market value of one share disclosed by Closed Joint Stock Company "Moscow Interbank Currency Exchange" are used.

The Company shares (state registration numbers of share issues is 1-01-65116-D) are included in "A" first level quotation list in Closed Joint Stock Company "Moscow Interbank Currency Exchange" and in "A" second level quotation list Open Joint Stock Company "Russian Trading System" Stock Exchange.

2.3. Issuer's liabilities

2.3.1. Accounts payable

The structure of the issuer's accounts payable with a specification of the term for liabilities execution for 2008 and as of the date of the end of the first quarter of the current fiscal year:

The structure of the issuer's accounts payable for 2008:

<i>Accounts payable name</i>	<i>Maturity term</i>	
	<i>Up to one year</i>	<i>Over one year</i>
<i>Accounts payable to the suppliers and contractors, '000 RUR</i>	<i>16,282,953</i>	<i>-</i>
<i>including those overdue, '000 RUR</i>	<i>-</i>	<i>X</i>
<i>Accounts payable to the personnel of the organization, '000 RUR</i>	<i>-</i>	<i>-</i>
<i>including those overdue, '000 RUR</i>	<i>-</i>	<i>X</i>
<i>Accounts payable to the budget and state non-budgetary funds, '000 RUR</i>	<i>270,831</i>	<i>-</i>
<i>including those overdue, '000 RUR</i>	<i>-</i>	<i>X</i>
<i>Credits, '000 RUR</i>	<i>3,672,283</i>	<i>38,889,675</i>
<i>including those overdue, '000 RUR</i>	<i>-</i>	<i>X</i>
<i>Loans, total, '000 RUR</i>	<i>-</i>	<i>2,415,236</i>
<i>including those overdue, '000 RUR</i>	<i>-</i>	<i>X</i>
<i>including bonded loans, '000 RUR</i>	<i>-</i>	<i>2,415,236</i>
<i>including bonded loans overdue, '000 RUR</i>	<i>-</i>	<i>X</i>
<i>Other accounts payable, '000 RUR</i>	<i>36,909,071</i>	<i>26,180,131</i>
<i>including those overdue, '000 RUR</i>	<i>-</i>	<i>X</i>
<i>Sum total, '000 RUR</i>	<i>57,135,138</i>	<i>67,485,042</i>
<i>including those overdue, '000 RUR</i>	<i>-</i>	<i>X</i>

No accounts payable overdue are present as of 31.12.2008.

Creditors which owe at least 10 percent of the total amount of accounts payable:

None.

The structure of the issuer's accounts payable for quarter 1 , 2009:

<i>Accounts payable name</i>	<i>Maturity term</i>	
	<i>Up to one year</i>	<i>Over one year</i>
<i>Accounts payable to the suppliers and contractors, '000 RUR</i>	<i>10,481,211</i>	<i>-</i>

<i>including those overdue, '000 RUR</i>	-	X
<i>Accounts payable to the personnel of the organization, '000 RUR</i>	521,640	-
<i>including those overdue, '000 RUR</i>	-	X
<i>Accounts payable to the budget and state non-budgetary funds, '000 RUR</i>	1,207,477	-
<i>including those overdue, '000 RUR</i>	-	X
<i>Credits, '000 RUR</i>	1,990,453	37,173,162
<i>including those overdue, '000 RUR</i>	-	X
<i>Loans, total, '000 RUR</i>	-	2,367,421
<i>including those overdue, '000 RUR</i>	-	X
<i>including bonded loans, '000 RUR</i>	-	2,367,421
<i>including bonded loans overdue, '000 RUR</i>	-	X
<i>Other accounts payable, '000 RUR</i>	39,378,850	25,799,4739
<i>including those overdue, '000 RUR</i>	-	X
<i>Sum total, '000 RUR</i>	53,579,631	65,340,056
<i>including those overdue, '000 RUR</i>	-	X

No accounts payable overdue are present as of 31.03.2009.

Creditors which owe at least 10 percent of the total amount of accounts payable:

None.

2.3.2. Issuer's credit history

The information on operating credit contracts, the amount of the principle debt under which exceeds 5% of the balance sheet assets of OJSC "MOESK" at the date of the last completed quarter prior to making the respective contract as of 31.03.2009 is presented in table 1.

Table 1.

<i>Liability name</i>	<i>Creditor (debtee) name</i>	<i>Amount of the principle debt (RUR'000)</i>	<i>Currency of the contract</i>	<i>Term of repayment</i>	<i>Presence of a delay in execution of the liability with regard to the payment of the amount of the</i>

					<i>principle debt or interest</i>
<i>Credit line</i>	<i>Barclays Bank PLC</i>	<i>370,000.00</i>	<i>USD '000</i>	<i>21 April 2010</i>	<i>None</i>
<i>Credit line</i>	<i>Sberbank RF</i>	<i>9,600,000.00</i>	<i>RUR '000</i>	<i>24 June 2011</i>	<i>None</i>

The information on the credit contracts which operated earlier, the amount of the principle debt under which exceeded 5% of the balance sheet assets of OJSC "MOESK" at the date of the last completed quarter prior to making the respective contract, is presented in table 2.

Table 2.

<i>Liability name</i>	<i>Creditor (debtee) name</i>	<i>Amount of the principle debt (RUR'000)</i>	<i>Term of repayment</i>	<i>Presence of a delay in execution of the liability with regard to the payment of the amount of the principle debt or interest</i>
<i>Credit line</i>	<i>VTB Bank OJSC</i>	<i>3,500,000.00</i>	<i>23 June 2008</i>	<i>None</i>
<i>Credit line</i>	<i>Open Joint-Stock Company "ALFA-BANK"</i>	<i>2,350,000.00</i>	<i>12 September 2006</i>	<i>None</i>

In 2006, the issuer placed unconvertible interest certificated bearer bonds of series 01 (state registration number is 4-01-65116-D as of 22 June 2006) with the repayment term on the 1820th day from the date of the beginning of placement of bonds of the issue.

The volume of the securities issue at par value: 6,000,000,000 (six billion) rubles, 17.75% of the issuer's balance sheet assets as of 31 March 2006

The date of the state registration of the report on results of the securities issuance: 24 October 2006

The number of securities of the issue: 6,000,000 (six million) pieces

The par value of each security of the issue: 1,000 (one thousand) rubles

Execution by the issuer of liabilities under the issue of bearer bonds of series 01:

<i>Liability name</i>	<i>Period, for which the payment was carried out</i>	<i>Interest rate</i>	<i>Amount per 1 bond, RUR</i>	<i>Total amount of payment, RUR</i>	<i>Date of the liabilities performance</i>	<i>Info on the liability performance</i>
<i>Payment of income per the 1st coupon</i>	<i>12 September 2006 – 13 March 2007</i>	<i>8.05</i>	<i>40.14</i>	<i>240,840,000</i>	<i>13 March 2007</i>	<i>The liability was performed</i>
<i>Payment of income per the 2nd coupon</i>	<i>13 March 2007 – 11 September 2007</i>	<i>8.05</i>	<i>40.14</i>	<i>240,840,000</i>	<i>11 September 2007</i>	<i>The liability was performed</i>
<i>Payment of income per the 3rd coupon</i>	<i>11 September 2007 – 11 March 2008</i>	<i>8.05</i>	<i>40.14</i>	<i>240,840,000</i>	<i>11 March 2008</i>	<i>The liability was performed</i>
<i>Payment of income per the 4th coupon</i>	<i>11 March 2008 – 9 September 2008</i>	<i>8.05</i>	<i>40.14</i>	<i>240,840,000</i>	<i>9 September 2008</i>	<i>The liability was performed</i>
<i>Payment of income per the 5th coupon</i>	<i>9 September 2008 – 10 March 2009</i>	<i>8.05</i>	<i>40.14</i>	<i>94,590,190.98</i>	<i>10 March 2009</i>	<i>The liability was performed</i>

The repayment of bonds on demand of creditors - owners of the bonds which were presented in connection with reorganization of the Company:

The sum transferred to owners of bonds – 3,648,302,410.76 rubles.

Quantity of demands - 75 pieces

Quantity of the redeemed bonds – 3,643,493 pieces

The accumulated coupon income – 4,809,410.76 rubles.

Date of execution of the obligation: 16 September, 2008 at the latest

The obligation of the issuer under the repayment of bonds on demand of creditors - owners of the bonds which were presented in connection with reorganization of the Company, has been executed completely.

2.3.3. Liabilities of the issuer from the securing granted to the third parties

The issuer did not grant securing to the third parties for the reporting period.

For the period from the date of the beginning of the current fiscal year up to the date of the end of the reporting quarter, the issuer did not grant securing to the third parties for the amount which is at least 5 percent of the issuer's balance sheet assets at the date of the end of the last completed quarter prior to the granting of the securing.

2.3.4. Issuer's other liabilities

At the date of drawing up of the quarterly report, the issuer has no agreements and obligations, including futures transactions which are not reflected in its accounting balance sheet, which may have a significant effect on the issuer's financial standing, its liquidity, sources of financing and conditions of their use, results of activities and charges.

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

The issuer did not implement placement of the securities by subscription in the reporting period.

2.5. Risks connected with purchase of equity securities placed (or being in the process of placement)

2.5.1. Industry risks

Influence of possible deterioration of the situation in the issuer's sector on its activities and execution of obligations under securities:

The issuer started its economic activities in the second quarter 2005. The basis of the company activities is electric energy transmission to the end user and to adjacent electric grids of other owners, and operation of electric grids on the territory of Moscow and the Moscow region.

The most significant changes in the electric power industry for the issuer are:

- *Changing of tariff policy of electric power transportation that may have an adverse effect on the financial and economic standing of the enterprise.*

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

The operational risks connected with deterioration of the equipment and deterioration of the fixed capital. Possible negative changes in the sector: an opportunity of occurrence of emergencies, loss of reliability of power supply, breaks in manufacture of electric power, decrease in capacity of generating stations.

The issuer's actions for these risks reduction:

- *Reconstruction of operating and construction of new transmission lines, transformer substations and distribution equipment;*
- *Modernisation of fixed capital.*

Besides, the issuer is subject to industrial risks:

- *Risk of transition to works with the enforced (accident preventive allowable) cross flow;*
- *Risk of single drastic increase in loading over the planned value on the basis of consumers' applications;*
- *Technical risks connected with operation of the equipment. They are caused by such factors as operation of the equipment with maximum deviations from normative and technical requirements; mistakes of operational personnel; disruption of the dispatching schedule and breach of discipline.*

The issuer's actions to reduce these risks:

The issuer holds analysis of probable risk situations in order to forecast an occurrence of risks at realization of the production program and taking measures on protection against their influence. The main organizational forms of reduction and compensation of the damage amount are:

- *Insurance: commercial insurance of the property, hazardous industrial objects, vehicles, civil liability, insurance of the personnel against accidents and illnesses, and medical insurance;*
- *Self-insurance: creation of reserves of materials and spare parts, performance of actions to increase reliability of the power supply system;*
- *Analysis of scripts: forecasting of possible ways of development of the current situation, planning of actions on localization and liquidation of consequences of failures;*
- *Control over duly replacement, reconstruction of the depreciated or overloaded equipment, performance of repair works, over functioning of the labour safety management system, environment and sources of pollution.*

The risks connected with possible change of the prices for raw material, services used by the issuer in its activities (separately in the internal and external markets) and their influence on the issuer's activities and execution of obligations under securities:

The risks connected with increasing prices for the equipment and other material resources used by the issuer in its activities.

The issuer's actions to reduce these risks:

- *Creation of the competitive environment in the sphere of works and services purchasing;*
- *Optimization of expenses for repair and operational needs and capital construction;*
- *Elimination of cross purchases;*

The risks connected with possible change of the prices for products and/or the issuer's services (separately in the internal and external markets) and their influence on the issuer's activities and execution of obligations under securities:

The risks connected with state regulation of tariffs for the electric power, as a result of which they may be established below the economically feasible level.

Possible influence of negative changes: deterioration of the issuer's financial and economic standing.

The issuer's actions to reduce these risks:

- *Carrying out of works on making long-term contracts on electric power transportation;*
- *Carrying out of the balanced financial policy;*
- *Strengthening of works with the state legislative and executive authorities.*

The issuer does not plan to carry out activities on the foreign market, and in this connection the essential negative influence on the issuer's activities may render only global deterioration of the situation in the world fuel and energy market which may also affect Russia.

2.5.2. Country and regional risks

Country risks

Negative changes of the situation in Russia which may affect the issuer's economic situation and its activities are not expected in the near future. But the destabilization of the economic situation in the country connected with the crisis in the world financial markets or sharp reduction of prices is entirely possible. Besides, the destabilization of the situation in the country due to occurrence of labour conflicts,

increase of the social tension as a result of unpopular actions of the authorities may take place at realization of reforms in the economic sector.

Regional risks

The main industrial activities of the issuer are carried out in Moscow and the Moscow region. This is one of the most developed regions of the country, which rooms a plenty of consumers of the electric power. Thus, the energy consumption constantly grows. All this allows to speak about the stability of the issuer and its minor susceptibility to regional risks.

The issuer estimates the political and economic situation in the region as stable. The further improvement in the economic standing of the region will certainly render a positive influence on the issuer's activities and will be favorably reflected in its financial standing. Negative changes of the situation in the region of the issuer's business and in the Russian Federation as a whole which may affect the issuer's activities and economic standing are not expected in the near future.

The issuer's assumed actions in the event of negative influence of change of the situation in the country and region on its activities:

The major part of these risks may not be controlled by the issuer due to their global scale. In case of destabilization of the situation in Russia or in a separate region which may affect the issuer's activities, the latter will take a number of measures on anti-recessionary management for the purpose of the maximal decrease in negative influence of the situation on the issuer.

The risks connected with possible military conflicts, introduction of state of emergency and strikes in the country (countries) and region, where the issuer is registered as the tax bearer and/or carries out primary activities:

The risks connected with possible military conflicts, introduction of state of emergency and strikes with reference to the Russian Federation and the Moscow region are estimated by the issuer as minimal.

The risks connected with geographical features of the country (countries) and region, in which the issuer is registered as the tax bearer and/or carries out primary activities (including the raised danger of acts of nature, possible breaks of the transport communication in connection with a remoteness and/or inaccessibility, etc.):

The issuer carries out the activities in the region with the developed infrastructure and is not subject to the risks connected with breaks of the transport communication in connection with remoteness and/or inaccessibility.

Influence of the specified risks on the issuer's activities with reference to the Russian Federation and the Moscow region is estimated as minimal.

The issuer runs the risks connected with raised danger of acts of nature: breakage of transmission lines during hurricane, a strong snowfall, ice.

The issuer's actions to decrease the influence of these risks are designing of transmission lines in view of features of weather in the region, and insurance.

2.5.3. Financial risks

Susceptibility of the issuer to the risks connected with change of interest rates, exchange rate of foreign currencies, in connection with activities of the issuer or in connection with the hedging which is carried out by the issuer in order to decrease adverse consequences of influence of the above-stated risks:

Within the limits of planned financial and economic policy, the issuer is going to involve various extra means and in due time to carry out repayment of obligations. Hence, the issuer is subject to risk of change of interest rates under interest obligations. This risk is estimated as small.

The primary clients who carry out transportation of the electric power are residents of the Russian Federation; the prices for transportation of the electric power are also expressed in the currency of the Russian Federation. In this connection the issuer is poorly subject to risks of change of exchange rates of foreign currencies.

Susceptibility of the issuer's financial standing (its liquidity, sources of financing, results of activities, etc.) to the exchange rate change:

The issuer's financial standing, its liquidity, sources of financing, results of activities depend on changes of the rate of exchange, because the issuer's activities are planned to be carried out so that its assets and liabilities are expressed in the national currency. Besides, the issuer does not plan to carry out activities on the foreign market. Therefore, the influence of change of the rate of national currency in relation to US dollar on the issuer's financial standing is estimated as insignificant.

The issuer's assumed actions in case of negative influence of change of the exchange rate and interest rates on the issuer's activities:

Susceptibility of the issuer to the risk of change of the exchange rate of foreign currencies is estimated by the issuer as insignificant, because the issuer's all obligations are expressed in the currency of the Russian Federation.

The issuer runs the risk of change of interest rates. In case of interest rates increase, the expenses for servicing extra means will also go up.

The issuer's assumed actions in case of negative influence of the interest rates change on its activities:

- ***Attraction of long-term credits and loans in order to avoid a negative influence of short-term fluctuations of interest rates;***
- ***Decrease in the share of credits and loans in the issuer's current assets.***

Influence of inflation:

A negative impact of inflation on the issuer's financial and economic activities may be limited to the following risks:

- ***Risk of the losses connected with losses in real value of debt receivable at an essential debt rescheduling or a delay in payment;***
- ***Risk of increase in interest payable;***
- ***Risk of increase of the production cost of goods, products, works, services due to an increase in the price for energy, transport charges, wages, etc.***
- ***Risk of reduction of real value of means under the investment program.***

The critical value of the inflation, in opinion of the issuer:

The rate of inflation existing at the moment does not render essential influence on the financial position of the issuer. According to projected values of inflation, inflation should not render essential influence on ability of the issuer on payments per securities. The issuer (at growth of inflation) plans to raise turnover rate of current assets due to change of contractual relations with consumers. In opinion of the issuer, value of inflation when the issuer will have difficulties is at least 40 % per annum.

The issuer's assumed actions to reduce the risk caused by inflation:

If the value of inflation exceeds the specified critical values, the issuer plans to increase a share of short-term financial instruments in its assets, and to hold actions to reduce internal costs.

The indicators of the issuer's financial reporting which are most subject to changes as a result of the specified financial risks' influence:

The main indicator which is most subject to changes connected with financial risks, is the company profit. Along with a growth of interest rates, the interest payments for using credits of commercial banks increase and, accordingly, the company profit decreases. Besides, the profit does down at an increase in the cost price of electric power transportation and fixing of tariffs at the legislative level.

The risks influencing the specified indicators of the issuer's financial reporting and probability of their occurrence:

A substantial growth of interest rates and, as a consequence, growth of expenses for service of the issuer's debts.

The probability of their occurrence is estimated as low.

2.5.4. Legal risks

The legal risks connected with the issuer's activities:

Changes of the currency regulation:

Changes of the currency and customs legislation of the Russian Federation do not influence the Company activities and, hence, do not entail occurrence of legal risks on them.

Changes of the tax laws:

Now the Government of the Russian Federation pursues a policy of decrease in tax load on the Russian tax bearers. In this connection, amending the tax laws regarding an increase in tax rates is not expected in the near future.

This risk is considered as insignificant.

In order to minimize the risk of wrong calculation and/or payment of the taxes caused the varying treatment of norms of the legislation, the Company holds a permanent work on optimization of tax schemes of calculation of tax base in strict compliance with the current legislation of the Russian Federation.

In case of amending the operating procedure and terms of the taxation, the issuer aims to plan the financial and economic activities taking in account these changes.

Changes of rules of the customs control and duties:

Changes of rules of the customs control and duties which may create legal risks connected with the issuer's activities are not expected.

Changes of requirements on licensing the issuer's primary activities issuer or licensing rights to use objects, the availability of which is limited (including natural resources):

Changes of requirements on licensing the Company primary activities may lead to an increase in the term of preparation of the documents which are necessary for prolongation of the validity of the license, and necessity of the compliance with the requirements established. However, as a whole, this risk should be considered insignificant, except for the cases when the requirements will be set which cannot be met by the Company, or the compliance with which will be connected with excessive expenses for prolongation of the license or for realization of the activities which are subject to licensing, that may lead to the termination of this activities line.

In case of change of requirements on licensing the primary activities of the issuer or licensing of rights to use objects, the availability or circulation of which is limited, the issuer will take necessary measures to obtain the respective licenses and permits.

Changes of the judiciary practice connected with activities of the issuer (including concerning license granting):

The probability of change of judiciary practice concerning the items connected with the Company activities is insignificant. The legal risk management is based on optimization of the process of legal official registration of papers and support of activities of the Company. For minimization of legal risks, any Company business processes subject to risks (for example, the completion of contracts), pass obligatory legal examination.

In case of amending judiciary practice on the issues connected with the issuer's activities, the issuer will plan the financial and economic activities taking into account these changes.

In connection with the fact that the issuer does not plan to hold activities on foreign markets, the analysis of influence of the legal risks connected with the issuer's activities on foreign markets is not provided.

2.5.5. Risks connected with the issuer's activities

The risks which are peculiar exclusively to the issuer:

There is a risk of a delay in reception of the licenses which are necessary for realization of certain kinds of the company activities in connection with changes of the legislation.

There is a risk of a delay in renewal of licenses, which is connected with the company re-structuring.

The issuer estimates risk of non-prolongation of the effect of the issuer's license for holding a certain line of activities or for use of objects, the availability of which is limited (including natural resources) as insignificant.

The possible responsibility of the issuer under debts of the third parties also does not render much influence on the issuer's financial standing.

The possibility of loss of consumers, the turnover with which is at least 10 percent of the total proceeds from products (works, services) is regarded by the issuer as insignificant.

The issuer runs the risks connected with a seasonal nature of consumption of electric energy. The peak of consumption is observed in the autumn and winter period; in connection with this the issuer runs risks of the grids' overload.

There are no other risks connected with activities of the issuer, which are peculiar exclusively to the issuer.

This section 2.5 describes only the risks which, in the issuer's opinion, are material. There may be other risks which were not included in this section. Other risks the issuer is unaware of, or which are now not material for the issuer, may have a potential negative impact on the issuer's economic activities.

III. Detailed information on the issuer

3.1. Issuer's establishment and development history

3.1.1. Data on the issuer's name

The issuer's full company name in Russian:

Открытое акционерное общество «Московская объединенная электросетевая компания»

The issuer's full company name in English:

Open Joint-Stock Company "Moscow United Electric Grid Company"

The issuer's shortened company name in Russian:

ОАО «Московская объединенная электросетевая компания»;

ОАО «МОЭСК»

The issuer's shortened company name in English:

OJSC "Moscow United Electric Grid Company"

OJSC "MOESK".

The current name was put into effect on *14 September 2006*.

The issuer's name is not registered as a trade mark or a service mark.

According to the decision of the annual general shareholders meeting of OJSC "Moscow Regional Electric Grid Company" as of 26 June 2006 (Minutes No. 3 as of 6 July 2006), changes were made to the Company Charter which are connected with its company name.

The previous full company name of the issuer in Russian:

Открытое акционерное общество «Московская областная электросетевая компания»

In English: **Open Joint-Stock Company "Moscow Regional Electric Grid Company"**

The previous shortened company name of the issuer in Russian:

OJSC «Moscow Regional Electric Grid Company»

In English: **OJSC "Moscow Regional Electric Grid Company"**

3.1.2. Data on the state registration of the issuer

Primary state registration number of the legal entity (PSRN): **1057746555811**

Date of state registration: **1 April 2005**

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 Federal Tax Service no. 46 in Moscow.**

3.1.3. Data on the issuer's creation and development

Time of existence of the issuer from the date of its state registration (1 April 2005) is 4 years.

The issuer was established for an indefinite time.

The brief description of the history of the issuer's creation and development:

Open Joint-Stock Company "Moscow United Electric Grid Company", renamed from OJSC "Moscow Regional Electric Grid Company" (Minutes No. 3 of the annual general shareholder meeting of OJSC "Moscow Regional Electric Grid Company" as of 6 July 2006) was created as a result of reorganization of OAO Mosenergo in the form of a spin-off (Minutes No.1 as of 29 June 2004 of the annual General shareholders meeting of OAO Mosenergo).

The Company is a legal successor with regard to a part of the rights and duties of OAO Mosenergo according to the separation balance sheet of OAO Mosenergo approved by the annual general shareholders meeting of OAO Mosenergo (Minutes No. 1 as of 29 June 2004)

The annual general shareholders meeting of OJSC "MOESK" took the decision to change the Company name on 26 June 2006.

In connection with the fact that the Company activities covers the territory of not only the Moscow region, but also Moscow, the shareholders of OJSC "Moscow Regional Electric Grid Company" took the decision to rename the company as OJSC "Moscow United Electric Grid Company".

In April 2007, OJSC "MOESK" acquired a 50-percent share holding of OJSC "Energocenter" which was created under the initiative of the Government of the Moscow region for development and realization of investment programs and projects in the electric power industry of the region and maintenance of the present and future needs of all categories of consumers.

In 2007 OJSC "MOESK" held actions to change the Company organizational structure for the purpose of integration of branches.

On 29 December 2007, the Company founds and registers 3 subsidiaries, the 100% stake of which belongs to OJSC "MOESK": OJSC "Moskabelsetmontazh", OJSC "Electric Grid Equipment Repairing Plant", OJSC "Moskabelenergoremont".

1 July 2008 is the day of establishment of the Interregional Distribution Grid Company (IDGC) of Moscow and the Moscow region on the basis of OJSC "Moscow United Electric Grid Company". The decision to reorganize OJSC "MOESK" in the form of OJSC "Moscow City Electric Grid Company" merging with it was taken on 18 April 2008 at the extraordinary general shareholders meeting, which was held in both companies. OJSC "MGESK" became a part of OJSC "MOESK" by one of seven Company branches under the name of Moscow Cable Networks (MCN).

The purpose of creation of the issuer: *according to the issuer's Charter (item 3.1. Article 3), the main purpose of the Company's activities is profit making.*

The Company primary goal is transformation, distribution and supply of the electric energy to consumers.

According to the issuer's Charter (item 3.2. Article 3), the Company's activities are as follows:

- rendering services on gathering, transmission and processing of the technological information, including the measurements and registration;*
- diagnostics, operation, repair of electric grids and other electric grid facilities and technological management by them;*
- diagnostics, operation, repair of technological communication networks, means of measurements and calculation, equipment of relay protection and emergency preventive automatics and other technological equipment connected with operation of grid facilities and technological management by them;*
- development of long-term forecasting, perspective and current plans of development of the electric grid complex, target complex scientific and technical, economic and social programs;*
- development of electric grids and other electric grid facilities including designing, engineering researches, construction, reconstruction, modernisation, installation and adjustment;*
- development of technological communication grids, means of measurements and registration, equipment of relay protection and emergency preventive automatics and other process equipment connected with operation of electric grid facilities, including designing, engineering researches, construction, reconstruction, modernisation, installation and adjustment;*
- operation of explosive, chemically and fire-dangerous industrial objects connected with functioning of electric grid facilities;*

- *activities for prevention and extinguishing of fires, installation, repair and servicing of means of maintenance of fire safety of buildings and constructions connected with functioning of electric grid facilities;*
- *realization of the technological control, carrying out of examination of industrial safety and labour safety at electric grid facilities;*
- *storage of oil products used for the technological purposes;*
- *realization of foreign trade activities, trade and economic and scientific and technical cooperation with foreign firms, in order to support the Company activities stipulated by its Charter;*
- *educational activity for the purpose of preparation, retraining and training of the personnel, including examination by the personnel of rules of technical operation, fire prevention rules, and other normative documents;*
- *transportation of cargoes and passengers by automobile, railway and air vehicles for the technological purposes;*
- *operation, maintenance works and repair of automobile, railway and air vehicles and the load-lifting mechanisms used for the technological purposes;*
- *security activities exclusively in interests of own safety within the limits of security service created by the Company which in its activities is guided by the Law of the Russian Federation "On private detective and security activities in the Russian Federation" and the current legislation of the Russian Federation;*
- *organization and carrying out of defensive actions concerning mobilization preparation, civil defence, extreme situations and protection of the state secret information, according to the current legislation of the Russian Federation;*
- *liquidation of consequences of the failures at communication lines, contact and power electric systems;*
- *other lines of activities which are not forbidden by the legislation of the Russian Federation;*
- *organization of round-the-clock operational-and-dispatching management by the coordinated works of electric grids and other electric grid facilities, prevention and liquidation of technological infringements at electric energy transmission and distribution.*

The Company may be engaged in certain kinds of activities defined by federal laws only on the basis of a special permit (license).

The issuer's mission: *the issuer's mission is not defined by the issuer's internal documents.*

Other information on the issuer's activities which is important at taking a decision on the issuer's securities purchasing: *none.*

3.1.4. Contact information

The location of the issuer: *142100, Moscow region, Podolsk city, Ordzhonikidze street, 27*

The location of the issuer's constantly operating executive body:

115114, Moscow, 2nd Paveletsky passage, 3, bld. 2

Contact telephone numbers of the issuer: *(495) 982-38-57; 981-89-77*

Fax: *(495) 585-14-51*

Email: odou@moesk.ru

The Internet website where the information on the issuer and the securities issued by it is available: www.moesk.ru

The functions of the issuer's special division for works with shareholders and investors are assigned to the IR Department of OJSC "Moscow United Electric Grid Company"

The location: *115114, Moscow city, Derbenevskaya emb., 7, bld. 14*

Telephone number: (495) 984-57-67, 984-57-72

Fax: (495) 984-58-17

Email: SvintsitskyDV@moesk.ru

3.1.5. Taxpayer identification number

TIN is 5036065113

3.1.6. Branches and representative offices of the issuer:

<i>Name of the representative office/ branch</i>	"Southern Electric Networks"
<i>Date of opening</i>	1 April 2005
<i>Location</i>	142117, Moscow region, Podolsk city, Kirova street, 65
<i>Full name of the director of the representative office/ branch, Term of the effect of the power of attorney</i>	Alexander Andreevich Perchatkin Term of the effect of the power of attorney: Till 31 December 2009

<i>Name of the representative office/ branch</i>	"Eastern Electric Networks"
<i>Date of opening</i>	1 April 2005
<i>Location</i>	142400, Moscow region, Noginsk city, Radchenko street, 13
<i>Full name of the director of the representative office/ branch, Term of the effect of the power of attorney</i>	Ivan Petrovich Kuleshov Term of the effect of the power of attorney: Till 31 December 2009

<i>Name of the representative office/ branch</i>	"Northern Electric Networks"
<i>Date of opening</i>	1 April 2005
<i>Location</i>	141070, Moscow region, Korolev city, Gagarina street, 4
<i>Full name of the director of the representative office/ branch, Term of the effect of the power of attorney</i>	<i>Vladimir Alekseevich Shitin</i> Term of the effect of the power of attorney: Till 31 December 2009

<i>Name of the representative office/ branch</i>	"Western Electric Networks"
<i>Date of opening</i>	1 April 2005
<i>Location</i>	121170, Moscow, 1812 goda street, estate 15
<i>Full name of the director of the representative office/ branch, Term of the effect of the power of attorney</i>	<i>Alexander Igorevich Yakunin</i> Term of the effect of the power of attorney: Till 31 December 2009

<i>Name of the representative office/ branch</i>	"High-Voltage Cable Networks"
<i>Date of opening</i>	1 April 2005
<i>Location</i>	107140, Moscow, Nizhnyaya Krasnoselskaya, 6, bld. 1
<i>Full name of the director of the representative office/ branch, Term of the effect of the power of attorney</i>	<i>Gennandy Emmanuilovich Trakhtenberg</i> Term of the effect of the power of attorney: till 31 December 2009

<i>Name of the representative office/ branch</i>	"Central Electric Networks"
<i>Date of opening</i>	1 October 2007
<i>Location</i>	115201, Moscow, Kashirskoe avenue, 18
<i>Full name of the director of the representative office/ branch, Term of the effect of the power of attorney</i>	Alexander Igorevich Raev Term of the effect of the power of attorney: Till 31 December 2009

<i>Name of the representative office/ branch</i>	"Moscow Cable Networks"
<i>Date of opening</i>	22 May 2008
<i>Location</i>	115035, Moscow, Sadovnicheskaya street, 36, bld.1
<i>Full name of the director of the representative office/ branch, Term of the effect of the power of attorney</i>	Viktor Andreevich Shapoval Term of the effect of the power of attorney: Till 31 December 2009

3.2. Issuer's main economic activities

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): 40.10.2 28.11 31.10.9 31.20 31.20.9 31.62.9 33.20 40.10.3 41.00 45.11 45.2 45.3 45.4 55.12 55.23 55.51 60.10 63.12 63.21.2 63.40 64.20 70.12 70.20 90.00

3.2.2 Issuer's main economic activities

The primary line of economic activities of OJSC "Moscow United Electric Grid Company" is electric power transmission.

The information on the main lines of economic activities (lines of activities, types of products (works, services)) for the 5 last completed financial years is specified since the issuer was registered as a legal entity on 1.04.2009.

The information on the main kinds of economic activities (kinds of activity, kinds of products (works, services)) for 2005, 2006, 2007, 2008 and for the first quarter of the current fiscal year is specified.

The main lines of economic activities (lines of activities, types of products (works, services)) which provide at least 10 percent of proceeds (gains) of the issuer.

<i>Indicator</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>Q I 2008</i>	<i>Q I 2009</i>
<i>Economic activity:</i>						
<i>Volume of proceeds (gains) from electric power transmission ('000 RUR)</i>	<i>11,365,550</i>	<i>22,282,966</i>	<i>26,209,434</i>	<i>51,604,266</i>	<i>14,008,949</i>	<i>20,377,030</i>
<i>Share of the volume of proceeds (gains) from electric power transmission in the total volume (gains) of the issuer, %</i>	<i>92.75</i>	<i>87.56</i>	<i>67.00</i>	<i>81.89</i>	<i>87.30</i>	<i>90.63</i>

The issuer's goal is to provide reliable functioning of grid facilities in Moscow and Moscow region. The issuer is the largest regional power supplying companies which serve 1.4 million of consumers in total on the territory of more than 47 thousand sq. km. In this connection the share of proceeds from electric power transmission for the third quarter of the current fiscal year is 90.63 % in the total amount of proceeds.

Change of the amounts of the issuer's proceeds (gains) from the main economic activities by 10 and more percent in comparison with the corresponding reporting period of the previous year and the reason of such changes:

<i>Indicator</i>	<i>in 2008 compared to 2007</i>	<i>In Q I 2009 compared to Q I 2008</i>
<i>A growth of gains (proceeds) from primary economic line of activities in relation to the previous year, %</i>	<i>96.89</i>	<i>45.46</i>

In 2008, the growth of the issuer's gains (proceeds) from transmission of the electric power in relation to the similar period of the previous year was 96.89% that is connected mainly with implementation in Moscow and Moscow region since 1 January 2008 of the uniform tariff formation method on transmission of electric power; therefore since the beginning of the year the proceeds of TGOs (territorial grid organizations) are added to own proceeds of OJSC "MOESK" which are subsequently distributed between these TGOs and reflected in expenses of OJSC "MOESK".

In 1 quarter 2009, a growth of incomes (proceeds) of the issuer from transmission of electric power in relation to 1 quarter 2008 by 45.46 % is observed; this is connected with saving-up under items of cost price as a result of the program of anti-recessionary actions of the Company and activation of services of technological connection in the volume exceeding the planned level.

The issuer carries out its main economic activities on the territory of the Russian Federation. The issuer does not carry out any activities in other geographical areas.

The main economic activities do not possess seasonal attributes.

The electric power is always in demand; however, the amount of demand for the electric power is exposed to seasonal fluctuations that are connected with Russian climatic conditions. As the issuer carries out activities on the territory of Moscow and Moscow region, the amount of demand depends on the season.

In spring and summer months, the need for the electric power may decrease that is connected with the daylight hours duration.

The structure of the cost price of the issuer for the respective period of the current fiscal year under the specified articles in percent of the total cost price:

<i>Cost item</i>	<i>2008</i>
<i>Raw and other material, %</i>	<i>2.4</i>
<i>Purchased complementary parts, semi-finished products, %</i>	<i>0</i>
<i>Works and services of industrial character which are implemented by external organizations, %</i>	<i>47.5</i>
<i>Fuel, %</i>	<i>0</i>
<i>Energy, %</i>	<i>13.5</i>
<i>Spending on labour payment, %</i>	<i>9.6</i>
<i>Interest per credits, %</i>	<i>0</i>
<i>Rent payment, %</i>	<i>2.9</i>
<i>Assessments to social needs, %</i>	<i>1.9</i>
<i>Amortization of fixed assets, %</i>	<i>12.1</i>
<i>Taxes included in the production cost, %</i>	<i>0.5</i>
<i>Other costs:</i>	<i>9.6</i>
<i>Amortization under intangible assets, %</i>	<i>0</i>
<i>Remuneration for innovations, %</i>	<i>0</i>
<i>Obligatory insurance payments, %</i>	<i>0.9</i>
<i>Representation expenses, %</i>	<i>0</i>
<i>others, %</i>	<i>8.7</i>
<i>Total: expenses for production and selling of products (works, services) (production cost), %</i>	<i>100.0</i>
<i>For reference: proceeds from sales of products (works, services), % to the production cost</i>	<i>111.3</i>

<i>Cost item</i>	<i>Q 1 2009</i>
<i>Raw and other material, %</i>	<i>1.7</i>
<i>Purchased complementary parts, semi-finished products, %</i>	<i>0</i>
<i>Works and services of industrial character which are implemented by external organizations, %</i>	<i>29.1</i>
<i>Fuel, %</i>	<i>0</i>

<i>Energy, %</i>	<i>23.7</i>
<i>Spending on labour payment, %</i>	<i>10.6</i>
<i>Interest per credits, %</i>	<i>0</i>
<i>Rent payment, %</i>	<i>7.9</i>
<i>Assessments to social needs, %</i>	<i>2.8</i>
<i>Amortization of fixed assets, %</i>	<i>18.9</i>
<i>Taxes included in the production cost, %</i>	<i>0.6</i>
<i>Other costs:</i> <i>Amortization under intangible assets, %</i> <i>Remuneration for innovations, %</i> <i>Obligatory insurance payments, %</i> <i>Representation expenses, %</i> <i>others, %</i>	<i>4.8</i>
<i>Total: expenses for production and selling of products (works, services) (production cost), %</i>	<i>100.0</i>
<i>For reference: proceeds from sales of products (works, services), % to the production cost</i>	<i>135.5</i>

New kinds of products offered by the issuer on the market of its primary activities, which have a material value (works, services), in a degree, in which this corresponds to the popular information on such types of production (works, services): none.

Standards (rules), according to which the accounting reports are prepared and the calculations are made, which are reflected in this item of the quarterly report:

The issuer's accounting reports are prepared according to the current laws of the Russian Federation in the field of book keeping:

Regulations on Book Keeping "Accounting Policy of Organization" AR 1/98 (ПБУ 1/98) (approved by Order of the Ministry of Finance of the Russian Federation as of 9 December 1998 No. 60n (60н), amended as of 30 December 1999.)

Regulations on Book Keeping "Accounting Reports of the Organization" AR 4/99 (ПБУ 4/99) (approved by Order of the Ministry of Finance of the Russian Federation as of 6 July 1999 No. 43n (43н)).

Regulations on Book Keeping "Charges of the Organization" AR 10/99 (ПБУ 10/99) (approved by Order of the Ministry of Finance of the Russian Federation as of 6 May 1999 No. 33n (33н), amended by Order of the Ministry of Finance of the Russian Federation as of 30 December 1999 No. 107n (107н), as of 30 March 2001 No. 27n (27н)).

Regulations on Book Keeping "Incomes of the Organization" AR 9/99 (ПБУ 9/99) (approved by Order of the Ministry of Finance of the Russian Federation as of 6 May 1999 No. 32n (32н), amended by Order of the Ministry of Finance of the Russian Federation as of 30 December 1999 No. 107n (107н), as of 30 March 2001 No. 27n (27н)).

3.2.3. Issuer's materials, goods (raw material) and suppliers

The name and location of the issuer's suppliers that provide at least 10% of all deliveries of raw material (other material), and their shares in total amount of deliveries for the third quarter of the current fiscal year:

On the basis of the agency contract, Promtekhnik LLC is an agent of OJSC "MOESK" concerning a provision of inventory deliveries under the nomenclature, quantity, terms of delivery and price defined on the basis of the specifications signed by both the parties.

The name and location of the agent: ***"PROMTEKHNIKA" Limited Liability Company, Moscow city, Derbenevskaya emb., 7, bld. 14, office 304.***

Share in total amount of deliveries: ***100%***

The issuer's suppliers, whose share is at least 10% of all deliveries of raw material (other material) are:

Wire (cable):

***ABB "Moskabel" Moscow city, 2nd Kabelnaya street, 2, zip code 111024
LLC "Energoshchit" - 117042, Moscow, Akademika Semenova street, 21***

Insulator:

***Khorda LLC, 141009, Mytishi, Moscow region. 1st K.Marksa passage, 3
LLC "Energocenter" - 115088, Moscow, Ugreshskaya street, 35, bld. 2***

Petroleum, oil, lubricants (gasoline, diesel fuel, automobile oil):

LLC "Centerstroj" - 109457, Moscow, Okskaya street, 13, office 7

Black and nonferrous metal (sheet, angle bars, disks):

***CJSC "TAUn-Energo" - 124683, Moscow, Zelenograd, p/b №33, Kyukovo district, microdistrict 15,
bld. 1501***

Concrete poles:

CJSC "Mitep Company", Saratov region, Balakovo city, Chapaeva street, 7A.

The information on an over 10 percent change of prices for the main raw material (other material) during the respective reporting period in comparison with the respective accounting period of the previous fiscal year or on absence of such change:

An over 10% price increase for the main raw material (other material) during the respective reporting period in comparison with the respective period of the previous fiscal year occurred under the following positions:

– Insulators

The share of the issuer's import in deliveries of for the specified periods:

There is no share of direct import in deliveries.

The issuer's forecasting on availability of these sources in the future and on possible alternative sources:

Availability of sources of raw material in the future is based on long-term contractual relations with suppliers; in this connection the issuer considers the risk of their inaccessibility in the future to be minimal. The issuer has alternative sources of raw material.

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

The main markets on which the issuer carries out its activities:

OJSC "Moscow United Electric Grid Company" is one of the largest inter-regional distributive network companies of the Russian Federation. The basic kinds of activity of OJSC "MOESK" is rendering services on electric energy transmission in the territory of Moscow and the Moscow region, and technological connection of consumers to electric networks. The company provides power supply to 1,4 million consumers in the territory of Moscow and the Moscow region equal to 47 thousand square kilometers. The number of inhabitants in the regions of the company's presence is 17 million people.

The Moscow region uniting Moscow and the Moscow region, is one of the most dynamically developing regions of Russia. Despite financial and economic crisis, housing construction is continued to be performed in the territory of the Moscow region, the industrial, transport and social infrastructure develops.

In the territory of the Moscow region, rendering of services on electric energy transmission is performed by more than 200 organizations, however, despite plenty of the competing companies, OJSC "MOESK" confidently occupies a leading position in the market of rendering services on electric energy transmission serving 98% of consumers of Moscow and 95% of consumers of the Moscow region.

Activity of OJSC "MOESK" is aimed at increase of reliability of electric power supply of consumers, modernization of transmission lines, elimination of deficiency of capacity in Moscow region in conditions of predicted growth of power consumption. For maintenance of performance of the task, OJSC "MOESK" implements the program of capital construction of new, and modernisation, reconstruction and repair of existing energy facilities.

Despite active realization of the investment program of OJSC "MOESK", for today there are such areas of the Moscow region in which deficiency of electric capacity is observed.

All 39 municipal areas of the Moscow region and 10 administrative districts of Moscow can be divided into 3 groups conditionally: energy deficiency areas, areas with the balanced electric capacity and energy proficiency areas.

The most energy deficiency areas are: Krasnogorsky, Leninsky, Lyuberetsky, Mytishchensky, Podolsky, Solnechnogorsky, Pushkinsky municipal areas of the Moscow region, and Southern administrative district of Moscow.

The energy proficiency areas are: Dmitrovsky, Naro-Fominsky, Sergievo-Posadsky, Noginsky, and Orekhovo-Zuevsky municipal areas of the Moscow region, and Western, Eastern and Northeast administrative districts of Moscow.

Other areas and districts are areas with the balanced electric capacity.

There are two basic groups of factors which can negatively affect rendering by OJSC "MOESK" of the services to end users: technical and financial and economic.

The 1-st group of factors includes:

- Backlog of inputs of capacity from rates of growth of power consumption (on capacity);*
- Exhaustion of transmission capacity of system forming electric networks of 220 and distributive networks of 110 kV of the Moscow ring road, limiting reception of capacity for covering the existing and growing deficiency;*
- Deficiency of jet capacity in areas of electric networks;*
- Absence of the system of automatic prevention of dangerous voltage reduction in networks of 110-220 kV;*
- Lack of modern software of management allowing to make an estimation and analysis of reliability of operation of the Moscow power supply system under the current parameters of mode;*
- Presence in Moscow region of consumers with especially dangerous manufactures, not all of which are equipped with reserve energy installations;*
- Imperfection of the software and settlement model of the Moscow power supply system for carrying out of calculations and definition of criteria of the system reliability in established, especially repair, modes and in after-failure transitive modes.*

The 2nd group of factors includes first of all influence on industrial-economic activities of the company of the financial and economic crisis expressed in:

- *a high share of refusals of consumers from the declared capacity of connections;*
- *Significant uncertainty of parameters of social and economic development of territories and plans of consumers.*

Besides, the 2nd group includes:

- *Administrative barriers expressed in long terms of the coordination of the initially-allowing documentation for construction of electronetwork objects that complicates quick reaction to inquiries of consumers and satisfaction of applications in the terms designated by contracts;*
- *Deficiency of free land areas for electronetwork construction, complexity of the coordination with proprietors and high value of taps of land areas.*

The activity of OJSC "MOESK" is influenced by the following main institutional factors:

- *Exclusive character of the main activity line of OJSC "MOESK" (according to the Law "On Natural Monopolies" - transmission and distribution of electric energy is a natural monopolistic activity line);*
- *Implementation, according to the laws, of the "uniform" tariff regulation method for electric energy transmission services. Performance by OJSC "MOESK" of the function of "the entity responsible for the uniform tariffs" assumes forming of the system of contractual relations between OJSC "MOESK" and the adjacent subordinate electric grid organizations of Moscow and the Moscow region. OJSC "MOESK" have additional functions connected with realization of calculations with the subordinate grid organizations.*
- *Planned transition of the electric energy tariffs regulation system under RAB (regulatory asset base).*
- *Financial responsibility of the grid organization for the level of losses in the grid that defines a necessity of maintenance of the qualitative counting of electric energy and capacity in connection with a duty of the electric grid organization to pay full losses, only normative losses are taken into account at tariffs calculation.*
- *The administrative barriers expressed in the long time of the coordination of the initial permissive documentation for construction of electric grid objects complicate a prompt response to inquiries of consumers and allowing of applications within the terms designated by contracts.*
- *Deficiency of free land areas for electric grid construction, complexity of coordination with proprietors and high cost of allocation of a land plot.*

In order to reduce the influence of negative factors on the issuer's activities, the primary goals are:

- *Consolidation of the grid assets of the Moscow region within the limits of the company;*
- *Forward development of electric grids of the Moscow region according to needs of economy of Moscow and the Moscow region in order to meet total needs;*
- *Construction of an effective system of interaction with an external environment.*

3.2.5. Issuer's licenses

As of 31.03.2009, the issuer disposes of the following special permits (licenses):

1. Number: No. 1/08123;

Date of issue: **8 July 2005;**

Period of validity: **till 8 July 2010;**

Authority that issued the special permit (license): ***The Central Administration of The RF-EMERCOM State Fire-Fighting Service;***

Business line: ***activities on fire prevention and fighting.***

2. Number: **No. 2/13373;**

Date of issue: **8 July 2005;**

Period of validity: **till 8 July 2010;**

Authority that issued the special permit (license): ***The Central Administration of the RF-EMERCOM State Fire-Fighting Service;***

Business line: ***manufacturing of works on assembling, repair and servicing of fire safety devices of buildings and structures.***

3. Number: **No. 3/01238;**

Date of issue: **17 June 2005;**

Period of validity: **till 17 June 2010;**

Authority that issued the special permit (license): ***The Central Administration of the RF-EMERCOM State Fire-Fighting Service;***

Business line: ***maintenance of fire-hazardous industrial facilities.***

4. Number: **No. GS-1-50-02-27-0-5036065113-032000-1 (ГC-1-50-02-27-0-5036065113-032000-1);**

Date of issue: **9 April 2007;**

Period of validity: **12 September 2010;**

Authority that issued the special permit (license): ***The Federal Agency for Construction and Housing and Communal Services;***

Business line: ***construction of buildings and structures of I and II responsibility levels in accordance with the state standards.***

5. Number: **No. GS-1-50-02-26-0-5036065113-031999-1 (ГC-1-50-02-26-0-5036065113-031999-1);**

Date of issue: **9 April 2007;**

Period of validity: **29 August 2010;**

Authority that issued the special permit (license): ***The Federal Agency for Construction and Housing and Communal Services;***

Business line: ***designing of buildings and structures of I and II responsibility levels in accordance with the state standards.***

6. Number: **No. 001162-R (001162-P);**

Date of issue: **26 July 2005;**

Period of validity: **26 July 2010;**

Authority that issued the special permit (license): ***The Federal Technical Regulation and Metrology Agency;***

Business line: ***activities on measurement devices repairing.***

7. Number: **No. 37600;**
Date of issue: **23 December 2005;**
Period of validity: **23 December 2010;**
Authority that issued the special permit (license): ***The Federal Service for Supervision in the Sphere of Communications;***
Business line: ***communication services on provision of communication channels.***
8. Number: **No. 37601;**
Date of issue: **23 December 2005;**
Period of validity: **23 December 2010;**
Authority that issued the special permit (license): ***The Federal Service for Supervision in the Sphere of Communications;***
Business line: ***Services of local telephone communication, except for services of local telephone communication with use of payphones and multiple access devices.***
9. Number: **No. 37667;**
Date of issue: **23 December 2005;**
Period of validity: **23 December 2010;**
Authority that issued the special permit (license): ***The Federal Service for Supervision in the Sphere of Communications;***
Business line: ***Services on transmission of voice information in the data communication network.***
10. Number: **No. EV-02-000952 (K) (ЭБ-02-000952 (K));**
Date of issue: **20 October 2006;**
Period of validity: **29 June 2011;**
Authority that issued the special permit (license): ***Federal Service for Ecological, Technological and Atomic Supervision;***
Business line: ***Maintenance of explosive industrial objects, where the equipment operating under superfluous pressure of more than 0.07 MPa or at the temperature of water heating of more than 115 degrees Celsius is applied***
11. Number: **No. EV-02-001323 (C) (ЭБ-02-001323 (C));**
Date of issue: **12 July 2007;**
Period of validity: **12 July 2012;**
Authority that issued the special permit (license): ***Federal Service for Ecological, Technological and Atomic Supervision;***
Business line: ***Maintenance of explosive industrial objects, where the substances which may form explosive mixtures with oxygen of air or with each other (combustible gases, inflammable and combustible liquids, dust producing substances), solid-phase and liquid-phase substances sensitive to spontaneous decomposition with and explosion are transported, destroyed, generated, used, processed, formed, and stored.***
12. Number: **No. 9777;**

Date of issue: *10 January 2007*;

Period of validity: *10 January 2010*;

Authority that issued the special permit (license): *The Administration of the Federal Security Service of the Russian Federation for Moscow and Moscow Region*;

Business line: *the works connected with use of the state secret data.*

13. Number: *No. 9778*;

Date of issue: *10 January 2007*;

Period of validity: *10 January 2010*;

Authority that issued the special permit (license): *The Administration of the Federal Security Service of the Russian Federation for Moscow and Moscow Region*;

Business line: *holding actions and (or) services in the field of the state secret protection.*

14. Number: *No. 50.99.08.002L.000252.11.07 (50.99.08.002J.000252.11.07)*;

Date of issue: *9 November 2007*;

Period of validity: *1 November 2012*;

Authority that issued the special permit (license): *The Administration of The Federal Supervision Agency for the Customer Rights Protection and Human Welfare for the Moscow Region*;

Business line: *activities in the field of use of ionizing radiation sources (generation sources).*

15. Number: *No. 50-01-001426*;

Date of issue: *27 September 2007*;

Period of validity: *27 September 2012*;

Authority that issued the special permit (license): *Federal Service for Health and Social Development Supervision*;

Business line: *Medical activities.*

16. Number: *No. OT-00-009028 (OO)*;

Date of issue: *15 August 2008*;

Period of validity: *15 August 2012*;

Authority that issued the special permit (license): *Federal Service for Ecological, Technological and Atomic Supervision*;

Business line: *activities of gathering, use, deactivation, transportation, placement of hazardous wastes.*

The issuer plans to obtain a number of additional special permits (licenses) which are necessary for its normal functioning.

The issuer's forecast on a probability of prolongation of a special permit (license):

The issuer estimates the risk of non-prolongation of the available special permits (licenses) as minimal.

3.2.6. Issuer's joint activities

The issuer is not engaged in the joint activities with other organizations.

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

The issuer is not a joint-stock investment fund, insurance or credit organization, mortgage agent.

3.2.8. Additional requirements to the issuers, the primary activities of which are extraction of minerals

The information is not presented, as the issuer does not carry out extraction of minerals, including extraction of precious metal and jewel, and has no subsidiaries or dependent entities which conduct activities on extraction of the specified minerals.

3.2.9. Additional requirements to the issuers, the primary activities of which are rendering communication services

The information is not presented, as the issuer's primary activities do not include rendering communication services.

3.3. Issuer's plans of the future activities

The brief description of the issuer's plans concerning the future activities

In conformity with the Charter, the main goal of the issuer's activities is profit making. On this basis, the issuer plans to continue works in the field of the primary activities - electric energy transmission.

As may be necessary, in the event of a growth of loading and deterioration, activities on re-equipment and reconstruction of the fixed assets will be held.

The sources of the future incomes:

OJSC "Moscow United Electric Grid Company" plans the following sources of incomes:

- Transmission and distribution of electric energy;*
- Incomes from leasing out buildings and constructions;*
- Technological connection to electric networks;*
- Other incomes.*

Plans of the organization of new production, expansion or reduction of production, development of new kinds of products, re-equipment and reconstruction of the fixed assets:

The Investment Strategy of OJSC "MOESK" is aimed to eliminate the existing deficiency of electric capacity in Moscow and the Moscow region, increase of reliability of electric power supplies to consumers, meeting the perspective demand for connection of new consumers.

According to the Investment program for 2009, it is planned to provide inclusion and commissioning of substations 110/10 kV «Semenovskaya» where three transformers of capacity of 63 MVA will be installed, 220 kV «Paveletskaya» with installation of two transformers by 250 MVA, 110/20 kV "MGU" - two transformers by 80 MVA. It is also planned to complete works and input in fixed capital of substation 110 kV «Khlebnikovo» (translation to higher class of voltage - 220 kV) where transformers were put in operation in 2008.

It is planned to finish construction and reconstruction of cable lines 110 kV "TPS 12-Ochakovo" to substation "MGU" (4x2.5 km), cable overhangs of OL 220 kV "TPS-27-Beskudnikovo" to substation "Babushkin". Reconstruction with increase in transmission capacity of cable overhead line of electricity transmission of 110 kV «TPS-20-Cheremushki 1-2 », cable line 220 kV «TPS-21-Novobratsevo 1,2». Due to means of the leasing companies, it is planned to put into operation cable lines "Karachaevo-Vykhino", "TPS-20-Semenovskaya", "Rublevo-Setun" and "N.Kuntsevo-Setun".

putting in operation of the given cable lines will provide increase of transmission capacity of transmission lines, will allow for a raise of reliability and uninterrupted operation of power supply of consumers of the Moscow region.

Possible changing of primary activities.

The issuer's activities are connected with the electric power transmission. The issuer does not plan to change primary activities.

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

The company is a subsidiary of JSC "IDGC Holding" (50.9% of the Company voting shares belong to JSC "IDGC Holding").

JSC "IDGC Holding" was established on 1 July 2008 as a result of reorganization of RAO UESR in the form of a spin-off.

Place and functions of the issuer in the organization: being a subsidiary of JSC "IDGC Holding", the issuer plays a key part in formation of the Moscow regional power supply system, is focused on execution of the following functions:

- Maintenance of reliability of functioning of the electric grid complex;*
- Realization of long-term investment programs in electric power industry, and so forth*

3.5. Issuer's subsidiaries and dependent economic companies

The personal structure of the governance bodies of subsidiaries and dependent entities is specified on the basis of the information provided by specified entities.

1. The full company name: **Open Joint-Stock Company "Energocenter"**

The shortened company name: **OJSC "Energocenter"**

The location: **142117, Moscow region, Podolsk city, Kirova street, 65**

The basis of recognition of the company to be a subsidiary and/or a dependent entity: **OJSC "Moscow United Electric Grid Company" owns more than 20% of the voting shares of OJSC "Energocenter"**

The amount of the issuer's stake in the authorized capital of the subsidiary and/or dependent entity: **50%**

The amount of ordinary shares of the subsidiary and/or dependent entity belonging to the issuer: **50%**

The stake of the subsidiary and/or dependent entity in the issuer's authorized capital: **0%**

The amount of the issuer's ordinary shares belonging to the subsidiary and/or dependent entity: **0%**

The main business line of the company: **Realization of investment activities, rendering of services on connection to electric grids, development of electric networks and other electric grid facilities, including designing, engineering researches, construction, reconstruction, re-equipment, installation and adjustment**

Estimation of the value of this entity for the issuer's activities: **High. In order to carry out control over the investment projects carried out by OJSC "Energocenter" and rendering of influence on the decisions taken by OJSC "Energocenter", in 2006 the Board of Directors of OJSC "MOESK" (Minutes No.38 as of 27 December 2006) approved participation of OJSC "MOESK" in OJSC "Energocenter" as a shareholder with the 50% stake of the authorized capital.**

Personal structure of the Board of Directors of OJSC Energocenter"

Board of Directors:

Andrey Vladimirovich Mayorov, Chairman of the Board of Directors

Year of birth: **1967**

The person's stake in the issuer's authorized capital: **0.00034 %**

The amount of the issuer's ordinary shares belonging to this person: **0.00034 %**

Stanislav Vyacheslavovich Voronin

Year of birth: **1974**

The person's stake in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to this person: **0 %**

Evgeniy Anatolievich Kopanov

Year of birth: **1970**

The person's stake in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to this person: **0 %**

Alexander Vladimirovich Sharykin

Year of birth: **1968**

The person's stake in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to this person: **0 %**

Boris Anatolievich Lipkin

Year of birth: **1966**

The person's stake in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to this person: **0 %**

Collegial executive body: it is not stipulated by the Charter

General Director: Evgeniy Anatolievich Kopanov

Year of birth: **1970**

The person's stake in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to this person: **0 %**

2. The full company name: ***Open Joint-Stock Company "Moskabelsetmontazh"***

The shortened company name: ***OJSC "MKSM"***

The location: ***107140, Moscow, Nizhnyaya Krasnoselskaya street 6, bld. 1.***

The basis for recognition of the entity to be a subsidiary and/or dependent entity: ***OJSC "Moscow United Electric Grid Company" by virtue of the prevailing stake in its authorized capital has an opportunity to define the decisions taken by OJSC "Moskabelsetmontazh"***

The amount of the issuer's stake in the authorized capital of the subsidiary and/or dependent entity: **100 %**

The amount of ordinary shares of the subsidiary and/or dependent entity belonging to the issuer:

100 %

The stake of the subsidiary and/or dependent entity in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to the subsidiary and/or dependent entity: **0 %**

The Company's main business line: ***building and installation works (including works on improvement of external engineering networks and equipment, laying of cable electric power supply lines 1-10, 20, 35, 110,220 and 500 kV; preparation of the building site and excavations; setting up of bearing and protecting structures; improvement of internal engineering networks; works on protection of structures and equipment; starting-up and adjustment works).***

Estimation of the value of this entity for the issuer's activities: ***High. In order to carry out control over performance by OJSC "MKSM" of building and assembly projects and rendering of influence on the decisions taken by OJSC "MKSM", in 2007 the Board of Directors of OJSC "MOESK" (Minutes No. 53 as of 7 December 2007) approved participation of OJSC "MOESK" in OJSC "MKSM" as a shareholder with the 100% stake of the authorized capital.***

Board of Directors:

Andrey Vladimirovich Majorov, Chairman of the Board of Directors

Year of birth: **1967**

The person's stake in the issuer's authorized capital: **0.00034 %**

The amount of the issuer's ordinary shares belonging to this person: **0.00034 %**

Vladimir Sergeevich Artamonov

Year of birth: **1949**

The person's stake in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to this person: **0 %**

Gennady Emmanuilovich Trahtenberg

Year of birth: **1940**

The person's stake in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to this person: **0 %**

Sayan Balzhinimaevich Tsirendashev

Year of birth: **1979**

The person's stake in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to this person: **0 %**

Vyacheslav Vladimirovich Degtyaryov

Year of birth: **1979**

The person's stake in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to this person: **0 %**

Collegial executive body: is not stipulated by the Charter

General Director: Vladimir Sergeevich Artamonov

Year of birth: **1949**

The person's stake in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to this person: **0 %**

3. The full company name: **Open Joint-Stock Company "Moskabelenergoremont"**

The shortened company name: **OJSC "MKER"**

The location: **115569, Moscow, Shipilovskaja street, 13, bld.2.**

The basis for recognition of the entity to be a subsidiary and/or dependent entity: **OJSC "Moscow United Electric Grid Company" by virtue of the prevailing stake in its authorized capital has an opportunity to define the decisions taken by OJSC "Moskabelenergoremont"**

The amount of the issuer's stake in the authorized capital of the subsidiary and/or dependent entity: **100 %**

The amount of ordinary shares of the subsidiary and/or dependent entity belonging to the issuer: **100 %**

The stake of the subsidiary and/or dependent entity in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to the subsidiary and/or dependent entity: **0 %**

The Company's main business line: **installation, adjustment and repair of energy facilities, the electric power, heat power equipment and energy installations of consumers; repair, reconstruction and re-equipment of cable lines and equipment, and re-equipment and reconstruction of power facilities; maintenance of power supply of the consumers connected to networks; maintenance of operation of the power equipment, engineering systems and constructions according to operating normative requirements.**

Estimation of the value of this entity for the issuer's activities: **High. In order to carry out control of the performance by OJSC MKER" assembling, adjustment and repair projects and rendering of influence on the decisions taken by OJSC "MKER", in 2007 the Board of Directors of OJSC "MOESK" (Minutes No.53 as of 7 December 2007) approved participation of OJSC "MOESK" in OJSC "MKER" as a shareholder with the 100% stake of the authorized capital is approved.**

Board of Directors:

Yury Valerievich Nepomnyaschy, Chairman of the Board of Directors

Year of birth: **1950**

The person's stake in the issuer's authorized capital: **0.000194 %**

The amount of the issuer's ordinary shares belonging to this person: **0.000194 %**

Sergey Alexandrovich Panin

Year of birth: **1954**

The person's stake in the issuer's authorized capital: **0.000943 %**

The amount of the issuer's ordinary shares belonging to this person: **0.000943 %**

Andrey Borisovich Miridonov

Year of birth: **1958**

The person's stake in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to this person: **0 %**

Natalia Ilyinichna Erpsher

Year of birth: **1969**

The person's stake in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to this person: **0 %**

Vladimir Viktorovich Brylkov

Year of birth: **1970**

The person's stake in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to this person: **0 %**

Executive collegial body: is not stipulated by the Charter

General Director: Sergey Aleksandrovich Panin

Year of birth: **1954**

The person's stake in the issuer's authorized capital: **0.000943 %**

The amount of the issuer's ordinary shares belonging to this person: **0.000943 %**

4. The full company name: ***Open Joint-Stock Company "Electric Grid Equipment Repairing Plant"***

The reduced company name: ***OJSC "Zavod RETO"***

The location: ***152201, Moscow, Starokashirskoe highway, 4a.***

The basis for recognition of the entity to be a subsidiary and/or dependent entity: ***OJSC "Moscow United Electric Grid Company" by virtue of the prevailing stake in its authorized capital has an opportunity to define the decisions taken by OJSC "Electric Grid Equipment Repairing Plant"***

The amount of the issuer's stake in the authorized capital of the subsidiary and/or dependent entity: **100 %**

The amount of ordinary shares of the subsidiary and/or dependent entity belonging to the issuer:

100 %

The stake of the subsidiary and/or dependent entity in the issuer's authorized capital: **0 %**

The amount of the issuer's ordinary shares belonging to the subsidiary and/or dependent entity: **0 %**

The Company's main business line: ***installation, adjustment and repair of power facilities, the electric power and heat power equipment and energy installations of consumers; works on capital and routine repair of the power electrotechnical equipment in power electric networks, thermal power stations, district power stations and other objects; works on liquidation of consequences of failures in power electric networks, thermal power stations, district power stations and other objects on the territory of the city of Moscow and the Moscow region and in other regions.***

Estimation of the value of this entity for the issuer's activities: ***High. In order to carry out control over the performance by OJSC "Electric Grid Equipment Repairing Plant" of assembling, adjustment and repair projects and rendering of influence on the decisions taken by OJSC « Factory ПЭТО », in 2007 the Board***

of Directors of OJSC "MOESK" (the report. 53 from 12/7/2007) approved participation of OJSC "MOESK" in "Zavod RETO" as a shareholder with the 100% stake of the authorized capital.

Board of Directors:

Valery Petrovich Bolshakov, Chairman of Board of Directors

Year of birth: ***1950***

The person's stake in the issuer's authorized capital: ***0 %***

The amount of the issuer's ordinary shares belonging to this person: ***0 %***

Alexander Petrovich Vasilev

Year of birth: ***1944***

The person's stake in the issuer's authorized capital: ***0.001245 %***

The amount of the issuer's ordinary shares belonging to this person: ***0.001245 %***

Vladimir Vladimirovich Kovyркиn

Year of birth: ***1949***

The person's stake in the issuer's authorized capital: ***0 %***

The amount of the issuer's ordinary shares belonging to this person: ***0 %***

Vladimir Vyacheslavovich Inozemtsev

Year of birth: ***1977***

The person's stake in the issuer's authorized capital: ***0 %***

The amount of the issuer's ordinary shares belonging to this person: ***0 %***

Valentina Alexandrovna Demina

Year of birth: ***1977***

The person's stake in the issuer's authorized capital: ***0 %***

The amount of the issuer's ordinary shares belonging to this person: ***0 %***

Collegial executive body: is not stipulated by the Charter

General Director: Alexander Petrovich Vasiliev

Year of birth: ***1944***

The person's stake in the issuer's authorized capital: ***0.001245 %***

The amount of the issuer's ordinary shares belonging to this person: ***0.001245 %***

3.6. Composition, structure and value of the issuer's fixed assets, information on plans for the fixed assets purchase, replacement, retirement, and all facts of the issuer's fixed assets encumbrance

3.6.1. Fixed assets

Information on the initial (recovery) value of fixed assets in the amount of the accrued depreciation:

The specified information is given for the last completed financial year and for the reporting quarter of the current financial year

Name of the group of fixed asset objects	Initial (recovery) value, '000 RUR	Amount of the accrued depreciation, '000 RUR
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Reporting date: *2008 taking into account the reassessment as of 01.01.2009*

<i>Buildings</i>	<i>10,087,861</i>	<i>587,069</i>
<i>Structures and transfer mechanisms</i>	<i>39,871,258</i>	<i>3,194,966</i>
<i>Machines and equipment</i>	<i>100,456,856</i>	<i>27,194,502</i>
<i>Vehicles</i>	<i>585,409</i>	<i>131,860</i>
<i>Other types of fixed assets</i>	<i>236,186</i>	<i>76,624</i>
<i>Total, fixed assets</i>	<i>151,237,570</i>	<i>31,185,021</i>

Reporting date: *31.03.2009*

<i>Buildings</i>	<i>10,086,463</i>	<i>692,649</i>
<i>Structures and transfer mechanisms</i>	<i>40,250,560</i>	<i>3,689,550</i>
<i>Machines and equipment</i>	<i>101,020,277</i>	<i>29,460,012</i>
<i>Vehicles</i>	<i>614,751</i>	<i>154,073</i>
<i>Other types of fixed assets</i>	<i>233,482</i>	<i>81,437</i>
<i>Total, fixed assets</i>	<i>152,205,533</i>	<i>34,077,721</i>

Results of reassessment of the fixed assets and the sum of the charged amortization:

The information on initial (recovery) value of the fixed assets and the sum of the charged amortization:

Reporting date: *31.12.2006 before reassessment*

Name of the group of fixed asset	Initial (recovery) value,	Amount of the accrued	Residual value, '000
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objects	‘000 RUR	depreciation, ‘000 RUR	RUR
<i>Buildings</i>	<i>4,987,335</i>	<i>174,582</i>	<i>4,812,753</i>
<i>Structures and transfer mechanisms</i>	<i>15,951,955</i>	<i>1,150,408</i>	<i>14,801,547</i>
<i>Machines and equipment</i>	<i>11,287,640</i>	<i>1,385,287</i>	<i>9,902,353</i>
<i>Vehicles</i>	<i>105,904</i>	<i>92,541</i>	<i>13,363</i>
<i>Other types of fixed assets</i>	<i>274,471</i>	<i>36,018</i>	<i>238,453</i>
<i>Total, fixed assets</i>	<i>32,607,305</i>	<i>2,838,836</i>	<i>29,768,469</i>

Reporting date: ***01.01.2007 after reassessment***

Name of the group of fixed asset objects	Initial (recovery) value, ‘000 RUR	Amount of the accrued depreciation, ‘000 RUR	Residual value, ‘000 RUR
<i>Buildings</i>	<i>4,987,335</i>	<i>174,582</i>	<i>4,812,753</i>
<i>Structures and transfer mechanisms</i>	<i>15,951,955</i>	<i>1,150,408</i>	<i>14,801,547</i>
<i>Machines and equipment</i>	<i>29,390,726</i>	<i>6,141,664</i>	<i>23,249,062</i>
<i>Vehicles</i>	<i>105,904</i>	<i>92,541</i>	<i>13,363</i>
<i>Other types of fixed assets</i>	<i>274,471</i>	<i>36,018</i>	<i>238,453</i>
<i>Total, fixed assets</i>	<i>50,710,391</i>	<i>7,595,213</i>	<i>43,115,178</i>

Way of carrying out the reassessment: ***Definition of full recovery value of the fixed assets under the direct recalculation method***

Amortization under the fixed asset objects is made by linear way, proceeding from the terms of efficient application of these objects.

Reporting date: ***31.12.2008 before reassessment***

Name of the group of fixed asset objects	Initial (recovery) value, ‘000 RUR	Amount of the accrued depreciation, ‘000 RUR	Residual value, ‘000 RUR
<i>Buildings</i>	<i>10,074,945</i>	<i>585,636</i>	<i>9,489,309</i>
<i>Structures and transfer mechanisms</i>	<i>39,882,678</i>	<i>3,193,970</i>	<i>36,688,708</i>
<i>Machines and equipment</i>	<i>59,483,568</i>	<i>13,734,835</i>	<i>45,748,733</i>

<i>Vehicles</i>	<i>585,409</i>	<i>131,860</i>	<i>453,549</i>
<i>Other types of fixed assets</i>	<i>209,456</i>	<i>69,492</i>	<i>139,964</i>
<i>Total, fixed assets</i>	<i>110,236,056</i>	<i>17,715,793</i>	<i>92,520,263</i>

Reporting date: *01.01.2009 after reassessment*

Name of the group of fixed asset objects	Initial (recovery) value, '000 RUR	Amount of the accrued depreciation, '000 RUR	Residual value, '000 RUR
<i>Buildings</i>	<i>10,087,861</i>	<i>587,069</i>	<i>9,500,792</i>
<i>Structures and transfer mechanisms</i>	<i>39,871,258</i>	<i>3,194,966</i>	<i>36,676,292</i>
<i>Machines and equipment</i>	<i>100,456,856</i>	<i>27,194,502</i>	<i>73,262,354</i>
<i>Vehicles</i>	<i>585,409</i>	<i>131,860</i>	<i>453,549</i>
<i>Other types of fixed assets</i>	<i>236,186</i>	<i>76,624</i>	<i>159,562</i>
<i>Total, fixed assets</i>	<i>151,237,570</i>	<i>31,185,021</i>	<i>120,052,549</i>

Way of carrying out the reassessment: *Definition of full recovery value of the fixed assets under the direct recalculation method*

Amortization under the fixed asset objects is made by linear way, proceeding from the terms of efficient application of these objects.

Plans for purchase, replacement, retirement of the fixed assets, the value of which is at least 10 percent of the issuer's fixed assets value and other fixed assets under the discretion of the issuer:

Distribution of means of the Investment program of OJSC "MOESK" for 2009-2011 in comparison with the Investment program of 2008 as to capital investments, with a breakdown into Moscow and the Moscow region is presented in the table:

(RUR million, without VAT)

Distribution of means of the Investment program of OJSC "MOESK" for 2009-2011 in comparison with the Investment program of 2008 as to capital investments, with a breakdown into Moscow and the Moscow region (RUR million, without VAT)				
name	2008	2009	2010	2011

Moscow	23,570	13,100	7,276	5,148
<i>Re-equipment and reconstruction</i>	13,563	4,569	7,276	3,762
<i>New construction</i>	9,180	8,532	0	1,386
<i>Other</i>	827	0	0	0
Moscow region	11,795	8,243	10,293	3,598
<i>Re-equipment and reconstruction</i>	11,165	2,940	9,429	3,598
<i>New construction</i>	631	5,302	864	0
<i>Other</i>	0	0	0	0
TOTAL in OJSC "MOESK"	35,365	21,343	17,569	8,747
<i>Re-equipment and reconstruction</i>	24,727	7,509	16,705	7,360
<i>New construction</i>	9,811	13,834	864	1,386
<i>Other</i>	827	0	0	0

The 2009 program is generated in the volume 21,343 million rubles. In 2010 reduction of capital investments concerning 2008 up is planned to the amount of 17,569 million rubles. In 2011 decrease in disbursing capital investments up to 8,747 million rubles is planned. The amortization means and means from technological connection are planned to be assigned for financing investment programs.

IV. Data on the issuer's financial and economic activities:

4.1. Results of the issuer's financial and economic activities

4.1.1. Profit and loss

Indicators showing the issuer's profitability and loss

Indicator	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>Q 1 2008</i>	<i>Q 1 2009</i>
<i>Proceeds ⁽¹⁾, RUR '000</i>	<i>12,254,106</i>	<i>25,447,566</i>	<i>38,681,052</i>	<i>63,015,362</i>	<i>16,038,233</i>	<i>22,482,566</i>
<i>Gross profit, RUR '000</i>	<i>2,140,538</i>	<i>6,216,655</i>	<i>9,091,433</i>	<i>6,420,147</i>	<i>1,833,105</i>	<i>5,887,902</i>
<i>Net profit (unappropriated profit (uncovered loss)), RUR '000</i>	<i>1,293,798</i>	<i>3,735,595</i>	<i>4,747,588</i>	<i>2,303,146</i>	<i>2,013,776</i>	<i>3,324,502</i>

<i>Return on equity, %</i>	<i>4.77</i>	<i>12.14</i>	<i>9.70</i>	<i>2.65</i>	<i>3.95</i>	<i>2.81</i>
<i>Return on assets, %</i>	<i>4.01</i>	<i>7.72</i>	<i>5.02</i>	<i>1.08</i>	<i>1.98</i>	<i>1.39</i>
<i>Net returns ratio, %</i>	<i>10.56</i>	<i>14.68</i>	<i>12.27</i>	<i>3.65</i>	<i>12.56</i>	<i>14.79</i>
<i>Product profitability (return on products (sales)), %</i>	<i>17.47</i>	<i>24.43</i>	<i>23.50</i>	<i>10.18</i>	<i>11.43</i>	<i>26.19</i>
<i>capital turnover</i>	<i>0.45</i>	<i>0.63</i>	<i>0.60</i>	<i>0.41</i>	<i>0.24</i>	<i>0.12</i>
<i>Amount of uncovered loss as of the reporting date, RUR "000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1 156 024</i>	<i>0</i>	<i>1 156 024</i>
<i>Relation of uncovered loss as of the reporting date to the balance sheet assets</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.005</i>	<i>0</i>	<i>0.005</i>

⁽¹⁾ net of the value added tax, excises and similar obligatory payments

The methods recommended in the Regulations for the Information Disclosing by Issuers of Equity Securities approved by Order of The Federal Financial Markets Service as of 10 October 2006 No. 06-117/pz-n (№ 06-117/нз-н) was applied for calculation of the specified indicators.

The proceeds of the issuer as of the date of the end of 2008 was 63,015,362 thousand rubles that is by 24,334,310 thousand rubles more than the similar period of the last year.

The major factor which affected the growth of the amount of the proceeds from selling in 2008 in comparison with the similar period of the last year became reception on 1 January 2008 by OJSC "MOESK" of the status of "uniform tariff holder" as to services on electric power transmission in Moscow and the Moscow region. As a result, the proceeds from transmission of electric power in the region, including proceeds of the other territorial grid organizations (TGOs) are reflected as proceeds of OJSC "MOESK", and in the further are transferred to TGOs with its reflection as expense part of the cost price.

As of the date of the end of the 1 quarter 2009, the proceeds of the issuer were 22,482,566 thousand rubles.

The issuer's plans include activities on connection of new consumers. The connection of new consumers means a technological connection of power-receiving devices to electric networks. It will allow the issuer to raise reliability and quality of power supply due to installation of the highly technological equipment and simultaneously to expand the client base.

The increase in quantity of consumers is expected to lead to a growth of the issuer's proceeds. The modern equipment will allow to reduce operational costs that will also positively influence on the issuer's financial results.

Implementation of payment for connection of new consumers in Moscow and the Moscow region according to Decision of RPC of Moscow from 15.08.2006 №28, by the order of the Fuel and Energy Complex of the Moscow region from 29.05.2006 №14/05-05, Decision of RPC of Moscow from 08.09.2006 №39 will give additional opportunities for reconstruction and modernisation of the electronetwork equipment of the company, implementation of modern technologies, increase of reliability and safety of work of electric systems of Moscow and the Moscow region.

The profitability indicators representing the results of the relation of profit (net revenue) and the means of its reception characterize an overall performance of the enterprise - productivity or feedback of the issuer's financial resources.

The return on assets which is calculated as a relation of net profit to assets, shows, what part of assets is per a unit of net profit, in other words, how much assets in money terms is involved per 1 ruble of net profit. Thus, the indicator enables to estimate the efficiency of assets use with a view of reception of profit.

The return on assets at the date of the end of 2008 was 1.08%, while the return on equity was 2.65%. The economic interpretation of the returns indicators is as follows: they show how much rubles is per one ruble of the equity. Thus, 2.65 rubles of net profit of the reporting year is per 100 rubles of equity.

The return on assets at the date of the end of quarter 1 2009 was 1.39%, while the return on equity was 2.81%.

The capital turnover indicator, which is calculated as a relation of proceeds to the amount of own assets and long-term liabilities, shows, what part of long-term financial sources is covered by proceeds. The equity turnover at the date of the 2008 financial year was 0.41.

The capital turnover indicator, first of all, characterizes the volume of sold products falling per 1 ruble of the assets invested in the enterprise's activities. Thus, this indicator for the issuer equals 0.41 ruble per 1 ruble of the cumulative indicator of own means and means in long-term use.

The capital turnover as of the date of the end of the 1st quarter of 2009 was 0.12.

The way of calculation recommended by The Federal Financial Markets Service suggests calculation of the indicator of net profitability as the relation of net profit of the reporting period to the proceeds for the similar period. Thus, the issuer's net profitability indicator at the date of the end of the year 2008 (3.65%) proves that every 100 rubles of proceeds bring 3.65 rubles of net profit.

The issuer's net profitability was of the end of the 1st quarter of 2009 was 14.79.

The uncovered loss at the date of the end of 2008 and the 1st quarter of 2009 was 1,156,024 thousand rubles. The loss has been generated as a result of markdown of the property held as a result of scheduled reassessment of the fixed capital. Presence of the given loss is not connected with operational activity and is a consequence of accounting procedures.

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

4.1.2. Factors which influence changing of the amount of proceeds from selling by the issuer of the issuer's goods, products, works, services and profit (loss) from the primary activities

Indicator	2007	2008	2008 / 2007, %
Proceeds from sales, RUR ' 000	38,681,052	63,015,362	162.91
Net profit (unappropriated balance) (uncovered loss),RUR '000	4,747,588	2,303,146	48.51

Indicator	Q 1 2008	Q 1 2009	Q 1 2009 /Q 1 2008, %
Proceeds from sales, RUR ' 000	16,038,233	22,482,566	140.18
Net profit (unappropriated balance) (uncovered loss),RUR '000	2,013,776	3,324,502	165.09

The proceeds from sales in 2008 equaled RUR 63,015,362 thousand that 62.91% exceeds the similar period of the previous year.

The major factor which influenced the growth of the amount of proceeds from sales in 2008 in comparison with the similar period of the previous year was an implementation in Moscow and Moscow

region since 1 January 2008 of the uniform tariff formation method on transmission of electric power; therefore since the beginning of the year the proceeds of TGOs (territorial grid organizations) are added to own proceeds of OJSC "MOESK" which are subsequently distributed between these TGOs and reflected in expenses of OJSC "MOESK".

The net profit in 2008 was 2,303,146 thousand rubles that is by 51.49 % less, than in 2007.

Decrease in profitability in 2008 in comparison with the similar period of the last year is caused by common economic phenomena of delay in economy in the 4th quarter of 2008 as a result of which there was a change of dynamics of production supply from positive to negative and relative reduction in demand for connection of new capacities.

The proceeds from sales in the 1st quarter 2009 were 22,482,566 thousand rubles that is by 40.18 % more than in the similar period of the last year.

The net profit in the 1st quarter 2009 was 3,324,502 thousand rubles that is by 65.09 % more than in the 1st quarter 2008

The major factors which affected the growth of the amount of proceeds from sales in the 1st quarter 2009 in comparison with the similar period of the last year are saving-up under items of the cost price as a result of the program of anti-recessionary actions of the Company and activation of services of technological connection in the volume exceeding the planned one.

The issuer governance bodies' opinions concerning the information presented by this item coincide.

4.2. Issuer's liquidity, sufficiency of the equity and working capital

Indicators that characterize the issuer's liquidity.

<i>Indicator</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>Q 1 2009</i>
<i>Working capital, RUR '000</i>	<i>(644,962)</i>	<i>(5,327,571)</i>	<i>(19,043,203)</i>	<i>(53,139,063)</i>	<i>(49,721,770)</i>
<i>Net fixed assets index</i>	<i>1.02</i>	<i>1.17</i>	<i>1.39</i>	<i>1.96</i>	<i>1.71</i>
<i>Current liquidity ratio</i>	<i>0.90</i>	<i>1.57</i>	<i>0.90</i>	<i>0.75</i>	<i>0.67</i>
<i>Acid test ratio</i>	<i>0.49</i>	<i>1.27</i>	<i>0.77</i>	<i>0.63</i>	<i>0.54</i>
<i>Equity asset ratio</i>	<i>0.84</i>	<i>0.64</i>	<i>0.52</i>	<i>0.41</i>	<i>0.50</i>

The methods recommended in the Regulations for the Information Disclosing by Issuers of Equity Securities approved by Order of The Federal Financial Markets Service as of 10 October 2006 No. 06-117/pz-n (№ 06-117/n3-n) was applied for calculation of the specified indicators.

Working capital is the share of own capital aimed to financing the issuer' working assets. This indicator for the issuer is negative and at the date of the end of 2008 is 53,139,063 thousand rubles. The decrease in the indicators in 2008 in comparison with the indicator of 2007 is connected with a significant growth in 2008 of non-current assets in connection with commissioning of fixed assets and with an increase in the value of incomplete construction owing to active investment activity.

At the date of the end of the 1st quarter 2009 the indicator of own current assets is negative and was 49,721,770 thousand rubles.

The net asset index describing a share of noncurrent assets and long-term receivables of the issuer in the sources of own means at the date of the end of the 2008 was 1.96. The growth of the indicator for 2008 in comparison with 2007 is caused by a significant growth in 2008 of non-current assets in connection with commissioning of fixed assets and with increase in value of incomplete construction owing to active investment activity.

At the date of the end of the 1st quarter of 2009 the net asset index was 1.71.

The current liquidity indicator shows whether the enterprise has enough means which can be used for repayment of short-term obligations (in particular, payables). At 31.12.2008 it was factor 0.75. A decrease in the indicator in 2008 in comparison with 2007 is connected with the vigorous activity of the company on technological connection of consumers to electric networks as within the limits of contracts of connection, essential advance payments are stipulated.

At the date of the end of the 1 quarter 2009, the current liquidity indicator was 0.67.

The acid test ratio is the relation of the most liquid assets of the company and receivables to current short-term obligations (net of incomes of the future periods). This indicator reflects payment opportunities of the enterprise for duly and fast repayment of the debts. At 31.12.2008 this figure was 0.63.

At the date of the end of the 1st quarter 2009, the acid test ratio was 0.54.

The equity asset ratio characterizes dependence of the enterprise on external sources of financing. The above its value, the more financial independence of the issuer. The value of the equity asset ratio at the date of the end of 2008 was 0.41. A decrease in the indicator of equity asset ratio in 2008 in comparison with 2007 is connected with a significant growth in 2008 of non-current assets in connection with commissioning of the fixed assets and with an increase in the value of incomplete construction owing to active investment activity.

At the date of the end of the 1st quarter 2009 the equity asset ratio was 0.50.

The issuer governance bodies' opinions concerning the information presented by this item coincide.

4.3. Amount and structure of the issuer's equity and working capital

4.3.1. Amount and structure of the equity and working capital

Amount and structure of the issuer's equity and working capital, RUR '000:

Indicator	Q 2008	Q 1 2009
Authorized capital amount	24,353,546	24,353,546
Compliance of the authorized capital with the documents of incorporation	24,353,546	24,353,546
Total value of shares which are repurchased by the issuer for the subsequent re-selling	(3,798)	(3,798)
Reserve capital amount	695,356	695,356

Additional capital amount	36,243,169	63,775,454
Undistributed net profit amount	24,400,180	27,858,565
Total amount of the issuer's equity	85,688,453	116,679,123

Amount of the issuer's current assets in accordance with the issuer's accounting reports:

RUR '000

Current assets	2008
<i>Stocks</i>	6,538,472
<i>Including raw material, other material and other similar values</i>	2,422,102
<i>Expenses in the production-in-process</i>	-
<i>Ready products and goods for re-selling</i>	1,753
<i>Goods loaded out</i>	-
<i>Expenses of future periods</i>	4,114,617
<i>Other stocks and expenses</i>	-
<i>Value added tax under the values purchased</i>	277,787
<i>Debt receivable (the maturity under which is expected in more than 12 months after the reporting date)</i>	30,002,022
<i>Debt receivable (the maturity under which is expected within the period of 12 months after the reporting date)</i>	30,636,466
<i>Including buyers and customers</i>	3,986,070
<i>Short-term financial investments</i>	-
<i>Monetary assets</i>	5,197,786
<i>Other current assets</i>	2,095
Total:	72,654,628

Structure of the issuer's current assets: *in percent of the total current assets*

Current assets	2008
<i>Stocks</i>	9.00
<i>Including raw material, other material and other similar values</i>	3.33
<i>Expenses in the production-in-process</i>	-
<i>Ready products and goods for re-selling</i>	0.01
<i>Goods loaded out</i>	-
<i>Expenses of future periods</i>	5.66
<i>Other stocks and expenses</i>	-
<i>Value added tax under the values purchased</i>	0.38
<i>Debt receivable (the maturity under which is expected in more than 12 months after the reporting date)</i>	41.29
<i>Debt receivable (the maturity under which is expected within the period of 12 months after the reporting date)</i>	42.17
<i>Short-term financial investments</i>	-
<i>Monetary assets</i>	7.15

<i>Other current assets</i>	<i>0.01</i>
TOTAL	100.00

Structure of the issuer's current assets for the first quarter of the current financial year
RUR '000

Current assets	<i>1 quarter 2009</i>
<i>Stocks</i>	<i>6,410,930</i>
<i>Including raw material, other material and other similar values</i>	<i>2,361,615</i>
<i>Expenses in the production-in-process</i>	<i>-</i>
<i>Ready products and goods for re-selling</i>	<i>1,747</i>
<i>Goods loaded out</i>	<i>-</i>
<i>Expenses of future periods</i>	<i>4,047,568</i>
<i>Other stocks and expenses</i>	<i>-</i>
<i>Value added tax under the values purchased</i>	<i>156,835</i>
<i>Debt receivable (the maturity under which is expected in more than 12 months after the reporting date)</i>	<i>34,703,802</i>
<i>Including buyers and customers</i>	<i>4,215</i>
<i>Other debtors</i>	<i>34,699,587</i>
<i>Debt receivable (the maturity under which is expected within the period of 12 months after the reporting date)</i>	<i>25,408,120</i>
<i>Including buyers and customers</i>	<i>5,354,155</i>
<i>Short-term financial investments</i>	<i>-</i>
<i>Monetary assets</i>	<i>3,665,464</i>
<i>Other current assets</i>	<i>2,095</i>
Total:	70,347,246

Structure of the issuer's current assets: *in percent of the total current assets*

Current assets	<i>Q 1 2009</i>
<i>Stocks</i>	<i>9.11</i>
<i>Including raw material, other material and other similar values</i>	<i>3.36</i>
<i>Expenses in the production-in-process</i>	<i>-</i>
<i>Ready products and goods for re-selling</i>	<i>0.01</i>
<i>Goods loaded out</i>	<i>-</i>
<i>Expenses of future periods</i>	<i>5.75</i>
<i>Other stocks and expenses</i>	<i>-</i>
<i>Value added tax under the values purchased</i>	<i>0.22</i>
<i>Debt receivable (the maturity under which is expected in more than 12 months after the reporting date)</i>	<i>49.33</i>
<i>Debt receivable (the maturity under which is expected within the period of 12 months after the reporting date)</i>	<i>36.12</i>
<i>Short-term financial investments</i>	<i>-</i>
<i>Monetary assets</i>	<i>5.21</i>

<i>Other current assets</i>	<i>0.01</i>
<i>Total</i>	<i>100.00</i>

OJSC "Moscow United Electric Grid Company" uses both own sources of financing of current assets, and extra sources. The own sources are enough for realization of the current financial and economic activities; however, the company also uses extra sources in order to provide an effective realization of the investment program. The current assets financing policy is based on principles of minimization of loans value, availability of credit resources, maximization of the company profit, etc. Formation of the delayed debt (i.e. breaking the terms of the contracts concluded by the issuer regarding the terms of transfer of money resources) is not allowed.

The issuer does not project an occurrence of factors which may entail changes in the policy of financing of the current assets.

4.3.2. Issuer's financial investments

The list of the issuer's financial investments which are at least 10 percent of its all financial investments at the date of the end of the third quarter of the current fiscal year.

The full company name: *Open Joint-Stock Company "Energocenter"*

The shortened company name: *OJSC "Energocenter"*

The location: *142117, Moscow region, Podolsk city, Kirova street, 65*

The type of securities: *shares*

The state registration number of the share issue: *1-01-55217-E*

The date of the state registration number of the share issue: *31 August 2006*

The registering agency which carried out the state registration of the share issue: *The Federal Financial Markets Service*

The number of the securities owned by the issuer: *20,000 pieces*

The total par value of the securities owned by the issuer: *RUR 1,000,000,000.*

The total balance sheet value of the securities holding: *RUR 1,000,000,000.*

The amount of the declared dividend per the ordinary shares: *dividend was not paid per ordinary shares*

The full company name: *Open Joint-Stock Company "Moskabelsetmontazh"*

The shortened company name: *OJSC "MKSM"*

The location: *107140, Moscow, Nizhnyaya Krasnoselskaya street 6, bld. 1.*

The type of securities: *shares*

The state registration number of the share issue: *1-01-55338-E*

The date of the state registration number of the share issue: *27 March 2008*

The registering agency which carried out the state registration of the share issue: *The Federal Financial Markets Service*

The number of the securities owned by the issuer: *3,359,709,830 pieces*

The total par value of the securities owned by the issuer:

RUR 1,679,854,915.

The total balance sheet value of the securities holding: *RUR 1,793,453,678.*

The amount of the declared dividend per the ordinary shares: *dividend was not paid per ordinary shares*

The full company name: *Open Joint-Stock Company "Electric Grid Equipment Repairing Plant"*

The reduced company name: *OJSC "Zavod RETO"*

The location: *152201, Moscow, Starokashirskoe highway, 4a.*

The type of securities: *shares*

The number of the securities owned by the issuer: *1,223,215,466 pieces*

The total par value of the securities owned by the issuer: *RUR 611,607,733.*

The total balance sheet value of the securities holding: **RUR 611,954,811**.
The amount of the declared dividend per the ordinary shares: *dividend was not paid per ordinary shares*

The full company name: **Open Joint-Stock Company "Moskabelenergoremont"**

The shortened company name: **OJSC "MKER"**

The location: **115569, Moscow, Shipilovskaja street, 13, bld.2.**

The type of securities: **shares**

The number of the securities owned by the issuer: **998,880,622 pieces**

The total par value of the securities owned by the issuer: **RUR 499,440,311**.

The total balance sheet value of the securities holding: **RUR 516,683,511**.

The amount of the declared dividend per the ordinary shares: *dividend was not paid per ordinary shares*

The full company name: **"OTKRITIE Financial Corporation", Limited Liability Company**

The shortened company name: **OTKRITIE FC**

The location: **129090, Moscow, Kalanchevskaya street, 49**

The type of securities: **bill of exchange**

The number of the securities owned by the issuer: **1 piece**

The total par value of the securities owned by the issuer: **RUR 2,500,000,000**.

The total balance sheet value of the securities holding: **RUR 2,968,747,000**.

The issuer has no funds on depositary or other accounts in banks and other credit organizations, the licenses of which were suspended or withdrawn, and in banks and other credit organizations, with regard to which the decision on reorganization, liquidation, the beginning of the bankruptcy procedure or on recognition to be insolvent (a bankrupt) was taken.

The registration of the issuer's financial investments is performed according to the Russian Book Keeping Rules stated in the Order of the Ministry of Finance of the Russian Federation as of 10 December 2002 No. 126n (126н) "On approval of the Regulations for Book Keeping "Registration of Financial Investments" AR 19/02" (ПБУ 19/02).

4.3.3. Issuer's intangible assets

Information on the structure, initial cost of the intangible assets and the amount of the accumulated amortization for the third quarter of the present financial year:

Such information is not indicated as far as the issuer does not possess any intangible assets for the end of 2008 and the first quarter of the present financial year.

There was no contribution of the intangible assets to the authorized capital or their acquisition through a grant.

Standards (rules) of the accounting whereby the issuer presents information concerning his/her intangible assets:

1. Regulation on the accounting "Financial accounting of the enterprise" AR 4/99 (approved by the order of the Ministry of Finance of the Russian Federation as of July 6, 1999, N. 43 n).

2. Regulation on the accounting "Intangible assets accounting" AR 14/2000 (approved by the order of the Ministry of Finance of the Russian Federation as of October 16, 2000 N. 91 n).

4.4. Data on the issuer's policy and expenses in the field of scientific and technical development, licenses and patents, new development and research.

There is no policy of the issuer in the sphere of the research and development and costs for the implementation of the research and development from own funds for the period since the date of the state registration of the issuer till the moment of the end of the first quarter of 2008.

The issuer neither created nor got the legal protection of the main objects of the intellectual property in the 1st quarter of 2009.

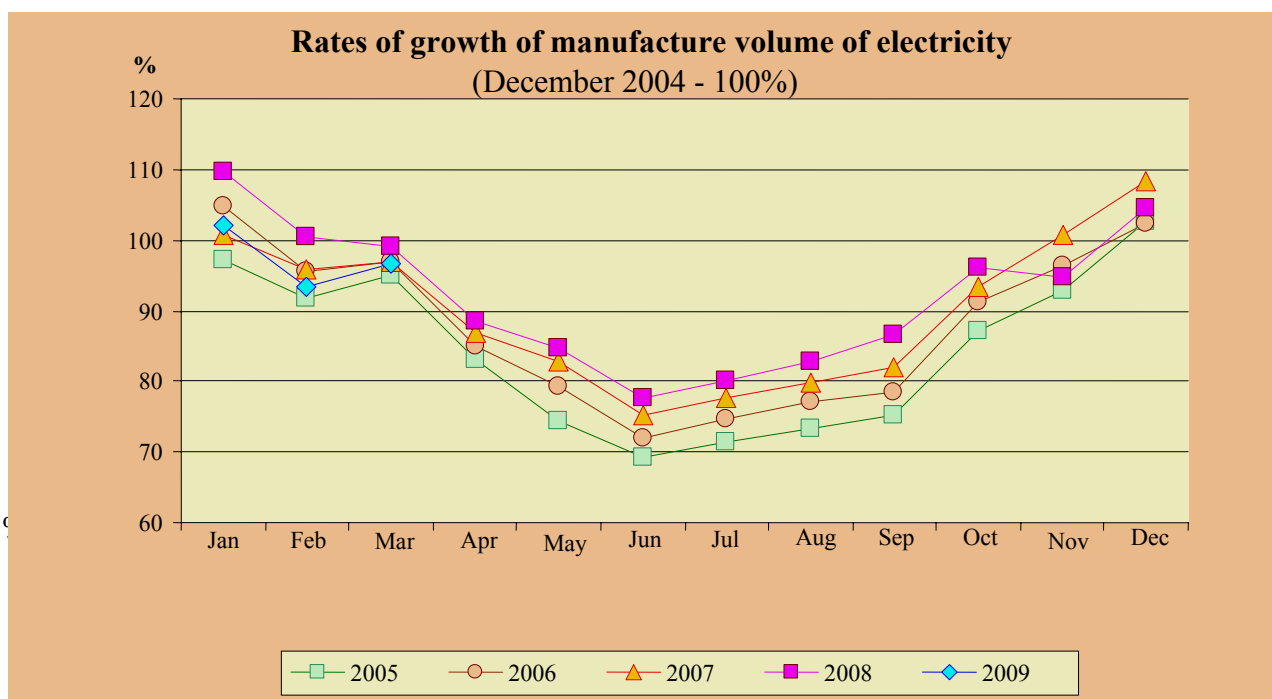
There were no risk factors connected with the possibility of the validity expiration of the basic patents and licenses for trade marks use.

4.5. Analysis of tendencies of development in the sphere of the issuer’s primary activities

Russian power industry is one of the largest in the world due to its installed capacity, production and sales of the power energy.

For January-March 2009, 274 billion kWh of electric power was generated; this is 94.3 % to January-March 2008, including in March 2009 - 90,9 billion kWh, 97.5 % to March 2008.

Low rates of growth of manufacture of electric power are caused not only but falling rates of growth of manufacture in a number of electrocapacious kinds of economic activities, but also warm weather conditions.



Source: Ministry of Finance of the Russian Federation

Manufacture of electric power at hydroelectric power stations in January-March 2009 increased by 10.3 % in comparison with January-March 2008, at thermal and atomic power stations - decreased by 8.8 % and by 5.0 % accordingly.

A substantial growth of generation of electric power by hydroelectric power stations in comparison with the corresponding period of 2008 is caused by favorable hydrological conditions in a number of the rivers of the European part of Russia.

Thus in January-March 2009 generation of electric power in Volga-Kama cascade increased by 2.5 billion kWh (33.4 %) in comparison with January-March 2008.

	<i>January</i>	<i>February</i>	<i>March</i>	<i>January – March 2009 in % to January – March 2008</i>
<i>Power energy, billion kW/h</i>	<i>95.9</i>	<i>87.4</i>	<i>90.9</i>	<i>94.3</i>
<i>Including power production by the following stations: heat</i>	<i>67.5</i>	<i>61.3</i>	<i>62.1</i>	<i>91.2</i>
<i>hydroelectric power</i>	<i>14.6</i>	<i>13.1</i>	<i>14.4</i>	<i>110.3</i>
<i>nuclear</i>	<i>13.8</i>	<i>13.0</i>	<i>14.4</i>	<i>95.0</i>

The share of electric power generated by hydroelectric power stations, in the total generation of electric power increased from 13.1 % in January-March, 2008 up to 15.3 % in January-March, 2009; atomic power stations - accordingly from 14.9 % to 15.0 %. The share of electric power generated by thermal power stations, decreased in the total generation of electric power from 71.9 % to 69.6 percent.

The current consumption for January-March, 2009 was 265.6 billion kWh that is by 6.6 % less than the corresponding period of 2008, including in March, 2009 – 87.5 billion kWh (by 4.1 % less). The volume of the delayed debts of buyers of electric power for January, 2009 increased from 53.3 to 67.2 billion rubles (by 26.2 %).

The balance-overflow of export-import deliveries of electric power for January-March 2009 is estimated in the volume of 4.5 billion kWh (by 21.9 % above the level of January-March 2008). It is connected with increase in export to the Baltics countries, Belorussia and Far foreign countries.

The 1980-ies witnessed stagnation features in the electric power sector of the country: production facilities were renewed slower than the growth of power consumption.

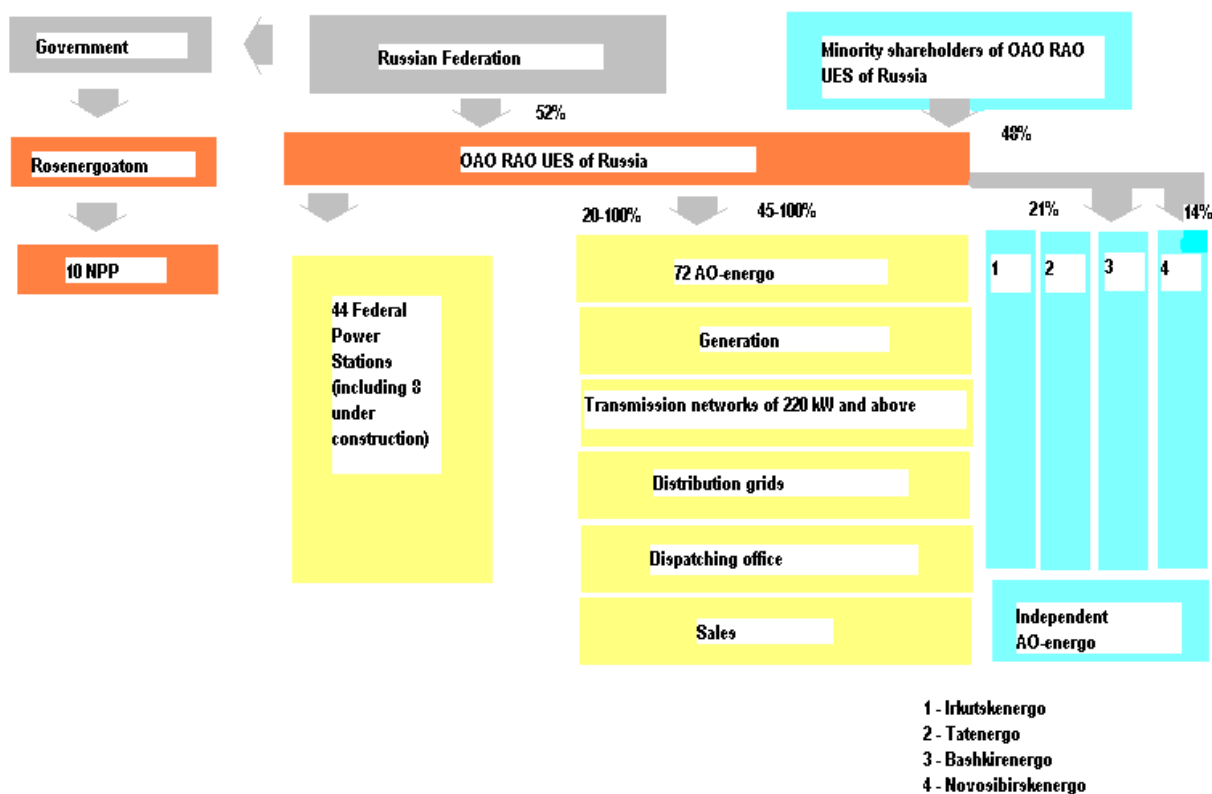
In the 1990-ies, during the period of the general economic crisis in Russia the amount of power consumption was considerably decreased and the process of the facilities renewal was almost stopped.

The general branch condition was estimated as follows:

- *Technological indices (fuel use per kW/h, average efficiency of the equipment, working capacity of the substations and etc.) showed that Russian power companies lagged behind their counterparts in developed countries;*
- *There were no incentives for the increase of productivity, reasonable planning of power production and consumptions industrial regimes, and power saving;*
- *Some regions saw black-outs and power crisis, high probability of serious accidents;*
- *There was no payment discipline. Payment defaults were a frequent event;*
- *Branch enterprises were not “transparent” in information and financial terms;*
- *New, independent players could not enter the market.*

All this entailed the necessity of changes in power industry sector which could develop the conditions for the productivity increase of power companies and let increase the amount of investments in the branch. Otherwise, together with the further development of foreign economic cooperation, Russian enterprises would lose the economic competition not only at foreign markets, but also inside the country.

Ill No. 1, Branch structure in 2000.



Source: IDGC Holding

The main goal of Russian power industry reforming is the increase of branch enterprises productivity, creation of the conditions for its development on the basis of the investments promotion, ensuring the reliable and uninterrupted power supply of the consumers.

It entails the considerable changes in Russian power sector: the system of the state regulation of the branch changes, the competitive power market is formed, new companies are created.

The sector structure changes during the reform: there is the separation of the natural monopoly (power transmission, operative and dispatch management) and potentially competitive functions (power production and sales, maintenance and service). Vertically integrated companies fulfilling all these functions give their way to formations specializing in separate kinds of activity.

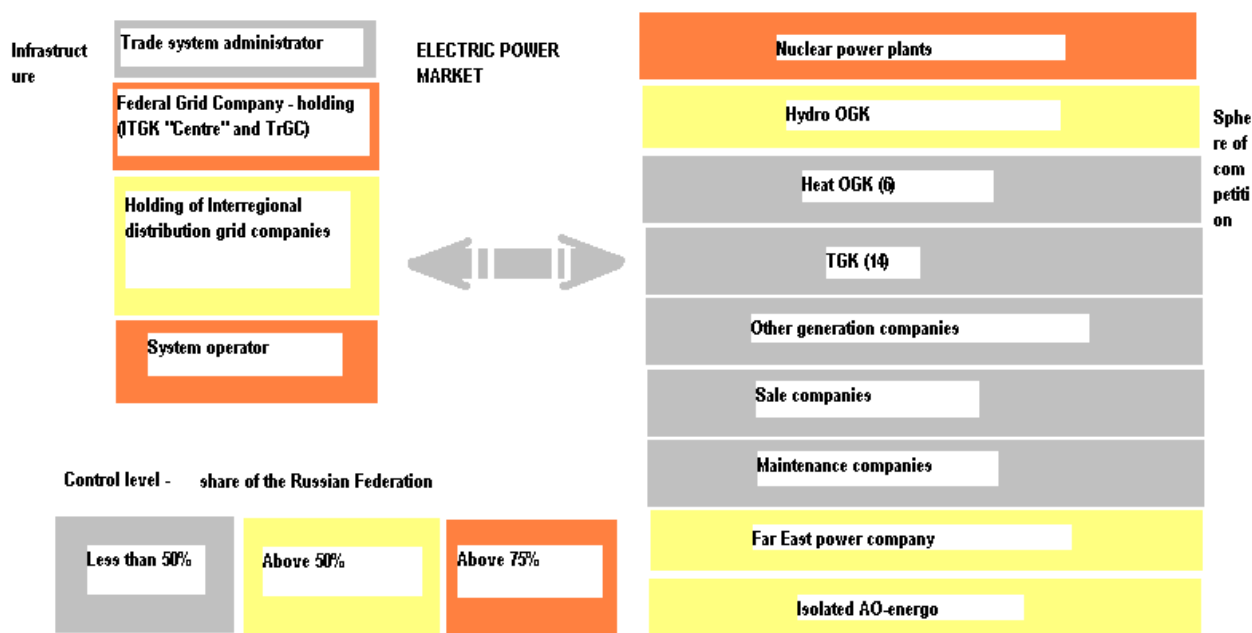
The companies generated during the reform represent the enterprises, specialized on the certain kinds of activity (generation, transmission of electric power and other) and supervising the corresponding profile assets. As for the scale of profile activity, the created companies surpass former monopolies of the regional level: the new companies unite the profile enterprises of several regions, or are all-Russian.

Thus, the conditions for the development of the competitive sector of electric power are being created. Its prices are not regulated by the state, but formed on the basis of the demand and supply and its participants compete decreasing their expenditures.

Goals of the reform were determined by the Government decree as of July 11, 2001 No. 526 "On Restructuring the Electric Power Industry of the Russian Federation"

Taking into consideration the latest changes in regulatory and legal framework the goals of reforming were described in the "Strategy Concept of OAO RAO UES of Russia" for 2005-2008 "5+5"

Ill 2. Goal structure of the branch



Source: IDGC Holding

The transmission networks are under control of the Federal Grid Company. It is planned to integrate the distribution grids into interregional distribution grid companies (IDGC). The functions and assets of the regional dispatch bodies will be transmitted to the all-Russian system operator.

Assets of the generation are also combined into interregional companies of two types: generation companies of the wholesale market (wholesale generation companies – WGC (OGK)) and territorial generation companies – TGC. OGK comprises power stations specializing in production of electric power only. TGC consists mainly of thermal power plants (TPP) which produce both heat and thermal power. Six out of seven OGK were formed on the basis of the thermal power stations and one of them (HydroOGK) – on the basis of hydrogenation assets. Heat OGK is built on extraterritorial basis when TGC comprise the stations of the neighboring regions.

In December 2007- January 2008 the forming of the goal structure of all heat OGK and TGC was formed, the first stage of HydroOGK, JSC was completed.

The process of all grid companies' separation came to an end. All 56 transmission companies were created on the basis of the reorganized AO-energo.

On June, 30th, 2008 process of reorganization of RAO "UES of Russia" was completed. As a result of reorganization, JSC "IDGC Holding" was established as a result of a spin-off from RAO "UES of Russia".

The purpose of creation of JSC "IDGC Holding" specified in the Strategy of RAO "UES of Russia" «5+5» adopted by the Board of Directors of RAO "UES of Russia" on May 29th 2003 designated in the Concept, is isolation by reorganization of RAO "UES of Russia" of the company which shall take the shares of all interregional distribution grid companies belonging to RAO "UES of Russia".

Main factors influencing the branch condition:

For the past 5 years it is possible to point out the following tendencies characteristic for the branch in general:

- *considerable growth of power consumption since the end of 90-s and increase of the heat and electric power consumption;*

- *increase of the payment discipline of heat and electric power consumers;*
- *increase of the financial results of the power companies activity;*
- *regional systems' balance structure improvement;*
- *decrease of the cross subsidization level;*
- *ageing of the basic equipment (power stations, electric and heat grids) of power companies, lack of the investment resources for the support of the generating capacities.*

General assessment of the issuer's activity results in the given branch, the assessment of the correspondence of the issuer's activity results to the tendencies of the branch development and the reasons determining the acquired results of the activity:

The issuer's development dynamics is steady positive. The issuer occupies a leading position in the market of transportation of electric power not only in Moscow region, but also in the country. OJSC "MOESK" is the largest Inter-regional distribution network company of Russia, it is included into three leading power companies of the country and in the number of 30 largest industrial enterprises of the Russian Federation. OJSC "MOESK" serves 98% of consumers of Moscow and 95% of consumers in the territory of the Moscow region.

For the first years of existence of the company (from 2005 to 2008) the development of the electronetwork facilities of Moscow and the Moscow region received more than 91 billion rubles that allowed for a considerable raise in reliability of electrosupply of consumers of the region and created an opportunity of connection of consumers to electric networks. The investment program of OJSC "MOESK" was developed in view of rates of development of capital region. Agreements between RAO UES of Russia with the government of Moscow and the Moscow region, «General scheme of accommodation of objects of electric power industry up to 2020» was considered, approved by the order of the Government of the Russian Federation. Owing to realization of the investment program of the Company, in 2005-2008 9112 MVA of new capacity was put into operation, as well as about 3,000 km of transmission lines, and also there appeared an opportunity of connection of consumers to electric networks of the Moscow region for the general capacity of more than 906 MVA. Realization of the unprecedented investment program of OJSC "MOESK" allowed for an essential raise of reliability of electrosupply of consumers of the Moscow region.

Opinions of the issuer's management bodies concerning the presented information are identical.

4.5.1. Analysis of tendencies of development in the sphere of the issuer's primary activities

Factors and conditions influencing the issuer's activity and the forecast concerning their duration:

Factors and conditions influencing the issuer's activity comprise the following:

- *considerable amount of the state regulation of the branch, concerning the tariffs regulation for heat and electric power;*
- *the growth of power consumption in the place of the issuer's location;*
- *increase of payment discipline of heat and electricity power consumers;*
- *decrease of cross-subsidization level;*
- *ageing of the issuer's basic equipment lack of the investment resources for the generating capacities support;*
- *the given factors will influence the activity of the issuer during near several years.*

Activities taken by the issuer and activities the issuer is planning to take in future for the productive use of the given factors and conditions:

- *to carry out the fixed assets modernization;*
- *to provide the constant growth of all industrial chain constituents efficiency of the issuer;*
- *implementation of the improved procedures of the financial planning;*
- *efforts concentration for the provision of the timely acquisition of the money means concerning the current and overdue accounts receivable;*

- *restructuring of the obligations directed to their extinction during the longer period of time.*

Methods used by the issuer and methods the issuer plans to use in future to decrease the negative effect of factors and conditions influencing the issuer's activity:

- *development of the modern system of transmission and distribution of the electric power;*
- *decrease of losses of power;*
- *increase of the financial control and implementation of the program directed to the decrease of costs;*
- *risks management connected with the basic activity of the issuer;*
- *insurance of the property risks and civil responsibility risks and etc.*

Considerable events/factors which can negatively influence the possibility of the issuer's acquisition of higher results are as follows:

- *deterioration in business, political and social environment in the country;*
- *raw materials and equipment cost growth.*

The probability of the abovementioned factors is considered by the issuer as not high due to the current forecasts of the stable and successful development of the economic, political and social situation in the country in general.

Considerable conditions/factors which can improve the results of the issuer's activity and the possibility of their occurrence and the duration of their action:

There are no considerable factors that can improve the basic activity of the issuer – electric power transmission.

4.5.2. Issuer's competitors

Information on the general and supposed competitors of the issuer concerning the basic types of the activity:

In accordance with the "Strategy Concept of OAO RAO UES of Russia" for 2003-2008 "5+5" each segment of the Russian electric power market (generation, transmission and sale) has independent companies competing with each other. The activity of the issuer is the natural-monopolistic one.

List and factors of the issuer's competitive ability with the description of their influence, according to the issuer on the competitive ability of the produced goods (works and services):

It is not possible to evaluate the factors of the issuer's competitive ability as far as the issuer's activity is natural-monopolistic.

V. Detailed data on the persons that form part of the issuer's governance bodies, 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 structure and competence of the issuer's governance bodies

A comprehensive description of the issuer's governance bodies in accordance with the issuer's Charter (documents of incorporation):

The governance bodies of the issuer, in accordance with its Charter, are:

- **General Shareholders Meeting;**
- **Board of Directors;**
- **Management Board;**
- **General Director.**

General Shareholders Meeting is the highest governance body of the issuer.

The competence of the issuer's General Shareholders Meeting in accordance with its Charter.

The issues which fall within the competence of the General Shareholders Meeting shall not be delegated for decision to the Company Board of Directors or General Director (item 10.3., Article 10, the issuer's Charter).

In accordance with item 10.2 of the issuer's Charter, the competence of the issuer's General Shareholders Meeting includes the following issues:

- 1) amending of the Charter and approval of the revised Charter;*
- 2) restructuring of the Company;*
- 3) liquidation of the Company; appointment of the liquidation commission and the approval of the interim and final liquidation balances;*
- 4) determination of the quantity, par value, category (type) of the declared shares and the rights provided by these shares;*
- 5) increase of the authorized capital by an increase of the par value of shares or by a placement of additional shares;*
- 6) reduction of the Company authorized capital by a reduction of the par value of the shares, through the acquisition by the Company of a part of shares in order to reduce their total amount, or by repayment of the shares redeemed or acquired by the Company;*
- 7) fractioning and consolidation of the Company shares;*
- 8) making the decision on the placement by the Company of bonds converted into shares and other equity securities convertible into shares;*
- 9) election of the members of the Board of Directors and the early termination of their powers;*
- 10) election of the members of the Auditing Committee of the Company and the early termination of their powers;*
- 11) approval of the Company Auditor;*
- 12) making the decision on the transfer of powers of the Company sole executive body to the managing organization (managing director) and on the early termination of his/her powers;*
- 13) approval of annual reports, annual accounting reports, including the Company income statements, and distribution of its profit (including payment (declaring) of dividends, except for the profit distributed as a dividend following the results of the first quarter, half a year, nine months of the financial year) and the Company loss following the results of the financial year;*
- 14) payment (declaring) of dividends following the results of the first quarter, half a year, nine months of the financial year;*

- 15) determination of the procedure for holding the Company General Shareholder Meeting;
- 16) making the decision on the approval of transactions in cases envisaged by Article 83 of the Federal Law “On Joint Stock Companies”;
- 17) making the decision on the approval of large transactions in cases envisaged by Article 79 of the Federal Law “On Joint Stock Companies”;
- 18) making the decision on the participation in financial and industrial groups, associations and other unions of for-profit organizations;
- 19) approval of the internal documents regulating the activities of the Company bodies;
- 20) making the decision on payment remuneration and/or compensation to the members of the Company Auditing Committee;
- 21) making the decision on payment of remuneration and/or compensation to the members of the Company Board of Directors;
- 22) solution of other issues envisaged by the Federal Law “On Joint Stock Companies”.

The competence of the issuer’s Board of Directors in accordance with its Charter.

In accordance with item 15.1 of the issuer’s Charter, the Company Board of Directors carries out general management of the Company activities, except for the decision of issues which are referred by the Federal Law “On Joint Stock Companies” and the Charter to the competence of the General Shareholders Meeting.

The Company Board of Directors’ competence includes the following issues:

- 1) setting the priority directions of the Company activities;
- 2) convocation of the Company annual and extraordinary general shareholder meetings, except for the cases stipulated by item 14.8 of Article 14 of this Charter;
- 3) Approval of the Company general shareholder meeting agenda;
- 4) election of the secretary of the Company general shareholder meeting;
- 5) determining of the date of drawing up the list of persons entitled to participate in the Company general shareholder meeting, and solution of other issues connected with preparation and carrying out of the Company general shareholder meeting;
- 6) submission for the decision of the Company general shareholder meeting 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 Company authorized capital through the reduction of the par value of the shares;
- 7) placement by the Company of bonds and other equity securities except for the cases stipulated by the legislation of the Russian Federation and this Charter;
- 8) approval of the resolution authorizing issuance of securities, prospectus for securities, and report on the results of the securities issuance, approval of the reports on the results of the shares acquisition from the Company shareholders, reports on the redemption of shares, reports on the results of presentation the demands by the Company shareholders on the redemption of the shares owned by them;
- 9) determining the price (monetary value) of the property, the price of the placement and redemption of equity securities in cases envisaged by the Federal Law “On Joint Stock Companies” as well as while solving issues stipulated in subitems 11, 20, 21, and 38 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) carve-out (selling) of the Company shares which are placed at the disposal of the Company as a result of their acquisition or redemption from the Company shareholders, as well as in other cases envisaged by the Federal Law “On Joint Stock Companies”;
- 12) election of the Company General Director and early termination of his/her powers including taking the decision on early termination of the labor contract with him/her;

- 13) recommendations to the Company general shareholder meeting on the amount of remunerations and compensations paid to the members of the Auditing Committee and fixing the amount of remuneration of the Auditor's services;
- 14) recommendations on the amount of the dividend per shares and the procedure for its payment;
- 15) approval of the Company internal documents determining the procedure for the formation and use of the Company funds;
- 16) decision-making on the use of the Company funds; 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;
- 17) approval of the Company internal documents except for internal documents, the approval of which is referred to the competence of the Company general shareholder meeting and other Company internal documents, the approval of which is referred to the competence of the Company executive bodies;
- 18) approval of the business plan (revised business plan) and the report on the results of its implementation, as well as approval (revising) of the list and values of the Company cash flow benchmarks;
- 19) foundation of the Company branches and opening of the Company representative offices, their liquidation, as well as amending the Company Charter in connection with the foundation of the Company branches and opening of the Company representative offices (including changing of the information on the names and locations of the Company branches and representative offices) and their liquidation;
- 20) participation of the Company in other organizations (including coordination of constituent documents and candidates for the governance bodies of newly founded organizations, and in view of provision 21, item 15.1., Article 15 of this Charter) and change of the stake (number of shares, amount of contributions, equities), carve-out of shares (equities) and termination of the Company's participation in other organizations;
- 21) making the decision on one or several associated transactions of the Company on the carve-out, pledging or other encumbrance of shares and stakes of SDE (subsidiaries and dependent entities) which are not engaged in production, transmission, dispatching, distribution and selling of electric and thermal energy 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 Company Board of Directors;
- 22) determination of the Company credit policy 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), pledging of property and making the decision on the above mentioned transactions of the Company in cases when the procedure for the decision-making of them is not determined by the Company credit policy as well as decision-making in accordance with the order envisaged by the Company credit policy on bringing the debt situation of the Company within the limits determined by the Company credit policy;
- 23) decision-making on completion of the transactions, the subject of which is the property, works and services, the value of which is from 5 to 25 per cent of the Company balance sheet assets which is defined at the date of decision-making on completion of the transaction, except for the transactions completed in the process of the Company ordinary economic activities;
- 24) approval of the large transactions in cases envisaged by Chapter X of the Federal Law "On Joint Stock Companies";
- 25) approval of transactions in cases envisaged by Chapter XI of the Federal Law "On Joint Stock Companies";
- 26) approval of the Company Registrar, terms of the contract concluded with it and termination of the contract concluded with it; approval of an estimate of expenses for carrying out the Company General Shareholder Meeting;
- 27) election of the Company Board of Directors Chairperson and the early termination of his/her powers;

- 28) election of the Company Board of Directors Deputy Chairperson and the early termination of his/her powers;
- 29) election of the Company Board of Directors Secretary and the early termination of his/her powers;
- 30) tentative approval of decisions on the Company transactions connected with the gratuitous transfer of the Company property or property rights (demands) to itself or the third party; transactions connected with the liberation from property liabilities to itself or the third party; transactions connected with the gratuitous provision of services by the Company (carrying out of works) to the third parties, in cases (amount) determined by separate decisions of the Company Board of Directors, and decision-making on these transactions by the Company in cases when the above-mentioned cases (amount) are not determined;
- 31) decision-making on suspending of the powers of the managing organization (managing director);
- 32) decision-making on the appointment of the Acting General Director of the Company and his/her calling to an account;
- 33) calling to an account of the Company General Director and his/her remuneration in accordance with the labor legislation of the Russian Federation;
- 34) consideration of the General Director's reports on the Company activities (including the report on exercising his/her functions, on the implementation of the decisions of the Company General Meeting and its Board of Directors);
- 35) approval of the procedure of the Company's interaction with the organizations, in which the Company participates;
- 36) Definition of the Company's position (Company's representatives), including the assignment to take or not to take part in voting on the agenda items, to vote under draft decisions "for", "against" or "abstained", on the following items of the agenda of general shareholder (participant) meetings of subsidiaries and dependent entities (further on called SDE) (except for the cases when the functions of the SDE general shareholder meetings are exercised by the Company Board of Directors), and meetings of the SDE boards of directors (except for an item on approval of the agenda of the SDE general shareholder meetings when functions of the SDE general shareholder meeting are carried out by the Company Board of Directors):
- i) on the determination of the agenda of the general shareholder meeting (participants) of SDE;
 - ii) on the reorganization and liquidation of SDE;
 - iii) on the determination of the quantitative structure of the SDE Board of Directors, nomination and election of its members and the early termination of their powers;
 - iv) on the determination of the number, par value, category (type) of the SDE declared shares and the rights granted by these shares;
 - v) on the increase of the SDE authorized capital through the increase of the par value of shares or through the placement of additional shares;
 - vi) on the placement of the SDE securities convertible into ordinary shares;
 - vii) on the fractioning and consolidation of the SDE shares;
 - viii) on the approval of large transactions made by the SDE;
 - ix) on the participation of SDE in other organizations (on entering the existing organization or on the foundation of the new one), as well as on the acquisition, carve-out, encumbrance of shares and stakes in the authorized capitals of the organizations, in which SDE participates, changes of the stake in the authorized capital of the respective organization;
 - x) on the transactions made by SDE (including several associated transactions) connected with the carve-out or the possibility of carve-out of property, representing fixed assets, intangible assets, objects of incomplete construction, the purpose of the use of which is production, transmission, dispatching, distribution of electric and thermal energy in cases (amount) defined by the procedure of interrelation of the Company with organizations in which the Company participates, approved by the Company Board of Directors;
 - xi) on amending the SDE constituent documents;

- xii) on the determination of the procedure of remuneration payment to the members of the SDE Board of Directors and Auditing Committee;
- 37) determination of the position of the Company (representatives of the Company) on the following items of the agenda of the SDE board of directors' meetings (including the assignment to participate or not to participate in voting on the items of the agenda, to vote on draft decisions "for" or "against", or "abstain"):
- i) on the determination of the SDE 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 subsidiaries and dependent entities in respect of SDE, concerning the completion (approval) of transactions (including several associated transactions) connected with carve-out or a possibility of carve-out of the property representing fixed assets, intangible assets, objects of incomplete construction, the purpose of the use of which is production, transmission, dispatching, distribution of electric and thermal energy in cases (amount) determined by the procedure of interrelations of the Company with organizations in which the Company participates, approved by the Company Board of Directors;
- ii) on the determination of the SDE 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 subsidiaries and dependent entities in respect of SDE, participating in production, transmission, dispatching, distribution of electric and thermal energy, on reorganization, liquidation, increase of the authorized capital of these entities through the increase of the par value of shares or through the placement of additional shares, securities convertible into ordinary shares;
- 38) tentative approval of the decisions on the completion by the Company:
- i) of transactions, the subject of which shall be the Company non-current assets in the amount exceeding 10 percent of the balance sheet value of these assets as of the date of decision-making on the completion of this transaction;
- ii) of transactions (including several associated transactions) connected with carve-out or an opportunity of carve-out of the property forming the fixed assets, intangible 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;
- iii) of transactions (including several associated transactions) connected with carve-out or an opportunity of carve-out of the property forming the fixed assets, intangible assets, objects of incomplete construction, the purpose of use of which is not production, transmission, dispatching, distribution of electric and thermal energy in the cases (amount) determined by separate decisions of the Company Board of Directors;
- 39) nomination by the Company of persons for the election to the position of the sole executive body, to other management bodies, bodies of control, and candidates for the Auditor of the organizations, in which the Company participates, which carry out production, transmission, dispatching, distribution and selling of electric and thermal energy, as well as repair and maintenance activities;
- 40) determination of the lines of provision of the Company with insurance coverage including the approval of the Company Insurer;
- 41) approval of the candidate to the position of the independent appraiser(s) for definition of the value of shares, property and other Company assets in the cases envisaged by the Federal Law "On Joint Stock Companies", Charter, and separate decisions of the Company Board of Directors;
- 42) tentative approval of the collective agreement, the agreements concluded by the Company within the limits of the regulation of social and labor relations;
- 43) approval of the candidate for the financial consultant involved in accordance with the Federal Law "On the Securities Market" as well as the candidates of securities issuance organizers and consultants on transactions directly connected with the attraction of means in the form of public loans;

- 44) *working-out of recommendation on selecting the Auditor which carries out an audit of the Company financial statements prepared under the International Financial Reporting Standards, approval of the contract terms with it, and monitoring of carrying out the audit of the Company financial statements prepared under the International Financial Reporting Standards;*
- 45) *approval of the document determining the rules and approaches to disclosing of the information on the Company; document on use of the information on the Company activities, on the Company securities and transactions with them, which is not accessible to the public and the disclosure of which may render a material influence on the Company securities value; document determining the procedures of the internal control over the Company financial and economic activities;*
- 46) *approval of prospective (up to 5 years), annual and quarterly major construction schedules, schedules of goods and services purchases, projects of new construction, technical re-equipment and reconstruction, and the reports on their implementation;*
- 47) *tentative approval of transactions, which may lead to an occurrence of liabilities expressed in the foreign currency (or liabilities, the volume of which is attached to the foreign currency) in cases and amounts determined by separate decisions of the Company Board of Directors and if the said cases (amounts) are not determined by the Company Board of Directors;*
- 48) *determination of the Company purchasing policy, including the approval of the Regulations for the Procedure for Carrying out the Specified Purchases Of Goods, Works and Services, approval of the head of the Company Central Purchasing Body 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 Company purchasing activities;*
- 49) *decision making on the nomination of the Company General Director for state awarding;*
- 50) *approval of the target values (revised values) of the Company key performance indicators (KPI) and the reports on their implementation;*
- 51) *determination of the Company housing policy 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 specified aid in cases, when the procedure of its provision is not determined by the Company housing policy;*
- 52) *determination of the quantitative number of the Company Management Board, election of the Company Management Board members, early termination of their powers, including decision-making on early termination of labour contracts with them.*
- 53) *determination of the Company policy directed to improving the stability of the power grids distribution complex and other power energy complex facilities, 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) *other issues falling within the competence of the Board of Directors in accordance with the Federal Law “On Joint Stock Companies” and the Company Charter.*

The competence of the issuer’s Management Board in accordance with its Charter.

In accordance with item 20.1, Article 20 of the issuer’s Charter, the Company’s current activities management shall be carried out by the sole executive body – General Director, and the collegial executive body – the Company Management Board.

The collegial executive body shall be accountable to the General Shareholder Meeting and the Company Board of Directors.

- 1) *development and granting for consideration of the Board of Directors of long-term plans on realization of the Company main business lines;*
- 2) *approval (revising) of target values of key performance indicators (KPI) for divisions (officials) of the Company;*
- 3) *preparation of the business plan (revised business plan) and the report on results of its implementation; approval and revising of the cash flow according to the list and values of the Company cash flow*

benchmarks approved by the Company Board of Directors (with an obligatory subsequent submission to the Company Board of Directors);

4) preparation of the investment program and the report to the Company Board of Directors on the results of its implementation;

5) consideration of the Company certain investment projects for the amount exceeding 2 (two) million rubles and approval of reports of the Company officials and divisions on the efficiency of their realization;

6) preparation of the program of the Company re-equipment, reconstruction and development;

7) approval of the quarter budget of the Company cash flow, and the report on its execution;

8) preparation of the annual program on the Company purchasing activities, approval of quarter purchases programs within the limits of the annual programs, and preparation of reports on implementation of the Company annual and quarter purchases programs;

9) preparation of the report on the Company financial and economic activities, on implementation by the Management Board of the decisions of the Company General Shareholders Meeting and Board of Directors;

10) decision-making on completion of transactions, the subject of which is the property, works and/or services, the value of which is more than 1 percent of the Company balance sheet assets defined at the date of decision-making on the completion of the transaction, except for the transactions completed during the Company usual economic activities; and the transactions, the decision on fulfilment of which according to the Company Charter falls within to the competence of the Company Board of Directors;

11) preliminary consideration and delivery to the Company Board of Directors of the recommendations on the issues submitted for consideration of the Company Board of Directors in accordance with the procedure specified in the Company internal documents which regulate the procedure of the Company Management Board activities;

12) decision-making on the issues which fall within the competence of the supreme management bodies of the economic entities, 100 (one hundred) percent of the authorized capital, or all voting shares of which belong to the Company (taking into account subitem 36 of item 15.1 of the Company Charter);

13) consideration of reports of the Company Deputies General Director and heads of the Company structural divisions on the results of implementation of the approved plans, programs, instructions, consideration of reports, documents and other information on the Company and its subsidiaries and dependent entities' activities;

14) involvement in other issues of management by the Company current activities according to the decisions of General Shareholders Meeting, Company Board of Directors, and the issues submitted for consideration of the Management Board by the Company General Director.

The competence of the issuer's sole executive body in accordance with its Charter.

According to item 20.1., Article 20 of the issuer's Charter, the management by the Company current activities shall be performed by the sole executive body – General Director, and by the collegial executive body – Management Board of the Company.

According to item 20.2., Article 20 of the issuer's Charter, the Company General Director and the Company Management Board shall be liable to the General Shareholders Meeting and the Company Board of Directors.

According to item 22.2., Article 22 of the issuer's Charter, the competence of the General Director shall include all the issues of the Company current activities management, except for the issues referred to the competence of the General Shareholder Meeting, the Board of Directors, and the Management Board of the Company.

The Company General Director 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, this Charter and the decisions of the Company Board of Directors. The Company General Director shall

1) ensure the fulfillment of the Company activity plans which are necessary for the solution of his/her tasks;

2) develop and submit for approval of the Company Management Board the target values of key performance indicators (KPI) for the Company divisions (officials) and bear liability for their implementation;

3) organize bookkeeping and accounting in the Company;

- 4) dispose of the Company property, complete transactions on behalf of the Company, issue powers of attorney, opens settlement and other accounts of the Company in banks, other credit organizations (and in cases specified in the law – in organizations which are professional participants of the securities market);
- 5) issue orders, approve (accept) instructions, local normative enactments and other internal documents of the Company on the issues of his/her competence, give instructions necessary for the execution by all employees of the Company;
- 6) approve the Company organizational structure, staff list and official salaries of the Company employees;
- 7) approve Regulations on branches and representative offices of the Company;
- 8) exercise in respect of the Company's employees the rights and obligations of the employer, envisaged by the labor law;
- 9) exercise functions of the Chairperson of the Company Management Board;
- 10) distribute obligations among the Deputies of the Director General;
- 11) submit for the consideration of the Board of Directors the reports on financial and economic activities of subsidiaries and dependent companies, the shares (stakes) of which are owned by the Company, as well as the information on other organizations, in which the Company participates;
- 12) not later than 45 (forty five) days prior to the holding of the Company annual General Shareholder Meeting, submit for the consideration of the Company Board of Directors the annual report, accounting balance sheet, the income statement of the Company and distribution of profit and loss of the Company;
- 13) solve other issues of the Company current activities, except for the issues referred to the competence of the Company General Shareholder Meeting, the Company Board of Directors, and the Company Management Board.

The Board of Directors of OJSC "Moscow United Electric Grid Company" as of 8 November 2006 (Minutes No. 35 as of 10 November 2006) approved The Corporate Conduct Code of OJSC "Moscow United Electric Grid Company".

The Internet website containing The Corporate Conduct Code of OJSC "Moscow United Electric Grid Company": www.e-disclosure.ru/portal/company.aspx?id=5563.

The Internet website containing the text of the effective edition of the issuer's Charter and the internal documents regulation the activities of the issuer's bodies: www.e-disclosure.ru/portal/company.aspx?id=5563.

5.2. Information on the persons that form part of the issuer's governance bodies

Personnel structure of the Board of Directors of OJSC "Moscow United Electric Grid Company":

1. Andrey Natanovich Rappoport

Year of birth: ***1963***

Education: ***higher***

Positions for the past 5 years:

Period: ***2004 – 2008***

Organization: *RAO UESR*
Position: *member of the Management Board*

Period: *2002 – current*
Organization: *«FGC UES», JSC*
Position: *Chairperson of the Management Board*

Period: *2004 – current*
Organization: *«SO UPS», JSC*
Position: *member of the Board of Directors*

Period: *2004 – current*
Organization: *JSC UES “GruzRosenergo”*
Position: *member of the Supervisory Council*

Period: *2005 – current*
Organization: *JSC “Kubanenergo”*
Position: *member of the Board of Directors*

Period: *2005 – current*
Organization: *AO «AES Telasi»*
Position: *member of the Board of Directors*

Period: *2005 – current*
Organization: *JSC “RusHydro”*
Position: *member of the Board of Directors*

Period: *2007 – current*
Organization: *IDGC of South*
Position: *Chairperson of the Board of Directors*

Period: *2007 – current*
Organization: *IDGC Holding*
Position: *member of the Board of Directors*

Period: *2008 – current*
Organization: *JSC “Glavsetservis ENES”*
Position: *Chairperson of the Board of Directors*

Period: *2008 – current*
Organization: *JSC “Electrosetservis ENES”*

Position: *Chairperson of the Board of Directors*

Period: *2008 – current*

Organization: *JSC “CIUS UES”*

Position: *Chairperson of the Board of Directors*

Period: *2005 – current*

Organization: *OJSC “Moscow United Electric Grid Company”*

Position: *Chairperson of the Board of Directors*

Stake in the issuer’s authorized capital: *0%*

The issuer’s ordinary shares belonging to the person: *0%*

Number of the company’s shares of each category (type) which may be acquired as a result of exercising the rights under the issuer’s options belonging to the person: *0*

Stake in the authorized capital of the issuer’s subsidiaries and dependent entities: *0%*

Number of ordinary shares of the issuer’s subsidiaries and dependent entities belonging to the person: *0%*

Number of shares of the issuer’s subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity’s options belonging to the person: *0*

Any sibs with other persons who form a part of the issuer’s governance bodies and/or issuer’s bodies for control over financial and economic activities: *no sibs*

Information 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: *none*

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: *none*

2. Anatoly Anatolievich Gavrilenko

Year of birth: *1972*

Education: *higher*

Positions for the past 5 years:

Period: *1998 – 2004*

Organization: *CJSC “Alor Invest”*

Position: *Director for strategic financial planning*

Period: *2004 – current*

Organization: *Leader (CJSC) (company engaged in asset management of the pension fund)*

Position: *General Director*

Period: *2005 – current*

Organization: *OAO Mosenergo*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *«Gazprombank» (open joint-stock company)*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *JSC «SIBUR Holding»*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *Salavatnefteorgsintez Open Joint-stock company*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *Joint Stock Company “Territorial Generating Company No.1”*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *Open Joint-Stock Company “The Second Generation Company of the Wholesale Electric Energy Market” (JSC «OGK-2»)*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *Open Joint-Stock Company “The Sixth Generation Company of the Wholesale Electric Energy Market” (JSC «OGK-6»)*

Position: *member of the Board of Directors*

Period: *2005 – current*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *member of the Board of Directors*

Stake in the issuer’s authorized capital: *0%*

The issuer’s ordinary shares belonging to the person: *0%*

Number of the company’s shares of each category (type) which may be acquired as a result of exercising the rights under the issuer’s options belonging to the person: *0*

Stake in the authorized capital of the issuer’s subsidiaries and dependent entities: *0%*

Number of ordinary shares of the issuer’s subsidiaries and dependent entities belonging to the person: *0%*

Number of shares of the issuer’s subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity’s options belonging to the person: *0*

Any sibs with other persons who form a part of the issuer governance bodies and/or bodies for control over financial and economic issuer’s activities: *no sibs*

Information 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: *none*

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: **28.02.2005 – 2006 Member of the Board of Directors of JSC “Management Energy Company”**

3. Denis Lvovich Gurianov

Year of birth: **1977**

Education: **higher**

Positions for the past 5 years:

Period: **2001 - 2004**

Organization: **RAO UESR**

Position: **Principle Specialist of the Corporate Policy Department**

Period: **2004 - 2005**

Organization: **RAO UESR**

Position: **Chief of the department of the organization of and control over representatives' activities over governance bodies of SDE of The Corporate Relations Management of Business Unit 1**

Period: **2005 - 2006**

Organization: **RAO UESR**

Position: **Deputy Chief of the Corporate Events Management of Business Unit 1**

Period: **2006 - current**

Organization: **«FGC UES», JSC**

Position: **Head of the Corporate Relations Management of IDGC Management Center**

Period: **2008 - 2008**

Organization: **RAO UESR**

Position: **Head of the Corporate Relations Management Business Unit “IDGC Holding”**

Period: **2008 – current**

Organization: **JSC «IDGC Holding»**

Position: **Chief of the Corporate Governance and Shareholder Relations Department**

Period: **2008 - current**

Organization: **IDGC of Siberia, JSC**

Position: **member of the Board of Directors**

Period: **2008 - current**

Organization: *JSC “Yantarenergo”*

Position: *member of the Board of Directors*

Period: *2008 - current*

Organization: *JSC «Tiumenenergo»*

Position: *member of the Board of Directors*

Period: *2008 - current*

Organization: *JSC «Buryatgesstroj»*

Position: *member of the Board of Directors*

Period: *2008 - current*

Organization: *JSC «Real Estate IC UES»*

Position: *member of the Board of Directors*

Period: *2008 - current*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *member of the Board of Directors*

Stake in the issuer’s authorized capital: *0%*

The issuer’s ordinary shares belonging to the person: *0%*

Number of the company’s shares of each category (type) which may be acquired as a result of exercising the rights under the issuer’s options belonging to the person: *0*

Stake in the authorized capital of the issuer’s subsidiaries and dependent entities: *0%*

Number of ordinary shares of the issuer’s subsidiaries and dependent entities belonging to the person: *0%*

Number of shares of the issuer’s subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity’s options belonging to the person: *0*

Any sibs with other persons who form a part of the issuer’s governance bodies and/or issuer’s bodies for control over financial and economic activities: *no sibs*

Information 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: *no information*

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: *no information*

4. Sergey Valentinovich Grishchenko

Year of birth: *1972*

Education: *higher*

Positions for the past 5 years:

Period: *2004 - 2006*

Organization: *LLC Company Basic Element*
Position: *director of the Corporate Relations Department*

Period: *2006 – current*
Organization: *«Gazprombank» (open joint-stock company)*
Position: *deputy chief of the Direct Investments Department*

Period: *2006 – current*
Organization: *JSC OMZ*
Position: *member of the Board of Directors*

Period: *2007 – current*
Organization: *Uralmash Machine-Building Corporation*
Position: *member of the Board of Directors*

Period: *2007 – current*
Organization: *JSC «SIBUR Holding»*
Position: *member of the Board of Directors*

Period: *2008 - current*
Organization: *LLC «Status»*
Position: *member of the Board of Directors*

Period: *2008 - current*
Organization: *SIRITA VENTURES LIMITED*
Position: *member of the Board of Directors*

Period: *2008 - current*
Organization: *OJSC «Machine Building Plant ZiO-Podolsk»*
Position: *member of the Board of Directors*

Period: *2008 - current*
Organization: *OJSC «Moscow United Electric Grid Company»*
Position: *member of the Board of Directors*

Stake in the issuer's authorized capital: *0%*

The issuer's ordinary shares belonging to the person: *0%*

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: *0*

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: *0%*

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: *0%*

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: **no sibs**

Information 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: **no information**

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: **no information**

5. Igor Alikovich Zenyukov

Year of birth: **1966**

Education: **higher**

Positions for the past 5 years:

Period: **2004-2005**

Organization: **RAO UESR**

Position: **chief of the corporate information division of the corporate governance department of the RAO UESR Corporate Center, the principle expert, the lead expert**

Period: **2005 – 2005**

Organization: **RAO UESR**

Position: **chief of the corporate information services of the corporate governance department of the Corporate Center**

Period: **2005 – 2006**

Organization: **RAO UESR**

Position: **chief of the information and analytical department of the corporate governance and shareholder relations department of the Corporate Center**

Period: **2006 – 2008**

Organization: **RAO UESR**

Position: **deputy chief of the corporate governance and shareholder relations department of the Corporate Center**

Period: **2009 – current**

Organization: **SC "Rosnanotekh"**

Position: **director for corporate governance and investment projects**

Period: **2007 – current**

Organization: **IDGC of Volga**

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *The Corporate Governance Institute (OAO)*

Position: *member of the Board of Directors*

Period: *2007 – current*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *member of the Board of Directors*

Stake in the issuer's authorized capital: *0%*

The issuer's ordinary shares belonging to the person: *0%*

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: *0*

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: *0%*

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: *0%*

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: *0*

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: *no sibs*

Information 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: *none*

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: *none*

6. Alexander Ivanovich Kazakov

Year of birth: *1948*

Education: *higher*

Positions for the past 5 years:

Period: *2001 - 2005*

Organization: *The Federation Council of the Russian Federation*

Position: *Chairperson of the Federation Council Committee for the Federation affairs and regional policy*

Period: *2005 - 2007*

Organization: *OJSC "Moscow Management Electric Grid Company"*

Position: *General Director*

Period: *2007 - 2008*

Organization: *«FGC UES», JSC*

Position: *Deputy Chairperson of the Management Board*

Period: *2008 – 2009*

Organization: *JSC «IDGC Holding»*

Position: *General Director*

Period: *2008 – current*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *member of the Board of Directors*

Stake in the issuer's authorized capital: *0%*

The issuer's ordinary shares belonging to the person: *0%*

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: *0*

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: *0%*

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: *0%*

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: *0*

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: *no sibs*

Information 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: *no information*

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: *no information*

7. Sergey Mikhailovich Kerber

Year of birth: *1973*

Education: *higher*

Positions for the past 5 years:

Period: *1999 - 2005*

Organization: *Moscow Center ATCM*

Position: *deputy chief of the economy and finances center*

Period: *2005 - 2006*

Organization: *FSUE "Goscorporatsiya" for air traffic organization*

Position: *director for economy*

Period: *2007 – current*

Organization: *Leader (CJSC) (company engaged in asset management of the pension fund)*

Position: *director for investments*

Period: *2008 – current*

Organization: *JSC “Uralsvyazinform”*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *JSC “SIBUR-Minudobreniya”*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *JSC “SIBUR-Russkie shiny”*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *JSC “Mosteplosetenergoremont”*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *OJSC “Moscow United Electric Grid Company”*

Position: *member of the Board of Directors*

Stake in the issuer’s authorized capital: *0%*

The issuer’s ordinary shares belonging to the person: *0%*

Number of the company’s shares of each category (type) which may be acquired as a result of exercising the rights under the issuer’s options belonging to the person: *0*

Stake in the authorized capital of the issuer’s subsidiaries and dependent entities: *0%*

Number of ordinary shares of the issuer’s subsidiaries and dependent entities belonging to the person: *0%*

Number of shares of the issuer’s subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity’s options belonging to the person: *0*

Any sibs with other persons who form a part of the issuer’s governance bodies and/or issuer’s bodies for control over financial and economic activities: *no sibs*

Information 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: *none*

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: *none*

8. Misrikhan Shapievich Misrikhanov

Year of birth: *1951*

Education: *higher*

Positions for the past 5 years:

Period: **2002 – current**

Organization: **a branch of «FGC UES», JSC – MES of Centre**

Position: **General Director**

Period: **2008 – current**

Organization: **IDGC of Centre, JSC**

Position: **member of the Board of Directors**

Period: **2008 – current**

Organization: **IDGC of Centre and Volga Region, JSC**

Position: **member of the Board of Directors**

Period: **2008 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **member of the Board of Directors**

Stake in the issuer's authorized capital: **0.00019%**

The issuer's ordinary shares belonging to the person: **0.00019%**

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: **0**

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: **no sibs**

Information 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: **no information**

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: **no information**

9. Vladimir Nikolaevich Silkin

Year of birth: **1957**

Education: **higher**

Positions for the past 5 years:

Period: **1992-2004**

Organization: **Prefect's Office of the North-East Administrative District of Moscow city**

Position: *First Deputy Prefect*

Period: *2004 – 2007*

Organization: *Governance of Moscow, Property Department of Moscow city*

Position: *Minister of the Moscow Government, Head of the Department*

Period: *2007 – current*

Organization: *Moscow Government, Property Department of Moscow city*

Position: *Deputy Major of Moscow in the Moscow Government, Head of the Property and Land Relations Complex of Moscow city, Head of the Property Department of Moscow city*

Period: *2008 – current*

Organization: *JSC “United Energy Company”*

Position: *Chairperson of the Board of Directors*

Period: *2008 – current*

Organization: *OJSC “Moscow United Energy Company”*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *AO Mosenergo*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *OJSC “Moscow Thermal Grid Company”*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *OJSC “TV Center”*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *JSC «ATLANT-SOYUZ»*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *JSC “Olympiysky Sports Complex”*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *OJSC “Moscow Mortgage Agency commercial bank”*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *Avtoframos*

Position: *member of the Board of Directors*

Period: *2008 – current*

Organization: *“Moscow City “Gulf Club” Ltd.*

Position: *member of the Supervisory Council*

Period: *2006 – current*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *member of the Board of Directors*

Stake in the issuer’s authorized capital: *0%*

The issuer’s ordinary shares belonging to the person: *0%*

Number of the company’s shares of each category (type) which may be acquired as a result of exercising the rights under the issuer’s options belonging to the person: *0*

Stake in the authorized capital of the issuer’s subsidiaries and dependent entities: *0%*

Number of ordinary shares of the issuer’s subsidiaries and dependent entities belonging to the person: *0%*

Number of shares of the issuer’s subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity’s options belonging to the person: *0*

Any sibs with other persons who form a part of the issuer’s governance bodies and/or issuer’s bodies for control over financial and economic activities: *no sibs*

Information 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: *none*

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: *none*

10. Wolfgang Skribot

Year of birth: *1966*

Education: *higher*

Positions for the past 5 years:

Period: *2004 - current*

Organization: *OJSC "Gazprombank"*

Position: *Managing Director of the Direct Investments Department*

Period: *2008 - current*

Organization: *OJSC “ESKMO”*

Position: *member of the Board of Directors*

Period: *2008 - current*

Organization: *IDGC of Centre and Volga Region, JSC*

Position: *member of the Board of Directors*

Period: *2008 - current*

Organization: *OJSC "Mosenergosbyt"*

Position: *member of the Board of Directors*

Period: *2007 - current*

Organization: *OJSC "Transmission Grid Company"*

Position: *member of the Board of Directors*

Period: *2007 - current*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *member of the Board of Directors*

Stake in the issuer's authorized capital: *0%*

The issuer's ordinary shares belonging to the person: *0%*

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: *0*

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: *0%*

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: *0%*

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: *0*

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: *no sibs*

Information 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: *no information*

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: *no information*

11. Yury Ivanovich Trofimov

Year of birth: *1945*

Education: *higher*

Positions for the past 5 years:

Period: *1999-2005*

Organization: *Orenburgenergo, JSC*

Position: **General Director**

Period: **2005 – 2005**

Organization: **OJSC “Transmission Grid Company”**

Position: **Acting General Director**

Period: **2005 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **General Director**

Period: **2007 – 2008**

Organization: **OJSC “Moscow Management Electric Grid Company”**

Position: **General Director**

Period: **2007 – current**

Organization: **OJSC “Moscow United Electric Grid Company”**

Position: **Chairperson of the Management Board**

Period: **2006 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **member of the Board of Directors**

Stake in the issuer’s authorized capital: **0%**

The issuer’s ordinary shares belonging to the person: **0%**

Number of the company’s shares of each category (type) which may be acquired as a result of exercising the rights under the issuer’s options belonging to the person: **0**

Stake in the authorized capital of the issuer’s subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer’s subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer’s subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity’s options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer’s governance bodies and/or issuer’s bodies for control over financial and economic activities: **no sibs**

Information 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: **none**

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: **none**

12. Alexander Nikolaevich Chistyakov

Year of birth: **1973**

Education: **higher**

Positions for the past 5 years:

Period: **2002 – current**

Organization: **«FGC UES», JSC**

Position: **First Deputy Chairperson of the Management Board**

Period: **2007 – current**

Organization: **IDGC of Urals and Volga, JSC**

Position: **Chairperson of the Board of Directors**

Period: **2007 – current**

Organization: **IDGC of North-West**

Position: **Chairperson of the Board of Directors**

Period: **2007 – current**

Organization: **JSC Lenenergo**

Position: **Chairperson of the Board of Directors**

Period: **2007 – current**

Organization: **IDGC of Volga, JSC**

Position: **Chairperson of the Board of Directors**

Period: **2007 – current**

Organization: **OJSC “Moscow Thermal Grid Company”**

Position: **Chairperson of the Board of Directors**

Period: **2007 – current**

Organization: **OJSC “Volga Interregional Distribution Company”**

Position: **Chairperson of the Board of Directors**

Period: **2008 – current**

Organization: **OJSC “Moscow Management Energy Grid Company”**

Position: **member of the Board of Directors**

Period: **2007 – current**

Organization: **Closed Joint-Stock Company «Energy Forecasting Agency»**

Position: **member of the Board of Directors**

Period: **2007 – current**

Organization: ***OJSC «Moscow United Electric Grid Company»***

Position: ***Deputy Chairperson of the Board of Directors***

Stake in the issuer's authorized capital: ***0%***

The issuer's ordinary shares belonging to the person: ***0%***

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: ***0***

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: ***0%***

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: ***0%***

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: ***0***

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: ***no sibs***

Information 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: ***no information***

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: ***no information***

13. Nikolay Grigorievich Shulginov

Year of birth: ***1951***

Education: ***higher***

Positions for the past 5 years:

Period: ***2002 – current***

Organization: ***«SO UPS», JSC***

Position: ***Deputy Chairperson of the Management Board***

Period: ***2008 – current***

Organization: ***OAO Mosenergo***

Position: ***member of the Board of Directors***

Period: ***2008 – current***

Organization: ***JSC OGK-1***

Position: ***member of the Board of Directors***

Period: ***2008 – current***

Organization: ***OJSC «Moscow United Electric Grid Company»***

Position: ***member of the Board of Directors***

Stake in the issuer's authorized capital: **0%**

The issuer's ordinary shares belonging to the person: **0%**

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: **0**

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: **no sibs**

Information 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: **no information**

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: **no information**

Personnel structure of the Management Board of OJSC «Moscow United Electric Grid Company»:

1. Yury Ivanovich Trofimov

Year of birth: **1945**

Education: **higher**

Positions for the past 5 years:

Period: **1999-2005**

Organization: **Orenburgenergo, JSC**

Position: **General Director**

Period: **2005 – 2005**

Organization: **OJSC «Transmission Grid Company»**

Position: **Acting General Director**

Period: **2005 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **General Director**

Period: **2007 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **Chairperson of the Management Board**

Period: **2007 – 2008**

Organization: **OJSC “Moscow Management Electric Grid Company”**

Position: **General Director**

Period: **2006 – current**

Organization: **OJSC “Moscow United Electric Grid Company”**

Position: **member of the Board of Directors**

Period: **2006 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **member of the Board of Directors**

Stake in the issuer’s authorized capital: **0%**

The issuer’s ordinary shares belonging to the person: **0%**

Number of the company’s shares of each category (type) which may be acquired as a result of exercising the rights under the issuer’s options belonging to the person: **0**

Stake in the authorized capital of the issuer’s subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer’s subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer’s subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity’s options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer’s governance bodies and/or issuer’s bodies for control over financial and economic activities: **no sibs**

Information 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: **none**

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: **none**

2. Stanislav Vyacheslavovich Voronin

Year of birth: **1974**

Education: higher

Positions for the past 5 years:

Period: **2001-2004**

Organization: **CJSC “Unikhimtekh”**

Position: **Commercial Director**

Period: **2004 – 2006**

Organization: **OJSC “Vostok Energy Selling Company”**

Position: **General Director**

Period: **2006 – 2008**

Organization: **OJSC “Moscow Thermal Grid Company”**

Position: **Deputy General Director for Economy and Finances**

Period: **2008 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: ***Deputy General Director for Finances, member of the Management Board***

Stake in the issuer's authorized capital: ***0%***

The issuer's ordinary shares belonging to the person: ***0%***

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: ***0***

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: ***0%***

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: ***0%***

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: ***0***

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: ***no sibs***

Information 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: ***he was not brought to the management responsibility***

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: ***he did not occupy positions in such organizations***

3. Georgy Nikolaevich Groshev

Year of birth: ***1951***

Education: ***higher***

Positions for the past 5 years:

Period: ***1994 - 2005***

Organization: ***Orenburgenergo, JSC***

Position: ***Director of Central Electric Grids***

Period: ***2005 - 2007***

Organization: ***OJSC «Moscow United Electric Grid Company»***

Position: ***Director for Marketing and Sales***

Period: ***2007 - current***

Organization: ***OJSC «Moscow United Electric Grid Company»***

Position: ***Deputy General Director for Client Relations and Technological Connections***

Period: ***2007 – current***

Organization: ***OJSC «Moscow United Electric Grid Company»***

Position: ***member of the Management Board***

Stake in the issuer's authorized capital: ***0%***

The issuer's ordinary shares belonging to the person: ***0%***

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: **0**

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: **no sibs**

Information 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: **none**

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: **none**

4. Oleg Anatolievich Kazakov

Year of birth: **1948**

Education: **higher**

Positions for the past 5 years:

Period: **1991 - 2004**

Organization: **JSC "House Building Complex"**

Position: **General Director**

Period: **2004 - 2005**

Organization: **Orenburgenergo, JSC**

Position: **Deputy General Director for Investments**

Period: **2005 - 2006**

Organization: **OJSC "Moscow Regional Electric Grid Company"**

Position: **Director for Capital Construction**

Period: **2006 - 2007**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **Deputy General Director - Director for Investments and Capital Construction**

Period: **2007 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **Deputy General Director for Capital Construction**

Period: **2007 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: *member of the Management Board*

Stake in the issuer's authorized capital: *0%*

The issuer's ordinary shares belonging to the person: *0%*

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: *0*

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: *0%*

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: *0%*

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: *0*

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: *no sibs*

Information 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: *none*

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: *none*

5. Evgeny Anatolievich Kopapnov

Year of birth: *1970*

Education: *higher*

Positions for the past 5 years:

Period: *1995 - 2005*

Organization: *Orenburgenergo, JSC*

Position: *lawyer of the 2nd category of the law division, chief of the law division, chief of the contract and legal division*

Period: *2005 - 2007*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *Deputy General Director for Corporate Governance*

Period: *2007 – current*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *Director of the Corporate Policy and Enforceability Department*

Period: *2007 – current*

Organization: *OJSC «Energocenter»*

Position: *General Director*

Period: *2007 – current*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *member of the Management Board*

Stake in the issuer's authorized capital: *0%*

The issuer's ordinary shares belonging to the person: *0%*

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: *0*

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: *0%*

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: *0%*

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: *0*

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: *no sibs*

Information 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: *none*

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: *none*

6. Igor Alekseevich Kosolapov

Year of birth: *1971*

Education: *higher*

Positions for the past 5 years:

Period: *2003 -2006*

Organization: *JSC Energogarant Insurance Company*

Position: *Deputy General Director for Regional Business Development, Deputy General Director for Economy and Finances, First Deputy General Director*

Period: *2006 – 2008*

Organization: *OJSC "Moscow Management Energy Grid Company"*

Position: *Head of the Corporate Policy Directorate*

Period: *2008 – current*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *Director of the Corporate Policy and Property Management Department, Deputy General Director for corporate functions*

Period: *2008 – current*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *member of the Management Board*

Stake in the issuer's authorized capital: *0%*

The issuer's ordinary shares belonging to the person: **0%**

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: **0**

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: **no sibs**

Information 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: **none**

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: **none**

7. Pavel Anatolievich Livinsky

Year of birth: **1980**

Education: higher

Positions for the past 5 years:

Period: **2003 - 2004**

Organization: **OJSC "Vostok Energy Selling Company"**

Position: **Chief of the Large Consumers Relations Management**

Period: **2004 – 2004**

Organization: **"Armavirenergoseti" ME**

Position: **Director**

Period: **2004 - 2005**

Organization: **OJSC "Vostok Energy Selling Company"**

Position: **Chief of the Transport and Economic Policy Management**

Period: **2005 – 2006**

Organization: **OJSC "Surgutenergogaz Energy Company"**

Position: **First Deputy General Director**

Period: **2006 – 2006**

Organization: **OJSC «Moscow City Electric Grid Company»**

Position: **Director for Property Management**

Period: **2008 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **Deputy General Director for Client Relations and Technical Connections, member of the Management Board**

Stake in the issuer's authorized capital: **0%**

The issuer's ordinary shares belonging to the person: **0%**

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: **0**

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: **no sibs**

Information 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: **he was not brought to the management responsibility**

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: **he did not occupy positions in such organizations**

8. Andrey Vladimirovich Majorov

Year of birth: **1967**

Education: **higher**

Positions for the past 5 years:

Period: **2001 - 2005**

Organization: **Orenburgenergo, JSC**

Position: **Director of The Western Electric Grids, Deputy General Director for electric grids**

Period: **2005 - 2007**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **First Deputy General Director for production, First Deputy General Director for production – Chief Engineer**

Period: **2007 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **Deputy General Director – Chief Engineer**

Period: **2007 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: *member of the Management Board*

Stake in the issuer's authorized capital: **0.00034%**

The issuer's ordinary shares belonging to the person: **0.00034%**

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: **0**

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: **no sibs**

Information 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: **none**

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: **none**

9. Alexander Alexandrovich Mityayev

Year of birth: **1952**

Education: **higher**

Positions for the past 5 years:

Period: **1999 - 2005**

Organization: **JSC Mosenergo**

Position: **Deputy General Director**

Period: **2005 - 2007**

Organization: **OJSC «Moscow Regional Electric Grid Company»**

Position: **Deputy General Director**

Period: **2007 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **member of the Management Board, Director for the Prospective Development Department**

Stake in the issuer's authorized capital: **0.0029%**

The issuer's ordinary shares belonging to the person: **0.0029%**

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: **0**

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be

acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: **no sibs**

Information 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: **none**

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: **none**

12. Alexander Grigorievich Raev

Year of birth: **1955**

Education: **higher**

Positions for the past 5 years:

Period: **1978 - 2005**

Organization: **The Southern Electric Grids - the branch of OAO Mosenergo**

Position: **Deputy Chief Engineer for DG and prospective development**

Period: **2005 - 2006**

Organization: **The Southern Electric Networks – the branch of OJSC «Moscow United Electric Grid Company»**

Position: **Deputy Chief Engineer, Chief of the southern group of substations, Deputy Chief of Kozhukhovo group of substations**

Period: **2006 - 2007**

Organization: **OJSC “Energy Center “Energobalans Moskva”**

Position: **Technical Director**

Period: **2007 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **Director of the technical connections department**

Period: **2007 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **member of the Management Board**

Stake in the issuer's authorized capital: **0%**

The issuer's ordinary shares belonging to the person: **0%**

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: **0**

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: **no sibs**

Information 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: **none**

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: **none**

11. Lyudmila Alekseevna Sklyarova

Year of birth: **1958**

Education: **higher**

Positions for the past 5 years:

Period: **2002 - 2005**

Organization: **«FGC UES», JSC**

Position: **Chief Accountant – Chief of the Book Keeping and Reporting Division of Belgorod Enterprise of Transmission Electric Grids**

Period: **2005 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **Chief Accountant, First Deputy Chief Accountant**

Period: **2007 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **member of the Management Board**

Stake in the issuer's authorized capital: **0%**

The issuer's ordinary shares belonging to the person: **0%**

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: **0**

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: **no sibs**

Information 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: **none**

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: **none**

12. Nikolay Mikhailovich Soldatov

Year of birth: **1940**

Education: **higher**

Positions for the past 5 years:

Period: **1996 – 2005**

Organization: **Orenburgenergo, JSC**

Position: **Deputy General Director for economic and financial issues, Deputy General Director for economy and capital**

Period: **2005 – 2007**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **First Deputy General Director for economy and finances**

Period: **2007 – 2008**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **Deputy General Director for finances**

Period: **2008 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **Director for Internal Audit and Financial Control Department**

Period: **2007 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **member of the Management Board**

Stake in the issuer's authorized capital: **0%**

The issuer's ordinary shares belonging to the person: **0%**

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: **0**

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: **no sibs**

Information 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: **none**

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: **none**

13. Anatoly Anatolievich Talalaev

Year of birth: **1954**

Education: **higher**

Positions for the past 5 years:

Period: **2000 - 2005**

Organization: **I.M. Sechenov Medical Academy of Moscow**

Position: **Professor of the Chair of the fundamentals of organization of scientific and research works of MPFPLO**

Period: **2005 - 2007**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **Director for Personnel Management**

Period: **2007 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **Deputy General Director for Personnel Management**

Period: **2007 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **member of the Management Board**

Stake in the issuer's authorized capital: **0%**

The issuer's ordinary shares belonging to the person: **0%**

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: **0**

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: **no sibs**

Information 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: **none**

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: **none**

14. Viktor Andreyevich Shapoval

Year of birth: **1950**

Education: **higher**

Positions for the past 5 years:

Period: **1997- 2005**

Organization: **JSC “Tverenergo”**

Position: **General Director**

Period: **2005 - 2006**

Organization: **OJSC «Moscow City Electric Grid Company»**

Position: **Acting General Director**

Period: **2006 - 2008**

Organization: **OJSC “Moscow Management Energy Grid Company”**

Position: **Deputy General Director**

Period: **2008 – current**

Organization: **OJSC “Moscow United Electric Grid Company”**

Position: **Deputy General Director – Director of the Moscow Cable Networks branch**

Period: **2008 – current**

Organization: **OJSC “Moscow United Electric Grid Company”**

Position: **member of the Management Board**

Stake in the issuer’s authorized capital: **0%**

The issuer’s ordinary shares belonging to the person: **0%**

Number of the company’s shares of each category (type) which may be acquired as a result of exercising the rights under the issuer’s options belonging to the person: **0**

Stake in the authorized capital of the issuer’s subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer’s subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer’s subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity’s options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer’s governance bodies and/or issuer’s bodies for control over financial and economic activities: **no sibs**

Information 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: **none**

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: **none**

The person who exercises the functions of the issuer's sole executive body:

General Director of OJSC «Moscow United Electric Grid Company»

Yury Ivanovich Trofimov

Year of birth: ***1945***

Education: ***higher***

Positions for the past 5 years:

Period: ***1999-2005***

Organization: ***Orenburgenergo, JSC***

Position: ***General Director***

Period: ***2005 – 2005***

Organization: ***OJSC «Transmission Grid Company»***

Position: ***Acting General Director***

Period: ***2005 – current***

Organization: ***OJSC «Moscow United Electric Grid Company»***

Position: ***General Director***

Period: ***2007 – current***

Organization: ***OJSC «Moscow United Electric Grid Company»***

Position: ***Chairperson of the Management Board***

Period: ***2007 – 2008***

Organization: ***OJSC «Moscow Management Electric Grid Company»***

Position: ***General Director***

Period: ***2006 – current***

Organization: ***OJSC «Moscow United Electric Grid Company»***

Position: ***member of the Board of Directors***

Stake in the issuer's authorized capital: ***0%***

The issuer's ordinary shares belonging to the person: ***0%***

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: ***0***

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: ***0%***

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: ***0%***

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options

belonging to the person: *0*

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: *no sibs*

Information 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: *none*

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: *none*

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

In 2008 compensation is paid to members of the Board of Directors of the Company:

- For participation in meetings of the Board of Directors in the amount of 4,730,652 rubles.

- For indicator of net profit of the Company according to the annual accounting reporting for 2007 approved by general meeting of shareholders of the Company in the amount of 11,421,422.08 rubles.

The extra fee for market capitalization in 2008 was not paid to members of the Company Board of Directors owing to a decrease in capitalization for the period of work of Board of Directors of the Company (from 15 June 2007 to 28 May 2008).

Information on the existing agreements concerning these payments in the current financial year:

The amount and procedure of remuneration and compensation payment to the members of the Board of Directors is fixed in the "Regulations for Payment of Remuneration and Compensation to the Board of Directors Members" approved by the Company annual General Shareholders Meeting on 26 June 2006.

Since 1 September 2008, the Regulations for Payment of Remuneration and Compensation to the Members of the Board of Directors of Open Joint-Stock Company "Moscow United Electric Grid Company" in a new wording comes into effect, which was approved by the Company annual General Shareholders Meeting on 28 May 2008.

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

The comprehensive description of the structure of the bodies for control over the issuer's financial and economic activities and their competence according to the issuer's Charter (constituent documents):

According to Article 23 of the issuer's Charter:

23.1. In order to ensure control over the Company financial and economic activities, the General Shareholder Meeting shall elect the Checkup Committee of the Company for the period till the next annual General Shareholder Meeting.

Should the Checkup Committee of the Company be elected at the extraordinary meeting of shareholders, the members of the Checkup Committee shall be considered elected for the period till the date of the holding of the Company annual General Shareholder Meeting.

The quantitative structure of the Checkup Committee shall be 5 (five) people.

23.2. By the decision of the Company General Shareholder Meeting, the powers of all or separate members of the Company Checkup Committee may be terminated early.

23.3. The competence of the Company Checkup Committee shall include the following:

- *confirmation of the correctness of the information contained in the annual report, accounting balance sheet, income statement of the Company;*
- *analysis of the Company financial standing, revealing of the reserves for the improvement of the financial situation in the Company and working out of recommendations for the Company management bodies;*
- *organization and carrying out of an examination (audit) of the Company financial and economic activities, in particular:*
 - *examination (audit) of the financial, accounting, settlement and other documentation of the Company which is connected with carrying out by the Company of financial and economic activities in order to ensure its compliance with the Russian Federation laws, the Charter, 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 insolvent debtors' debt to the Company losses;*
 - *control over cash spending of the Company in accordance with the approved business plan and budget of the Company;*
 - *control over the building up and use of the reserve and other specialized funds of the Company;*
 - *examination of correctness and timely attributing and payment of dividends per the Company shares, interest per bonds and earnings per other securities;*
 - *examination of the regulations issued earlier on the correction of violations and shortages revealed by the previous examinations (audits);*
 - *carrying out of other actions (measures) connected with the examination of the Company financial and economic activities.*

23.4. *All decisions on the issues referred to the competence of the Checkup Committee shall be made by the simple majority of the votes from the total number of its members.*

23.5. *The Checkup Committee shall be entitled and, in case of the revealed serious violations of the Company financial and economic activities, obliged to demand the convening of the Company extraordinary general shareholder meeting.*

23.6. *The procedure of the Company Checkup Committee's activities shall be determined by the internal document of the Company approved by the Company General Shareholder Meeting. The Checkup Committee in accordance with the decision on carrying out an examination (audit) in order to carry out the given examination (audit), shall be entitled to involve specialists in the respective field of law, economy, finance, accounting, management, economic security and other organizations, including the specialized ones.*

23.7. *The examination (audit) of the Company financial and economic activities may be carried out at any time at the initiative of the Company Checkup Committee, by the decision of the Company General Shareholder Meeting, the Company Board of Directors or upon the demand of the Company shareholder (shareholders) possessing in total at least 10 percent of the Company voting shares.*

23.8. *For the examination and approval of the Company annual financial reports, the Company General Shareholder Meeting shall annually approve the Company Auditor.*

23.9. *The amount of the remuneration of the services of the Auditor shall be determined by the Company Board of Directors.*

23.10. *The Company Auditor shall carry out the examination of the Company financial and economic activities in accordance with the requirements of the Russian Federation laws and on the grounds of the Contract signed with him/her.*

23.11. *Following the results of the examination of the Company financial and economic activities, the Company Checkup Committee, the Company Auditor shall compile a report, which shall contain:*

- *confirmation of the correctness of the information contained in the Company reports and other financial documents;*

- *information on the facts of violation by the Company of the accounting procedures and submission of financial reports envisaged by legal regulations of the Russian Federation, as well as normative enactments of the Russian Federation while carrying out by the Company of financial and economic activities.*

The procedure and the period for compiling the report on the results of the examination of the Company financial and economic activities shall be determined by the normative enactments of the Russian Federation and the Company internal documents.

The information on the system of internal control over the issuer's financial and economic activities; the information on availability of the internal audit service, time of its work and its key staff:

The Company established a structural division which performs procedures of the internal control over financial and economic activities - The Internal Control Department (Order No. 409-244 as of 6 June 2007).

Key employees: Alexander Sergeyevich Sharikov.

The main function of the Internal Control Department is control over the financial and economic activities of the issuer, its branches, and its structural divisions.

The decision of the Board of Directors of OJSC "MOESK" (Minutes No. 52 of 28 November 2007) approved the Regulations for the Internal Control of OJSC "MOESK".

The decision of the OJSC "MOESK" Board of Directors (Minutes No. 37 of 15 December 2006) established The Audit Committee under the Board of Directors of OJSC "MOESK", and approved the Regulations for the Audit Committee. The task of the Audit Committee is development and representation of recommendations (opinions) to the Board of Directors of OJSC "MOESK" as to the issues falling within the competence of the Audit Committee. The establishment of the Audit Committee is aimed to increase the transparency of OJSC "MOESK" activities and improvement of OJSC "MOESK" corporate governance system

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

The Internet website containing the text of the effective edition of the issuer's internal document establishing the rules for prevention of use of service (insider) information "Regulations for Insider Information of OJSC "Moscow Regional Electric Grid Company" is placed at <http://www.e-disclosure.ru/portal/company.aspx?id=5563> .

5.5. Information on the persons that form part of the issuer's bodies for control over financial and economic activities

The personnel structure of the Checkup Committee:

1. Anatoly Valerievich Baitov

Year of birth: *1977*

Education: *higher*

Positions for the past 5 years:

Period: **2003 - 2004**

Organization: **The “Institute of Professional Directors” Fund**

Position: **Deputy General Director**

Period: **2004- current**

Organization: **«FGC UES», JSC**

Position: **Head of the Financial Control and Internal Audit Directorate**

Period: **2005 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **member of the checkup committee**

Stake in the issuer’s authorized capital: **0%**

The issuer’s ordinary shares belonging to the person: **0%**

Number of the company’s shares of each category (type) which may be acquired as a result of exercising the rights under the issuer’s options belonging to the person: **0**

Stake in the authorized capital of the issuer’s subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer’s subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer’s subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity’s options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer’s governance bodies and/or issuer’s bodies for control over financial and economic activities: **no sibs**

Information 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: **no information**

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: **no information**

2. Sergey Vyacheslavovich Vasiliev

Year of birth: **1975**

Education: **higher**

Positions for the past 5 years:

Period: **2003 – 2008**

Organization: **RAO UESR**

Position: **Chief of the Law Department**

Period: **2008 – current**

Organization: **JSC «IDGC Holding»**

Position: **Director for law issues (Chief of the Regulatory Support Department)**

Period: *2006 – current*

Organization: *CJSC “Yurenergo”*

Position: *Chairperson of the Board of Directors*

Period: *2006 – current*

Organization: *JSC “Corporate Service Systems”*

Position: *Chairperson of the Board of Directors*

Period: *2006 – current*

Organization: *JSC “TGC-5”*

Position: *member of the Board of Directors*

Period: *2006 – current*

Organization: *JSC “Perm Transmission Grid Company”*

Position: *Chairperson of the Board of Directors*

Period: *2006 – current*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *member of the checkup committee*

Stake in the issuer’s authorized capital: *0%*

The issuer’s ordinary shares belonging to the person: *0%*

Number of the company’s shares of each category (type) which may be acquired as a result of exercising the rights under the issuer’s options belonging to the person: *0*

Stake in the authorized capital of the issuer’s subsidiaries and dependent entities: *0%*

Number of ordinary shares of the issuer’s subsidiaries and dependent entities belonging to the person: *0%*

Number of shares of the issuer’s subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity’s options belonging to the person: *0*

Any sibs with other persons who form a part of the issuer’s governance bodies and/or issuer’s bodies for control over financial and economic activities: *no sibs*

Information 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: *none*

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: *none*

3. Marina Alerseyevna Lelekova

Year of birth: *1961*

Education: *higher*

Positions for the past 5 years:

Period: **2001-2004**

Organization: **“AKFA” Auditor Firm**

Position: **Director for Audit**

Period: **2001-2003**

Organization: **Representative Office of RAO UESR for joint-stock companies management of the Eastern Russia “Vostokenergo”**

Position: **Adviser to General Director of the Representative Office for checkup committees work**

Period: **2003-2004**

Organization: **The “Institute of Professional Directors” Fund**

Position: **Adviser for checkup committees work**

Period: **2004-current**

Organization: **«FGC UES», JSC**

Position: **Deputy Head, Lead Expert, Principle Specialist of the Financial Control and Internal Audit Directorate**

Period: **2007 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **member of the checkup committee**

Stake in the issuer’s authorized capital: **0%**

The issuer’s ordinary shares belonging to the person: **0%**

Number of the company’s shares of each category (type) which may be acquired as a result of exercising the rights under the issuer’s options belonging to the person: **0**

Stake in the authorized capital of the issuer’s subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer’s subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer’s subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity’s options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer’s governance bodies and/or issuer’s bodies for control over financial and economic activities: **no sibs**

Information 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: **no information**

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: **no information**

4. Lyudmila Romanovna Matyunina

Year of birth: **1950**

Education: **higher**

Positions for the past 5 years:

Period: **1998-2004**

Organization: **RAO UESR**

Position: **Deputy Chief of the Financial Audit Department**

Period: **2004-2008**

Organization: **RAO UESR**

Position: **First Deputy Director of the Internal Audit Department of the Corporate Center**

Period: **2008-current**

Organization: **JSC «IDGC Holding»**

Position: **First Deputy Chief of the Internal Audit Department**

Period: **2005 – current**

Organization: **OJSC «Moscow United Electric Grid Company»**

Position: **member of the checkup committee**

Stake in the issuer's authorized capital: **0%**

The issuer's ordinary shares belonging to the person: **0%**

Number of the company's shares of each category (type) which may be acquired as a result of exercising the rights under the issuer's options belonging to the person: **0**

Stake in the authorized capital of the issuer's subsidiaries and dependent entities: **0%**

Number of ordinary shares of the issuer's subsidiaries and dependent entities belonging to the person: **0%**

Number of shares of the issuer's subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity's options belonging to the person: **0**

Any sibs with other persons who form a part of the issuer's governance bodies and/or issuer's bodies for control over financial and economic activities: **no sibs**

Information 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: **none**

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: **none**

5. Alexander Georgievich Erlikhman

Year of birth: **1978**

Education: **higher**

Positions for the past 5 years:

Period: **2003-2005**

Organization: *“AGROPROMKREDIT CB” LLC*

Position: *Chief of the Division for Monitoring, Development and Organization of Bank Products Introduction; Principle Specialist of the Corporate Business Development Management*

Period: *2005-2005*

Organization: *“Russian International Bank” CB LLC*

Position: *Deputy Chief of the corporate clients support division*

Period: *2005-current*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *Chief of the Financial Management, Chief of the Financial Division*

Period: *2006 – current*

Organization: *OJSC «Moscow United Electric Grid Company»*

Position: *member of the checkup committee*

Stake in the issuer’s authorized capital: *0%*

The issuer’s ordinary shares belonging to the person: *0%*

Number of the company’s shares of each category (type) which may be acquired as a result of exercising the rights under the issuer’s options belonging to the person: *0*

Stake in the authorized capital of the issuer’s subsidiaries and dependent entities: *0%*

Number of ordinary shares of the issuer’s subsidiaries and dependent entities belonging to the person: *0%*

Number of shares of the issuer’s subsidiary and dependent entity, of each category (type), which may be acquired as a result of exercising the rights under the issuer subsidiary or dependent entity’s options belonging to the person: *0*

Any sibs with other persons who form a part of the issuer’s governance bodies and/or issuer’s bodies for control over financial and economic activities: *no sibs*

Information 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: *none*

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: *none*

5.6. Data on amount of remuneration, privileges and/or indemnification of charges paid to the issuer’s financial and economic activities’ control bodies

In 2008, the members of the Company Checkup Committee and the specialists involved by the Company Checkup Committee who are not members of the checkup committee, received remuneration for carrying out of checks of the Company 2007 financial and economic activities in the amount of RUR 566,437.5.

Information on the effective agreements on such payments in the current financial year:

The amount and procedure of payment of remuneration and compensation to members of the checkup committee is established by the Regulations for Remuneration and Compensation Payment to the

Checkup Committee Members approved by the extraordinary General Shareholders Meeting of OJSC "MOESK" on 28 March 2006.

Since 1 September 2008, the Regulations for Payment of Remuneration and Compensation to the Members of the Checkup Committee of Open Joint-Stock Company "Moscow United Electric Grid Company" in a new wording comes into effect, which was approved by the Company annual General Shareholders Meeting on 28 May 2008.

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

The information is specified for the last complete financial year, as well as for the first quarter of the current financial year.

The average number of the issuer's employees (staff), including the employees (staff) working with its branches and representative offices, and the amount of contributions for the labour payment and social support.

Indicator	2008	Q 1 2009
Average staffing number, people	11,241	13,900
Share of the issuer's employees having higher professions education, %	34	34
Amount of monetary funds allocated for labour remuneration, RUR '000	5,171,823	1,876,805
Amount of monetary funds allocated for social support, RUR '000	1,014,935	15,778
Total amount of the spent monetary funds, RUR '000	6,186,758	1,892,583

The reporting period is marked by a substantial growth of average staffing number that is mainly caused by the reorganization of OJSC "MOESK" in the form of merging of OJSC "MGEsK" with it in 2008.

In opinion of OJSC "Moscow United Electric Grid Company", the employee rendering a material influence on the issuer's financial and economic activities (key employees) is:

- 1. Yury Ivanovich Trofimov - General Director;*

On 27 October 2005, a primary trade-union organization of the Moscow Regional Committee "Electrounion" was created at the enterprise. The trade-union committee consists of 11 people elected for 5 years. The checkup committee of the trade-union organization consists of 3 people.

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

The issuer has no agreements and obligations concerning an opportunity of participation of the issuer's employees (staff) in its authorized capital.

The issuer's options were not provided to employees (staff). The issuer did not approve and register the issuer's options.

VI. Data on participants (shareholders) of the issuer and on interest-party transactions completed by the issuer.

6.1. Data on the total amount of the issuer's shareholders (participants)

Total amount of persons recorded in the shareholders' register of the issuer for the date of the accounting period end – **17,551**,

Including

Total amount of the issuer's nominee shareholders – **20**

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

Shareholders (participants), possessing at least 5 per cent of the authorized capital of the issuer:

1. The share of the authorized capital of the issuer accounting for 11.6055% is registered in the shareholders' register in the name of the nominee shareholder:

Full name of the company: *Closed Joint-Stock Company "Depository Clearing Company" (DCC)*

Short name of the company: *CJSC "DCC"*

Location: *31 Shabolovka street, Building B, Moscow, Russian Federation, 115162.*

Phone: *(495) 956-0999, 411-8338* Fax: *(495) 232-68-04* E-mail: dcc@dcc.ru

License No. 177-06236-000100 of the professional participant of the securities market for the implementation of the depository activity as of October 9, 2002 issued by the FFMS of Russia. The license duration is unlimited.

Amount of ordinary shares of the issuer belonging to the given body - *5,652,719,884 pieces (nominee shareholder)*

2. The share of the authorized capital of the issuer in the amount of 32.6181% is registered in the issuer's shareholders register in the name of the nominee shareholder:

Full company name: *Noncommercial Partnership "The National Depository Center"*

Short company name: *NDC*

Location: *1/13 Sredniy Kislovskiy sidestreet, Building 4, Moscow*

Phone: *(495) 956-2-659* Fax: *(495) 965-09-38* E-mail: info@ndc.ru

License No. 177-03431-000100 of the securities market professional participant for the implementation of the depository activity as of December 4, 2000. Issued by the Federal Securities Market Commission. The license duration is unlimited.

Amount of ordinary shares belonging to the given body - *15,887,324,983 pieces (nominee shareholder)*

3. The share of the authorized capital of the issuer in the amount of 50.9047 % is registered in the issuer's shareholders register in the name of the nominee shareholder:

Full name of the company: *Limited Liability Company "Depository and Corporate Technologies"*

Short company name: *LLC "DCT"*

Location: *17 Ramenkie street, Building 1, Moscow, 119607*

Phone: *(495) 641-30-31*, Fax: *(495) 641-30-31*; E-mail: Dkt@depotech.ru

License No. 177-11151-000100 of the professional participant of the securities market for the implementation of the depository activity given as of April 3, 2008. It was issued by the FFMS of Russia. The license duration is unlimited.

Amount of ordinary shares if the issuer belonging to the given body - *24,794,187,558 pieces (nominee shareholder).*

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

Share of the issuer's authorized capital being in state (federal, Russian Federation component units'), municipal ownership:

0.000036% is in ownership of the Moscow Region

Holder of the parcel of shares:

Name: *Ministry of Property Relations of the Moscow Region*

Location: *54 Yubileiniy prospect, town of Reutov, Moscow Region, 143969.*

Postal address: *18 Lesteva street, Moscow, 115162*

Body fulfilling on behalf of the RF component unit the functions of the issuer's shareholder: *Ministry of Property Relations of the Moscow Region.*

Special Right for the participation of the Russian Federation, subjects of the Russian Federation, municipal formations in the issuer's administration: *none*

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

The limiting of shares amount belonging to one shareholders and/or their total nominal value, and/or maximum amount of votes presented to one shareholder: *none*

Limitation for the share of the foreign persons' participation in the authorized capital of the issuer: *none*

Other limitations connected with the participation in the authorized (share) capital (share fund) of the issuer: *none*

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

Information on the structure and amount of the issuer's shareholders participation possessing at least 5% of his/her ordinary shares and for 5 past completed financial years is not presented concerning the fact that the issuer is registered as a legal body on April 1, 2005.

There is information on the structure and amount of the issuer's shareholders participation possessing at least 5% of his/her ordinary shares for the date of the list of persons compiling possessing the right to participate in the general meeting of shareholders.

<i>Type of meeting</i>	<i>Date of the list of persons compiling possessing the right to take part in the general meeting of shareholders</i>	<i>Name of the Shareholder</i>	<i>Share of the authorized capital, %</i>	<i>Amount of the ordinary shares, %</i>
<i>EGSM</i>	<i>February 12, 2006</i>	<i>Unified Energy System of Russia</i>	<i>50.90</i>	<i>50.90</i>
		<i>Leader (CJSC) (Pension fund asset</i>	<i>18.40</i>	<i>18.40</i>

		<i>management company) BO NPF “Gazfond”</i>		
		<i>Solidene Inc.</i>	<i>6.00</i>	<i>6.00</i>
		<i>WELLSTONE TRADING LIMITED</i>	<i>6.63</i>	<i>6.63</i>
<i>AGSM</i>	<i>May 12, 2006</i>	<i>Unified Energy System of Russia</i>	<i>50.90</i>	<i>50.90</i>
		<i>Leader (CJSC) (Pension fund asset management company) BO NPF “Gazfond”</i>	<i>18.40</i>	<i>18.40</i>
		<i>Solidene Inc.</i>	<i>6.00</i>	<i>6.00</i>
		<i>WELLSTONE TRADING LIMITED</i>	<i>6.63</i>	<i>6.63</i>
<i>AGSM</i>	<i>May 11, 2007</i>	<i>Unified Energy System of Russia</i>	<i>50.90</i>	<i>50.90</i>
		<i>Leader (CJSC) (Pension fund asset management company) BO NPF “Gazfond”</i>	<i>15.79</i>	<i>15.79</i>
<i>EGSM</i>	<i>August 13, 2007</i>	<i>Unified Energy System of Russia</i>	<i>50.90</i>	<i>50.90</i>
		<i>Limited Liability Partnership “Management Company “AGANA”BO. Closed Co-op Share Fund of the mixed investments “Strategic assets” headed by LLP “Management Company “AGANA”</i>	<i>18.42</i>	<i>18.42</i>
<i>EGSM</i>	<i>March 6, 2008</i>	<i>Unified Energy System of Russia</i>	<i>50.90</i>	<i>50.90</i>
		<i>Limited Liability Partnership “Management Company “AGANA”BO. Closed Co-op Share Fund of the mixed investments “Strategic assets” headed by LLP “Management Company “AGANA”</i>	<i>18.42</i>	<i>18.42</i>
<i>AGSM</i>	<i>April 16, 2008</i>	<i>Unified Energy System of Russia</i>	<i>50.90</i>	<i>50.90</i>
		<i>Limited Liability Partnership “Management Company “AGANA”BO. Closed Co-op Share Fund of the mixed investments “Strategic assets” headed by LLP “Management Company “AGANA”</i>	<i>18.42</i>	<i>18.42</i>

6.6. Data on the issuer’s interested-party transactions

Total amount of the closed interested party transactions expressed in money terms approved by each management body of the issuer concerning the results of the past accounting quarter

<i>Index Name</i>	<i>Q 1 2009</i>
<i>Total number and amount of the closed interested party transactions expressed in money terms made by the issuer and needed the approval of</i>	<i>10 transactions for the total amount of RUR 46,943,352.74</i>

the management body of the issuer closed by the issuer during the accounting period, pieces/RUR.	<i>(VAT included)</i>
Amount of the closed interested party transactions expressed in money terms and approved by the management body of the issuer closed by the issuer during the accounting period, pieces/RUR	<i>0</i>
Amount of the closed interested party transactions expressed in money terms and approved by the Board of Directors (Supervisory Board) of the issuer closed by the issuer during the accounting period, pieces/RUR	<i>10 transactions for the total amount of RUR 46,943,352.74 (VAT included)</i>
Amount of the closed interested party transactions expressed in money terms and needed the approval of the management body of the issuer (but were not approved by it) closed by the issuer during the accounting period, pieces/RUR	<i>0</i>

In the first quarter of 2009 the issuer did not make transactions (group of interdependent transactions) which price accounts for 5 and more per cent of the balance value of the issuer's assets, determined in accordance with the data of the accounting report for the past reporting date before the transaction completion.

There were no interested party transactions (groups of interdependent transactions) which needed the approval of the management body of the issuer, but were not approved by it during the accounting quarter.

6.7. Data on debt receivable amount

Structure of the issuer's accounts receivable indicating the term of the obligations fulfillment for 2008 and as of the end of the 1st quarter of the current financial year:

Structure of the accounts receivable at 31.12.2008:

Type of accounts receivable, RUR	Payment term	
	Less than 1 year	More than 1 year
Trade debtors	<i>3,986,070</i>	<i>20,900</i>
Including overdue accounts receivable	<i>0</i>	<i>x</i>
Notes payable, receivable	<i>0</i>	<i>0</i>
Including overdue accounts receivable	<i>0</i>	<i>x</i>
Accounts receivable of the participants (founders) concerning the contributions to the authorized fund (capital)	<i>0</i>	<i>0</i>
Including overdue accounts receivable	<i>0</i>	<i>x</i>
Advances made accounts receivable	<i>15,521,526</i>	<i>0</i>
Including overdue accounts receivable	<i>0</i>	<i>x</i>
Other accounts receivable	<i>11,128,870</i>	<i>29,981,122</i>

Including overdue accounts receivable	<i>0</i>	<i>x</i>
Total:	<i>30,636,466</i>	<i>30,002,022</i>
Including overdue accounts receivable	<i>0</i>	<i>x</i>

Debtors which share accounts for at least 10% of the total amount of the accounts receivable: *none*

Structure of the accounts receivable at 31.03.2009:

Type of accounts receivable, RUR	Payment term	
	Less than 1 year	More than 1 year
Trade debtors	<i>5,354,155</i>	<i>4,215</i>
Including overdue accounts receivable	<i>0</i>	<i>x</i>
Notes payable, receivable	<i>0</i>	<i>0</i>
Including overdue accounts receivable	<i>0</i>	<i>x</i>
Accounts receivable of the participants (founders) concerning the contributions to the authorized fund (capital)	<i>0</i>	<i>0</i>
Including overdue accounts receivable	<i>0</i>	<i>x</i>
Advances made accounts receivable	<i>10,417,583</i>	<i>0</i>
Including overdue accounts receivable	<i>0</i>	<i>x</i>
Other accounts receivable	<i>9,636,382</i>	<i>34,699,587</i>
Including overdue accounts receivable	<i>0</i>	<i>X</i>
Total:	<i>25,408,120</i>	<i>34,703,802</i>
Including overdue accounts receivable	<i>0</i>	<i>x</i>

Debtors which share accounts for at least 10% of the total amount of the accounts receivable: *none*

VII. Issuer's accounting reports and other financial information:

7.1. Annual financial statement of the issuer:

Annual accounting reports of the issuer for 2008 financial year, made up in accordance with the requirements of the Russian Federation legislation is enclosed into the annual report for the 1 quarter of 2008 (Appendix No. 1).

The accounting reporting of the issuer for 2008 consists of:

- *balance sheet (form 1);*
- *profit and loss statement (form 2);*
- *statement of changes in equity (form 3);*
- *statement on cash flow (form 4);*
- *appendix to balance sheet (form 5);*
- *explanatory note;*
- *audit report.*

Annual accounting reports for 2007 made in accordance with the International Financial Reporting Standards and the Auditor Report please find here: <http://www.e-disclosure.ru/portal/company.aspx?id=5563>

7.2. Quarterly accounting reports of the issuer for the previous completed reporting quarter

Quarterly financial statement of the issuer for the 3rd quarter of 2008 made up in accordance with the requirements of the Russian Federation legislation is enclosed into the present quarterly reporting (Appendix No.2)

Financial statement of the issuer for the 1 quarter of 2009 consists of:

- *balance sheet (form No.1)*
- *income statement (form No. 2)*

The Issuer does not make the quarterly financial statement in accordance with International Financial Reporting Standards or the generally acquired principles of the financial statement making in the USA.

7.3 Summary accounting reports of the issuer for the previous completed fiscal year

a) There are no consolidated accounting reports of the Issuer made in accordance with the requirements of the legislation of the Russian Federation.

The Company's obligation to make the consolidated accounting reports established by paragraph 91 of the Order of the Ministry of Finance of the Russian Federation No. 34n on "Approval of the Regulation directed to the implementation of the financial statement and reporting in the Russian Federation" as of July 29, 1998.

In accordance with the government report if the Company possess subsidiary and dependent companies except own financial reporting it should make consolidated accounting reports including the indices of the reports of such companies being on the territory of the Russian Federation and behind its boundaries in the order established by the Ministry of Finance of the Russian Federation.

Besides, there is no order established by the Ministry of Finance of the Russian Federation. The only document that concerns such a report making is the order of the Ministry of Finance of the Russian Federation No. 112 as of December 30, 1996 "On consolidated accounting reports making and methodical recommendations presenting." Besides, this document is not the normative one (By the statement of the Ministry of Justice of the Russian Federation as of March 19, 1997 No. 07-02-285-97, the given Order of the Ministry of Finance of the Russian Federation does not require the state registration); it bears the methodical character and besides, this document does not establish the order, but determine the general approaches to compiling of the consolidated accounting reports. There are no guidelines directed to the use of the given order. All this, according to the issuer, proves the lack of the clear normative order of the consolidated accounting reports compiling. In its turn, it is not possible for the Issuer to develop such an order using own potential.

*b) Consolidated accounting reports for 2007 compiled in accordance with International Financial Reporting Standards together with the Auditor reporting please find here:
<http://www.e-disclosure.ru/portal/company.aspx?id=5563>*

7.4. Data on the issuer's accounting policy

Information on the accounting policies of the Issuer for 2009 approved by the issuer for the present financial year are presented in Appendix No.3 to the quarterly report.

Accounting policy of the Company is carried out in accordance with the Federal law as of November 29, 1996 No.129-FL "On Accounting" (issued as of November 3, 2006) and normative documents of the Ministry of Finance of the Russian Federation regulating the order of the Financial statement making and carrying out.

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

The Issuer does not carry out the export of the products (goods, works services).

7.6. Data on the value of the issuer's real estate and essential changes which occurred in the structure of the issuer's property after the date of the previous completed fiscal year.

The total value of the fixed assets and the amount of the accumulated depreciation for the date of the reporting quarter end.

2008

No.	Name	Total cost (RUR, thousand)	Amount of the accumulated depreciation (RUR, thousand)
<i>1</i>	<i>Buildings, construction and transmission devices</i>	<i>49,957,623</i>	<i>3,779,606</i>

Quarter 1 2009

No.	Name	Total cost (RUR, thousand)	Amount of the accumulated depreciation (RUR, thousand)
<i>1</i>	<i>Buildings, construction and transmission devices</i>	<i>50,337,023</i>	<i>4,382,199</i>

During 12 months before the date of the reporting quarter end the assessment of the fixed assets owned or rented for the long term by the issuer was not carried out by the appraiser.

There were no acquisition and retirement of the fixed assets objects with the cost exceeding 5 per cent of the balance value of the issuer's assets after the date of the past financial year end before the date of the accounting quarter end.

7.7. Data on participation of the issuer in litigations if such participation may have a material effect on the financial and economic activities

There were no judicial proceedings which could considerably influence the financial and industrial activity of the Company.

VIII. Additional information on the issuer and the placement of the equity securities

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

Information on the authorized capital of the issuer:

Amount of the authorized capital is *RUR 24,353,545,787 (Twenty four billion three hundred and fifty three million five hundred and forty five thousand seven hundred and eighty seven).*

Ordinary shares: *48,707,091,574 (Forty eight billion seven hundred and seven million ninety one thousand five hundred and seventy four) pieces.*

Total par value of the ordinary shares: *RUR 24,353,545,787 (twenty four billion three hundred and fifty three million five hundred and forty five thousand seven hundred and eighty seven).*

Share of the ordinary shares in the authorized capital of the issuer: **100%**

Par value of each share: **RUR 0.5**

Shares of the issuer do not circulate beyond the boundaries of the Russian Federation.

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

The change of the amount of the authorized capital for 5 past completed financial years preceding the date of the reporting quarter end:

Amount and structure of the authorized capital for the date of the indicated period beginning	Name of the management body which took the decision on the authorized capital amount change	Compiling date and the number of the minutes of the general meeting of shareholders where the decision was taken to change the amount of the authorized capital	Authorized capital amount after the change, RUR
<i>RUR 14,124,679,850 (28,249,359,700 Pieces of ordinary shares)</i>	<i>Extraordinary general meeting of shareholders of OJSC "MOESK" as of April 18, 200. Report on the additional issue of the securities was approved by the Board of Directors as of July 9, 2008</i>	<i>Minutes of the extraordinary meeting of shareholders of OJSC "MOESK" No.6 as of April 28, 2008. Report on the results of the additional issue of the securities was approved by the General meeting of the Board of Directors as of July 9, 2008. (Minutes No.68 as of July 14, 2008)</i>	<i>RUR 24,353,545,787 (48,707,091,574 pieces of ordinary shares)</i>

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

The name of the fund is the **reserve fund**.

Amount of the fund established in accordance with the authorized documents: *in accordance with the articles of the Issuer, the creation of the Reserve fund is determined in the amount of 5% form the issuer's authorized capital.*

In connection with the fact that the issuer was registered as a legal entity on 01.04.2005, the information for the last 5 completed financial years is not specified.

Information for 2005-2008 financial years and the first quarter of the current financial year is as follows:

	2005	2006	2007	2008	1 quarter 2008
amount of the fund expressed in money means for the date of the reporting period end and in percentage terms from the authorized (share) capital (as on share fund)	<i>As of the moment of the end of the reporting period, the reserve and other funds were not created</i>	<i>64,690 thousand rubles – 0.458 % of the authorized</i>	<i>251,470 thous. Rub. – 1.78 % of the authorized capital</i>	<i>695,356 thous. Rub. – 2.86 of the authorized capital</i>	<i>695,356 thous. Rub. – 2.86 of the authorized capital</i>

(co-op share fund)		<i>capital</i>			
amount allocated to the fund during the reporting period	<i>No contributions to the fund in the reporting period</i>	<i>64 ,690 thous. Rub.</i>	<i>186, 780 thous. Rub.</i>	<i>443 ,886 thous.rub.</i>	<i>No contributions to the fund in the reporting period</i>
amount of the fund means used during the correspondent reporting period and directions of these means use.	<i>As of the moment of the end of the reporting period, the reserve and other funds were not created</i>	<i>The funds of the reserve fund were not used in the reporting period</i>	<i>The funds of the reserve fund were not used in the reporting period</i>	<i>The funds of the reserve fund were not used in the reporting period</i>	<i>The funds of the reserve fund were not used in the reporting period</i>

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

Name of the top body of the issuer's management: ***General meeting of shareholders***

The order of shareholders' notifying on meeting (session) carrying out of the top body of the issuer's management in accordance with the Articles:

11.5. Notification on the General Meeting of shareholders carrying out is addressed to (or handled to) each person indicated in the list of persons possessing the right to take part in the General meeting of shareholders and also shall be published by the Company at least 30 days prior to the date of its carrying out in socio-political newspaper "Izvestia".

If the nominee shareholder is registered in the Company's shareholder's register the notification on the General meeting of shareholders carrying out is directed to the nominee shareholder if the list of persons possessing the right for participation in the General meeting of shareholders does not contain other postal addresses the notification on the General meeting of shareholders shall be directed to.

11.6 Agenda issues voting bulletins shall be sent via postal special delivery to the address indicated in the list of persons possessing the right to participate in the general meeting of shareholders or given against signature to each person indicated in the list of persons possessing the right to participate in the General meeting of shareholders if there is no other address the notification on the General meeting of shareholders carrying out shall be sent to.

Each person included into the list shall be presented one copy of the bulletin for voting concerning all items or one copy of two and more bulletins for voting concerning different issues.

12.4 Notification on the General Meeting of shareholders carrying out by means of the absentee voting shall be published by the Company in the socio-political newspaper "Izvestia" at least 30 (Thirty) days prior to the date of the bulletin acquisition deadline.

12.5. Agenda questions voting bulletins shall be sent via postal special delivery to the address indicated in the list of persons possessing the right to participate in the general meeting of shareholders or given against signature to each person indicated in the list of persons possessing the right to participate in the General meeting of shareholders at least 20 (Twenty) days prior to the date of the Company's bulletins acquisition deadline.

Each person included into the list shall be presented one copy of the bulletin for voting covering all agenda items or one copy of two and more bulletins for voting concerning different issues.

The order of persons' familiarization with agenda items information (materials) concerning the agenda of the General meeting of shareholders and the list of such information (materials) shall be determined by the decision of the Company's Board of Directors.

Persons (bodies) entitled to convene (require holding) of the extraordinary meeting (session) of the issuer's top management body and also the order of the direction (presentation) of such requirements in accordance with the Articles:

14.2. Extraordinary General Meeting of Shareholders shall be carried out by the decision of the Board of Directors of the Company on the basis of their own initiative, requirements of the Checkup Committee of the Company, Company's Auditor and also a shareholder (shareholders) of the Company possessing at least 10 (Ten) per cent of the voting shares of the Company for the date of the requirement presentation.

14.4 Items that are to be included into the agenda of the Company's General Meeting of Shareholders shall be presented in the requirement of the Company's General meeting of shareholders carrying out.

14.5. If the requirement to hold the Extraordinary General Meeting of shareholders of the Company is presented by the shareholder (shareholders), it shall contain the name (description) of the shareholder (shareholders) requiring the meeting carrying out indicating the quality, category (type) of the Company's shares belonging to them.

Requirements of the company's extraordinary General Meeting of shareholders convening shall be signed by a person (persons) who require the Company's Extraordinary General Meeting of shareholders.

The order of the meeting date of the Issuer's top management body determination is carried out in accordance with the Articles:

11.1. Annual General meeting of shareholders of the Company shall be carried out not earlier than two months after and not later than six months after the financial year end.

Annual General meeting of shareholders must solve the issues of the election of the Board of Directors, and Checkup committee. It must also approve the Auditor of the Company, Annual report of the Company presented by the Company's Board of Directors together with reports on profits and losses (income statement) of the Company, and also profit distribution (including the payment (declaration) of dividends except for profit distributed as dividends concerning the results of the first quarter, half year, nine months of the financial year) and losses of the Company concerning the results of the financial year.

14.3. Convening of the General Meeting of shareholders by the requirement of the Checkup Committee of the Company, Auditor of the Company and shareholder (shareholders) being the owners of at least 10 (Ten) percent of the Company's voting shares is carried out by the Company's Board of Directors.

Such General meeting of shareholders shall be carried out within 40 (Forty) days since the moment of the requirement presentation on the Company's General Meeting of shareholders carrying out, except for the case determined by paragraph 14.9 of the Articles.

Persons who are entitled to introduce suggestions to the agenda of the issuer's top management body meeting and also the order of such suggestions introduction according to the Articles:

13.1. Shareholders (shareholder) being the owners of at least 2 per cent of the company's voting shares possess the right to introduce the amendments to the agenda to the Annual general meeting of shareholders and promote candidates to the Company's Board of Directors and Checkup committee, which amount can not exceed the qualitative structure amount of the correspondent body. Such proposals shall be introduced to the Company not later than 60 (Sixty) days after the financial year end.

13.2. The suggestion to introduce the issues to the agenda of the General Meeting of shareholders and the suggestion on the candidates promotion shall be presented in the written form with the indication of the name (description) of the shareholders (shareholder) representing them, amount and category (type) of shares belonging to them and are to be signed by the shareholders (shareholder).

13.3. The suggestion to present the items to the agenda of the General meeting of shareholders shall contain the wording of each proposed item, and the proposal on candidates' promotion shall contain the name and data of the document of identification (series and (or) number of the document, date and place of its issue and the body issued the document) of each promoted candidate, and the name of the body he/she is promoted to.

Persons that possess the right to familiarize themselves with information (materials), presented for the preparation and carrying out of the meeting (session) of the top management body of the issuer and also the order of familiarization with such information (materials) in accordance with the Articles:

11.7. Information (materials) concerning the agenda items of the General Meeting of shareholders 20 (Twenty) days prior, or should the General Meeting of shareholders agenda contain the item on the Company's restructuring - 30 (Thirty) days prior to the General Meeting of Shareholders carrying out shall be available for the persons entitled to take part in the General Meeting of shareholders for them to familiarize themselves in the office of the General Meeting of shareholders. The abovementioned information (materials) shall be available for the persons entitled to take part in the General meeting of shareholders during its carrying out.

The order of the persons entitled to take part in the General meeting of shareholders familiarization with information (materials) concerning the agenda items of the General meeting of shareholders and the list of such information shall be determined by the Company's Board of Directors.

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

Commercial organizations where issuer possesses at least 5 per cent of the authorized (share) capital (co-op share fund) or at least 5 per cent of the ordinary shares for the date of the financial year reporting quarter end.

Full company name: **Open Joint Stock Company "Energocenter"**

Short company name: **OJSC "Energocenter"**

Location: **65 Kirova Street, City of Podolsk, Moscow Region, 142117.**

Postal address: **6, 1st Kozhevnichekiy side-street, Building 1, office 408, 115114.**

Share of the issuer in the authorized capital of the commercial organization: **50%**

Amount of the joint-stock company ordinary shares belonging to the Company's issuer: **50%**

Share of the commercial organization in the authorized capital of the issuer: **0%**

Amount of the ordinary shares of the issuer belonging to the commercial organization: **0%**

Full company name: **Open Joint-Stock Company "Moskabelsetmontazh"**

Short company name: **OJSC "MKSM"**

Location: **6 Nizhnyaya Krasnoselskaya street, Building 1, Moscow, 107140**

Share of the issuer in the authorized capital of the commercial organization: **100%**

Amount of the joint-stock company ordinary shares belonging to the Company's issuer: **100%**

Share of the commercial organization in the authorized capital of the issuer: **0%**

Amount of the ordinary shares of the issuer belonging to the commercial organization: **0%**

Full company name: **Open Joint-Stock Company "Moskabelenergoremont"**

Short company name: **OJSC "Moskabelenergoremont"**

Location: **13 Shipilovskaya street, Building 2, Moscow, 115569**

Share of the issuer in the authorized capital of the commercial organization: **100%**

Amount of the joint-stock company ordinary shares belonging to the Company's issuer: **100%**

Share of the commercial organization in the authorized capital of the issuer: **0%**

Amount of the ordinary shares of the issuer belonging to the commercial organization: **0%**

Full company name: **Open Joint-Stock Company "Electric Grid Equipment Repairing Plant"**

Short company name: **OJSC "Zavod RETO"**

Location: **4a Starokashirskoye highway, Moscow, 152201**

Share of the issuer in the authorized capital of the commercial organization: **100%**

Amount of the joint-stock company ordinary shares belonging to the Company's issuer: **100%**

Share of the commercial organization in the authorized capital of the issuer: **0%**

Amount of the ordinary shares of the issuer belonging to the commercial organization: **0%**

8.1.6. Information on substantial transactions made by the issuer

In the reporting quarter, the issuer did not make substantial transactions (group of interconnected transactions) which amount of obligations accounts for 10 and more per cent of the balance value of the issuer's assets concerning the date of his/her financial statement for the past accounting period prior the transaction making.

8.1.7. Information on credit ratings of the issuer

On October 26, 2007 Moody's Investors Service Agency gave OJSC "MOESK" the corporate rating at the level of Ba2 with the positive forecast. Together with this, Moody's Interfax Rating Agency which majority shareholder is Moody's gave the company the rating concerning the national scale at the level of Aa2.ru.

MOODY'S INTERFAX RATING AGENCY

Address: 2, 1-st Tverskaya-Yamskaya street, Moscow, 103006

Phone: (495) 644-09-08

Website: <http://rating.interfax.ru>

8.2. Information on each category (type) of the issuer's shares

Category: *ordinary registered shares*

Nominal value of each share: *RUR 0.5*

Amount of outstanding shares (amount of shares canceled or void): *48,707,091,547 (Forty seven billion seven hundred and seven million ninety one thousand five hundred and seventy four) pieces.*

Amount of additional outstanding shares being in the process of placement (amount of shares of the additional issue which did not go through the state registration of the report on the results of the issue): *no such shares*

Amount of declared shares: *3,718,126 (Three billion seven hundred and eighteen thousand one hundred and twenty six) pieces*

Amount of shares being on the issuer's balance: *5,576,625 (Five billion five hundred and seventy six thousand six hundred and twenty five) pieces*

Amount of the additional shares which can be placed as a result of conversion of the placed securities convertible into shares or as a result of the obligations carrying out concerning the issuer's option: *no such shares*

State registration number and the date of the state registration of the issuer's shares:

1-01-65116-D as of May, 31, 2005,

According to item 12 of the Order of Federal financial markets service from November 18th, 2008 №08-2788/n3, in connection with the expiration of 3 months from the moment of the state registration of the report on results of additional issue of ordinary registered uncertificated shares of OJSC "MOESK", the individual number (code) 001D of the state registration number 1-01-65116-D-001D from June 30th, 2008 appropriated to the additional issue of ordinary registered uncertificated shares of OJSC "MOESK" was cancelled.

Rights the ordinary shares holders are entitled with:

According to paragraph 6.2. of article 6 of the Issuer's Articles: "Each ordinary share entitles the shareholder – its owner with equal amount of rights.

Shareholders – owners of the ordinary shares of the Company are entitled to:

- 1) *take part personally or via representatives in the General meeting of Company's' shareholders with the right to give votes for all the questions concerning their scope of functions;*
- 2) *introduce the suggestions to the agenda of the general meeting in the order determined by the Legislation of the Russian Federation and Articles;*
- 3) *acquire information concerning the Company's activity and get acquainted with the documents of the Company in accordance with article 91 of the Federal law "On Joint-Stock Companies", other normative legal acts and the Article;*
- 4) *receive dividends declared by the Company;*
- 5) *primarily acquire additional shares and equity securities convertible into shares placed by means of open public subscription in the amount proportionate to the amount of ordinary shares belonging to them;*
- 6) *get a part of its property in case of the Company's liquidation;*
- 7) *carry out other rights determined by the legislation of the Russian Federation and the Articles"*

Paragraph 13.1 of article 13 of the Charter: "Shareholders (shareholder) of the Company, possessing together with the owners at least 2 per cent of the voting shares of the Company are entitled to introduce items to the agenda of the Annual general meeting of shareholders and promote candidates to the Board of Directors of the Company and Checkup Committee of the Company. Their amount shall not exceed the quantitative structure amount of the correspondent body. Such proposals shall be presented to the Company not later than 60 (Sixty) days after the financial year end."

Paragraph 14.2 of Article 14 of the Articles: "Extraordinary General meeting of shareholders shall be carried out by the Decision of the Company's Board of Directors on the basis of their own initiative, requirements of the Checkup committee of the Company, Auditor of the Company or shareholder (shareholders) of the company being the owners of at least 10 (Ten) per cent of the voting shares of the company for the date of the requirements presentation".

Paragraph 21.7 of article 21 of the Articles: "Checkup (Audit) of the financial and industrial activity of the Company can be carried out each time by the initiative of the Checkup Committee of the Company, decision of the General meeting of shareholders, Company's Board of Directors or by the requirement of the shareholder (shareholders) of the Company possessing in total at least 10 per cent of the voting shares of the Company".

8.3. Information on preliminary issues of the issuer's equity securities except for the issuer's shares

8.3.1. Information on the issues where all equity securities are redeemed (cancelled)

There are no issues where all equity securities were redeemed (cancelled).

8.3.2. Information on the issues which all securities are in turnover:

Type, series, form and other identification features of securities:

Documentary non-convertible per cent securities for the bearer of 01 series with the obligatory centralized storage with the term of payment in 1820th calendar day since the date of the placement beginning without the possibility of the advanced repayment .

State registration number of the securities issue: *4-01-65116-D*

Date of the state registration of the securities issue: *June 22, 2006.*

Date of the state registration of the report on the results of the securities issue: *October 24, 2006*

Name of the registering body, carrying out the state registration of the securities issue and the state registration of the report on the results of the securities issue: *FFMS of Russia.*

Amount of the securities of the issue:

6,000,000 (Six million) pieces

Nominal value of each security of the issue:

RUR 1,000 (One thousand)

Nominal value of the issue amount:

RUR 6,000,000,000 (Six billion).

Rights determined by each security of the issue:

Bonds are direct liabilities of the Open Joint-Stock Company “Moscow Region Power Grid Company” (hereinafter referred to as – “Issuer”)

Bonds owner possesses the right to acquire during the bonds redemption the nominal value of the bonds for the term determined by the Decision on the securities issue and the Prospectus of the securities.

Bonds owner possesses the right to acquire the coupon profit (per cent of the Bonds nominal value) at the end of the coupon period which determination order is presented in paragraph 9.3. of the Issue Decision and 9.1.2. of the Securities Prospectus.

Bonds owner is entitled with the right to require the Issuer’s bonds acquisition in cases and on conditions determined in paragraph 10 of the Decision on the Securities Issue and 9.1.2 of the Securities prospectus.

In case of non-fulfillment or improper fulfillment of the obligations by the Issuer the owners and/or nominal holders of the bonds possess the right to address to the person who presented the guarantee concerning the Bonds issue in accordance with the conditions of the requirements provision indicated in paragraph 12 of the Securities issue decision and paragraphs g), h). and paragraph 9.1.2. of the Securities Prospectus.

A collateral trust bond entitles the owner with the rights implied in such a guarantee. With the transition of all the rights to the Bond the acquirer gets all the rights arisen from such a guarantee in the same amount and on the same conditions which are valid for the moment of the rights transition to the Bond. Rights transition occurred from the given guarantee without the transition of the rights to the Bond is invalid.

The Issuer undertakes the obligation to ensure the return of investment means to the owners should the Bonds issue be considered void or invalid according to the legislation of the Russian Federation.

Besides all the rights enumerated the Bonds owner is entitled to exercise other property rights stipulated by the present Legislation of the Russian Federation.

Information on the Depository carrying out the centralized storage of the bonds:

The obligatory centralized storage of the bonds issue is stipulated.

The depository carrying out the centralized storage:

Full name: *Noncommercial Partnership “National Depository Center”*

Short company name: *NDC*

Location: *1/13 Sredniy Kislovsky sidestreet, Building 4, Moscow*

TPIN: *7706131216*

Phone: *(495) 232-0527*

License number: *No. 177-03431-000100*

Issue date: *December 4, 2000*

Period of validity: *unlimited license*

License giving body: *FCSM of Russia*

Order and conditions of bonds redemption

Form of bonds redemption:

Bonds’ paying off is carried out by money means in RUR (Russian Rubles) in cashless order. The possibility to choose the form of the bonds redemption is not stipulated.

Order and conditions of bonds paying off including the maturity date.

Bonds’ paying off is carried out by the Paying agent at the expense of and by the order of the Issuer.

Functions of the Paying agent during the bonds paying off are carried out by Noncommercial Partnership “National Depository Center”. Information on Noncommercial Partnership “National Depository Center” is presented in paragraph 9.6. of the Issue decision and paragraph 9.1.2. e) of the Prospectus.

The Issuer is entitled to assign other Paying agents and cancel such assignments. Official announcement of the Issuer concerning the abovementioned actions shall be published by the Issuer in the news line and also in the newspaper “Izvestia” within 5 days since the date of such assignments occurrence or their cancellation. The publican in the “Izvestia” newspaper shall be carried out after the publication in the news line.

The Bonds shall be paid off according to the nominal value within 1820 calendar days since the date of the placement beginning.

If the date of the placement beginning is a day off, irrespective of the fact whether it is a state day off and/or a day off for the accounting activities the payment of the proper amount is carried out on the first working day following the day off. Bonds owner is not entitled to require per cents charge or any other indemnification for such a payment delay.

Redemption of the Bonds nominal value is carried out by money means in RUR (Russian Ruble) currency in cashless term for benefit of the Bonds owners.

It is presumed that the nominal holders – are the depositors of NDC (Depository) are entrusted with the right to get the amounts of the Bonds nominal value paying off. NDC depositor is not entrusted by the clients to get the amounts of the Bonds nominal value paying off shall transfer the list of Bonds owners containing all the data further determined in the List of owners and/or Bonds nominal holders to NDC not later than 13-00 prior (Moscow Time) on the 3rd working day before the date of the bonds paying off.

If the Bonds’ owner rights are taken into consideration by the nominal holder and the nominal holder is entitled to get the amount of the Bonds nominal value paying off, the body entrusted to get the amount of the Bonds nominal value paying off is the nominal holder.

Should the Bonds’ owner rights not taken into consideration by the nominal holder or the nominal holder is not entrusted by the owner to get the amount of the Bonds nominal value paying off, the body entitled to get the amount of the Bonds nominal value paying off is the owner (for the physical persons there shall be indicated Name, Last name and Patronymic of the owner).

Bonds’ nominal value redemption is carried out for benefit of the Bonds’ owners being such as of the moment of NDC operation day end preceding the 3rd working day before the date of the Bonds’ nominal value paying off (hereinafter referred to as – “Date of the list of owners and/or Bonds’ nominal holders compiling”).

The obligations fulfillment in relation to the owner included into the List of owners and/or Bonds nominal holders is considered proper also in case of Bonds alienation after the date of the list of owners and/or Bonds’ nominal holders compiling.

Beginning with NDC operation day end on the Date of the List of owners and/or Bonds nominal holders compiling for the purpose of the Bonds’ nominal value paying off the Bonds purchase and sale transactions making from purchasing organizers assumed the Bonds for trading shall be stopped according of the rules of the trading organizers.

Should the owners who entrusted the nominal holder to acquire the amounts of the Bonds paying off consist of the non residents and/or physical persons the nominal holder is to indicate in the list of the Bonds owners, the following information concerning these persons:

- Full name/ Name, last name and patronymic of the Bonds owner;*
- Amount of shares belonging to the owner;*
- Complete list of persons entrusted to get the Bonds’ paying off amounts;*

- *Location (place of registration – for physical persons) and postal address including the index of the Bonds owner;*
- *Details of the Persons' Bank Account entrusted to get Bonds' paying off amounts;*
- *Tax payer identification number (TPIN) of the Bonds owner;*
- *Tax status of the Bonds owner if the Bonds owner is the legal person-non-resident;*
- *Personal identification number (PIN) if any, if the Bonds owner is the physical person;*
- *Type, number date and place of the document issue identifying the Bonds owner and name of the body issued the document;*
- *Number of the state pension insurance certificate of the Bonds owner (if any);*
- *TPIN of the Bonds owner (if any);*
- *Date, month and year of the Bonds owner;*

Not later than on the 2nd (second) working day before the date of the Bonds nominal value paying off NDC gives the Issuer and the Paying agent the List of Owners and/or Bonds nominal holders containing the following data:

- a) *Full name of the person entitled to get the amounts of the Bonds nominal value paying off (Name, Last name and patronymic for the physical person);*
- b) *Amount of bonds considered on the security account of the Body entrusted to get the amounts of the Bonds nominal value paying off;*
- c) *Location and postal address of the person entrusted to get the Bonds nominal value paying off;*
- d) *Details of the bank account of the person entrusted to get the Bonds nominal value paying off, that is:*
 - *Account number;*
 - *Name of the bank the account is opened at;*
 - *Bank correspondent account the account is opened at;*
 - *Bank identification code (BIC) of the Bank the account is opened at.*

E) Tax payer identification number (TPIN) of the body entrusted to get the amounts of the Bonds nominal value paying off (if any);

F) Tax status of the person entrusted to get the amounts of the Bonds nominal value paying off (resident/non-resident with permanent establishment on the territory of the Russian Federation; non-resident without the permanent establishment on the territory of the Russian Federation and etc.)

g) Code of the reason for registration (Tax Code) of the person entrusted to get the amounts of revenue and/or Bonds paying off.

Bonds owners, their authorized persons including NDC depositors, on their own shall check up the fullness and topicality of the bank account information and other data presented by them to NDC. If the abovementioned information was not presented or presented untimely to NDC, the Issuers' obligations fulfillment directed to the Bonds nominal value paying off is presented to the person who required the obligations fulfillment and is the Bonds owner for the date of the requirement presentation. Together with this, the Issuer's Bonds obligation fulfillment shall be carried out on the basis of NDC data. In this case, the Issuer's obligations are considered fulfilled in full scale and proper manner. If the bank account requisites and other information necessary for the Issuers' obligations fulfillment does not let timely carry out money means transmission such a delay can not be considered as delay in Bonds obligations performance, and the Bonds owner can not require the interest accrual or any other indemnification payment for such a delay in payment. In the abovementioned cases the Issuer as well as the Paying agent does not bear the responsibility for the delay in payments.

Not later than on the 2nd (second) working day before the date of the Bonds nominal value paying off the Issuer shall transmit necessary money means to the account of the Paying agent. On the basis of the List of Owners and/or Bonds' nominal holders of the given NDC, the Paying agent accounts the amounts of the money means subjected to payment of each of the persons indicated in the List of owners and/or Bonds nominal holders.

On the date of the Bonds nominal value paying off the Paying agent transmits necessary money means to the bank accounts of the persons entrusted to acquire the amounts of Bonds nominal value paying off determined in the list of Owners and/or Bonds nominal holders.

If one person is entrusted with the obligation to acquire the amounts of the Bonds nominal value paying off from the part of Bonds several holders such a person gets the amount concerning each Bonds holder.

After the accounts end with persons authorized to get the amount of the Bonds nominal value paying off by the person determined in the list of the owners and/or Bonds nominal holders, the Paying agent notifies NDC hereof. If the date of the Bonds nominal value paying off is a day off – irrespective of the fact whether it is a state holiday or accounting operations day off, the payment of the proper amount shall be carried out on the first working day following the day off. Bonds owner is not entitled to require interest accrual or any other indemnification for such a payment delay.

Bonds issue paying off term:

Paying off date:

In 1820th (On thousand eight hundred and twentieth) calendar day since the date of the Bonds placement.

Possibility and conditions of the early Bonds paying off.

The possibility of early bonds paying off is not determined.

Amount of the percent (coupon) Bonds revenue, the order and conditions of its payment:

The order of the coupon per cent rate determination:

1) First coupon per cent rate is determined by means of the contest carrying out among the Bonds potential buyers on the date of the Bonds placement beginning.

The order and conditions of the contest are determined in paragraph 8.3 of the Decision on the Securities issue and paragraph 2.7 of the Securities prospectus.

2) Together with the determination of the date of the Securities placement, the Issuer can take the decision to acquire the Bonds from their holders within 5 (Five) days of j-th coupon period (j= 1,2...9). Coupon percent rates which ordinal number is less or equal j shall be determined equal to the first coupon per cent rate. The abovementioned information including the ordinal number of the coupons which per cent rate is determined equal to the first coupon and also the ordinal number of the (j) coupon period, where the bonds owners can require the Issuer's Bonds acquirement shall be brought to the notice of the Bonds' potential buyers by means of information disclosure in the correspondent order stipulated by the Federal law "On securities market" and legal acts of the Securities Market Federal executive body determined in paragraph 11 of the Securities issue decision and paragraph 2.9. of the Securities prospectus.

If together with the determination of the date of the Bonds placement the Issuer did not take the decision on the Company's Bonds acquirement all coupons per cent rates beginning with the second one shall be determined equal to the first coupon per cent rate.

3) Coupons per cent rate, which amount (order of determination) was not stipulated by the Issuer before the date of the Bonds placement (i=(j+1)...10) shall be determined by the Issuer in figures after the State registration of the report on the result of the securities issue on the date of the determined i-th coupon which comes at least 10 (Ten) calendar days prior to the date of the (i-1)-th coupon. The Issuer is entitled to determine on the date of the i-th stake coupon determination the amount of the non-determined coupons following the i-th coupon (together with this k – is the number of the last determined coupon.) I-th coupon per cent rate shall be brought by the Issuer to the notice of the Bonds owners in the order and in terms stipulated by paragraph 11.5 of the Securities issue decision and paragraph 2.9. of the Securities prospectus.

The Issuer informs the exchange on the decision taken including the certain stakes at least 10 (Ten) days prior the date of the (j-1)-th coupon period (the period j-th and the following coupons per cent rate is determined) end.

Should after the coupons rates' announcement the Bonds will retain the undetermined stakes at least of one of the following coupons, together with the notification on the stakes of the i-th and other Bonds determined coupons the Issuer is entitled to ensure the Bonds owners rights to require from the Issuer the Bonds Acquisition within 5 (Five) days of the k-th coupon period (if the Issuer determined the rate only of one i-th coupon, i=k). The abovementioned information including the ordinal number of the coupons which per cent rate determined on the date of the i-th coupon determination and also the ordinal number of the coupon period (k), where the Bonds acquirement will take place shall be brought to the notice of the

Bonds potential acquirers by means of publication in the order and terms determined in paragraph 1.1.5 of the Decision of the securities issue and paragraph 2.9. of the Securities prospectus.

The amount of payment concerning any coupon per one Bond is determined to a precision of one kopeck (rounding –up is carried out in accordance with the rules of the mathematical rounding-up. Together with this, the rule of the mathematical rounding-up is the method or rounding up where the meaning of one kopeck (num kopecks) does not change if the first figure following the rounded-up one equals from 0 to 4 and changes, increasing by one if the first figure following the rounded-up one equals 5-9).

First coupon per cent rate amount is the amount of 8.05 (eight point nought five) per cent per annum was approved by the decision of the sole executive body of the Open Joint Stock Company “Moscow Regional Power Grid Company”, since September 12, 2006.

In accordance with the Decision on the securities issue the second, third, fourth, fifth, sixth, seventh, eighth, ninth and tenth coupons of the Bonds is established equal the per cent rate of the first coupon.

The order and term of Bonds payment including the order and revenue payment term concerning each coupon.

Coupon (percent) period		Term (date) of the coupon (per cent) revenue payment	Date of the Bonds owners list compiling for the coupon (per cent) revenue payment
Beginning date	End date		

1. Coupon: First coupon per cent rate – C (1) – is determined by means of the contest carrying out among the Bonds potential buyers on the date of the Bonds placement beginning. The order and conditions of the contest are presented in paragraph 8.3. of the Bonds issue decision and paragraph 2.7 of the Securities prospectus.

<i>First coupon period beginning date is the date of the bonds placement</i>	<i>First coupon end date is 182nd (one hundred and eighty second) day since the date of Bonds placement beginning</i>	<i>First Bonds coupon revenue payment date is 182nd (one hundred and eighty second) day since the date of the Bonds placement beginning</i>	<i>Bonds coupon payment is carried out for benefit of Bonds owners as of the end of NDC operation day preceding the third working day before the date of the Bonds coupon revenue payment.</i>
<i>Bonds revenue payment is carried out by money means in the Russian Federation currency in cashless terms for the benefit of the Bonds holders.</i>			
<i>Bonds holder, if he/she is not the NDC depositor, is entitled but not obliged to entrust the Bonds nominal holder – NDC depositor to get the amounts of the Bonds revenue payment.</i>			
<i>If the Bonds holder did not entrust the NDC depositor to get for his/her benefit the amounts from the Bonds revenues payment the Bonds revenues payments shall be carried out for the benefit of the Bonds owner.</i>			
<i>It is presumed that the nominal holders – NDC depositors are entrusted with the right to acquire the Bonds revenue.</i>			
<i>NDC depositor not authorized by their clients to acquire the amounts of bonds revenue prior to 13:00 (Moscow time) on the 3rd (third) working day before the date of the Bonds revenue payment shall transmit to NDC the list of owners containing all the account details determined further for the List of owners and/or Bonds nominal holders.</i>			
<i>Bonds revenue payment is made for the benefit of the Bonds owners as of the end of the NDC operation day prior to 3 (Third) working day before the date of the Bonds revenue payment.</i>			

If among the owners who entrusted the nominal holder to get the amounts of the Bonds coupon revenue there are non residents and/or physical persons, the nominal holder is entitled to indicate in the list of the Bonds owners the following information:

- ***Full name/ Name, last name and patronymic of the Bonds owner;***
- ***Amount of shares belonging to the owner;***
- ***Complete list of persons entrusted to get the Bonds' paying off amounts;***
- ***Location (place of registration – for physical persons) and postal address including index of the Bonds owner;***
- ***Details of the Persons' Bank Account entrusted to get Bonds' paying off amounts;***
- ***Tax payer identification number (TPIN) of the Bonds owner;***
- ***Tax status of the Bonds owner if the Bonds owner is the legal person-non-resident;***
- ***Personal identification number (PIN) if any, if the Bonds owner is the physical person:***
- ***Type, number date and place of the document issue identifying the Bonds owner and name of the body issued the document;***
- ***Number of the state pension insurance certificate of the Bonds owner (if any);***
- ***TPIN of the Bonds owner (if any);***
- ***Date, month and year of birth of the Bonds owner.***

Obligations fulfillment in relation to the owner included into the List of owners and/or Bonds nominal holders are considered proper also in case of the Bonds alienation after the date of the abovementioned List compiling.

Should the rights of the Bonds owner be considered by the Bonds nominal holder and the Bonds nominal holder is authorized to get the amount of the Bonds revenue the person authorized to get the amount of Bonds revenue is the Bonds nominal holder.

Should the rights of the Bonds owner not considered by the Bonds nominal holder or the Bonds nominal holder is not authorized by the owner to get the Bonds revenue amounts the body authorized to get the amounts of the Bonds revenue is Bonds Owner.

Not later than on the 2nd (second) working day before the date of the Bonds nominal value paying off the NDC gives the Issuer and the Paying agent the List of Owners and/or Bonds nominal holders containing the following data:

- a) ***Full name (Last name, Name and Patronymic) of the person entitled to get the amounts of the Bonds nominal value paying off;***
- b) ***Amount of bonds considered on the security account of the Body entrusted to get the amounts of the Bonds nominal value paying off;***
- b) ***Location and postal address of the person entrusted to get the Bonds nominal value paying off;***
- c) ***Details of the bank account of the person entrusted to get the Bonds nominal value paying off, that is:***
 - ***Account number;***
 - ***Name of the bank the account is opened at;***
 - ***Bank correspondent account the account was opened at;***
 - ***Bank identification code (BIC) of the bank the account was opened at.***
- d) ***Tax payer identification number (TPIN) of the body entrusted to get the amounts of the Bonds nominal value paying off (if any);***
- e) ***Tax status of the person entrusted to get the amounts of the Bonds nominal value paying off (resident/non-resident with the permanent establishment on the territory of the Russian Federation; non-resident without the permanent establishment on the territory of the Russian Federation and etc.)***
- f) ***Code of the reason for registration (Tax Code) of the person entrusted to get the amounts of revenue and/or Bonds paying off.***

Bonds owners, their authorized persons including NDC depositors, on their own check up the fullness and topicality of the bank account information and other data presented by them to NDC. If the abovementioned information was not presented or presented untimely to NDC, the Issuers' obligations fulfillment directed to

the Bonds nominal value paying off is presented to the person who required the obligations fulfillment and is the Bonds owner for the date of the requirement presentation.

Together with this, the Issuer's Bonds obligation fulfillment shall be carried out on the basis of NDC data. In this case, the Issuer's obligations are considered fulfilled in full scale and proper manner. If the bank account requisites and other information necessary for the Issuers' obligations fulfillment does not let timely carry out money means transmission such a delay can not be considered as Bonds obligations delay in performance, and the Bonds owner can not require the interest accrual or any other indemnification payment for such a delay in payment. In the abovementioned cases the Issuer as well as the Paying agent bears the responsibility for the delay in payments.

Not later than on the 2nd (second) working day before the date of the Bonds nominal value paying off the Issuer transmits necessary money means to the account of the Paying agent.

On the basis of the List of Owners and/or Bonds' nominal holders of the given NDC, the Paying agent accounts the amounts of the money means subjected to payment of each of the persons indicated in the List of owners and/or Bonds nominal holders. On the date of the Bonds nominal value paying off the Paying agent transmits necessary money means for the bank accounts of the persons entrusted to acquire the amounts of Bonds nominal value paying off indicated in the list of Owners and/or Bonds nominal holders.

If one person is entrusted with the obligation to acquire the amounts of the Bonds nominal value paying off from the part of bonds several holders, such a person gets the amount concerning each Bonds holder.

If the date of the Bonds nominal value paying off is a day off – irrespective of the fact whether it is a state holiday or accounting operations day off, the payment of the proper amount shall be carried out on the first working day following the day off. Bonds owner is not entitled to require interest accrual or any other indemnification for such a payment delay.

2. Coupon: Second coupon per cent rate – C(2) - is determined in accordance with the order assigned by paragraph 9.3.1. of the Securities issuer decision and paragraph 9.1.2 of Securities prospectus.

<i>Second coupon period beginning date is the date of the bonds placement</i>	<i>Second coupon end date is 364th (three hundred and sixty fourth) day since the date of Bonds placement beginning</i>	<i>Second Bonds coupon revenue payment date is 364th (three hundred and sixty fourth) day since the date of the Bonds placement beginning</i>	<i>Bonds coupon payment is carried out for benefit of Bonds owners as of the end of NDC operation day preceding the third working day before the date of the Bonds coupon revenue payment.</i>
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Order of the coupon (per cent) revenue payment:

Order of the coupon (per cent) revenue payment concerning the second Bonds coupon – C(3) – is identical to the order determined in paragraph 9.3.1. Securities issue decision and paragraph 9.1.2. Securities prospectus.

3. Coupon: Third coupon per cent rate – C(3) - is determined in accordance with the order assigned by paragraph 9.3.1. of the Securities issuer decision and paragraph 9.1.2 of the Securities prospectus.

<i>Third coupon period beginning date is the date of the second coupon period end.</i>	<i>Third coupon end date is 546th (five hundred and forty sixth) day since the date of Bonds placement beginning</i>	<i>Third Bonds coupon revenue payment date is 546th (five hundred and forty sixth) day since the date of the Bonds placement beginning</i>	<i>Bonds coupon payment is carried out for benefit of Bonds owners as of the end of NDC operation day preceding the third working day before the date of the Bonds coupon revenue payment.</i>
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Order of the coupon (per cent) revenue payment:

Order of the coupon (per cent) revenue payment concerning the third Bonds coupon is identical to the order of the first coupon (per cent) Bonds revenue payment.

4. Coupon: Forth coupon per cent rate – C(4) - is determined in accordance with the order assigned by paragraph 9.3.1. of the Securities issuer decision and paragraph 9.1.2 of the Securities prospectus.

<i>Forth coupon period beginning date is the date of the third coupon period end.</i>	<i>Forth coupon end date is 728th (seven hundred and twenty eight) day since the date of Bonds placement beginning</i>	<i>Forth Bonds coupon revenue payment date is 728th (seven hundred and twenty eight) day since the date of the Bonds placement beginning</i>	<i>Bonds coupon payment is carried out for benefit of Bonds owners as of the end of NDC operation day preceding the third working day before the date of the Bonds coupon revenue payment.</i>
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Order of the coupon (per cent) revenue payment:

Order of the coupon (per cent) revenue payment concerning the forth Bonds coupon is identical to the order of the first coupon (per cent) Bonds revenue payment.

5. Coupon: Fifth coupon per cent rate – C(5) - is determined in accordance with the order assigned by paragraph 9.3.1. of the Securities issuer decision and paragraph 9.1.2 of the Securities prospectus.

<i>Fifth coupon period beginning date is the date of the fifth coupon period end.</i>	<i>Fifth coupon period end date is 910th (nine hundred and tenth) day since the date of Bonds placement beginning</i>	<i>Fifth Bonds coupon revenue payment date is 910th (nine hundred and tenth) day since the date of the Bonds placement beginning</i>	<i>Bonds coupon payment is carried out for benefit of Bonds owners as of the end of NDC operation day preceding the third working day before the date of the Bonds coupon revenue payment.</i>
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Order of the coupon (per cent) revenue payment:

Order of the coupon (per cent) revenue payment concerning the fifth Bonds coupon is identical to the order of the first coupon (per cent) Bonds revenue payment.

6. Coupon: Sixth coupon per cent rate – C(6) - is determined in accordance with the order assigned by paragraph 9.3.1. of the Securities issuer decision and paragraph 9.1.2 of the Securities prospectus.

<i>Sixth coupon period beginning date is the date of the fifth coupon period end.</i>	<i>Sixth coupon period end date is 1092nd (one thousand and ninety second) day since the date of Bonds placement beginning</i>	<i>Sixth Bonds coupon revenue payment date is 1092nd (one thousand and ninety second) day since the date of the Bonds placement beginning</i>	<i>Bonds coupon payment is carried out for benefit of Bonds owners as of the end of NDC operation day preceding the third working day before the date of the Bonds coupon revenue payment.</i>
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Order of the coupon (per cent) revenue payment:

Order of the coupon (per cent) revenue payment concerning the sixth Bonds coupon is identical to the order of the first coupon (per cent) Bonds revenue payment.

7. Coupon: Seventh coupon per cent rate – C(7) - is determined in accordance with the order assigned by paragraph 9.3.1. of the Securities issuer decision and paragraph 9.1.2 of the Securities prospectus.

<i>Seventh coupon period beginning date is the date of the sixth coupon period end.</i>	<i>Seventh coupon period end date is 1274th (one thousand two hundred and seventy fourth) day since the date of Bonds placement beginning</i>	<i>Seventh Bonds coupon revenue payment date is 1274th (one thousand two hundred and seventy fourth) day since the date of the Bonds placement beginning</i>	<i>Bonds coupon payment is carried out for benefit of Bonds owners as of the end of NDC operation day preceding the third working day before the date of the Bonds coupon revenue payment.</i>
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Order of the coupon (per cent) revenue payment:

Order of the coupon (per cent) revenue payment concerning the seventh Bonds coupon is identical to the order of the first coupon (per cent) Bonds revenue payment.

8. Coupon: Eight coupon per cent rate – C(8) - is determined in accordance with the order assigned by paragraph 9.3.1. of the Securities issuer decision and paragraph 9.1.2 of the Securities prospectus.

<i>Eight coupon period beginning date is the date of the seventh coupon period end.</i>	<i>Eighth coupon period end date is 1456th (one thousand four hundred and fifty sixth) day since the date of Bonds placement beginning</i>	<i>Eight Bonds coupon revenue payment date is 1456th (one thousand four hundred and fifty sixth) day since the date of the Bonds placement beginning</i>	<i>Bonds coupon payment is carried out for benefit of Bonds owners as of the end of NDC operation day preceding the third working day before the date of the Bonds coupon revenue payment.</i>
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Order of the coupon (per cent) revenue payment:

Order of the coupon (per cent) revenue payment concerning the eighth Bonds coupon is identical to the order of the first coupon (per cent) Bonds revenue payment.

9. Coupon: Ninth coupon per cent rate – C(9) - is determined in accordance with the order assigned by paragraph 9.3.1. of the Securities issuer decision and paragraph 9.1.2 of the Securities prospectus.

<i>Ninth coupon period beginning date is the date of the eighth coupon period end.</i>	<i>Ninth coupon period end date is 1638th (one thousand six hundred and thirty eighth) day since the date of Bonds placement beginning</i>	<i>Ninth Bonds coupon revenue payment date is 1638th (one thousand six hundred and thirty eighth) day since the date of the Bonds placement beginning</i>	<i>Bonds coupon payment is carried out for benefit of Bonds owners as of the end of NDC operation day preceding the third working day before the date of the Bonds coupon revenue payment.</i>
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Order of the coupon (per cent) revenue payment:

Order of the coupon (per cent) revenue payment concerning the ninth Bonds coupon is identical to the order of the first coupon (per cent) Bonds revenue payment.

10. Coupon: Tenth coupon per cent rate – C(10) - is determined in accordance with the order assigned by paragraph 9.3.1. of the Securities issuer decision and paragraph 9.1.2 of the Securities prospectus.

<i>Tenth coupon period beginning date is the date of the eighth coupon period end.</i>	<i>Tenth coupon period end date is 1820th (one thousand eighth hundred and twentieth) day since the date of Bonds placement beginning</i>	<i>Tenth Bonds coupon revenue payment date is 1820th (one thousand eighth hundred and twentieth) day since the date of the Bonds placement beginning</i>	<i>Bonds coupon payment is carried out for benefit of Bonds owners as of the end of NDC operation day preceding the third working day before the date of the Bonds coupon revenue payment.</i>
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Order of the coupon (per cent) revenue payment:

Order of the coupon (per cent) revenue payment concerning the tenth Bonds coupon is identical to the order of the first coupon (per cent) Bonds revenue payment.

To pay the tenth coupon revenue the List of Owners and/or Bonds nominal holders is used being compiled for the purposes of Bonds redemption.

Tenth coupon revenue is paid together with the Bonds redemption.

Type of the assigned guarantee:

Guarantee (Offer of the guarantee provision in the form of a guarantee for the purposes of the Bonds issue).

Collateral trust bond entitles its owner with the rights subsequent upon such a guarantee.

With the transition of the rights to the collateral trust bond, the new owner (acquirer) gets all the rights subsequent upon such a guarantee.

Rights transition arisen from the given guarantee without the rights transition to the Bond is considered invalid.

8.3.3 Information on the issues where issuer's securities obligations were not fulfilled (default)

There were no securities issues which securities obligations were not fulfilled (default).

8.4. Information on the person (persons), who acts as the guarantor.

Full company name: *Limited Liability Company "PROMTEKHNIKA"*

Short company name: *LLC "PROMTEKHNIKA"*

Location (legal address): *111402, City of Moscow, 5 Zhemchugovoy Alley, Building 2.*

8.5. Conditions of the Bonds issue obligations fulfillment

Type of a guarantee (type of the assigned guarantee)

Guarantee (Offer of the guarantee provision in the form of a guarantee for the purposes of the Bonds issue).

Collateral trust bond entitles its owner with the rights subsequent upon such a guarantee.

With the transition of the rights to the collateral trust bond, the new owner (acquirer) gets all the rights subsequent upon such a guarantee.

Rights transition arisen from the given guarantee without the rights transition to the Bond is considered invalid.

Amount of the guarantee (RUR): *8,400,000,000 (Eight billion four hundred million) rubles*

1. Terms and definitions

1.1. "FFMS" - Federal Financial Markets Service

1.2. "Issuing documents" – Decision on the securities issue, Securities prospectus and Bonds certificate.

1.3. "Issuer" – Open Joint-Stock Company "Moscow Regional Power Grid Company".

1.4. "NDC" – Noncommercial partnership "National Depository Center" fulfilling the functions of the Company's depository.

1.5. "Bonds" - non-convertible registered interest bearer bonds of 01 series with the obligatory centralized storage in the amount of 6,000,000 (Six million) pieces of the nominal value RUR 1,000 each issued by the Issuer in accordance with the Issuing documents.

1.6. "Guarantor" - Limited Liability Company "PROMTEKHNIKA"

1.7. "Amount of unfulfilled obligations" – amount of unfulfilled obligations the Issuer did not carry out to the Bonds owner.

1.8. "Issuer's obligations" – Issuer's obligations to the Bonds owner determined by paragraph 3.1. of the Offer.

1.9. "Offer" – the present OFFER.

1.10. "Ceiling amount" – amount accounting for RUR 8,400,000,000 (Eight billion four hundred million) rubles including:

- **Aggregate Coupon Profit payment Ceiling Amount – amount accounting for RUR 2,400,000,000 (Two billion for hundred million);**
- **Bonds' Acquisition and Redemption Ceiling Amount – amount accounting for RUR 6,000,000,000 (Six billion)**

1.11. "Unfulfilled Obligations Event" – any of those described in the paragraphs 3.3.1., 3.3.2. and 3.3.3 of the Events offer.

1.12. "Issuer's Obligations Fulfillment term" - any of those indicated in paragraphs 3.3.1., 3.3.2. and 3.3.3. of the Terms offer.

1.13 “Bonds Fulfillment Requirement” – requirement of the Bonds’ owner to the Guarantor meeting the conditions of paragraphs 3.7, 3.7.1.-3.7.5. of the Offer.

2. Subject and character of the Offer. Its acceptance conditions.

2.1. By means of the present Offer, the Guarantor offers each person possessing the intention to get the Bonds to make an agreement with the Guarantor on the guarantee provision in the form of guarantee for the purposes of the Bonds issue in accordance with the legislation of the Russian Federation, Guarantor’s articles of association and Offer conditions.

2.2. The Offer is public and expresses the Guarantor’s will to make a guarantee agreement with any person accepting the Offer on conditions determined in the Offer.

2.3 The Offer is irrevocable that is can not be called off within the term determined for the Offer’s acceptance.

2.4. All the conditions of the Offer are subjected to the inclusion in full amount to the Issuing Documents. The Offer is considered accepted by the addressee in the moment of the Issuer’s provision to all prospective Bonds acquirers the access to information on the Bonds issue contained in the Issuing documents and subjected to the disclosure in accordance with the Federal law on the “Securities market” as of April 22, 1996 No. 39-FLand normative acts of the Securities market Federal executive body.

2.5. Offer’s acceptance can be carried out by means of only one or several shares acquisition in the order and on conditions determined by the Issuing Documents. Bonds acquisition means the conclusion of the Guarantee agreement between the Bonds acquirer and Guarantor. According to the Contract, the Guarantor is obliged to the Bonds acquirer to fulfill the obligations on conditions determined by the Offer. The Guarantee agreement is considered concluded since the moment the first owner gets the rights on such obligations and together with this the writing form of the agreement is considered fulfilled. With the transition of the rights to the Bond, its acquirer gets the rights determined by the abovementioned guarantee agreement in the same amount and in the same conditions which exist for the moment of the rights transition to the Obligation. Rights transition arisen from the given provision without the rights transition to the Bond is considered invalid.

3. Guarantor’s obligations. The order and conditions of its fulfillment.

3.1. The Guarantor gets the responsibility for the Issuer’s fulfillment of his/her obligations directed to their Nominal value (total amount of debt) payment together with the interests payable (coupon revenue) to the Bonds owners and also the Bonds acquisition in accordance with the Issuing Documents on the following conditions:

3.1.1 Limit of the Guarantor’s responsibility concerning the Issuer’s Obligations is restricted by the Ceiling amount considering the following regulations:

3.1.1.1. Limit of the Guarantor’s responsibility concerning the coupon revenue is restricted by the Coupon Revenue payment Ceiling amount. Limit of the Guarantor’s responsibility concerning the acquisition and redemption of the Bonds is restricted by the Bonds Acquisition and Redemption Ceiling amount.

3.1.1.2. If the Coupon Revenue Payment Ceiling amount is insufficient to fulfill the requirements of all the Bonds owners presented by them to the Guarantor, due to the non-fulfillment or improper fulfillment of the obligations by the Issuer directed to the Coupon Revenue payment, the Issuer distributes the Coupon Revenue Payment Ceiling amount between all the Bonds holders proportionate to the presented requirements;

3.1.1.3. In case of the Bonds Acquisition and Redemption Ceiling amount insufficiency to satisfy all the requirements of the Bonds holders presented by them to the Guarantor in accordance with non-fulfillment or improper fulfillment of the requirements directed to redemption and/or acquisition of Bonds by the requirement of the holders, the guarantor distributes Bonds Acquisition and Redemption Ceiling amount between the Bonds owners proportionate to the requirements presented by them.

3.2 If there was determined the fact of non-fulfillment or improper fulfillment of obligations by the Issuer the Guarantor shall bear the responsibility for the Issuer’s obligations fulfillment concerning the part of the Issuer’s obligation non-fulfillment (Guarantor’s joint and several liability).

3.3. The Fact of the non-fulfillment or improper fulfillment of the Issuer’s obligations is considered determined in the following cases:

3.3.1. The Issuer did not fulfill or fulfilled improperly the coupon revenue in the form of per cents to the nominal value of the Bonds to the Bonds owners within terms stipulated by the Issuer Documents.

3.3.2. The Issuer did not fulfill or fulfilled not in the proper amount the basic debt amount during the Bonds redemption within the terms determined by the Issuing documents and Bonds holders.

3.3.3. The Issuer did not fulfill the obligation or fulfilled not in the proper amount the requirement of the Bonds holder in terms and on conditions determined by the Issuing documents.

3.4. The Guarantor is entitled in accordance with the Offer conditions to bear the responsibility for non-fulfillment of the obligations carried out by the Issuer in the amount of Non-fulfilled obligations within the limits of the Ceiling amount. The amount of the Non-fulfilled obligations shall be determined by the Guarantor in accordance with the announcement to the Guarantor made by the Issuer or by his/her order to the third persons if the Issuer publicly discloses information on the amount of the Non-fulfilled obligations amount in accordance with the legislation of the Russian Federation.

3.5 In his/her relations with the Bonds owners the Guarantor acts according to the unfulfilled obligations amount announced to the Guarantor by the Issuer or by his/her order to the third persons or publicly disclosed by the Issuer in accordance with the legislation of the Russian Federation if the Bonds owner will not prove the larger amount of Unfulfilled obligations.

3.6. In case of the fact settlement of non-fulfillment or improper fulfillment of the Obligations by the Issuer, the Guarantor is entitled to bear the responsibility in accordance with the Offer conditions for Issuer's non-fulfillment of obligations in the amount of Non-fulfilled obligations and within the limits of the Ceiling amount if the Requirements on Offer Obligations fulfillment will be presented to the Guarantor by Bonds owners and/or Nominee holders in accordance with the Offer conditions.

3.7. Requirement on the Obligations fulfillment shall meet the following conditions:

3.7.1. The Requirement on the Obligations fulfillment shall be presented to the Guarantor in the written form and signed by the Bonds owner (physical person or the head and the chief accountant of the legal person, and sealed by the legal person) or the Bonds nominee holder (if Bonds were transmitted to the nominal ownership and the nominal holder is authorized to get the amounts of redemption and/or other Bonds revenues and/or require from the Issuer to acquire the Bonds and present the Requirement on the Obligations fulfillment);

3.7.2. The Requirement on obligations fulfillment shall contain the following:

- Name, last name, patronymic and the full name of the Bonds holder or person authorized to get the redemption amounts and/or other Bonds revenues and/or require from the Issuer the Bonds acquisition and present the Requirement on the Obligations fulfillment;**
- Amount of Bonds and the details of the issue belonging to the Bonds holder, amount of non-fulfilled obligations concerning the owners;**
- Legal and postal address (location), contact phones of the owner or person authorized to get the amounts of redemption and/or other Bonds revenues and require from the Issuer the Bonds acquirement and the Requirement on the Obligations fulfillment;**
- Tax status of the owner or person authorized to get the amounts of redemption and/or other Bonds revenues and/or require from the Issuer to acquire Bonds and present the Requirement on the Obligations Fulfillment (resident, nonresident with the permanent establishment on the territory of the Russian Federation);**
- Details of the bank account of the owner or person authorized to get the redemption amounts and/or other Bonds revenues and/or require from the Issuer the Bonds' acquisition and present the Requirement on the Obligations fulfillment;**

3.7.3. Requirement on the Obligations fulfillment shall be presented to the Guarantor at least 60 (Sixty) days since the moment of the Bonds fulfillment term beginning concerning the Bonds owner addressing the given requirement on the Obligation fulfillment;

3.7.4. The Requirement on the Obligations Fulfillment shall contain the security account statement in NDC or depositaries being depositors in relation to NDC; in case of the Requirement presentation on the obligations fulfillment together with unfulfillment or improper fulfillment of obligations by the Issuer directed to Bonds redemption there should be applied a copy of the NDC report certified by the depositary on transition of the Bonds to the section of the security account set for the securities blocking during the redemption; should the requirements be presented to the owner representatives, the documents shall be drawn in accordance with the normative legal acts of the Russian Federation approving the persons obligations presented the requirement on behalf of the owner;

3.7.5. Requirement on Obligation fulfillment and the documents attached to it shall be transmitted to the Guarantor by the registered letter, courier mail or express mail to the address of the Guarantor's location.

3.8. The guarantor considers the Requirement on Obligations fulfillment within 30 (Thirty) days since the presentation of the Requirement to the Guarantor. The day of the requirement presentation to the

Guarantor is the day of the Guarantor's requirement acquisition presented by any of the ways determined in paragraph 3.7.5 of the Offer. Together with this, the Guarantor is entitled to set forth against the requirement on the Obligations fulfillment any other objections even if the Issue rejected them and approved his/her debt.

3.9. The requirements on Obligations fulfillment presented to the Guarantor later than 60 (Sixty) days since the date of the Obligations fulfillment term beginning concerning the Bonds holders directing the Requirement on Obligations Fulfillment shall not be taken into consideration.

3.10 Should the Guarantor satisfy the Requirement on obligation fulfillment, the Guarantor notifies the owner or the Bonds nominal holder and within 5 days since the expiry date of the Requirement consideration on Obligations fulfillment (paragraph 3.8. of the Offer) the Guarantor carries out the Payment in accordance with the conditions of the Offer to the bank account of the owner or the Bonds nominal holder whose requisites are determined in the Requirement on Obligations fulfillment.

3.11. The Guarantor does not carry the responsibility on the payment of he legal expenses of the Bonds holder concerning the collection and other losses of the owners to the Issuer caused by the unfulfillment or improper fulfillment of the Bonds obligations by the Issuer.

3.12. The Guarantor shall direct information on satisfaction/refusal in satisfaction of the Requirement on obligations fulfillment during the unfulfillment or improper fulfillment of the Obligations by the Issuer directed to the Bonds redemption with the indication of the Last name, Name and patronymic of the Bonds owner, amount of Bonds and name of the Depository where the security account of the Bonds owner was opened in NDC.

4. Term of the guarantee duration

4.1 Guarantee determined by the Offer enters into force since the moment of the agreement conclusion by the Bonds acquirer with the Guarantor in accordance with article 2.5. of the Offer.

4.2 The Guarantee determined by the offer ends:

4.2.1 if the Guarantor properly fulfilled all the obligations to the Bonds holders directed their requirements on the Obligations fulfillment in the order and terms determined by the present Offer;

4.2.2. if the Issuer's Bonds obligations were ended;

4.2.3 if the term of the Issuer's Obligations fulfillment was changed, during the prolongation of such a term or any other prolongation of the Issuer's Obligations or any other restructuring and also in case of other Changes of the Issuer's obligation causing the increase of the responsibility or any other unfavorable consequences for the Guarantor without his/her agreement;

4.2.4. due to other grounds determined by the Legislation of the Russian Federation.

4.3. The following circumstances do not entail the termination of the Guarantee determined by the Offer:

4.3.1. Change of the Issuer's name without the change of its organizational and legal status;

4.3.2. Change of the location of the sole executive body of the Issuer.

5. Other conditions.

5.1. All issues concerning the Guarantor and Bonds holders, concerning the Bonds and not regulated by the civil legislation of the Russian Federation and the Issuing Documents shall be understood and determined in accordance with them.

5.2. In case of unfulfillment or improper fulfillment of the Offer Obligations the Guarantor bears the Responsibility in accordance with the present legislation.

5.3 The Guarantor does not bear the responsibility to the Issuer's creditors concerning the obligations of other persons giving the Guarantee for the Issuer for the purpose of the Obligations issue even if the persons gave such a guarantee together with the Guarantor.

5.4. Discussions due to the Offer are subjected to arbitral court trial and in the court of the general Jurisdiction (for the Bonds owners – physical persons) by the location of the bearer of responsibility.

Amount of the Issuer's net assets for the accounting date before the guarantee presentation: **RUR 28,861,397 thousand.**

Amount of the legal person's net assets who gave the guarantee for the accounting date before the guarantee presentation: **RUR (2,324) thousand.**

Amount of the legal person's net assets who gave the guarantee for the date of the accounting quarter end:
RUR 24,923 thousand.

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

The person who keeps the register of owners of the issuer's nominal securities - *the registrar*.

The full company name of the registrar: *Registrar society "STATUS" Joint-Stock Company*

The reduced company name: *Status company*

The location of the registrar: *109544, Moscow, Dobrovolcheskaya street, 1/64*

Number of the license: *10-000-1-00304*

Date of license issuance: *12 March 2004*

Validity of the registrar's license for carrying out the activities of keeping the register of securities owners:
for an indefinite time

The authority which issued the license: *Federal Commission for the Securities Market of the Russian Federation*

Tel.: *(495) 974-83-50*, fax: *(495) 974-83-49*

Email: office@rostatus.ru

Internet website: www.rostatus.ru

Information on the depository which carries out the centralized storage of bonds:

The obligatory centralized storage of bonds of the issue is stipulated.

The depository which carries out the centralized storage:

Full name: *Not-for-Profit Partnership "The National Depository Center"*

The abbreviated name: *NDC*

The location: *Moscow, Sredny Kislovsky lane, 1/13, bld. 4*

TIN: *7706131216*

Phone: *(495) 232-0527*

Number of the license: *177-03431-000100*

Date of issuance: *4 December 2000*

Validity: *for an unlimited term*

The authority which issued the license: *Federal Commission for the Securities Market of Russia*

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

Federal Law No. 173-FZ (173-Φ3) as of 10 December 2003 "On foreign currency regulation and foreign currency control" (as amended as of 26 July 2006);

The Tax Code of the Russian Federation, part I, as of 31 July 1998 No. 146-FZ (146-Φ3) (as amended as of 30 December 2006);

The Tax Code of the Russian Federation, part II, as of 5 August 2000 No. 117-FZ (117-Φ3) (as amended as of 31 December 2006, as amended as of 23 March 2007);

Circular of The Central Bank of the Russian Federation No.20 as of 31 October 2002 "Generalization of the practice of application of statutory acts of The Bank of Russia on foreign currency regulation";

Decree No.1184 of the President of the Russian Federation as of 10 June 1994 "On improvement of the Russian Federation bank system operation" (as amended as of 27 April 1995)

The Regulations of the Central Bank of the Russian Federation No. 269-P (269-II) as of 4 May 2005 "On opening of non-residents' bank accounts by The Bank of Russia in the currency of the Russian Federation and carrying out of operations under the specified accounts".

Instruction No. 117-I (117-II) of the Central Bank of the Russian Federation as of 15 June 2004 "On the procedure of representation by residents and non-residents of documents and information at realization of foreign currency transactions to the authorized banks; the procedure of the accounting by the authorized banks of foreign currency transactions and registration of transaction certificates";

The circular No. 31 of the Central Bank of the Russian Federation as of 31 March 2005 "Questions connected with application of the Federal Law No. 173-FZ (№173-Φ3) as of 10 December 2003 "On foreign currency regulation and foreign currency control" and statutory acts of The Bank of Russia";

Other normative legal enactments of the Russian Federation.

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 income of physical persons (tax residents of the Russian Federation, and those who are not tax residents of the Russian Federation but who receive income from sources in the Russian Federation).

In compliance with item 208 of the RF-TC, dividend and interest received from the Russian organization, income from selling the issuer's securities in the Russian Federation and beyond its bounds are the incomes which are subject to income taxation of physical persons.

If the source of the income in the form of the dividend is the Russian organization, the specified organization is recognized to be a tax agent and determines the amount of the tax separately for each tax payer with reference to each payment of the specified incomes under the 9% rate (item 224 of the RF-TC) in accordance with the procedure established by item 275 of the RF-TC.

The tax amount is calculated proceeding from the total amount of the tax and the share of each tax payer in the total amount of dividends. The total amount of the tax is determined as a product of the tax rate and the difference between the amount of the dividends to be distributed between shareholders (participants) in the current tax period reduced by the amounts of the dividends to be paid by the tax agent of the foreign organization and (or) to the physical person who is not a resident of the Russian Federation, in the current tax period, and the amount of the dividends received by the tax agent in the current reporting (tax) period.

If the Russian organization - the tax agent, pays dividends to the physical person - non-resident of the Russian Federation, the 30% tax rate is applied to these payments according to item 3, Article 224, the RF-TC.

In compliance with Article 214.1 of the RF-TC, the tax base under each operation with securities and operations with financial instruments of term transactions, the basic asset under which are securities (futures and option transactions at the stock exchange), is defined separately. Thus, the incomes received under the following operations are registered:

Sale and purchase of securities which are outstanding at the organized securities market;

Sale and purchase of the securities which are not outstanding at the organized securities market;

With financial instruments of term transactions, the basic asset under which is securities;

Sale and purchase of investment units of share investment funds, including their repayment;

With securities and financial instruments of term transactions, the basic asset under which is securities, which are carried out by a trustee in favour of the trustor that is a physical person.

According to item 3, Article 214.1, the RF-TC, the tax base - the income (loss) under operations of sale and purchase of securities, is defined as the amount of incomes under the total number of transactions with securities of the corresponding category completed during the tax period minus the amount of losses. The income (loss) is defined as a difference between the amounts received from securities selling and charges on purchase, selling and storage of securities, or the property deductions accepted in the part of reduction of incomes of the securities sale and purchase transaction.

The income under the transaction of sale and purchase of the securities outstanding on the organized securities market is reduced by an amount of interest for using of the involved money resources, but within the limits of the amounts calculated proceeding from the current rate of refinancing of the Central Bank of the Russian Federation. The amount of the loss under such transaction is defined in view of the limiting border of fluctuations of the market price of securities. Thus, the securities outstanding on the organized securities market include the securities admitted to the outstanding at trade organizers' who have the license of the federal authority for regulation of the securities market.

If charges may not be directly referred to charges on purchase, selling and storage of the specific securities, the specified charges are distributed proportionally to the value estimation of the securities, the specified charges are incurred in relations to. If it is impossible to confirm the charges documentary, the tax payer is entitled to use the property tax deduction stipulated by paragraph 1, subitem 1, item 1, Article 220, the RF-TC.

The property tax deduction or deduction in the amount of actually incurred and documentary confirmed charges is provided to the tax payer at calculation and payment of the tax to the budget from the source of income payment or upon termination of the tax period at submission of the tax declaration to the tax authority. If there are several sources of income payment, the property tax deduction is made only from one source of income payment at the tax payer's option.

At definition of tax base under operations of securities sale and purchase, it is necessary to take into consideration that the loss under operations with the securities outstanding on the organized securities market reduces the tax base under securities sale and purchase operation of this category. The income from operations of sale and purchase of securities which are not outstanding on the organized securities market, which at the moment of their purchase met the requirements established for the securities outstanding on the organized securities market, may be reduced by an amount of the loss received from operations of sale and purchase of securities outstanding on the organized securities market.

The tax base under operations with financial instruments of term transactions is defined as a difference between the positive and negative results received based on the results of reassessment of obligations and rights of requirements under completed transactions and execution of financial instruments of term transactions, in view of payment of services of exchange intermediaries and stock exchange on opening of positions and keeping of the physical person's accounts. Thus, the tax base increases by an amount of the bonuses received under transactions with options, and decreases by an amount of the bonuses paid under the specified transactions.

At definition of the tax base under operations with the securities which are carried out by the trustee, charges of the tax payer also include the amounts paid to the trustee in the form of remuneration and compensation of the charges incurred by him/her under the operations with securities.

If at realization of trust management, transactions with securities of various categories are completed, and if there appear other types of income (dividend, interest), the tax base is defined separately for each category of securities and each type of income. Charges which cannot be directly referred to reduction of the income under transactions with securities of the corresponding category or to reduction of the corresponding type of income, are distributed proportionally to the share of each type of income.

The tax base under operations of sale and purchase of securities and operations with financial instruments of term transactions is defined upon termination of the tax period (i.e. year). Thus calculation and payment of the amount of the tax is performed by the tax agent upon termination of the tax period or at realization of payment of money resources by it to the tax payer before the expiration of the next tax period. In this case the tax should be paid from the share of the income which corresponds to the actual amount of paid money resources. At realization of payment more than once during the tax period, the calculation of the amount of the tax is made by an accruing result taking into account the tax amounts paid earlier.

The tax agent with respect to the incomes of operations with the securities referred to the trustees is the latter. The tax base under these operations is defined at the date of the end of the tax period or at the date of payment of money resources before the expiration of the tax period. The tax thus is subject to payment within one month from the date of the termination of the tax period or the date of payment of money resources (transfer of securities). At realization of payments from the funds which are in trust management before the expiration of the trust management contract or before the termination of the tax period, the tax is paid from the share of the income which corresponds to the actual amount of the funds which are paid to the trustor.

If it is impossible to deduct the computed tax from the tax payer by the income payment source, the tax agent within one month from the moment of occurrence of this circumstance notifies in writing the tax authority in the locality where it is registered on the impossibility to deduct the tax and on the amount of the tax payer's debt. Payment of the tax in this case is made by equal shares in two payments: the first is made not later than 30 days from the date of delivery by the tax authority of the notice on payment of the tax; the second is paid not later than 30 days after the first term of payment.

The order of the tax calculation under incomes of operations with securities is defined by item 1, Article 225, RF-TC, according to which the tax amount is estimated as a percentage share of the tax base complying with the tax rate (for physical persons - tax residents of the Russian Federation, it is 13%; for the physical persons, who are not tax residents of the Russian Federation, it amounts to 30%, in conformity with Article 224 of the RF-TC).

Taxation of legal entities (of both the Russian organizations, and the foreign organizations which carry out their activities in the Russian Federation through permanent representative offices and/or receive income from the sources in the Russian Federation).

According to item 1, Article 250, the RF-TC, the incomes from the individual shares in other organizations (in the form of dividend) and the incomes received from operations with financial instruments of term transactions are recognized to be extraordinary incomes which are taxable. Thus, the date of reception of the income is the date of receipt of money resources on the settlement account (cash register) of the tax payer.

According to item 1, Article 265, the RF-TC, charges in the form of interest under debt instruments of any type (including under securities and other obligations which are issued by the tax payer, charges on the organization of issuance of own securities, servicing of own securities, granting of the information to shareholders, and the charges connected with service of securities acquired by the tax payer are extraordinary charges which reduce the tax base under the profit tax. The date of realization of the extraordinary charges connected with acquisition of securities is the date of realization or other retirement of securities.

The peculiarities of definition of the tax base under the incomes received from the individual share in other organizations (dividend) are established in Article 275 of the RF-TC.

If the source of the income is the Russian organization, the specified organization is recognized to be the tax agent and defines the amount of the tax. Thus, the amount of the tax to be deducted from incomes of the dividends' receiver is calculated by the tax agent proceeding from the total amount of the tax and the share of each tax payer in the total amount of the dividend. The total amount of the tax is defined as a product of the 9% tax rate (Article 284 of the RF-TC) and the difference between the amount of the dividend which are subject to distribution between shareholders in the current tax period reduced by the amounts of the dividends payable by the tax agent to the foreign organizations and/or the physical person who is not the RF resident, in the current tax period, and the amount of the dividend received by the tax agent in the current tax period. If the difference is negative, there is not an obligation to pay the tax, and the compensation from the budget is not made.

If the Russian organization - the tax agent, pays the dividend to the foreign organization and/or to the physical person who is not the RF resident, the tax base of the tax payer - the dividends' receiver, is defined

as the sum of paid dividends, and the 15% tax rate (Article 284 of the RF-TC) or 30% (Article 224 of the RF-TC) are accordingly applied to it.

The peculiarities of definition of tax base under operations with securities are established in Article 280 of the RF-TC.

Incomes of the tax payer from operations on selling or another retirement of securities (including repayment) are defined proceeding from the price of selling or another retirement of the securities, and also the amount of the accumulated interest (coupon) income which was paid by the buyer to the tax payer, and the amount of the interest (coupon) income which was paid to the tax payer by the issuer (drawer of bill). Thus, the income does not include the amounts of the interest (coupon) income which were earlier registered at taxation.

Charges at selling/other retirement of securities are defined proceeding from the price of purchase of the securities, expenses for its selling, amount of the accumulated (coupon) income paid by the tax payer to the seller of the securities. Thus, the charges do not include the amounts of the interest (coupon) income which was earlier considered at taxation.

The actual price of selling or other retirement of the securities which are in the interval between the minimal and maximal prices of transactions with the specified securities registered by the securities market trade organizer at the date of fulfilment of the respective transaction is accepted for the purposes of taxation as a market price. In case of selling of the securities, which are outstanding on the securities market, at the price which is below the floor price of transactions on the organized securities market, the floor price of the transaction for the organized securities market is accepted at definition of the financial result.

With respect of the securities which are not outstanding on the organized securities market, the actual price of selling or other retirement of these securities is accepted for the purposes of the taxation at meeting at least even one of the following conditions:

If the actual price of the respective transaction is in the interval of the prices under similar securities registered by the trade organizer of the securities market at the date of completion of the respective transaction, in the even that these securities were traded at the trade organizer's at least once within the past 12 months;

If the deviation of the actual price of the respective transaction is within the limits of 20% aside an increase or downturn from the average weighted price of the similar securities calculated by the trade organizer of the securities market according to the rules established by it based on the trading results at the date of the completion of such a transaction or at the date of the nearest trading, which took place before the day of completion of the respective transaction, if the trading in these securities were held at the trade organizer even once within the past 12 months.

The tax base under the operations with securities is defined by the tax payer separately. Thus, the tax base under operations with the securities which are outstanding on the organized securities market is defined separately from the tax base under operations with the securities which are not outstanding on the organized securities market.

At selling or another retirement of securities, the tax payer independently according to the accounting policy accepted for the purpose of taxation defines one of the following methods of a write-off of the value of the retired securities to charges:

at the value of the first purchases;

at the value of the most recent purchases;

at the value of the unit.

The tax payers who received the loss from operations with securities in the previous tax period or during the previous tax periods, have the right to reduce the tax base received under operations with securities in the reporting (tax) period. Thus, losses from operations with the securities which are not outstanding on the organized securities market, received in the previous tax period, may be referred to reduction of the tax base from operations with such securities defined in the reporting (tax) period. Losses from operations with the securities outstanding on the organized securities market received in the previous tax period may be referred to reduction of the tax base from the operations on selling of this category of securities.

The incomes received from operations with securities which are outstanding on the organized securities market may not be reduced by charges or losses from operations with the securities which are not outstanding on the organized securities market. The incomes received from operations with securities, which are not outstanding on the organized securities market, may not be reduced by charges or losses from operations with the securities which are outstanding on the organized securities market.

In compliance with Article 286 of the RF-TC, the tax is defined as a percentage share of the tax base complying with the tax rate (for legal entities - tax residents of the Russian Federation, 24 %; for foreign legal entities-non-residents, 20 %; according to Article 284 of the RF-TC). The amount of the tax following the results of the tax period is defined by the tax payer independently.

Following the results of each reporting (tax) period, tax payers calculate the amount of advance payment proceeding from the tax rate and the taxable profit calculated as an accruing result from the beginning of the tax period to the end of the reporting (tax) period. During the accounting period, tax payers calculate the amount of monthly advance payment.

If the tax payer is the foreign organization receiving incomes from sources in the Russian Federation, which are not connected with permanent representative offices in the Russian Federation, the obligation on definition of the amount of the tax, deduction of this amount from incomes of the tax payer and transfer of the tax to the budget is assigned to the Russian organization, which pays the specified income to the tax payer. The tax agent defines the amount of the tax under each payment (transfer) of money resources or other reception of the income. If the source of incomes of the tax payer in the form of dividends is the Russian organization, the obligation to deduct the tax from incomes of the tax payer and to transfer it to the budget is assigned to this source of incomes. Thus, advance payments under the tax are withheld from incomes of the tax payer at each payment of such incomes. Under the incomes which are paid to the tax payers in the form of dividends, the tax withheld at payment of the income is transferred to the budget by the tax agent who has carried out the payment, within 10 days from the date of payment of the income.

The tax from the incomes received from operations of securities selling is taxable after the tax period and is payable not later than the time fixed for submission of tax declarations for the respective tax period (not later than on the 28th of March of the year following the expired tax period). Advance payments following the results of the reporting period are paid not later than the time for submission of tax declarations for the respective reporting period (not later than 28 days from the date of the end of the respective reporting period).

The monthly advance payments which are subject to payment during the reporting period are paid in the time not later than on the 28th day of each month of this reporting period. The tax payers calculating monthly advance payments under the actually received profit pay advance payments not later than on the 28th day of the month following the month, based on the results of which the calculation of the tax is made.

8.9. Data on declared (accrued) and paid dividends per the issuer's shares

Information for the past 5 completed financial years is not specified, as the issuer was registered on 1 April 2005

Information for the 2005 and 2006 completed fiscal years is specified:

For the year 2005

Category of shares: *ordinary*

The amount of the declared (accrued) dividends under the issuer's shares of each category (type) per one share: **RUR 0.00177**.

The amount of the declared (accrued) dividends in aggregate under all shares of one category (type): **RUR 50,001 thousand.**

The name of the issuer's governance body which made a decision (declared) on payment of dividends per the issuer's shares: **annual General Shareholders Meeting of OJSC "Moscow Regional Electric Grid Company"**

Date of carrying out of the meeting (proceedings) of the issuer's governance body, where the decision on payment (declaring) of dividends was taken, date and number of the minutes of the meeting (proceedings) of the issuer's governance body, where the decision on payment (declaring) of dividends was taken:

26 June 2006, Minutes No. 3 as of 6 July 2006

The term allocated for payment of dividends under the issuer's shares:

Within 60 days from the date of decision-making on payment of dividends

The form and other terms of payment of the declared dividends under the issuer's shares:

In the monetary form

The reporting period (year, quarter) for which the declared dividends under the issuer's shares were paid:
following the results of the year 2005.

The total amount of the dividends paid under the issuer's all shares of one category (type) for each reporting period, for which the decision on payment (declaring) of dividends was taken:

RUR 50,001 thousand.

Dividends for 2005 were paid to shareholders within 60 days from the moment of decision-making on payment of dividends in full.

For the year 2006.

Category of shares: **ordinary**

The amount of the declared (accrued) dividends under the issuer's shares of each category (type) per one share: **RUR 0.00212394.**

The amount of the declared (accrued) dividends in aggregate under all shares of one category (type): **RUR 60,000 thousand.**

The name of the issuer's governance body which made a decision (declared) on payment of dividends per the issuer's shares: **annual General Shareholders Meeting of OJSC "Moscow United Electric Grid Company"**

Date of carrying out of the meeting (proceedings) of the issuer's governance body, where the decision on payment (declaring) of dividends was taken, date and number of the minutes of the meeting (proceedings) of the issuer's governance body, where the decision on payment (declaring) of dividends was taken:

15 June 2007, Minutes No. 4 as of 21 June 2007.

The term allocated for payment of dividends under the issuer's shares:

Within 60 days from the date of decision-making on payment of dividends

The form and other terms of payment of the declared dividends under the issuer's shares:

In the monetary form

The reporting period (year, quarter) for which the declared dividends under the issuer's shares were paid:

following the results of the fiscal year 2006.

The total amount of the dividends paid under the issuer's all shares of one category (type) for each reporting period, for which the decision on payment (declaring) of dividends was taken:

RUR 60,000 thousand.

Dividends for 2006 were paid to shareholders within 60 days from the moment of decision-making on payment of dividends in full.

For the year 2007.

Category of shares: ***ordinary***

The annual General Shareholders Meeting of OJSC "Moscow United Electric Grid Company" on 28 May 2008 took the decision not to pay the dividend per ordinary shares of OJSC "Moscow United Electric Grid Company" following the results of the year 2007. (Minutes No.7 as of 5 June 2008)

Other information on the declared and/or paid dividends per the issuer's shares: ***none.***

Income paid per bonds

Securities type, series, form and other identification features of the bonds issue: ***documentary non-convertible interest bearer bonds of series 01 with an obligatory centralized storage with the repayment term on the 1820th calendar day from the date of the beginning of placement, without an option of early repayment.***

State registration number of the bonds issue and the date of the state registration:

4-01-65116-D 22 June 2006.

Date of the state registration of the report on the results of the bonds issuance: ***24 October 2006.***

Number of the bonds of the issue: ***6,000,000 (six million) pieces***

Par value of each bond of the issue:

RUR 1,000 (one thousand).

Amount of the issuer at the par value:

RUR 6,000,000,000 (six billion).

Payment of coupon interest per the bonds of series 01:

<i>Number of the coupon payment</i>	<i>Period, for which the payment was realized</i>	<i>Date of the payment</i>	<i>Interest rate</i>	<i>Amount per one bond, RUR</i>	<i>Total amount of payment, RUR</i>	<i>Form of payment</i>
<i>1</i>	<i>12 September 2006– 13 March 2007.</i>	<i>13 March 2007.</i>	<i>8.05 %</i>	<i>40.14</i>	<i>240,840,000</i>	<i>Monetary funds</i>
<i>2</i>	<i>13 March 2007 – 11 September 2007.</i>	<i>11 September 2007.</i>	<i>8.05 %</i>	<i>40.14</i>	<i>240,840,000</i>	<i>Monetary funds</i>
<i>3</i>	<i>11 September 2007 – 11 March 2008.</i>	<i>11 March 2008.</i>	<i>8.05 %</i>	<i>40.14</i>	<i>240,840,000</i>	<i>Monetary funds</i>
<i>4</i>	<i>11 March 2008 – 09 September 2008.</i>	<i>9 September 2008.</i>	<i>8.05 %</i>	<i>40.14</i>	<i>240,840,000</i>	<i>Monetary funds</i>
<i>5</i>	<i>09 September 2008 – 10 March 2009</i>	<i>10 March 2009</i>	<i>8.05%</i>	<i>40.14</i>	<i>94,590,190.98</i>	<i>Monetary funds</i>

The issuer's liability on payment of the interest per the first, second, third and fourth coupon of the bonds of the issue was executed in full.

Other information on the earnings per the bonds of the issue to be specified by the issuer at its sole discretion: *none*

8.10. Other data

On 1 July 2008, the process of establishment of the eleventh interregional distribution grid company - Interregional Distribution Electric Grid Company (IDGC) of the Moscow region on the basis of OJSC

"Moscow United Electric Grid Company" by merging of OJSC "Moscow City Electric Grid Company" with it was completed.

The formation of the united interregional distribution grid company on the territory of Moscow and the Moscow region was approved by the Board of Directors of RAO UESR on 29 February 2008.

The uniform structure will allow to raise controllability, to create a center of grids dispatch management and to make a uniform balance, for shareholders - to raise share price and transparency of business, and for the consumer - to provide reliability and quality of electric power supply, and efficiency in liquidation of disconnections.

Appendix 1. Annual accounting reports of OJSC “Moscow United Electric Grid Company”

BALANCE SHEET

at 31 December 2008

		Codes			
Form No. 1 under OKUD (All-Russian Classifier of Management Documentation)		0710001			
		Date (year, month, day)	2009	03	11
organization: OJSC “Moscow United Electric Grid Company”	under OKPO (All-Russian Classifier of Businesses and Organizations)	75273098			
Taxpayer Identification Number	TIN	5036065113			
Activity type: electric energy distribution and transmission	under OKVED (All-Russian Classifier of Economic Activities)	40.10.2			
Form of legal entity’s incorporation / form of ownership:	under OKOPF/OKFS (All-Russia Classifier of Forms of Ownership)	47/42			
Unit of measurement: thousand rubles	under OKEI (All-Russia Classifier of Measurement Units)	384/385			
Location (address) 142100, Moscow region, Podolsk city, Ordzhonikidze street, 27					
		Date of approval	11.03.2009		
		Date of sending (reception)			

ASSETS	Code of the indicator	for the beginning of the reporting year	For the end of the reporting period
1	2	3	4
I. NON-CURRENT ASSETS			
Intangible assets	110	—	—
Fixed assets	120	48,116,471	92,520,263
Construction-in-process	130	18,768,929	40,288,263
interest-bearing investment in the material values	135	—	—
Long-term financial investments	140	1,000,000	6,940,839
deferred tax assets	145	88,400	362,057
other non-current assets	150	—	—
-	-	—	—
TOTAL section I	190	67,973,800	140,111,422
II. CURRENT ASSETS			
Stocks	210	2,641,327	6,538,472
including:			
raw material and other similar values	211	1,887,534	2,422,102
rearsers and fatteners	212	—	—
expenses in production-in-process	213	10,064	—
end product and goods for resale	214	9,029	1,753
goods loaded out	215	—	—
expenses of future periods	216	734,700	4,114,617
other stocks and expenses	217	—	—
-	218	—	—
Value Added Tax on values purchased	220	1,197,441	277,787
Debt receivable (payments under which are expected to be effected after 12 months after the accounting date)	230	1,636	30,002,022
including:			
buyers and customers	231	—	—
Debt receivable (payments under which are expected to be effected within 12 months after the accounting date)	240	18,371,038	30,636,466
including:buyers and customers	241	1,601,178	3,986,070
Short-term financial investments	250	—	—
Monetary funds	260	4,429,783	5,197,786
Other current assets	270	—	2,095
-	271	—	—
TOTAL section II	290	26,641,225	72,654,628
BALANCE	300	94,615,025	212,766,050
III. CAPITAL AND RESERVES			
Authorised capital	410	14,124,680	24,353,546
own shares repurchased from shareholders	411	(-)	(3,798)
Additional fund	420	23,401,503	36,243,169
Reserve capital	430	251,470	695,356
including:			
reserves formed in conformity with legislation	431	251,470	695,356
reserves formed in conformity with the constituent documents	432	—	—

-	433	—	—
Undistributed profit (uncovered loss)	470	11,004,062	24,400,180
TOTAL section III	490	48,781,715	85,688,453
IV. LONG-TERM LIABILITIES			
Loans and credits	510	11,926,148	41,304,911
Deferred tax liabilities	515	573,377	1,165,355
other long-term liabilities	520	3,633,149	26,180,131
-	521	—	—
TOTAL section IV	590	16,132,674	68,650,397
V .SHORT-TERM LIABILITIES			
Loans and credits	610	7,018,747	3,672,283
Accounts payable	620	22,533,007	53,462,855
including:			
suppliers and contractors	621	8,388,414	16,282,953
debt to the personnel of the organisation	622	1,369	—
debt to state and non-budgetary funds	623	7,281	771
debt under taxes and tax collections	624	1,295,124	437,082
other creditors	625	12,840,819	36,742,049
Debt to participants (founders) on revenue payment	630	—	4,358
Profit of future periods	640	148,882	1,287,704
Reserves of future expenses	650	—	—
other short-term liabilities	660	—	—
-	661	—	—
TOTAL section V	690	29,700,636	58,427,200
BALANCE	700	94,615,025	212,766,050
INFORMATION on the presence of valuable taken into account in off-balance sheet-accounts			
Rented fix assets	910	23,490,930	57,317,938
including on leasing	911	23,041,163	34,452,626
Commodity and material valuables impounded	920	20,887	4,020
Goods accepted for commission	930	—	—
Debt of insolvent debtors written-off as a loss	940	9,464	9,686
securing obligations and payments received	950	4,523	10,727
securing obligations and payments given out	960	—	—
depreciation of housing facilities	970	450	508
depreciation of land improvement facilities and other similar facilities	980	—	—
intangible assets received for use	990	—	—
-	995	—	—

Head

Yury Ivanovich Trofimov

Chief Accountant

Lyudmila Alexeevna
Sklyarova

PROFIT AND LOSS STATEMENT
2008

Form No. 2 under OKUD (All-Russian Classifier of Management Documentation)

Date (year, month, day)

organization: **OJSC “Moscow United Electric Grid Company”**

Taxpayer Identification Number

Activity type: **electric energy transmission and distribution**

Form of legal entity’s incorporation / form of ownership:

Unit of measurement: **thousand rubles**

Codes		
0710002		
2009	03	31
under OKPO (All-Russian Classifier of Businesses and Organizations)	75273098	
TIN	5036065113	
under OKVED (All-Russian Classifier of Economic Activities)	40.10.2	
under OKOPF/OKFS (All-Russia Classifier of Forms of Ownership)	47/42	
under OKEI (All-Russia Classifier of Measurement Units)	384/385	

indicator		for the reporting period	for a similar period of the previous year
name	code		
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	63,015,362	38,681,052
	011	—	—
Prime cost of the goods, products, works and services sold	020	(56,595,215)	(29,589,619)
	021	(—)	(—)
gross profit	029	6,420,147	9,091,433
business expenses	030	0	0
managerial expenses	040	0	0
	050	6,420,147	9,091,433
profit (loss) from sales			
Other profit and expenses			
interest receivable	060	255,579	31,806
interest payable	070	(2,637,512)	(540,685)
profit from participation in other companies	080	—	—
other profit	090	9,480,387	5,138,317
	091	—	—
other expenses	100	(9,454,327)	(6,199,098)
	110	(—)	(—)
Profit (loss) before taxation	140	4,064,274	7,521,773
deferred tax assets	141	267,290	21,106
deferred tax liabilities	142	(555,175)	(361,517)
current profit tax	150	(1,478,627)	(2,422,950)
	180	5,384	(10,824)
Net profit (loss) of the reporting period	190	2,303,146	4,747,588
FOR REFERENCE			
permanent tax liabilities (assets)	200	791,086	958,135
base profit (loss) per a share	201	0	0
dividends proposed per a share(loss)	202	0	0

Explanation of certain profit and loss

indicator		for the reporting period		for the similar period of the previous year	
		profit	loss	profit	loss
Name	Code				
Fines and penalty payments that were acknowledged or received resolutions from the court (arbitrage) on their collection	210	636	2,551	6,371	12,513
Profit (loss) of past years	220	274,882	49,343	39,690	51,244
Payment of damages caused by non-performance of improper performance of obligations	230	230,394	294	6,625	43
Currency difference on operations performed in the foreign currency	240	2,393,305	2,287,573	235	388
Contributions to the estimation reserves	250	x	—	x	—
Write-off of debt receivable and account payable, the limitation period of which expired	260	241	222	180	2,456
	270	—	—	—	—

Head

Yury Ivanovich
Trofimov

Chief Accountant

Lyudmila Alekseevna
Sklyarova

STATEMENT OF CHANGES IN EQUITY

2008

Organization: **OJSC «Moscow United Electric Grid Company»**
Taxpayer's identification number
Type of activity: **Transmission and distribution of electric energy**

Form No. 3 under OKUD

Date (year, month, day)

under OKPO

INN

under OKVED

Codes		
0710003		
2009	03	11
75273098		
5036065113		
40.10.2		

Form of incorporation/ form of property:

Unit of measurement: thousand rubles

under
OKOPF/OKFS
under OKEI

47	42
384/385	

Indicator		Authorised capital	Additional capital	Including		Reserve capital	Undistributed profit (uncovered loss)	Total
Name	Code			Share premium	Increase in the value of assets			
1	2	3	4			5	6	7
Remaining balance as of December 31 of the year prior to the last year	010	14,124,680	9,118,789	–	–	64,690	7,463,361	30,771,520
2007 (previous year)								
changes in the accounting policy	020	x	x	x	x	x	0	0
Result from the re-estimation of fixed assets	030		1,4291,814	–	14,291,814	x	(969,244)	13,322,570
	040	x,	–	–	–	–	0	0
Remaining balance as of January 1 of the previous year	050	14,124,680	23,410,603	–	14,291,814	64,690	6,494,117	44,094,090
Result of recalculation of foreign currencies	055	x	–	–	–	x	x	0
Net assets	060	x	x	x	x	x	4,747,588	4,747,588
Dividends	065	x	x	x	x	x	(60,000)	(60,000)
Contributions to the reserve fund	067	x	x	x	x	186,780	(186,780)	0
Increase in the volume of the capital due to: Additional issue of shares	070	–	x	x	x	x	x	0
Increase in the par value of shares	075	–	x	x	x	x	x	0
Reorganisation of the legal entity	080	–	x	x	x	x	0	0
	081	–	–	–	–	–	9,137	9,137
Decrease in the volume of the capital due to: Decrease in the par value of shares	085	(–)	x	x	x	x	x	(–)
Decrease in the amount of shares	086	(–)	x	x	x	x	x	(–)
Reorganisation of the legal entity	087	(–)	x	x	x	x	()	(–)
	089	–	(9,100)	–	–	–	0	(9,100)
Remaining balance as of December 31 of the previous year	090	14,124,680	23,401,503	–	14,291,814	251,470	11,004,062	48,781,715
2008 (reporting year)								
changes in the accounting policy	092	x	x	x	x	x	0	0
Results of reestimation		x	–	–	–	x	0	0
Fixed assets	094							

	096	x,	–	–	–	–	0	0
Remaining balance as of January 1 of the reporting year	100	14,124,680	23,401,503	–	1,429,814	251,470	11,004,062	48,781,715
Result of recalculation of foreign currencies	102	x	–	–	–	x	x	0
Net asset	106	x	x	x	x	x	2,303,146	2,303,146
Dividends	108	x	x	x	x	x	()	(0)
Contributions to the reserve fund	110	x	x	x	x	237,379	(-237,379)	0
Increase in the volume of the capital due to: Additional issue of shares	121	–	x	x	x	x	x	0
Increase in the par value of shares	122	–	x	x	x	x	x	0
Reorganisation of the legal entity	123	10,228,866	x	x	x	x	11,321,026	21,549,892
	125	–	12,850,991	–	–	206,507	–	13,057,498
Decrease in the volume of the capital due to: Decrease in the par value of shares	131	(–)	x	x	x	x	x	(–)
Decrease in the amount of shares	132	(–)	x	x	x	x	x	(–)
Reorganisation of the legal entity	133	(–)	x	x	x	x	(–)	(–)
	135	(3,798)	(9,325)	–	–	–	9,325	(3,798)
Remaining balance as of December 31 of the reporting year	140	24,349,748	36,243,169	–	14,291,814	695,356	24,400,180	85,688,453

II. Reserves

indicator		Remaining balance	Received	Retired	Remaining balance
name	Code of the tax office/statistical office				
Reserves formed according to the legislation					
(name of the reserve)					
data of the previous year	150	64,690	186,780	(-)	251,470
Data of the reporting year	151	251,470	443,886	(-)	695,356
Reserves formed according to the constituent documents					
(name of the reserve)					
Data of the previous year	160	–	–	(-)	–
Data of the reporting year	161	–	–	(-)	–
Assessed reserves					
(name of the reserve)					
data of the previous year	170	–	–	(-)	–
Data of the reporting year	171	–	–	(-)	–
reserves for future expenses:					
(name of the reserve)					
Data of the previous year	180	–	–	(-)	–

Data of the reporting year	181	-	-	(-)	-
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References

indicator		Remaining balance as of the beginning of the reporting year		Remaining balance as of the end of the reporting period	
name	Code				
		48,930,597		86,976,157	
		From the budget		From non-budget funds	
		For the Reporting year	For the previous year	For the Reporting year	For the previous year
1) Net assets	200				
2) received for: expenditures on ordinary kinds of activity - total	210	-	-	-	-
including:					
	215	-	-	-	-
Capital investments in the non-current assets	220	-	-	-	-
including:					
	225	-	-	-	-

Head

Yury Ivanovich Trofimov Chief Accountant

Lyudmila Alekseevna Sklyarova

CASH FLOW STATEMENT

2008

Organization: **OJSC «Moscow United Electric Grid Company»**
 Taxpayer's identification number
 Type of activity: **Transmission and distribution of electric energy**
 Form of incorporation/ form of property:
 Unit of measurement: thousand rubles

Form No. 4 under OKUD
 Date (year, month, day) 2009 | 03 | 11
 under OKPO 75273098
 INN 5036065113
 under OKVED 40.10.2
 under OKOPF/OKFS 47 | 42
 under OKEI 384/385

Codes		
0710004		
2009	03	11
75273098		
5036065113		
40.10.2		
47	42	
384/385		

indicator		as of the reporting year	as of the same period of last year
name	Code		
1	2	3	4

Remaining balance of the monetary funds as of the beginning of the reporting year	010	4,429,713	2,021,777
Cash flow on the current activity			
Money received from purchasers, customers	020	88,964,771	64,364,496
	030	—	—
Other profit (receipts)	040	57,258,236	28,812,447
Monetary means directed to:	100	(116,753,581)	(69,294,736)
Payment for purchased goods, works, services, raw material, and other current assets	150	(46,616,905)	(22,060,004)
For remuneration of labor	160	(4,890,579)	(3,773,985)
For payment of dividends, interest	170	(1,789,388)	(764,364)
For settlement of taxes and collections	180	(4,866,437)	(3,818,433)
-	185	(-)	(-)
for other expenses	190	(58,590,272)	(38,877,950)
Net cash received from the current activity	200	29,469,426	23,882,207
Cashflow under the investment activity			
Profit from sale of facilities of fixed assets an other non-current assets	210	5,991	1,784,348
Proceeds from sale of securities and other financial investments	220	—	—
dividends received	230	—	—
interest received	240	105,776	31,806
Receipts from repayment of loans granted by other companies	250	—	—
	260	—	—
Purchase of affiliated companies	280	(-)	(-)
Purchase of facilities of fixed assets, profitable investments in the material values and intangible assets	290	(36,980,531)	(28,961,310)
Purchase of securities and other financial investments	300	(2,827,818)	(1,000,000)
Loans granted to other companies	310	(-)	(-)
-	320	0	0
Net cash from the investment activity	340	(39,696,582)	(28,145,156)
Cashflow under the financial activity			
Receipts from emission of shares or other securities	350	—	—
Receipts from loans and credits granted by other companies	360	40,702,512	13,000,000
-	370	—	—
Repayment of loans and	400	(21,314,428)	(1,000,000)

credits (interest free)			
Repayment of liabilities under financial lease	410	(8,394,718)	(5,329,115)
-	420	-	-
Net cash from financial activity	430	10,993,366	6,670,885
Net increase (decrease) of cash and its equivalents	440	766,210	2,407,936
Balance of monetary funds as of the end of the reporting period	450	5,195,923	4,429,713
Volume of influence of foreign currency rates changes in relation to the ruble	460	8,907	-

Head

Yury Ivanovich Trofimov Chief Accountant

Lyudmila Alekseevna Sklyarova

**APPENDIX TO BALANCE SHEET
for 2008**

Organization: **OJSC «Moscow United Electric Grid Company»**
Taxpayer's identification number
Type of activity: **Transmission and distribution of electric energy**
Form of incorporation/ form of property:
Unit of measurement: **thousand rubles**

Form No. 5 under OKUD
Date (year, month, day)
under OKPO
INN
under OKVED
under
OKOPF/OKFS
under OKEI

Codes		
0710005		
2009	03	11
75273098		
5036065113		
40.10.2		
47	42	
384/385		

Intangible assets

indicator		Presence for the beginning of the reporting year	Received	Retired	Presence for the end of the reporting period
name	Code of the tax office/statistical office				
1	2	3	4	5	6
Intellectual property matters (exclusive	010	-	-	(-)	-

rights to intellectual property results)					
including:					
Patenter's right to invention, industrial design, utility model	011	-	-	(-)	-
Rightholder's right to computer programs, data bases	012	-	-	(-)	-
Rightholder's right to semiconductor topographies	013	-	-	(-)	-
Owner's right to trademark and service designation, goods point of origin	014	-	-	(-)	-
Patenter's right to selective breeding results	015	-	-	(-)	-
Business charges	020	-	-	(-)	-
Business reputation of the company	030	-	-	(-)	-
		-	-	(-)	-
others	040	-	-	(-)	-
indicator				For the beginning of the reporting year	For the end of the reporting period
name	Code of the tax office/statistical office				
1	2			3	4
Immaterial asset depreciation - total	050			-	-
Including:					
-	051			-	-

Fixed assets

indicator		Presence for the beginning of the reporting year	Received	Retired	Presence for the end of the reporting period
name	Code				
1	2	3	4	5	6
Buildings	070	5,931,617	4,602,034	(458,706)	10,074,945
Constructions and transfer devices	080	18,582,496	21,324,213	(24,031)	39,882,678
Machines and equipment	085	34,957,161	24,809,298	(282,891)	59,483,568
Transport means	090	284,068	338,251	(36,910)	585,409
Production and organisational stock	095	-	-	(-)	-
Plough cattle	100	-	-	(-)	-
Productive livestock	105	-	-	(-)	-
Perennial plantings	110	-	-	(-)	-
Other fixed assets	115	215,278	61,515	(74,560)	202,233
Land lots and nature facilities	120	7,223	-	(-)	7,223
Capital investments in land radical improvement	125	-	-	(-)	-
Total	130	59,977,843	51,135,311	(877,098)	110,236,056

indicator		as of the beginning of the reporting year	as of the end of the reporting period
name	Code		
1	2	3	4
Fixed assets depreciation - total	140	11,861,372	17,715,793
including:			
buildings and constructions	141	2,222,054	3,779,606
machines, equipment, transport means	142	9,585,235	13,866,695
others	143	54,083	69,492
fixed assets leased out - total	150	–	–
including:			
buildings	151	–	–
Constructions	152	–	–
	153	–	–
fixed assets temporary closed down	155	–	–
fixed assets leased back - total	160	–	–
Including:			
-	161	–	–
Immovables accepted in operation and being in the process of state registration	165	–	57
FOR REFERENCE	Code of the tax office/statistical office	for the beginning of the reporting year	for the beginning of the previous year
	2	3	4
Result of fixed assets reassessment:	170	–	13,322,570
of primary (recovery) cost	171	–	18,078,527
of depreciation	172	–	4,755,957
Change of cost of fixed assets as a result of construction completion, additional equipment, reconstruction, partial liquidation	Code of the tax office/statistical office	as of the beginning of the reporting year	as of the end of the reporting period
	2	3	4
	250	4,827,903	6,323,475

Interest-bearing investments in tangible assets

indicator		Presence for the beginning of the reporting year	Received	Retired	Presence for the end of the reporting period
name	Code				
1	2	3	4	5	6
Property for leasing	260	–	–	(–)	–
Property given under the hire contract	270	–	–	(–)	–

-	280	-	-	(-)	-
Others	290	-	-	(-)	-
Total	300	-	-	(-)	-
Depreciation of interest-bearing investments in tangible assets	305	-	-		

Charges for scientific research, design, experimental and engineering works

works type		Presence for the beginning of the reporting year	Received	Retired	Presence for the end of the reporting period
name	Code				
Total	310	-	-	(-)	-
including:					
-	311	-	-	(-)	-
For reference:				as of the beginning of the reporting year	as of the end of the reporting year
	Code				
Sum of charges on unfinished scientific research, design and experimental, and engineering works	320			-	-
	Code			for the reporting period	for the similar period of the previous year
Sum of charges on the research, design and experimental, and engineering works which did not give positive results - referred to the miscellaneous costs	340			-	-

Natural resource development charges

indicator		Remaining balance as of the beginning of the reporting period	Received	written-off	Balance as of the end of the reporting period
name	Code of the tax office/statistical office				
1	2	3	4	5	6
Natural resource development charges - total	410	-	-	(-)	-

including: -	411	-	-	(-)	-
For reference	Code of the tax office/statistical office			as of the beginning of the reporting year	as of the end of the reporting period
	2			3	4
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 reporting period as ineffectual	430			-	-

Financial investments

indicator		long-term		short-term	
name	Code	as of the beginning of the reporting year	as of the end of the reporting period	as of the beginning of the reporting year	as of the end of the reporting period
1	2	3	4	5	6
Investments in the authorized (joint-stock) capitals of other companies - total	510	1,000,000	3,972,092	-	-
including of affiliated and dependant economic entities	511	1,000,000	3,972,092	-	-
State and municipal securities	515	-	-	-	-
Securities of other companies - total	520	-	2,968,747	-	-
including debt securities (bonds, promissory notes)	521	-	-	-	-
Granted loans	525	-	-	-	-
Deposit contributions	530	-	-	-	-
Others	535	-	-	-	-
Total	540	1,000,000	6,940,839	-	-
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 reporting period	590	–	–	–	–

Debt receivable and account payable

indicator		Balance as of the beginning of the reporting year	Balance as of the end of the reporting period
name	Code		
1	2	3	4
Debt receivable: short-term - total	620	18,371,038	30,636,466
including: settlement of accounts with purchasers and customers	621	1,601,178	3,986,070
advances given out	622	8,598,028	15,521,526
others	623	8,171,832	11,128,870
long-term - total	630	1,636	30,002,022
including: settlement of accounts with purchasers and customers	631	–	20,900
advances given out	632	–	–
others	633	1,636	29,981,122
Total	640	18,372,674	60,638,488
Accounts payable: short-term - total	650	29,551,754	57,135,138
including: settlement of accounts with suppliers and contractors	651	8,388,414	16,282,953
advanced received	652	12,668,061	36,730,105
settlement of accounts on taxes and tax collections	653	1,295,124	270,831
credits	654	7,018,747	3,672,283
loans	655	–	–
others	656	181,408	178,966
long-term - total	660	15,559,297	67,485,042
Including: credits	661	5,779,263	38,889,675
loans	662	6,146,885	2,415,236
-	663	3,633,149	26,180,131
Total	670	45,111,051	124,620,180

Costs on ordinary kinds of activity (on elements of cost)

indicator		as of the reporting year	as of the previous year
name	Code		
Tangible costs	710	1,275,487	1,368,733
Labour costs	720	5,171,823	3,725,986
Contributions to social needs	730	1,014,935	769,368
Depreciation	740	5,997,631	4,295,679
Other costs	750	43,135,339	19,429,853
Total on elements of costs	760	56,595,215	29,589,619
Balance change (growth [+], decrease[-]) of:			
construction-in-process	765	-10,064	-3,701
charges of future periods	766	3,379,917	532,400
reserves for future charges	767	—	—

Securing

indicator		Balance as of the beginning of the reporting year	Balance as of the end of the reporting period
name	Code		
1	2	3	4
Received - total	770	4,523	10,727
including:			
promissory notes	771	—	—
Property in pawn	780	—	—
including:			
fixed assets facilities	781	—	—
securities and other financial investments	782	—	—
others	783	—	—
	784	—	—
Given out - total	790	—	—
including:			
promissory notes	791	—	—
Pledged property	800	—	—
including:			
fixed assets facilities	801	—	—
securities and other financial investments	802	—	—
others	803	—	—
-	804	—	—

State support

indicator		Reporting period	as of the similar period of the previous year
name	Code		

Budget means received in the reporting year - total	910	-	-		
Including: -	911	-	-		
		For the beginning of the reporting year	Received for the reporting period	Given back for the reporting period	For the end of the reporting period
Budget credits - total	920	-	-	-	-
	921	-	-	-	-

Head

Yury Ivanovich Chief Accountant
Trofimov

Lyudmila Alekseevna
Sklyarova

OPEN JOINT-STOCK COMPANY
«Moscow United Electric Grid Company»
Explanatory note to annual accounting
reports for 2008

1. General data

Full name - Open joint-stock company «Moscow United Electric Grid Company».

The abbreviated name - OJSC "MOESK".

The legal address - the Moscow region, Podolsk, Ordzhonikidze street 27.

Date and number of the state registration - 01.04.2005, 105774655811.

OJSC "MOESK" was created as a result of reorganization of JSC "Mosenergo" in the form of a spin-off on the basis of the decision of annual assembly of shareholders of JSC "Mosenergo" (report 1 from June, 29th 2004). The number of the personnel of OJSC "MOESK" as 31.12.2008 was 13,889 people.

The basic kinds of activity of JSC "MOESK" are:

- Rendering services on transmission and distribution of electric energy in Moscow and Moscow area,
- Connection of new and increase of existing capacities of consumers to electric network,
- Other kinds of activity which are not forbidden by the legislation of the Russian Federation.

The authorized capital at 01.01.2009 is 24 353 545 787 (twenty four billion, three hundred and fifty three million, five hundred and forty five thousand, seven hundred eighty seven) rubles, quantity of shares is 48 707 091 574 (Forty eight billion, seven hundred and seven million, ninety one thousand, five hundred and seventy four) pieces at the 0,50 rubles par value.

The decision of General meeting of shareholders of OJSC «Moscow United Electric Grid Company» on May 28th, 2008 (report 7 as of 05.06.2008) approved closed joint-stock company "HLB Vneshaudit" as the Company's Auditor.

The license for realization of auditor activity of closed joint-stock company "HLB Vneshaudit" in the field of general audit E 000548 from June 25th, 2002 (valid till June 25th, 2012);

License IT 0002045, reg. No. 11141 from November 19th, 2007 for realization of works connected with use of state secret information (is valid till October 24th, 2012).

On October 08th, 2007 the Company's management board meeting (report 13 from 08.10.2007) took the decision on integration of branches of the Company: Northern electric networks (on the basis of the branches:

Oktyabrskie electric networks and Dmitrovskie electric networks), Southern electric networks (on the basis of the branches: Podolsk electric networks and Kashira electric networks), Western electric networks (on the basis of branches: Mozhaisk electric networks and Volokolamsk electric networks), Eastern electric networks (on the basis of branches: Noginsk electric networks, Kolomna electric networks, Shatura electric networks). According to the decision of the Board of Directors of OJSC "MOESK" on November 2nd, 2007 (Report 51 from 07.11.2007) the branches of OJSC "Moscow United Electric Grid Company" on the basis of which the branches of the Company are integrated are liquidated. By the decision of the Board of Directors of OJSC "MOESK" from February 26th, 2008 (Report 56 from February 27th, 2008) change are made in the Charter according to which the structure of the integrated branches of OJSC "MOESK" was fixed.

On the basis of the decision of the extraordinary General meeting of shareholders of OJSC "MOESK" (further - the Company) from 18.04.2008 (Report 6 from 28.04.2008) the Company was reorganized in the form of merger with it of Open joint-stock company «Moscow City Electric Grid Company» (further - OJSC "MGESK"). According to the transfer certificate approved by the extraordinary General meeting of shareholders of OJSC "MGESK" from 18.04.2008 (Report 1 from 28.04.2008), from the moment of making an entry in the Uniform State Register of Legal Persons about the termination of activity of OJSC "MGESK", the Company became an assignee on all of their rights and duties.

According to the decision of the Board of Directors of OJSC "MOESK" on April 29th, 2008 (Report 61 from 04.05.2008) on the basis of the company merged with OJSC "MOESK" (OJSC "MGESK"), a branch of OJSC "Moscow United Electric Grid Company" was created - Moscow cable networks.

In connection with changes occurred in the structure of OJSC "MOESK" per 2007-2008, as of 31.12.2008 OJSC "MOESK" has 7 branches in its structure:

1. Southern electric networks
2. Eastern electric networks
3. Northern electric networks
4. Western electric networks
5. High-voltage cable networks
6. Central electric networks
7. Moscow cable networks.

According to decisions of the Board of Directors of the Company from 07.12.2007 (Report 53 from 07.12.2007) and Management Board of the Company from 07.12.2007 (Report 19/1 from 07.12.2008) in December 2007 OJSC "MOESK" founded three subsidiaries on the basis of property of repair-service branches: OJSC "MKSM", OJSC "RETO Plant", OJSC "MKER" with 100 % stake as a shareholder in the authorized capital of each of the specified companies.

On 29.12.2007 Inter-regional inspection of the Federal tax service No.46 of Moscow made a record in the Uniform state register of legal entities about creation of Open joint-stock company "Moskabelsetmontaz", Open joint-stock company «Electrical Equipment Repairing Plant», Open joint-stock company "Moskabelenergoremont".

In connection with reorganization of OJSC "MOESK" in the form of merger with it of OJSC "MGESK", the shareholders of OJSC "MOESK" took the decision on increase of the authorized capital of OJSC "MOESK" by placement of additional shares by means of converting of OJSC "MGESK's" shares into them by merger.

Since February 2006 the shares of OJSC "MOESK" are floated on the organized securities markets of JSC "RTS" and JSC "MICEX".

Within April - May 2008 the shares of OJSC "MOESK" were translated to the quotation lists of JSC "RTS" and JSC "MICEX" "A" of the second level.

On 31.12.2008 capitalization of OJSC "MOESK" totaled 55 672,21 million rubles.

The structure of the Company's Board of Directors is

№	name	Position in the Board of Directors	Place of work	position
1	Rappoport Andrey Natanovich	Chairman of Board of directors	FGC UES	Chairman of Management Board
2	Chistyakov Alexander Nikolaevich	Deputy Chairman of Board of directors	FGC UES	first deputy chairman of the Management Board
3	Gavrilenko Anatoly	Member of Board of	CJSC " Leader " (the	general director

	Anatolevich	directors	company for asset management of the pension fund)	
4	Guryanov Denis Lvovich	Member of Board of directors	OJSC "IDGC Holding "	chief of Department of corporate governance and shareholder relations
5	Zenyukov Igor Alikovich	Member of Board of directors	-	-
6	Kerber Sergey Mikhailovich	Member of Board of directors	CJSC " Leader " (Company for asset management of the pension fund)	head of management for investment projects and programs - managing director
7	Kazakov Alexander Ivanovich	Member of Board of directors	OJSC "IDGC Holding "	general director
8	Misrikhanov Misrikhan Shapievich	Member of Board of directors	OJSC «UES FGC» (branch - TEG of Center)	general director
9	Silkin Vladimir Nikolaevich	Member of Board of directors	Department of property of the city of Moscow	deputy Mayor of Moscow in the Government of Moscow, Head of Department of property of the city of Moscow
10	Grishchenko Sergey Valentinovich	Member of Board of directors	"Gazprombank" (OJSC)	deputy chief of department for direct investments
11	Skribot Wolfgang	Member of Board of directors	"Gazprombank" (OJSC)	managing director of department for direct investments
12	Shulginov Nikolay Grigorievich	Member of Board of directors	OJSC «UES FGC»	deputy chairman of the management board
13	Trofimov Yury Ivanovich	Member of Board of directors	OJSC «Moscow United Electric Grid Company»	general director

The Management Board includes:

№	name	Position in the Board of Directors	Place of work
1	Trofimov Yury Ivanovich	OJSC «Moscow United Electric Grid Company»	general director, Chairman of Management Board
2	Mayorov Andrey Vladimirovich	OJSC «Moscow United Electric Grid Company»	deputy general director - chief engineer, member of Management Board
3.	Voronin Stanislav Vyacheslavovich	OJSC «Moscow United Electric Grid Company»	deputy general director for finance, member of Management Board
4	Soldatov Nikolay Mikhailovich	OJSC «Moscow United Electric Grid Company»	Director of department of internal audit and financial control,
5	Sklyarova Lyudmila Alekseevna	OJSC «Moscow United Electric Grid Company»	Deputy chairman of Management Board
6	Kazakov Oleg Anatolievich	OJSC «Moscow United Electric Grid Company»	chief accountant, member of Management Board
7	Groshev Georgy Nikolaevich	OJSC «Moscow United Electric Grid Company»	deputy general director for capital construction, member of Management Board
8	Livinsky Pavel Anatolievich	OJSC «Moscow United Electric Grid Company»	deputy general director for transport of electric power, member of Management Board
9	Bolshakov Valery Petrovich	OJSC «Moscow United Electric Grid Company»	deputy general director for client relations and technological connection, member of Management Board
10	Talalaev Anatoly Anatolievich	OJSC «Moscow United Electric Grid Company»	deputy general director for strategy and development of business, member of Management Board
11	Verevkin-Rahalsky Sergey Vladimirovich	OJSC «Moscow United Electric Grid Company»	deputy general director for management of personnel, member of Management Board

12	Suchkov Igor Vasilievich	OJSC «Moscow United Electric Grid Company»	deputy general director for control over safety, member of Management Board
13	Shapoval Victor Andreevich	OJSC «Moscow United Electric Grid Company»	deputy general director for public relations and authorities, member of Management Board
14	Kosolapov Igor Alekseevich	OJSC «Moscow United Electric Grid Company»	deputy general director - director of branch - Moscow cable networks, member of Management Board
15	Kopanov Evgeniy Anatolievich	OJSC «Moscow United Electric Grid Company»	Director of department of corporate policy and management of property, member of Management Board
16	Mityaev Alexander Aleksandrovich	OJSC «Moscow United Electric Grid Company»	Director of department of legal support, member of Management Board
17	Raev Alexander Grigorievich	OJSC «Moscow United Electric Grid Company»	Director of department of strategic planning and investments, member of Management Board

The Company's checkup committee includes:

№	name	Position in the checkup committee	Place of work	Position at 31.12.2008
1.	Matjunina Lyudmila Romanovna	Chairperson of the checkup committee	IDGC Holding	first deputy chief of internal audit department
2.	Baitov Anatoly Valerievich	Member of the checkup committee	-	-
3.	Vasilev Sergey Vjacheslavovich	Member of the checkup committee	IDGC Holding	Director for legal issues (chief of Department of legal support)
4.	Lelekova Marina Alekseevna	Member of the checkup committee	UES FGC	head of Management for financial control and internal audit
5.	Erlihman Alexander Georgievich	Member of the checkup committee	MOESK	chief of financial administration

2. Accounting Policy

In the accounting period in the Company the accounting and tax registration policy approved by the order of the General director 409-612 from 29.12.2006 operated.

The accounting and tax registration policy is enclosed to the explanatory note.

2.1. legal base

The accounting report of the Company is generated, proceeding from rules of the accounting and tax account operating in the Russian Federation and the reporting, in particular:

The federal law from 21.11.1996 129-FL « About book keeping »;

Regulations on conducting book keeping and the accounting reporting in the Russian Federation, approved by the order of the Ministry of Finance of the Russian Federation from 29.07.1998 34H;

Regulations on book keeping 1/98 « Accounting Policy of the enterprise », approved by the order of the Ministry of Finance of the Russian Federation from 09.12.1998 60H;

Regulations on book keeping 2/94 « the Account of contracts (contracts) on capital construction », approved by the order of the Ministry of Finance of the Russian Federation from 20.12.1994 167;

Regulations on book keeping 3/2000 « the Account assets and obligations which cost is expressed in a foreign currency », approved by the order of the Ministry of Finance of the Russian Federation from 27.11.2006 154H;

Regulations on book keeping 4/99 « the Accounting reporting of the organization », approved by the order of the Ministry of Finance of the Russian Federation from 06.07.1999 43H;

Regulations on book keeping 5/01 « the Account of financially-industrial stocks », approved by the order of the Ministry of Finance of the Russian Federation from 09.06.2001 44H;

Regulations on book keeping 6/01 « the Account of fixed assets », approved by the order of the Ministry of Finance of the Russian Federation from 30.03.2001 26H;
Regulations on book keeping 7/98 « Events after accounting date », approved by the order of the Ministry of Finance of the Russian Federation from 25.11.1998 56H;
Regulations on book keeping 8/01 « the Conditional facts of economic activities », approved by the order of the Ministry of Finance of the Russian Federation from 28.11.2001 96H;
Regulations on book keeping 9/99 « Incomes of the organization », approved by the order of the Ministry of Finance of the Russian Federation from 06.05.1999 32H;
Regulations on book keeping 10/99 « Charges of the organization », approved by the order of the Ministry of Finance of the Russian Federation from 06.05.1999 33H;
Regulations on book keeping №11/2000 « the Information about affiliated persons », approved by the order of the Ministry of Finance of the Russian Federation on 13.01.2000 5H;
Regulations on book keeping 12/2000 « the Information on segments », approved by the order of the Ministry of Finance of the Russian Federation from 27.01.2000 11H;
Regulations on book keeping 13/2000 « the Account of the state help », approved by the order of the Ministry of Finance of the Russian Federation from 16.10.2000 92H;
Regulations on book keeping 14/2000 « the Account non-material assets », approved by the order of the Ministry of Finance of the Russian Federation from 16.10.2000 91H;
Regulations on book keeping 15/01 « the Account of loans and credits and expenses on their service », approved by the order of the Ministry of Finance of the Russian Federation from 02.08.2001 60H;
Regulations on book keeping 16/02 « the Information on stopped activity », approved by the order of the Ministry of Finance of the Russian Federation from 02.07.2002 66H;
Regulations on book keeping 17/02 « the Account of charges on research, developmental and technological works », approved by the order of the Ministry of Finance of the Russian Federation from 19.11.2002 115H;
Regulations on book keeping 18/02 « the Account of calculations under the profit tax », approved by the order of the Ministry of Finance of the Russian Federation from 19.11.2002 114H;
Regulations on book keeping 19/02 « the Account of financial investments », approved by the order of the Ministry of Finance of the Russian Federation from 10.12.2002 126H;
Regulations on book keeping 20/03 « the Information on participation in joint activity », approved by the order of the Ministry of Finance of the Russian Federation from 24.11.2003 105H;
Regulations on book keeping 21/2008 « the Information on participation in joint activity », approved by the order of the Ministry of Finance of the Russian Federation from 06.10.2008 106H;
Other operating Russian rules (standards) of book keeping.
Tax, labour, ground and other codes.

Assets and obligations of the Company are estimated in the reporting on actual expenses for their purchase

2.2. Short-term and long-term assets

In the reporting assets are referred to short-term if term of the reference them does not exceed 12 months from the date of, after accounting date, the others are presented in the reporting as long-term.

2.3. assets and obligations in foreign currencies

The structure of payables as of 31.12.2008 has foreign currency debt in the sum of 372 279 thousand US dollars. The given sum consists of debts in the sum of 370 000 thousand US dollars under the credit agreement from 18.04.08 with Barclays Bank PLC about granting the currency credit for 2 years and the sums of interest under it of 2 779 thousand US dollars.

As of 31.12.2008 the structure of assets of OJSC "MOESK" has receivables in the foreign currency in the sum of 366 569 thousand US dollars. The given sum is generated by the agreement on the currency interest swap concluded by the Company with Barclays Bank PLC on 21.04.08 with a view of management by currency and interest risks under the credit contract from 18.04.08 and includes the sum of the basic debt of 364 290 thousand US dollars and the sum of interest of 2 779 thousand US dollars.

2.4. Non-material assets

OJSC "MOESK" has no non-material assets.

2.5. fixed assets

The structure of fixed assets includes land areas, buildings, machines, equipment, vehicles and other corresponding objects with service life over 12 months.

Objects of fixed assets are accepted to the accounting on actual expenses for purchase, construction and manufacturing. In the reporting fixed assets are reflected at residual cost.

Objects of fixed assets have been accepted to the account from JSC "Mosenergo" on 01.04.2005. At residual cost which is initial for OJSC "MOESK". Amortization was charged by linear way by kinds from residual cost of fixed assets and residual term of useful use.

Initial value of the fixed assets as of December 31st, 2008 is 110236056 thousand rubles

The charged deterioration on 01.01.2009 in %:

Buildings -5,81 %

Constructions and transfer devices - 8,0 %

Machines and equipment - 23,09 %,

Vehicles - 22,52 %.

Other kinds of fixed assets - 34,36 %

On the land areas and objects of available housing amortization was not charged.

Incomes and charges of retirement and write-off of fixed assets are reflected in the Report on profits and losses in epy structure of other incomes and charges.

2.6. Long-term and short-term liabilities

In 2006 the bonded loan in volume of 6000 million rubles was issued. The rate of the coupon was 8,05 % per annum without the offer. Term of the circulation of bonds is 5 years. The means received from placement of bonds, were assigned for financing of the investment program of the Company.

In 2008 the repayment of bonds on demand of creditors-owners of the bonds presented in connection with reorganization of the Company was made. Quantity of the redeemed bonds is 3 643 493 pieces

With a view of financing the investment program in 2008 the Company issued 13 promissory notes at the total par value of 17 548 350 805 rubles and 82 copecks.

As of 31.12.2008 the size of short-term obligations of OJSC "MOESK" under credits and loans was 3672,3 million rubles, including the sum of the accrued interest of 10,3 million rubles.

2.7. Inventories

Inventories are estimated in the sum of actual expenses for purchase.

The estimation of inventories at their supply to manufacture and other retirement was carried out in 2008 under the average cost price.

2.8. Production in progress

The production in progress is estimated under the actual cost price.

2.9. Charges of the future periods

The charges made by the Company in accounting year, but referred to the following accounting periods, are reflected as charges of the future periods, are a subject to write-off to destination in regular intervals during the periods to which they concern. Balance of charges of the future periods on 31.12.2008 is 4 114.6 million rubles.

2.10. Debts of buyers and customers

The debts of buyers and customers are determined proceeding from the prices established by contracts between the Company and buyers and customers.

2.11. Reserves of forthcoming charges

OJSC "MOESK" in 2008 did not create reserves of forthcoming charges.

2.12. Recognition of the income

The receipt of products and goods, rendering of services admitted for the purposes of book keeping in process of shipment of products to buyers (or rendering of services) and presentation of settlement documents by it. The proceeds are reflected in the Report on profits and losses minus the tax to the added value.

Incomes for the purposes of the taxation of OJSC "MOESK" are estimated under the method of charging. According to this method incomes are recognized in that accounting period in which they actually took place, irrespective of actual receipt of money resources.

The incomes of usual kinds of activity:

- Incomes of transportation of electric power;
- Incomes of connection of capacity;
- Incomes of delivery of property in rent;
- Incomes of performance construction and repair work.

Other incomes:

- incomes of inventories and other assets sale
- incomes of assets sale.

2.13. Recognition of charges.

Charges were accepted to book keeping in the sum estimated in money terms, equal to the amount of payment of monetary either other form or size of accounts payable.

If payment covered only a part of recognized charges the charges accepted in book keeping, were accepted as the sum of payment and accounts payable (regarding that non-covered by payment).

The amount of payment and accounts payable was defined proceeding from the price and the conditions established by the contract between the organization and the counterpart.

The charges by usual kinds of activity are:

- Charges from transportation of electric power;
- Charges from connection of capacity;
- Charges from delivery of property in rent;
- Charges from performance construction and repair work.

Miscellaneous costs:

- incomes of inventories and other assets sale
- incomes of assets sale.

2.14. Reserve capital

OJSC "MOESK" forms the reserve capital intended for covering losses which though are not determined particularly, but can take place in economic circulation. The reserve capital is formed due to net profit of OJSC "MOESK".

2.15. Changes of the accounting policy

In 2008 the accounting policy of OJSC "MOESK" was amended in connection with the conclusion of the credit agreement on granting the currency credit for 2 years, providing both exchange of payments in the form of interest rates (fixed and floating), and operation of sale and purchase of currency for the sums in rubles at the fixed rate with fulfilment in two years of return operation of sale and purchase of currency.

3. Disclosing of essential indicators of the reporting

3.1. fixed assets (item 120 of the balance sheet)

Decoding of fixed assets of OJSC "MOESK" as of 31.12.2008.

Value of fixed assets by types:

№	Fixed asset group	Residual cost 31.12.2008	RUR million	
			Deterioration 2008	Residual cost 31.12.2008
1	Buildings	10075	586	9489
2	Constructions and transfer devices	39883	3194	36689
3	Machines and equipment			
4	Vehicles and other means	59484	13735	45749
5	Other fixed assets	585	132	453
		209	69	140
	TOTAL:	110236	17716	92520

3.2. Incomplete construction (item 130 of balance sheet)

OJSC "MOESK" conducts new construction, reconstruction and modernization of objects. For 2008 it executed works on incomplete construction for the sum of 35 011 million rubles including entered objects of construction for the sum of 19 005 million rubles, including purchased objects of the fixed assets for the sum of 1 281 million rubles.

3.3. Long-term financial investments (item 140 of balance sheet)

JSC Energocenter was created on the basis of the contract for creation from 20.04.2006 and decisions of founders from 24.04.2006 and was registered in the Uniform state register of legal persons 02.05.2006 with the authorized capital of 1 000 000 000 (One billion) rubles.

With a view of carrying out control over the investment projects implemented by JSC Energocenter, and rendering of influence on the decisions taken by JSC Energocenter, in 2006 Board of directors of OJSC "MOESK" (report №38 from 27.12.2006) approved participation of OJSC "MOESK" in JSC Energocenter as the shareholder with the 50 % stake of the authorized capital.

On the basis of the decision of general meeting of shareholders of OJSC "Energocenter" and according to order of FFMS of Russia from 24.05.2007 №07-1108/ПЗ the state registration of the additional issue of ordinary registered uncertificated shares of OJSC "Energocenter" for a total of 1000 000 000 (one billion) rubles placed by the restricted

subscription was carried out between shareholders of OJSC "Energocenter": OJSC «Moscow Regional Investment Trust Company» and OJSC "Moscow United Electric Grid Company". The contract of sale and purchase of the additional share issue between OJSC "MOESK" and OJSC "Energocenter" was concluded in 20.06.2007. Following the results of the additional issue, the stake of OJSC "MOESK" in the authorized capital of OJSC "Energocenter" was 20 000 (Twenty thousand) shares for a total of 1 000 000000 (One billion) rubles that makes 50 % of the authorized capital of OJSC "Energocenter".

According to the decisions of Board of directors of the Company from 07.12.2007 (Report 53 from 07.12.2007) and Management Board of the Company from 07.12.2007 (Report 19/1 from 07.12.2008) in December 2007 OJSC "MOESK" founded three subsidiaries on the basis of property of repair-service branches: OJSC "MKSM", OJSC "RETO Plant", OJSC "MKER" with 100% stakes as the shareholder in the authorized capital of each of the specified companies.

The stake of OJSC "MOESK" in the authorized capital of OJSC "MKSM" is 100%. OJSC "MOESK" is the proprietor of 3 359 709 830 (Three billion, three hundred fifty nine million, seven hundred nine thousand, eight hundred thirty) shares at the total par value of 1 679 854 915 (One billion, six hundred seventy nine million, eight hundred fifty four thousand, nine hundred fifteen) rubles.

The stake of OJSC "MOESK" in the authorized capital of OJSC "MKER" was 100 %. OJSC "MOESK" is the proprietor of 998 880 622 (Nine hundred ninety eight million, eight hundred eighty thousand, six hundred twenty two) pieces for the total par value of 499 440 311 (Four hundred ninety nine million, four hundred forty thousand, three hundred eleven) rubles.

The stake of OJSC "MOESK" in the authorized capital of OJSC "RETO Plant" was 100 %. OJSC "MOESK" is the proprietor of 1 223 215 466 (One billion, two hundred twenty three million, two hundred fifteen thousand, four hundred sixty six) pieces for the total par value of 611 607 733 (six hundred eleven million, six hundred and seven thousand, seven hundred and thirty three) rubles.

3.4. Inventories (item 210 of balance sheet)

Inventories are estimated in the amount of actual expenses for purchase, their amount on the end of year is 6 538 million rubles - 8 % of the current assets of OJSC "MOESK".

3.5. Debts of buyers and customers (items 230 and 240 of balance sheet)

The main activity of OJSC "MOESK" is rendering services on transfer and distribution of electric power, the tariff on which is adopted by RPC of Moscow and EKMO of the Moscow region.

Decoding of debts receivable under item 230

		RUR million
	name	Amount
1	Buyers, customers,	21
2	Bills receivable,	
3	Advance payments given out	
4	Other debtors	29981
	Total:	30002

Line 230 of balance reflects other receivables which consists of the advance payments paid to the leasing companies, advance payments paid to participants of "one-stop principle" and the currency interest swap.

Decoding of debts receivable under item 240

RUR million

	name	amount
1	Buyers, customers,	3986
2	Bills receivable,	
3	Advance payments given out	15522
4	Other debtors	11128
	Total:	30636

Line 240 of balance in other receivables reflects the debts of the budget to OJSC "MOESK" under taxes, accrued interest per currency swap.

3.6. Other long-term liabilities (item 520 of balance sheet)

As of 31.12.2008 long-term obligations of MOESK were 26180 million rubles. This sum consists of the advance payments received under contracts of elimination of restrictions and connection of capacity in the sum of 17617 million rubles and credit-currency swap in the sum of 8558 million rubles.

3.7. Short-term accounts payable (item 620 of balance sheet)

	RUR million
short-term accounts payable makes:	
Including:	16283
Suppliers and contractors: (item 621 balance)	
Debts for payment (item 624 of balance)	1
Debts to unappropriated funds (item 625 balance)	271
Debts against the budget (item 626 balance)	36730
Debts to affiliated, dependent companies and other creditors (item 622 + 623 + 627 balance)	178
Other creditors, all (item 628 balance)	53463

3.8. Additional capital (item 420 of balance sheet)

The additional capital of OJSC "MOESK" increased due held by the Company reorganization and merger in OJSC "MOESK" and is 36 243 million rubles at 31.12.2008.

3.9. Company's shares

As of 31.12.2008, the authorized capital of OJSC "MOESK" is 24 353 545 787 rubles, and consists of:

shares	Total number (pcs.)	Par value (RUR)	Par value of shares owned by the Company
Ordinary shares	48 707 091 574	0.5	24 353 545 787
Preferred shares	-	-	-

TOTAL:	48 707 091 574		24 353 545 787
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-50,9 % of the authorized capital belongs to RAO UES of Russia

-44,4 % - to other legal persons

-4,7 % - to physical persons.

3.10. State assistance

OJSC «MOESK» did not receive subvention from the federal budget.

3.11. Main subsidiaries and dependent entities

OJSC «MOESK» has dependent entity - JCS Energocenter with the 50% stake in the authorized capital, and subsidiaries owning the following stakes in them:

- OJSC “MKSM” – 100%
- OJSC “MKER” – 100%
- OJSC “RETO Plant” – 100%

3.13. Profit under ordinary operations

Profit under ordinary operations for a fiscal year are reflected in the profit and loss statement

3.14. Other incomes and charges

The section "other incomes" reflects other income in the sum of 1186 million rubles, received from reassessment of the property transferred to the authorized capital of SDEs.

In section "miscellaneous costs" the miscellaneous cost in the sum of 57,6 million rubles is reflected, which was received from markdown of the property transferred to the authorized capital of SDEs.

Other incomes and charges consist of following groups:

million rubles

	2007	2008
Other income	5138	9480
Including:		
From inventories selling		
Selling fixed assets	3489	233
From selling others assets	18	934
Fines, penalties, penalty fees	1494	4600
Income received by way of indemnification of losses		
Insurance compensation		12
Other		
		2393
	137	1308
Other expenses	6199	9454
Including:		
From inventories selling	3489	232
From selling others assets	1494	4580
Selling fixed assets		
Retirement of assets	4	69
Services of banks		
Property tax	216	71
Registration of objects	95	92
Awarding, material help		2288
Permits to employees		
Shortage		
VAT	312	1027
Consulting services		
Charges in insurance cases		41
Other		60
		15
	589	979

3.15. Taxes

At calculation of taxes OJSC "MOESK" was guided by the Tax Code.

3.16. Terminated activity

OJSC «MOESK» did not terminate activity in 2008.

3.17. Earnings per share

	2007	2008
Net profit for a fiscal year, million rubles	4747	2303

The average quantity of ordinary shares in circulation within a fiscal year, million shares	28249	48707
BASE PROFIT PER SHARE, RUBLES	0,17	0,05

3.18. Related persons

The list of related persons of OJSC «MOESK» as of 01.01.2009 includes:

- Members of Board of directors of OJSC " MOESK "
- Members of Management Board of OJSC " MOESK "
- General director of OJSC «MOESK»
- JSC “IDGC Holding” (owns 50,9 % of ordinary shares of OJSC «MOESK»)
- JCS Energocenter (50 % of shares belong to OJSC "MOESK")
- OJSC “Moskabelsetmontazh” (100% of its shares belong to OJSC “MOESK”)
- OJSC “Electrical Equipment Repairing Plant” (100% of its shares belong to OJSC “MOESK”)
- OJSC “Moskabelenergoremont” (100% of its shares belong to OJSC “MOESK”)
- The persons entering into group of persons of JSC “IDGC Holding”

Compensation to members of the Company's Board of Directors

In 2008 compensation is paid to members of the Board of Directors of the Company:

- For participation in meetings of the Board of Directors in the amount of 4 730 652 rubles.
- For indicator of net profit of the Company according to the annual accounting reporting for 2007 approved by general meeting of shareholders of the Company in the amount of 11 421 422,08 rubles.

The extra fee for market capitalization in 2008 was not paid to members of the Company Board of Directors owing to a decrease in capitalization for the period of work of Board of Directors of the Company (from 15 June 2007 to 28 May 2008).

The amount and procedure of remuneration and compensation payment to the members of the Board of Directors is fixed in the "Regulations for Payment of Remuneration and Compensation to the Board of Directors Members" approved by the Company annual General Shareholders Meeting on 26 June 2006.

Since 1 September 2008, the Regulations for Payment of Remuneration and Compensation to the Members of the Board of Directors of Open Joint-Stock Company "Moscow United Electric Grid Company" in a new wording comes into effect, which was approved by the Company annual General Shareholders Meeting on 28 May 2008.

Compensation to members of the Company's Checkup committee

In 2008, the members of the Company Checkup Committee and the specialists involved by the Company Checkup Committee who are not members of the checkup committee, received remuneration for carrying out of checks of the Company 2007 financial and economic activities in the amount of RUR 566 437.5.

The amount and procedure of payment of remuneration and compensation to members of the checkup committee is established by the Regulations for Remuneration and Compensation Payment to the Checkup Committee Members approved by the extraordinary General Shareholders Meeting of OJSC "MOESK" on 28 March 2006.

Since 1 September 2008, the Regulations for Payment of Remuneration and Compensation to the Members of the Checkup Committee of Open Joint-Stock Company "Moscow United Electric Grid Company" in a new wording comes into effect, which was approved by the Company annual General Shareholders Meeting on 28 May 2008.

3.19. The information on segments

The primary information - operational segments

In 2008 OJSC «MOESK» did not perform work and did not render services subject to risks.

Secondary information - geographical segments

OJSC "MOESK" conducts authorized activity in Moscow and the Moscow area, therefore the information on the geographical segment in the given section is not disclosed.

3.20. Events after accounting date

Dividends

The size of the annual dividend for 2008 per one share will be approved by General meeting of shareholders of OJSC «MOESK».

3.21. Conditional obligations

OJSC «MOESK» received under the separation balance sheet from JSC Mosenergo the obligation on the guarantee for the third parties (workers of OJSC «MOESK») for a total sum of 11 million rubles. Management of OJSC «MOESK» does not expect occurrence of essential obligations with this guarantee.

General Director of OJSC «MOESK» _____ Y.I.Trofimov

Chief Accountant of OJSC «MOESK» _____ L.A.Sklyarova

Auditor's report

Auditor's report on financial (accounting) reports

Addressee: shareholders of the Open Joint-Stock Company "Moscow United Electric Grid Company"

Auditor:

Name: Closed Joint Stock Company "HLB Vneshaudit".

Location: 123610, City of Moscow, 12 Krasnopresnenskaya quay, entrance 3, office 701 (phone: 967-0495, fax 967-0497).

State registration: registered by Moscow Registration Chamber as of February 17, 1992, certificate No. 470.740. Included into the unified state register of the legal persons as of January 14, 2005 with the major state registration number 1027739314448.

License No. E 000548 as of June 25, 2002, issued by the Ministry of Finance of the Russian Federation, expires on June 25, 2012.

The member of noncommercial partnership "Professional Auditors Institute" (PAI) certified in the Ministry of Finance of the Russian Federation, certificate No.30 as of December 5, 2000.

The person audited:

Name: Open Joint-Stock Company "Moscow United Electric Grid Company".

Location: 27 Ordzhonikidze street, City of Podolsk, Moscow Region 142100.

State registration: Included into Unified State Register of Legal Entities as of September 14, 2006 with the primary state registration number 1057746555811.

We carried out the audit of the financial (accounting) reports of the Open Joint-Stock Company "Moscow United Electric Grid Company" for the period from January 1 through December 31, 2008. Financial (accounting) reports of Open Joint-Stock Company "Moscow United Electric Grid Company" consist of:

Balance sheet;

Profit and loss report;

*Appendices to the balance sheet and profit and loss report;
Explanatory note.*

The executive body of Open Joint-Stock Company “Moscow United Electric Grid Company” bears the responsibility for the preparation and presentation of the financial (accounting) reports. Our responsibility is to express our opinion on reliability of these reports in all respects and express our opinion on compliance of the accounting procedures performed in the Company with the Russian Federation laws on the basis of the audit carried out.

*We carried out audit in accordance with:
Federal law: “On Auditing Activity” as of August 7, 2001 No. 119-FL;
Federal rules (standards) of auditing activity;
Rules (standards) of the auditor’s activity;
Normative acts of the body regulating the audited person’s activity.*

The audit was planned and carried out in such a way so that it would be possible to get the reasonable assurance that the financial (accounting) reports do not contain considerable misinterpretations. The audit was carried out on the selected basis and includes:

Study, on the basis of testing, the evidence proving the indices and the financial (accounting) reports information disclosure concerning the financial and operating activity of the audited person;

Assessment of the form of principles and rules meeting of the financial reports used during the preparation of the financial (accounting) reports;

Consideration of main indices figured by the audited person’s management during the preparation of the financial (accounting) reports.

We suppose that the audit performed presents all the sufficient grounds to express our opinion on the reliability of the financial (accounting) reports and the compliance of the accounting procedures carrying out with the Russian Federation laws.

According to our opinion the financial (accounting) reports of the Open Joint-Stock Company “Moscow United Electric Grid Company” with the total balance sheet assets accounted for RUR 212,766,050 thousand reliably reflects in all respects the financial position for December 31, 2008 and the results of the financial and industrial activity for the period from January 1 through December 31, 2008 inclusive in accordance with the requirements of the Russian Federation legislation on the financial (accounting) reports.

Date of the audit end: March 16, 2009

General Director

L.M. Mitrofanov

Audit Checkup Head (qualification certificate of the Ministry of Finance of the Russian Federation No. K 024067 as of September 5, 2005 for auditing activity within the framework of the general audit carrying out)

S.V. Bykova

Appendix 2. Quarter accounting reports of OJSC “Moscow United Electric Grid Company” for quarter 1, 2009

**BALANCE SHEET
at 31 March 2009**

	Form No.1 under OKUD	Codes 0710001		
	Date (year, month, day) under OKPO	2009	03	31
Organization: OJSC «Moscow United Electric Grid Company»	Taxpayer's identification number	75273098		
Вид деятельности: industry	INN	5036065113		
Form of incorporation/ form of property: open joint-stock company	under OKVED	40.10.2		
	under OKOPF/OKFS	47/42		
Unit of measurement: thousand rubles	under OKEI	384/385		
Location (address) 142100, Moscow region, Podolsk Ordzhonikidze street 27				
	Date of approval	29.04.2008		
	Date of sending (adoption)			

ASSET	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	3	4
I. NON-CURRENT ASSETS			
Intangible assets	110	-	-
Including:			
The rights to patents, software, trade marks (service marks), other similar assets and rights	111	-	-
Business reputation of the organization	112	-	-
Other kinds of Intangible assets	113		
Results of research and development	114		
Fixed assets	120	120052548	118127812
Including:			

Land areas and objects of wildlife management	121	7223	7223
Buildings, machines and equipment, constructions	122	119444947	117515088
Other kinds of fixed assets	123	600378	605501
Incomplete construction	130	40288263	42553573
Including			
Equipment to installation	13001	3840320	4595727
Investments into non-current assets	13002	36447943	37957846
Profitable investments into material assets	135	-	-
Including:			
Property for transfer to leasing	136	-	-
Property given under the contract of rent	137	-	-
Long-term financial investments	140	6940839	6940839
Including:			
Investments into subsidiaries	141	3972092	3972092
Investments into dependent companies	142	-	-
Investments into other organizations	143	-	-
Loans given to the organizations for the term of more than 12 months	144	-	-
Other long-term financial investments	145	2968747	2968747
Postponed tax assets	148	301714	352019
Other non-current assets	150	-	-
TOTAL on section I	190	167583364	167974243
II. CURRENT ASSETS			
Stocks	210	6538472	6410930
Including: Raw material, materials and other similar values	211	2422102	2361615
Rearers and fatteners	212	-	-
Expenses for production in progress	213	-	-
Finished goods and goods for resale	214	1753	1747
Goods shipped	215	-	-
Charges of the future periods	216	4114617	4047568
Other stocks and expenses	217	-	-
Value-added tax on the purchased values	220	277787	156835

Receivables (payments on which are expected in more than 12 months after the reporting date)	230	30002022	34703802
Including Buyers and customers	231	20900	4215
Bills receivable	232	-	-
Debts of subsidiaries and dependent companies	233	-	-
Advance payments given out	234	-	-
Other debtors	235	29981122	34699587
From them: Bills	23501	-	-
Receivables (payments on which are expected within 12 months after the reporting date)	240	30636466	25408120
Including Buyers and customers	241	3986070	5354155
Bills receivable	242	-	-
Debts of subsidiaries and dependent companies	243	-	-
Debts of participants (founders) on payments to the authorized capital	244	-	-
Advance payments given out	245	15521526	10417583
Including: To suppliers of materials	24501	65347	94123
To building organizations	24502	14769796	9389423
To repair organizations	24503	5307	11083
To service providers	24504	285855	387910
Other advance payments given out	24505	395221	535044
Other debtors	246	11128870	9636382
Including: On penalty fees, penalties, fines under contracts	24601	-	-
Overpayment under taxes to the federal budget	24602	2373302	643031
Overpayment under taxes to the budgets of subjects of the Russian Federation	24603	8251	109597
Overpayment under taxes to local budgets	24604	7380	6702
Overpayment on payments to the state unappropriated funds	24605	5110	812
Settlement of accounts on purchase of shares	24606	-	-
Bills	24607	-	-
Other debtors	24608	8734827	8876240

Short-term financial investments	250	-	-
Including: Loans, given to the organizations for the term of less than 12 months	251	-	-
Other short-term financial investments	252	-	-
Money resources	260	5197786	3665464
Including:			
Cash	261	379	395
Settlement accounts	262	5195519	3663058
Foreign currency accounts	263	26	30
Other money resources	264	1862	1981
Including:			
Special bank accounts	26401	-	-
Monetary documents	26402	1862	1981
Transfers in process	26403	-	-
Other current assets	270	2095	2095
TOTAL on section II	290	72654628	70347246
BALANCE (the sum of lines 190 + 290)	300	240237992	238321489

LIABILITY	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	3	4
III. CAPITAL AND RESERVES			
Authorized capital	410	24353546	24353546
Including:			
Into preferred shares	41001	-	-
Into ordinary shares	41002	24353546	24353546
Own shares redeemed from shareholders	415	(3798)	(3798)
Additional capital	420	63775454	63775454
Reserve capital	430	695356	695356
Including: the reserves formed according to the legislation	431	695356	695356
The reserves formed according to constituent documents	432	-	-

Unallotted profit of the last years	460 3	24534063	24534063
Uncovered loss of the last years	465	-	-
Unallotted profit of fiscal year	470	-	3324502
Uncovered loss of fiscal year	475	-	-
TOTAL on section III	490	113354621	116679123
IV. LONG-TERM OBLIGATIONS Loans and credits	510	41304911	39540583
Including: credits of banks which are subject to repayment in more than 12 months after the reporting date	511	38889675	37173162
Loans which are subject to repayment in more than 12 months after the reporting date	512	2415236	2367421
Postponed tax obligations	515	971129	1141209
Other long-term obligations	520	26180131	25799473
Including:			
Payables of suppliers and contractors	521	-	94
Payables to social funds	522	-	-
Including:			
To pension fund of the Russian Federation	52201	-	-
To fund of obligatory medical insurance	52202	-	-
To fund of social insurance	52203	-	-
On penalty fees and penalties to the state unappropriated funds	52204	-	-
Other long-term obligations	523	26180131	25799379
TOTAL on section IV	590	68456171	66481265
V. SHORT-TERM OBLIGATIONS Loans and credits	610	3672283	1990453
Including:			
Credits of banks subject repayment within 12 months after the reporting date	611	3672283	1990453
Loans which are subject to repayment within 12 months after the reporting date	612	-	-
Payables	620	53462855	51589178
Including: Suppliers and contractors	621	16282953	10481211
From them:			
To building organizations	62101	13352843	8456009

To repair organizations	62102	440651	89603
To other suppliers and contractors	62103	2489459	1935599
Bills payables	622	-	-
Debts to subsidiaries dependent companies	623	-	-
Debts on payment to the personnel	624	-	521640
Including:			
Current	62401	-	-
Delayed	62402	-	521640
Debts against the state unappropriated funds	625	771	171535
To pension fund of the Russian Federation	62501	488	137397
To fund of obligatory medical insurance	62502	86	21281
To fund of social insurance	62503	140	12857
On penalty fees and penalties to the state unappropriated funds	62504	57	-
Debts under taxes and tax collections	626	270831	1035942
Debts to the budget, current	62610	270831	1035942
Including:			
To the federal budget	62601	59659	931070
To budgets of subjects of the Russian Federation	62602	199335	90176
To local budgets	62603	11837	14696
Advance payments received	627	36730105	38933059
Other creditors	628	178195	445791
Debts to participants (founders) on payment of incomes	630	4358	4322
Incomes of the future periods	640	1287704	1577148
Reserves of forthcoming charges	650	-	-
Other short-term obligations	660	-	-
TOTAL on section V	690	58427200	55161101
BALANCE	700	240237992	238321489

INFORMATION ON THE PRESENCE OF VALUABLE TAKEN INTO ACCOUNT IN OFF-BALANCE SHEET-ACCOUNTS	Line code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	3	4

Rented fixed assets	910	57317938	58371389
Including on leasing	911	34452626	34435601
Commodity-material assets accepted for responsible storing	920	4020	3375
Materials accepted in processing	921	-	-
Goods accepted for commission	930	-	-
Equipment accepted for installation	931	2898835	2837680
Debts of insolvent debtors written off as a loss	940	9686	10106
Security of obligations and payments received	950	10727	9862
Security of obligations and payments given out	960	-	-
Deterioration of fixed assets	970	508	514
Deterioration of objects of external improvement and other similar objects	980	-	-
Forms of strict reporting	990	321	656
Fixed assets leased	991	-	-
Property which in the federal property	992	-	-
intangible assets received for use	993	-	-
Property transferred to the authorized capital for payment of purchased shares	994	-	-

Head

S.V. Voronin

Chief Accountant

L.A.Sklyarova

PROFIT AND LOSS STATEMENT
for quarter 1, 2009

Codes

Form No. 2 under OKUD (All-Russian Classifier of Management Documentation)

		0710002		
	Date (year, month, day)	2009	03	31
organization: OJSC “Moscow United Electric Grid Company”	under OKPO (All-Russian Classifier of Businesses and Organizations)	75273098		
Taxpayer Identification Number	TIN	5036065113		
Activity type:	under OKVED (All-Russian Classifier of Economic Activities)	40.10.2		
Form of legal entity’s incorporation / form of ownership:	under OKOPF/OKFS (All-Russia Classifier of Forms of Ownership)	47/42		
Unit of measurement: thousand rubles	under OKEI (All-Russia Classifier of Measurement Units)	384/385		

Indicator	Line code	For the reporting period	For the similar period of the previous year
1	2	3	4
I. Incomes and charges in usual kinds of activity Proceeds (net) from sale of the goods, products, works, services (net of value added tax, excises and similar obligatory payments)	010	22482566	16038233
Proceeds from transportation of electric power	011	20377030	14008949
Proceeds from technological connection	012	1968359	852609
of thermal energy	018	-	-
of electric power for marketing companies	013	-	-
Incomes of participation in other organizations	014	-	-
Incomes of rent	015	-	-
Other goods, products, works, services - industrial	016	137177	1176549
Other goods, products, works, services - nonindustrial	017	-	126

Cost price of sold goods, products, works, services	020	(16594664)	(14205128)
Including sold:			
Transportation of electric power	021	(15345054)	(12776755)
technological connection	022	(1156741)	(318467)
thermal energy	028	-	-
electric power to marketing companies	023	-	-
Charges from participation in other organizations	024	-	-
Charges from rent	025	-	-
Other goods, products, works, services - industrial	026	(92869)	(1109906)
Other goods, products, works, services - nonindustrial	027	-	-
Total profit	029	5887902	1833105
Commercial charges	030	-	-
Administrative charges	040	-	-
Profit (loss) on sales	050	5887902	1833105
Other incomes and charges Percent receivable	060	73222	14824
Percent payable	070	(928354)	(438596)
Incomes of participation in other organizations	080	-	-
Other incomes	090	2009057	1637188
Miscellaneous costs	100	(2331457)	(598124)
Profit (loss) before taxation	140	4710370	2448397
Postponed tax asset	141	50305	42943
Postponed tax obligation	142	(170080)	(109898)
Current profit tax	143	(1229635)	(356983)
Other similar obligatory payments	144	(36458)	(10683)
Profit tax and other similar obligatory payments	150	(1385868)	(434621)
Profit (loss) on usual activity	160	3324502	2013776
Net profit (unallotted profit (the loss) accounting period)	190	3324502	2013776
FOR REFERENCE			
Constant tax obligations (assets)	200	407336	(163678)
Base profit (loss) per share	201	-	-
Dilluted profit (loss) per share	202	-	-

Explanation of certain loss and profit

Indicator	Note	Line code	For the reporting period	For the similar period of the previous year
1	A	2	3	4
Fines and penalty payments that were acknowledged or received resolutions from the court (arbitrage) on their collection				
profit		210	9445	-
loss		211	100	-
Profit (loss) of past years				
profit				
Loss		220	1552	70
		221	-	9879
Payment of damages caused by non-performance of improper performance of obligations				
Loss		230	-	-
		231	-	-
Currency difference on operations performed in the foreign currency				
profit		240	1707507	137580
loss		241	1733957	126
Contributions to the estimation reserves				
Loss		250	-	-
Write-off of debt receivable and account payable, the limitation period of which expired				
profit		260	201	-
loss		261	420	-

Head

S.V.Voronin

Chief Accountant

L.A. Sklyarova

Appendix 3. Accounting policy of OJSC “Moscow United Electric Grid Company”

Open Joint-Stock Company “Moscow United Electric Grid Company”

ORDER
No. 742

31.12.2008

**About accounting
and tax accounting
policy of OJSC "MOESK"
for 2009**

According to the legislation of the Russian Federation, Federal Law of the of the Russian Federation 129-FL from 21.11.1996 "About book keeping", other legal normative acts in the field of book keeping and accounting

I ORDER:

1. To approve and put into effect Regulations for the book keeping accounting policy of OJSC "MOESK" for 2009 according to the appendix 1.
2. To approve and put into effect Regulations about the tax accounting policy of OJSC "MOESK" for 2009 according to the appendix 2.
3. Directors of branches shall provide conducting the accounting and tax accounting according to the accounting and tax accounting policy of OJSC "MOESK".
4. To consider invalid the order of OJSC “MOESK” as of 29.12.2007 No.409-773 “On book keeping and tax accounting of OJSC “MOESK” for 2008”.
5. Control over execution of the present order shall be assigned to deputy general director for finances S.V. Voronin and chief accountant L.A. Sklyarova .

General Director Y.I. Trofimov

dispatched to: S.V. Voronin, accounts departments, to directors of branches.

Sklyarova L.A.
980-12-94

**REGULATIONS
on the accounting policy
OJSC "Moscow United Electric Grid Company"
for 2009**

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1. ORGANIZATIONAL AND TECHNICAL ASPECTS OF ACCOUNTING POLICY

The present Regulation establishes organization, form and ways of conducting book keeping in OJSC « Moscow United Electric Grid Company » (further called the Company) on the basis of operating normative documents:

The federal law from 21.11.1996 129-FL « About book keeping »;

Regulations on conducting book keeping and accounting reporting in the Russian Federation, the Ministry of Finance of Russia approved by the order from 29.07.1998 34H;

Accounting Regulations 1/98 «accounting policy of the enterprise» approved by the Ministry of Finance of the Russian Federation, order from 09.12.1998 60H;

Accounting Regulations 2/94 «accounting of contracts (contracts) on capital construction» approved by the Ministry of Finance of the Russian Federation, order from 20.12.1994 167;

Accounting Regulations 3/2006 « the accounting of assets and obligations, which cost it is expressed in a foreign currency » approved by the Ministry of Finance of the Russian Federation, order from 27.11.2006 154H;

Accounting Regulations 4/99 «Accounting reporting of the organization» approved by the Ministry of Finance of the Russian Federation, order from 06.07.1999 43H;

Accounting Regulations 5/01 «accounting of inventories» approved by the Ministry of Finance of the Russian Federation, order from 09.06.2001 44H;

Accounting Regulations 6/01 «accounting of fixed assets» approved by the Ministry of Finance of the Russian Federation, order from 30.03.2001 26H;

Accounting Regulations 7/98 «Events after accounting date» approved by the Ministry of Finance of the Russian Federation, order from 25.11.1998 56H;

Accounting Regulations 8/01 «Conditional facts of economic activities» approved by the Ministry of Finance of the Russian Federation, order from 28.11.2001 96H;

Accounting Regulations 9/99 «Incomes of the organization» approved by the Ministry of Finance of the Russian Federation, order from 06.05.1999 32H;

Accounting Regulations 10/99 «Charges of the organization» approved by the Ministry of Finance of the Russian Federation, order from 06.05.1999 33H;

Accounting Regulations №11/2000 «Information about affiliated persons» approved by the Ministry of Finance of the Russian Federation, order as of 13.01.2000 5H;

Accounting Regulations 12/2000 «Information on segments» approved by the Ministry of Finance of the Russian Federation, order from 27.01.2000 11H;

Accounting Regulations 13/2000 «accounting of the state help» approved by the Ministry of Finance of the Russian Federation, order from 16.10.2000 92H;

Accounting Regulations 14/2007 «accounting of intangible assets» approved by the Ministry of Finance of the Russian Federation, order from 27.12.2007 153H;

Accounting Regulations 15/01 «accounting of loans and credits and expenses on their service» approved by the Ministry of Finance of the Russian Federation, order from 02.08.2001 60H;

Accounting Regulations 16/02 «Information on stopped activity» approved by the Ministry of Finance of the Russian Federation, order from 02.07.2002 66H;

Accounting Regulations 17/02 «accounting of charges on research, developmental and technological works» approved by the Ministry of Finance of the Russian Federation, order from 19.11.2002 115H;

Accounting Regulations 18/02 «accounting of calculations under the profit tax» approved by the Ministry of Finance of the Russian Federation, order from 19.11.2002 114H;

Accounting Regulations 19/02 «accounting of financial investments», approved by order of the Ministry of Finance of Russia approved by the order from 10.12.2002 126H;

Accounting Regulations 20/03 «Information on participation in joint activity» approved by the Ministry of Finance of the Russian Federation, order from 24.11.2003 105H;

The plan of accounts of book keeping of financial and economic activity of the enterprises and the instruction on its application, approved by the order of the Ministry of Finance of Russia from 31.10.2000 94H;

The order of the Ministry of Finance of Russia from 22.07.2003 67H «About forms of the accounting reporting of the organizations»;

Other operating Russian rules (standards) of book keeping.

The present regulation is developed also on the basis of professional opinion and judgments of:

-Employees of UES FGC;

-Managements of accounts department of OJSC "Moscow United Electric Grid Company";

- Those responsible for formation full and trustworthy information about activity of the Company and its property status.

The Regulations are aimed:

-To declare the basic assumptions, requirements and approaches to the organization and conducting registration process (including drawing up of the reporting);

-To provide reliability of the prepared financial (accounting) reporting;

-To provide formation of full and trustworthy information about such objects of the tax accounting as incomes, charges, property, property rights, obligations and economic operations of the Company, the cost estimation of which defines tax base of the current reporting (tax) period;

-To provide the information to internal and external users for control of correctness of calculation, completeness and timeliness of payment to the budget of the sums of taxes in view of organizational and branch features of the Company;

-To provide representation of full and trustworthy information for formation of the actual data in system of budgetary management.

The present Regulation about the accounting policy should be used in their activities by:

-Heads and workers of all structural divisions, services and departments of the Company which are responsible for duly representation in accounts department of primary documents and other registration information;

-Heads and workers of all services and the departments responsible for duly and proved development, revision and bringing of the normative and help information up to executing divisions (including accounts department);

-The workers of accounts department who are responsible for duly and qualitative performance of all kinds of registration works and drawing up of the authentic reporting of all kinds.

Other executive documents of the Company should not contradict to the provisions of the present aspects of the accounting policy.

1.1. PRINCIPLES OF ORGANIZATION AND TASKS OF BOOK KEEPING

The responsibility for the organization of book keeping in OJSC «Moscow United Electric Grid Company» and observance of the legislation at performance of economic operations is born by general director OJSC «Moscow United Electric Grid Company».

The accounting and tax accounting is conducted by accounts department of OJSC «Moscow United Electric Grid Company» headed by chief accountant.

Chief accountant of OJSC «Moscow United Electric Grid Company» submits directly to the general director and bears the responsibility for formation of accounting policy, conducting book keeping, duly representation of the full and authentic accounting reporting.

The accounts department of the executive body carries out methodological management by accounting services of branches.

Branches of OJSC «Moscow United Electric Grid Company» have own accounting services which conduct the accounting and tax accounting, make incomplete accounting and tax interfirm reporting and represent them to accounts department of executive body OJSC «Moscow United Electric Grid Company».

Heads of branches are appointed by the order of general director OJSC «Moscow United Electric Grid Company» and act on the basis of the power of attorney.

The chief accountant of branch of OJSC «Moscow United Electric Grid Company» bears the responsibility for observance of the accepted accounting policy, conducting of book keeping, duly representation of the full and authentic accounting reporting to the executive body of OJSC «Moscow United Electric Grid Company».

The organizational structure of accounting service of the Company completely corresponds to organizational structure of the management of the enterprise.

1.2. FORMS OF PRIMARY ACCOUNTING DOCUMENTS AND RULES OF DOCUMENT CIRCULATION

Accounting registration records are made on the basis of the primary documents fixing the fact of fulfilment of economic operations.

In OJSC «Moscow United Electric Grid Company», the typical interdepartmental forms of the primary registration documents containing in albums of unified forms of primary accounting documentation are applied.

For registration of financial and economic operations on which typical forms of primary accounting documents are not stipulated, and also the internal accounting reporting, forms of primary accounting documents according to the appendix are approved for all branches.

The branches applying in addition the internal forms of primary accounting documents approve them by order of the head of branch. The given forms are without fail coordinated with chief accountant of OJSC «Moscow United Electric Grid Company» and should contain the following obligatory requisites (item 5 AR 1/98 «Accounting policy of organization» approved by order of the Ministry of Finance of Russia as of 29.07.1998 № 34H):

- 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 content of economic operation;
- Measuring instruments of economic operation in kind and terms of money;
- The name of posts of the persons responsible for fulfilment of economic operation and correctness of its registration;
- Personal signatures of the specified persons.

The primary documents made in foreign languages, should have line-by-line translation into Russian.

MOESK applies computer technology of processing of the primary registration accounting information by means of the specialized accounting program " 1C : Accounts department 7.7 and 8.0".

The primary and summary registration documents received with application of computer programs, are accepted to book keeping if they are issued on the paper carrier and contain obligatory requisites (Federal Law as of 21.11.1996 № 129-FL (as amended as of 30.06.2003) «On accounting», item 7 article 9).

Registers of the accounting, at conducting the accounting by the automated way, monthly are unpacked and signed by responsible persons, vised by the chief accountant or his assistant.

The following computer forms of accounting documents for the internal accounting reporting, created in system of accounting programs are established:

- turnover balance sheet;
- turnover balance sheet under account;
- journal- order (sheet);

Other registers of the accounting necessary for conducting of the analytical and synthetic accounting of economic operations according to requirements of normative documents and the information necessary for operative reception.

The validity of documents stored, processed and transferred by means of automated information and telecommunication systems, are proved 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 registration documents which were received in accounts department necessarily are exposed to check.

Check is carried out under the form (completeness and correctness of official registration of papers, filling of requisites), contents (legality of the documentary operations, logic coordination of separate parameters).

The primary accounting document should be made during the moment of fulfilment of operation and if it is not obviously possible - directly after its termination.

At acceptance of primary accounting documents to the accounting, the competences of the persons who signed them are controlled.

Heads of the Company, acting on the basis of powers of attorney have the right to sign primary accounting documents. Heads of branches have the right of signing primary accounting documents on the basis of the powers of attorney which were issued by the Company.

The documents reflecting economic operations, which assume movement of money resources (on accounts in banks, in cash department of the organization), are signed by heads of the Company, acting on the basis of powers of attorney, and the chief accountant, and persons authorized for this. At branches, the documents reflecting economic operations, which assume movement of money resources (on accounts in banks, in cash department of the organization), are signed by heads of the branch acting on the basis of the powers of attorney which were issued by the Company, and the chief accountant, and persons authorized for this.

The working plan of accounts (Federal Law as of 21.11.1996 № 129-FL (as amended as of 30.06.2003) «On accounting», item 2 article 17.) of book keeping, other documents of accounting policy, procedure of coding, the software data processing (with the instruction of terms of their use), accounting information on entering corrections into the accounting and the reporting are stored by the Company not less than five years after a year in which they were used for drawing up of the accounting reporting last time.

The responsibility for the organization of storage (Federal Law as of 21.11.1996 № 129-FL (as amended as of 30.06.2003) «On accounting», item 3 article 17.) of accounting documents, registers of book keeping is born by the head of the Company.

1.3. ORDER AND TERMS OF DRAWING UP OF REPORTING

Drawing up of the reporting is based on the given registers of book keeping. For maintenance of an individual responsibility of the personnel of accounts department registers quarterly are unpacked and signed by the persons (Federal Law as of 21.11.1996 № 129-FL (as amended as of 30.06.2003) «On accounting», item 2 article 10.) who have made them. These persons are responsible for correctness of reflection of economic operations in memory registers. (Federal Law as of 21.11.1996 № 129-FL (as amended as of 30.06.2003) «On accounting», item 2 article 10.)

Book keeping of property, obligations and economic operations of the Company is conducted in rubles (Federal Law as of 21.11.1996 № 129-FL (as amended as of 30.06.2003) «On accounting», item 1 article 8.) and copecks. The accounting reporting is made in thousands of rubles.

According to requirements of the above-named normative documents on conducting book keeping and accounting policy of OJSC «Moscow United Electric Grid Company», branches of the Company conduct the book keeping and tax accounting, make the reporting in accordance with the procedure established by executive body of OJSC «Moscow United Electric Grid Company», pay taxes according to requirements of the tax laws, bear the responsibility for timeliness of granting and correctness of calculation of taxable base under the taxes paid centrally, and for the organization of the accounting of the assigned property.

Branches of OJSC «Moscow United Electric Grid Company» are specified in the Charter of the Company. Branches of the Company are provided with property which is considered on their separate balance sheets. The property of branch is formed of the property (means) fixed at it by the Company, and also the monetary and material means got during its economic activities and entering into consolidated balance sheet of the Company. The property which is registered on balance of branch is the property of the Company.

Forms of the interfirm reporting are developed by OJSC «Moscow United Electric Grid Company» in view of grouping, ordering and generalization of the information.

Forms of the intermediate and annual accounting reporting in OJSC «Moscow United Electric Grid Company» are developed on the basis of the forms recommended by the Ministry of Finance of the Russian Federation, in view of the additional indicators entered by RAO "UES of Russia".

Accounting reporting of OJSC «Moscow United Electric Grid Company» is made in accordance with the procedure and the term stipulated by statutory acts on book keeping. It is formed by accounts department of the executive body on the basis of the generalized information on property, obligations and results of activity in view of the information given by accounts departments of branches.

With a view of formation by RAO "UES of Russia" of the consolidated reporting on IFRS, OJSC «Moscow United Electric Grid Company» systematizes and transfers to RAO "UES of Russia" the financial information in the form of the consolidated tables-decodings developed by RAO "UES of Russia".

The accounting reporting is signed by the head and the chief accountant of the Company.

In the report on profits and losses the financial result of the reporting period is reflected as net profit, i.e. the final financial result revealed for the reporting period, net of taxes due to profit and other similar obligatory payments, including sanctions for non-observance of rules of the taxation, and also in view of the postponed tax assets and the postponed tax obligations. (Order of Ministry of Finance Of Russia as of 22.07.2003 № 67H)

The annual accounting balance and the report on profits and losses of OJSC «Moscow United Electric Grid Company» are considered and adopted by general meeting of shareholders.

To the reporting submitted for approval to meeting of shareholders, the final part of the auditor report (Order Of Ministry of Finance of Russia as of 06.07.1999 № 43H «On adoption of regulations on accounting «Accounting reporting of organization » (AR 4/99)», item 41) which was given out by results of obligatory audit of the accounting reporting is applied.

The decision made by annual meeting of shareholders of the Company on distribution of profit of fiscal year is reflected in the accounting reporting in the period when the meeting was held, i.e. in the year following after the fiscal year.

Accounting reporting OJSC «Moscow United Electric Grid Company» is represented in terms and addresses stipulated by constituent documents, legislation of the Russian Federation and directive documents of RAO "UES of Russia".

Approved annual accounting reporting of OJSC «Moscow United Electric Grid Company» is published not later than on June 1st of the year following after the reporting year (item 15 and 16 Laws « About book keeping »).

The intermediate accounting reporting (Federal Law as of 21.11.1996 № 129-FL (as amended as of 30.06.2003) «On accounting», item 2 article 15.) of the Company is made within 30 days upon termination of a quarter, annual - in the term established by the legislation of the Russian Federation and directive documents of RAO "UES of Russia", but not later than 90 days upon termination of a year.

Contents of registers of book keeping and internal reporting are a trade secret, and in the cases stipulated by the legislation of the Russian Federation, - state secret. The persons who got access to the information, containing in registers of book keeping and in the internal reporting, are obliged to keep trade secret. They bear the responsibility established by the legislation of the Russian Federation for its disclosure.

1.4. ORDER OF FORMATION, ADOPTION AND CHANGE OF ACCOUNTING POLICY

Within a year the chief accountant of the Company carries out preparation and substantiation of decisions on change (Order Of Ministry of Finance of Russia as of 09.12.1998 № 60H (as amended as of 30.12.1999) « On adoption of regulations on accounting «Accounting policy of organization » AR 1/98», item 18, 17, 9.) of various Positions of accounting policy which can be accepted to execution, since next year.

Any change of accounting policy is made out in the form of additions and changes for the present Position which are approved by the head of the Company.

Changes of accounting policy appear the Company in an explanatory note (Order of Ministry of Finance Russia as of 09.12.1998 № 60H (as amended as of 30.12.1999) « On adoption of regulations on accounting «Accounting policy of organization» AR 1/98», item 23.) to the accounting reporting for a year previous year of the beginning of their application.

In case of occurrence in economic activities of the Company of the new (Order Of Ministry of Finance of Russia as of 09.12.1998 № 60H (as amended as of 30.12.1999) « On adoption of regulations on accounting «Accounting reporting of organization» AR 1/98», item 16.) facts of economic activities which ways of book keeping are not determined in the accounting policy, addition to the accounting policy is made. Addition to the accounting policy is made in the form of addition to the present Regulations which is not considered as its new edition and applied from the moment of the adoption.

Disclosing of ways of the book keeping accepted at formation of accounting policy which essentially influence estimation and decision-making by interested users of the accounting reporting, is carried out by the Company by inclusion of extracts from the present regulations in an explanatory note (Order Of Ministry of Finance of Russia as of 09.12.1998 № 60H (as amended as of 30.12.1999) «On adoption of accounting regulations «Accounting policy of organization» AR 1/98», item 15.) to the accounting reporting for a fiscal year.

Essential (Order Of Ministry of Finance of Russia as of 09.12.1998 № 60H (as amended as of 30.12.1999) « On adoption of regulations on accounting «Accounting reporting of organization»» AR 1/98», item 11) ways of conducting book keeping are ways, without knowledge of which application by the interested users of the accounting reporting the authentic estimation of a financial position, movement of money resources or financial results of activity of the Company is impossible.

1.5. APPLIED PLAN OF ACCOUNTS

In OJSC «Moscow United Electric Grid Company» the working plan (Order Of Ministry of Finance of Russia as of 09.12.1998 № 60Н (as amended as of 30.12.1999) « On adoption of regulations on accounting «Accounting reporting of organization»» AR 1/98», item 5.) of accounts of the book keeping, developed on the basis of the typical Plan of accounts recommended to use of RAO "UES of Russia" is applied.

The working plan of accounts of book keeping is obligatory for application by all workers of accounts department of the Company and is applied during conducting book keeping in branches. The right to enter, specify and exclude the subaccount to synthetic accounts is given to the chief accountant of the Company, to establish additional systems of the analytical accounting.

Reflection in the accounting of economic operations is made according to the working Plan of accounts OJSC «Moscow United Electric Grid Company». The Company conducts book keeping of property, obligations and economic operations by way of double record according to the Plan of accounts of book keeping.

1.6. APPLIED INTERNAL STANDARDS OF ACCOUNTING

The Company applies internal registration rules (intrafirm standards of the accounting) which are developed on the basis of typical intracorporate standards of the accounting.

Intrafirm standards of the accounting contain requirements (detailed instructive material) to conducting book keeping of concrete economic operations of the Company, the organization of document circulation.

Intrafirm standards of the accounting are obligatory to application by all employees of the Company.

All current changes in the intrafirm standards of the accounting caused by change of the legislation, character of performed operations or the organizations of registration process is made out by the order of the chief accountant of the Company.

1.7. ORDER OF CARRYING OUT OF INVENTORY OF ASSETS AND OBLIGATIONS

Inventory of property and obligations is made according to the Law of the Russian Federation from November, 21st 1996 129-FL «About book keeping» and Methodical instructions on inventory of property and the financial obligations, approved by the order of the Ministry of Finance of Russia from 13.06.1995 49.

The order, terms of carrying out of scheduled inventory and structure of the central inventory commission are established by the order of general director OJSC «Moscow United Electric Grid Company», and when carrying out of inventory is obligatory - on the basis of orders of heads of branches. The statement and structure of the inventory commissions on places is established by the order of the head of branch.

2. METHODOLOGICAL ASPECTS OF ACCOUNTING POLICY

The present section states the selected ways of conducting the book keeping, essentially influencing estimation and decision-making by users of the reporting which are typical at formation of accounting policy of the Company.

2.1. GENERAL REQUIREMENTS TO REPORTING. REQUIREMENTS AND ASSUMPTIONS ACCEPTED AT CONDUCTING OF ACCOUNTING AND DRAWING UP OF REPORTING. REQUIREMENTS TO INFORMATION FORMED BY SYSTEM OF BOOK KEEPING

The system of book keeping of the Company should provide reliability, completeness and trustworthiness of the accounting information at an admissible level of costs on its formation and representation.

Authentic and full reporting is reporting generated by rules, established statutory acts on book keeping.

Reporting is reliable, if it does not contain essential mistakes. It is possible to count on absence of mistakes in connection with the multilevel control of reliability of conducting the accounting and drawing up of the reporting of the Company: the control of the expert who is carrying out corresponding accounting procedures, the control of the head of structural division of the accounts department signing summary accounting registers, the control of internal control and auditing service, auditor checks.

The information (except for reports of special purpose) should be neutral, i.e. free from being one-side, from unilateral accounting of requirements of one of users of the reporting (for example, tax bodies). The information is not

neutral if by means of selection or form of representation it influences decisions and estimations of interested users for the purpose of achievement of the predetermined results or consequences.

The structure of the external reporting for its users is formed by the information on the property status of the Company (it is represented in the form of balance sheet - Form No. 1), financial results of activity and changes in financial position of the Company (it is represented in the form of the report on profits and losses - Form No. 2), decoding and explanatory useful for the broad audience of interested users at decision-making (it is represented in the form of appendices to balance sheet - forms 3 «statement of changes in equity», 4 «cash flow statement», 5 «appendix to balance sheet» and in explanatory note).

The basic sections of an explanatory note are defined in item 4 article 13 the Federal law from November 21st, 1996 N 129-FL «About book keeping».

In particular:

- Information on the organization;
- Financial position of the organization;
- Comparability of data for the reporting year and the previous years;
 - Methods of estimation and essential items of the accounting reports:
- On intangible assets and research and development;
- On fixed assets and profitable investments;
- On inventories;
- On financial investments;
- Under credits and loans;
- On calculation of the profit tax;
- On course differences;
- On events after accounting date;
- On the conditional facts of economic activities;
- On stopped activity;
- On affiliated persons;
- On the state assistance;
- The facts of non-use of rules of book keeping;
- Changes in the accounting policy for the next financial year.

The structure of an explanatory note can be other if the facts of separate sections (for example, non-use of rules of book keeping, change in the accounting policy) are absent, or activity of the organization demands expansion of explanatory.

The annual reporting is represented by the Company as full forms with enclosing an explanatory note, the intermediate reporting is represented by the Company in volume of balance sheet and report on profits and losses.

Concerning the information for internal users, the purpose of book keeping consists in formation of the information useful for the management of the Company for taking administrative decisions. The management of the Company is interested in the information represented to external users, and in the various additional information which is represented in forms of the internal reporting in the volume approved by the head of the Company or the person authorized by him.

At formation of the information the Company is guided by the standard requirements to conducting the accounting and drawing up of the reporting: the requirement (Order Of Ministry of Finance of Russia as of 09.12.1998 № 60H (as amended as of 30.12.1999) «On adoption of regulations on accounting «Accounting reporting of organization»» AR 1/98», item 7.) of discretion, the requirement of completeness, the requirement of rationality, the requirement of consistency, the requirement of priority of the contents in relation to the form.

Besides the specified requirements, the accounting process (including formation of the reporting) is conducted by the Company proceeding from the following assumptions (Order Of Ministry of Finance of Russia as of 09.12.1998 № 60H (as amended as of 30.12.1999) «On adoption of regulations on accounting «Accounting reporting of organization»» AR 1/98», item 6.):

-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 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 that reporting 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 ACCOUNTING

Assets of the Company are subdivided into assets and expenses (incomplete investments in creation of assets).

During the reporting period the Company carries out use (expenditure) of resources of various kinds: material, financial, labour and other. The cost estimation of the used resources accepted to the accounting is qualified as an expense (noncompleted investments in creation of assets).

Upon termination of the period the accumulated expenses lead to formation of assets (fixed assets, finished goods, etc.), or charges (decision-making about write-off on losses of incompleting capital investments 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 end of the period of accumulation of expenses is defined by that moment when conditions of recognition of assets are observed or when it becomes obvious that the incurred expenses reduce economic gains of the Company without creation of any asset.

Expenses are divided into capital (non-current) and current (working).

Capital expenses in the Company are expenses, the purpose of which is creation of non-current assets, including expenses for purchase of new objects, new construction, expansion, reconstruction, modernization and re-equipment.

All other expenses are recognized by the Company *as current*.

Cost estimation of the used resources - expenses - preliminary calculated on calculation accounts, for example:

-Expenses for production of goods, works, services (current) - account 20, 25;

-Expenses of auxiliary manufacture - account 23

-Expenses - common economic - account 26;

-Expenses for purchase (creation) of non-current assets (capital investments) - account 08.

On accounts of the accounting of expenses on purchase (creation) of non-current assets, the accounting of expenses is conducted object-by-object. (Order of Ministry of Finance of Russia as of 30.03.2001 № 26H «On adoption of accounting regulations «Accounting of fixed assets» AR 6/01», item 6.)

On accounts of the accounting of expenses on purchase of current assets, the accounting of expenses is conducted with a breakdown into nomenclature (Order of Ministry of Finance of Russia as of 09.06.2001 № 44H «On adoption of accounting regulations «Accounting of inventories» AR 5/01», item 3.) numbers, parties, homogeneous groups of inventories.

Upon termination of the period of accumulation of expenses, the Company recognizes that realization of expenses has led to creation of an asset if there was a formation of object of property, from use or alienation of which the economic gain in the future is expected. The Company recognizes as assets only the objects of property belonging to it under the property right (an assumption of property isolation) (Order of Ministry of Finance of Russia as of 09.12.1998 № 60H «On adoption of accounting regulations «Accounting policy of organization» AR 1/98», item 6.).

The future economic gains («Concept of accounting in market economy of Russia» (adopted by the Methodical Council on Accounting under the Ministry of Finance of Russia as of 29.12.1997), item 7.2.1.) are a potential opportunity of property directly or indirectly to promote inflow to the Company of money resources or their

equivalents. It is considered that the object of property will bring economic gains in the future when it can be:

- used separately or in combination with other object during production of products, works, services intended for sale;
- changed for other object of property;
- used for repayment of payables;
- distributed between proprietors.

In order to make the object of property recognized in book keeping, its cost should be measured with a sufficient degree of reliability («Concept of accounting in market economy of Russia» (adopted by the Methodical Council on Accounting under the Ministry of Finance of Russia as of 29.12.1997), item 8.3.). The Company recognizes measurement of cost reliable enough when the object of property is ready to use for the planned purposes, and all expenses on its bringing up to this condition are recognized in the accounting and estimated on the basis of settlement documents, contractual or market quotations and tariffs.

At change of requirements of normative documents on qualification of separate objects of the accounting, the Company qualifies all objects of the accounting according to new requirements - both got before the specified changes, and got after their putting into effect (maintenance of uniformity of the accounting of property).

If realization of expenses has not led to creation of an asset, the Company's charges are recognized upon termination of the period of accumulation of expenses. At the same time charges (Order Of Ministry of Finance of Russia as of 06.05.1999 № 33H «On adoption of accounting regulations «Expenses of organizations» AR 10/99», item 2.) are reduction of economic gains of the Company as a result of retirement of assets (money resources, other property) and (or) the occurrence of obligations leading to reduction of the capital (except for reduction of contributions of participants).

The Company recognizes charges only in the event that retirement of assets has *unconditional character*. If under certain conditions retired assets will be returned to the Company, the accounting recognizes debts receivable or formation of other assets (for example, financial investments).

The Company does not recognize (Order Of Ministry of Finance of Russia as of 06.05.1999 № 33H « On adoption of accounting regulations «Expenses of organizations » AR 10/99», item 3.) as charges money resources and other property transferred with a condition of possible or obligatory subsequent return (the issued loans, advance payments, transfer of property for sale to the commission agent or the attorney, the sums of the turnaround taxes allocated as a separate line in settlement documents with suppliers, etc.).

Incomes (Order Of Ministry of Finance of Russia as of 06.05.1999 № 32H «On adoption of accounting regulations «Incomes of organizations » AR 9/99», item 2.) are understood as increase in economic gains of the Company as a result of receipt of assets (money resources, other property) or repayments of the obligations, leading to increase in the capital, except for contributions of participants (proprietors of property).

The Company does not recognize (Order Of Ministry of Finance of Russia as of 06.05.1999 № 32H « On adoption of accounting regulations «Incomes of organizations » AR 9/99», item 3.) as incomes receipt of money resources and other property received with a condition of possible or obligatory subsequent transfer to other participants of economic turnover (the received loans, received advance payments, sums of current taxes allocated in the separate line in settlement documents with buyers, etc.).

The Company recognizes payables («Concept of accounting in market economy of Russia» (adopted by the Methodical Council on Accounting under the Ministry of Finance of Russia), item 7.3.) if there is a probability of outflow of resources of the Company, capable to bring economic gains which are consequence of execution of the existing obligation in the accounting, and the size of this obligation can be measured with a sufficient degree of reliability.

The capital («Concept of accounting in market economy of Russia» (adopted by the Methodical Council on Accounting under the Ministry of Finance of Russia), item 7.4.) of the Company is the sum of cost of assets minus amount of its obligations (payables).

2.3. GENERAL APPROACHES TO ESTIMATION OF OBJECTS OF ACCOUNTING

In the accounting the Company makes estimation of acceptance of property and obligations in money terms. The estimation of property is carried out as follows:

-The property (Order Of Ministry of Finance of Russia as of 30.03.2001 № 26H «On adoption of accounting regulations «Accounting of fixed assets» AR 6/01», item 9.) received by the Company as the contribution to the authorized capital, is estimated in money determined by founders (shareholders) of the Company, according to requirements of the current legislation;

-The property purchased by the Company for payment (Order Of Ministry of Finance of Russia as of 29.07.1998 № 34H «On adoption of regulations on conducting book keeping and accounting reporting in the Russian Federation», item 23.), is estimated on the sum of actually made expenses for its purchase. In case of insignificance of size (3 % from contractual cost) expenses for purchase of securities (except for the sums paid according to the contract to the seller) such expenses are recognized by the Company as miscellaneous costs (Order of Ministry of Finance of Russia as of 10.12.2002 № 126H «On adoption of accounting regulations «Accounting of fixed assets» AR 19/02», item 11.);

-The property made in the Company (Order Of Ministry of Finance of Russia as of 29.07.1998 № 34H « On adoption of regulations on conducting book keeping and accounting reporting in the Russian Federation », item 23.), is estimated under the cost price of its manufacturing (the actual expenses connected with manufacture of object of property);

-The material assets remaining from write-off of unsuitable to restoration and further use of fixed assets (Order Of Ministry of Finance of Russia as of 29.07.1998 № 34H « On adoption of regulations on conducting book keeping and accounting reporting in the Russian Federation », item 54.), the spare parts (Order Of Ministry of Finance of Russia as of 13.10.2003 № 91H «On adoption of methodical indications on accounting of fixed assets», item 79.) formed as a result of restoration of fixed assets (reconstruction, modernization, repair) are estimated at current market cost for date of write-off of fixed assets or for date of acceptance to the accounting of spare parts;

- The property received by the Company gratuitously and the property revealed at carrying out by the Company of inventory of assets and obligations (Order Of Ministry of Finance of Russia as of 13.10.2003 № 91H « On adoption of methodical indications on accounting of fixed assets », item 36.) is estimated at current market cost for date of acceptance of property to the accounting. Current market cost is understood as the sum of money resources which can be received as a result of sale of named asset for date of acceptance to book keeping. 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 expert (Order of Ministry of Finance of Russia as of 29.07.1998 № 34H «On adoption of regulations on accounting conducting book keeping accounting reporting in the Russian Federation », item 23.).

At definition of current market cost, data about the prices for the similar fixed assets received in writing from the organizations-manufacturers, data on price level, available at bodies of the state statistics, trading inspections, and also in mass media and the special literature, expert judgments (for example, appraisers) about cost of separate objects of fixed assets can be used (Order Of Ministry of Finance of Russia as of 13.10.2003 № 91H «On adoption of methodical instructions on accounting of fixed assets», item 29.). The expert judgment is understood as the report of the independent expert or the authorized experts 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 it as members of constantly operating commission on acceptance to the accounting or write-off of property.

Current market cost of the securities having market quotations, is accepted at a rate of their market price (Order Of Ministry of Finance of Russia as of 10.12.2002 № 126H «On adoption of accounting regulations «Accounting of financial investments» AR 19/02», item 13.) calculated according to the established procedure by the organizer of trade on securities market and confirmed documentary (statement in professional press, listing of a stock exchange, etc.);

-The property received by the Company under contracts, providing execution of obligations (payment) not by money (in particular under contracts of change) (Order Of Ministry of Finance of Russia as of 30.03.2001 № 26H «On adoption of accounting regulations «Accounting of fixed assets» AR 6/01», item 11.), is estimated at cost of the values which are transferred or subject to transfer to the Company. Cost of the values which are transferred or subject to transfer to the Company is established according to the price at which in similar circumstances the Company usually defines cost of similar values.

At estimation of the property got on any bases, its actual cost is formed with addition of the expenses incurred by the Company on bringing of property up to condition suitable for use (on carrying out of examinations, consultations and estimations, on payment of services of agents and other intermediaries, on delivery, installation and trial start-up, registration of transactions, payment of duties, etc.). (Order of Ministry of Finance of Russia as of 30.03.2001 № 26H «On adoption of accounting regulations «Accounting of fixed assets» AR 6/01», item 12.)

The estimation of property and obligations, which cost at purchase (occurrence) is expressed in a foreign currency, is made in rubles by recalculation of foreign currency at the rate of the Central bank of the Russian Federation, acting on date of acceptance of objects of property to book keeping.

Cost of property in which they are accepted to book keeping, is not subject to change, except for the cases established by the legislation of the Russian Federation.

For non-current assets (except for intangible assets) change is supposed in case of completion (Order Of Ministry of Finance of Russia as of 30.03.2001 № 26H «On adoption of accounting regulations «Accounting of fixed

assets» AR 6/01», item 14.), additional equipment, reconstruction, modernization, partial liquidation and reassessment of objects of fixed assets.

For current assets it is supposed in case inventories have morally become outdated, the initial quality or current market cost which cost of sale has decreased have in full or in part lost. (Order Of Ministry of Finance of Russia as of 09.06.2001 № 44H «On adoption of accounting regulations «Accounting of inventories» AR 5/01», item 25.)

For financial (Order Of Ministry of Finance of Russia as of 10.12.2002 № 126H «On adoption of accounting regulations «Accounting of financial investments» AR 19/02», item 20.) investments on 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 (fixed assets, inventories, etc.) of documents on cost of the received objects they are accepted to the accounting by conditional estimation in view of contractual cost, charges on the delivery, transport waybills defined according to data and other transport documents.

In the reporting the property related to depreciated assets (fixed assets, intangible assets and profitable investments in material assets), is reflected at residual cost (initial value minus the added amortization).

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, reconstruction, modernization, expansion and modernisation (in the further - construction);

Purchase of buildings, construction, equipment, vehicles and other separate objects (or their parts) of fixed assets;

Purchase of land areas and objects of wildlife management;

Purchase and creation of assets of intangible 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 erection works after input of the specified objects in the operation, issued by corresponding certificates, and in necessary cases - with registration of the certificate on the state registration of the property right to the real estate.

At acceptance to the accounting of object of the real estate as object of fixed assets the sum of actual expenses on its creation, considered as capital investments in the given object, forms an initial project cost of fixed assets:

To 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 on registration of the property right to object;

To fixed assets entering into the estimates of construction sites (intended for operation in objects in the process of construction), - after commissioning all object of construction;

To fixed assets demanding installation, - after end of process of installation;

To fixed assets which do not demand installation, - after receipt of object from supplying division in maintaining division. Thus if the maintaining division places the received object on warehouse in the accounting, it is reflected as object of fixed assets in the stock (in the reserve).

The accounting of investments in non-current assets is conducted as a whole on construction, on separate objects of investments.

Object of construction - separately located building or construction, kind or complex of works the design-budget documentation on construction of which should be made.

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 common site works (vertical lay-out, accomplishment, gardening, etc.).

The accounting of expenses is conducted by an accruing result from the beginning of construction of object with a breakdown into the reporting periods before input of objects in operation or full manufacture of corresponding works. The builder (customer) of construction keeps accounting expenses for accounting 08 «Investments into non-current assets».

The builder is understood as a legal person who owns as the property or rent a land plot and has made a decision on realization of the program of construction on it of a complex of objects, defining methods of financial maintenance 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 up to input of objects in the operation, considered as capital investments under accounting 08 «Investments into non-current assets».

The accounting of incomplete construction is conducted:

- As a whole on construction;
- In separate turns;
- On separate objects of construction;
- On 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 corresponding object.

The technological structure of charges provides, in particular, charges:

- On civil work;
- Works on installation of equipment;
- Purchase of the equipment which has been handed over for installation;
- Purchase of the equipment which does not demand installation, tool and stock, equipment demanding installation, but intended for constant stock;
- Other capital expenses.

Capital investments in the form of construction (reconstruction, modernization) of objects performed in the economic way are reflected in the accounting monthly, in process of their formation. Thus the division which carries out capital investments reflects them in account 08 «Investments into non-current assets» monthly.

The capital investments which have been carried out during works of capital character, executed for the Company by outside contract organizations are reflected in the accounting in 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 signing of contracts of share construction of objects are possible:

The Company enters joint activity which subject is construction of object. A distinctive attribute of such contract is that under such contract all of 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 object. In this case actually only one of the parties (builder-customer) is engaged in construction, the other party (parties) only invests money resources for reception of demanded result - is the investor.

In the first case, the relations of the parties are reflected according to the order established for joint activity.

The contribution of the Company to joint activity is reflected in accounting 58 «Financial investments. Contributions under the contract of simple company». Reception of contributions and expenses on construction are considered on separate balance of joint activity by the party to which according to the contract such duty is assigned.

Upon termination of construction the Company forms payables on the completed capital investments due to it, which is reflected in account 08 «Investments in non-current assets». Thus, commissioning of the object of finished construction (regarding that belonging to the Company according to contract provisions) is reflected in the accounting of the Company. Such object of fixed assets which is the property of two or several organizations is reflected in structure of 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 receivables in separate account 76 «Settlement of accounts with different debtors and creditors » (including payment of services of the customer-builder).

If the Company carries out duties of the customer-builder the means of other investors received by it are reflected as long-term payables. 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 accounting of sales (account 90 "Sale").

Expenses on capital construction are considered on balance of the Company:

-At structural division - the executing party of civil work under the account of expenses;

-At structural division - the customer-builder under the account 08 «Investments into non-current assets» in process of end and acceptance of civil work (stages of works).

After end of construction these expenses are transferred to investors

(In the share due by it) for reflection by them in structure of capital investments and the subsequent transfer in structure of 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). The Company refers assets to investment assets, the cost of which is more than 10 billion rubles and formation is more than 5 years.

The expenses connected with reception and use of loans and credits, include:

The interests which are due for payment to creditors under loans received from them and credits;

Interest, discount under bills due for payment and bonds;

The additional expenses made in connection with reception of loans and credits, issuance and placement of extra obligations.

The additional expenses made by OJSC «Moscow United Electric Grid Company» in connection with reception of loans and credits, issue and placement of extra obligations, include the charges connected with:

Rendering by OJSC «Moscow United Electric Grid Company» of legal and consulting services;

Realization of multiple copying works;

Payment of taxes and tax collections (in the cases stipulated by the legislation);

Other expenses directly connected with reception of loans and credits, placement of extra obligations.

Write-off of additional expenses of the loans connected with reception and credits, is carried out by placement of extra obligations due to miscellaneous costs of OJSC «Moscow United Electric Grid Company» in the reporting period in which the specified charges have been made.

Expenses under the received loans and credits directly concerning purchase and (or) construction of investment asset, join in cost of this asset and are repaid by means of charge of amortization, except for cases when charge of amortization of an asset is not stipulated by rules of book keeping.

Expenses under the received loans and the credits connected with formation of an investment asset on which by rules of book keeping amortization is not charged, do not join in cost of such asset, and is related to the operational expenditure of the organization.

Inclusion of expenses under the received loans and credits in initial value of an investment asset is made at presence of following conditions:

Occurrence of charges on purchase and (or) construction of an investment asset;

The actual beginning of the works connected with formation of an investment asset;

Presence of actual expenses under loans and credits or obligations on their realization.

If the investment asset is not accepted to book keeping as object of fixed assets or a property complex (under corresponding clauses of assets), but actual output, performance of works, rendering of services started, inclusion of expenses under the given loans and credits in initial value of an investment asset stops from the first date following after month of the actual beginning of operation. (items 11, 19, 20, 23, 27, 31 AR 15/01)

Expenses under the received loans and credits incurred prior to the beginning of manufacture of works on creation of investment assets, and also objects of the investments, which are not referred to investment assets do not join in cost of investments in non-current assets, and are related to miscellaneous costs of the Company in structure of miscellaneous costs.

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 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.

It is not considered cessation of work on formation of an investment asset the period in which the additional coordination arisen during construction of an of asset technical and (or) organizational questions is carried out.

Reception of the loans provided by own bill.

Debts of OJSC «Moscow United Electric Grid Company» before loan granters provided by issued own bills, is considered separately on account 66 «Calculations under short-term credits and loans» - are short-term, on account 67 «Calculations under long-term credits and loans» - long-term. Simultaneously own bills which were issued for security of loans are considered separately on off-balance account 009 «Obligations payable» at the par value. (Plan of accounts № 94H, section VI, off-balance accounts)

Order of accounting of incomes from time investment of extra means

In OJSC «Moscow United Electric Grid Company» expenses under the received loans and credits, connected with purchase of an investment asset, decrease by size of the income of time use of extra means as long-term and short-term financial investments. (item 26 AR 15/01)

Order of accounting of debts under received loans and credits

The basic sum of debt under the loan received from the creditor or the credit is considered in OJSC «Moscow United Electric Grid Company» according to contract provisions in the sum of actually received money resources or in a cost estimation of other things stipulated by the contract. (Item 3 AR 15/01)

Translation of long-term debts into short-term debts

OJSC «Moscow United Electric Grid Company» makes translation of long-term debts into short-term. (Items 6 and 32 AR 15/01)

Estimation of debts under received credits and loans

The payables under the received credits and loans is considered and reflected in the reporting in view of due as of the end of the reporting period to payment of percent according to treaty provisions.

The added sums of percent are considered separately. (Item 73 of Regulations № 34H., plan of accounts № 94H, section VI., items 16, 17 AR 15/01)

Accounting of the operations connected with issuance of bonds

Book keeping of the operations connected with issue of bonds is conducted on account 67 «Calculations under long-term credits and loans». The size of the coupon income in percentage and the price of sale (distribution) is defined by the decision of Board of Directors OJSC «Moscow United Electric Grid Company».

Charge of due income (percent or discount) under the placed bonds is made according to contract provisions and reflected by OJSC «Moscow United Electric Grid Company» in miscellaneous costs of those reporting periods to which the given charges are related.

The organization - the issuer does not consider preliminarily the sum due to payment to the creditor of the income under the sold bonds as charges of the future periods. (Plan of accounts № 94H, section VI, item 18 AR 15/01)

2.4.4. Fixed assets

The fixed assets are recognized by the Company as assets concerning which the following conditions are simultaneously satisfied:

-Use in production is supposed, at performance of works or rendering of services or for administrative needs for a long time (term of useful life duration over 12 months or usual operational cycle if it exceeds 12 months);

-Ability to bring economic gains (income) in the future, and the subsequent resale of the given assets is not stipulated. (Order Of Ministry of Finance of Russia as of 30.03.2001 № 26H (as amended as of 18.05.2002) «On adoption of accounting regulations «Accounting of fixed assets AR 6/01», item 4).

The assets concerning which the conditions stipulated by the present Regulations are met, and in cost within the limits of no more than 20000 rubles per unit, are reflected in book keeping and the accounting reporting in structure of inventories.

fixed assets intended only for granting in time possession and using with the purpose of reception of the income are considered by OJSC «Moscow United Electric Grid Company» in the structure of profitable investments in material assets, accounting 03 Profitable investments in material assets.

The objects which are registered in structure of fixed assets, but subjects of obligatory state registration till the moment of the state registration, are considered in structure of fixed assets separately.

At presence of library fund cost of the printed editions included in fund, is enlisted in structure of fixed assets under the debit of account 01 «fixed assets» in correspondence from the credit of account 08 «Investments in non-current assets».

The Company does not recognize objects concerning which at their acceptance to the accounting (during the moment of qualification) the decision on alienation in favor of other persons is accepted as fixed assets - resale is supposed, change, etc. In this case the object is qualified by the Company as the goods.

Inventory object of fixed assets the separate structurally isolated subject intended for performance of certain independent functions or the isolated complex of structurally jointed subjects, representing a single whole and intended for performance of the certain work is recognized. (Order of Ministry of Finance of Russia as of 30.03.2001 № 26H «On adoption of accounting regulations «Accounting of fixed assets» AR 6/01», item 6.)

If one or several subjects of one or different purpose represent the isolated complex of structurally jointed subjects having the general adaptations and accessories, the general management, mounted on one base therefore each of subjects can carry out the functions only in structure of complex, to the accounting as inventory object all complex as a unit is accepted.

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 fact, the specified part of object can to carry out independent function or not.

As independent inventory objects are accepted:

- Capital investments in the rented objects of fixed assets;
- Capital investments on radical improvement of the grounds (drying, irrigating and other ameliorative works);
- Shares of objects of fixed assets which are being the share property of the Company and another (others) of the proprietor (organizations).

Computers can be considered as the separate structurally isolated subject having number or as object, consisting of separate subjects (the system block, the monitor, etc.), each of which has the accession number.

The fixed assets are accepted to book keeping at the initial value defined depending on a way of receipt - purchase to payment, creation by own forces (construction), gratuitous reception, etc.

In initial value of fixed assets got for payment, the sum of actual expenses of the Company on purchase, a construction and manufacturing (except for the value added tax and other compensated taxes) is recognized. (Order of Ministry of Finance of Russia as of 30.03.2001 № 26H (as amended as of 18.05.2002) «On adoption of accounting regulations «Accounting of fixed assets» AR 6/01», item 8.)

- The actual expenses include:
 - The sums, paid to suppliers according to the contract of delivery;
 - The sums paid to the foreign organizations for services on delivery of property up to warehouses (including the tariff);
 - The sums, paid to the organizations for the information and consulting services connected with purchase of fixed assets;
 - The customs duties and the custom charges;
 - Not compensated taxes, a State Tax, paid in connection with purchase of object of fixed assets;
 - The compensations paid of the intermediary organization through which the object of fixed assets is got;
 - Expenses for carrying out of 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 with the purpose of quality check of their installation, spent "empty";

-common economic and other similar charges, in case they are directly connected with purchase of object of fixed assets;

-Other expenses directly connected with purchase, construction and manufacturing of object of fixed assets and its bringing up to a condition in which it is suitable to use (for example, charges on opening the letter of credit for purchase of fixed assets, travelling and living expenses, including over the norms established by the legislation if they are directly connected with purchase of fixed assets).

Do not join in actual charges on purchase and creation of fixed assets (except for investment assets):

The interests which are due for payment to creditors under loans received from them and credits;

Interest, discount under bills due for payment and bonds

At reception of fixed assets as the contribution to charter capital in initial value is recognized the monetary estimation of fixed assets coordinated by founders (participants). At reception of fixed assets under the contract of donation and other cases of gratuitous reception in initial value their current market cost for date of acceptance to book keeping is recognized.

In initial value of fixed assets received under contracts, providing execution of obligations (payment) not money resources, cost of the values which are transferred or a subject transfer from the organization is recognized. Cost of the values which are transferred or subject to transfer by the organization, is established proceeding from the price on which in comparable obligations OJSC «Moscow United Electric Grid Company» usually defines cost of similar values.

At impossibility to establish cost of the values which are transferred or subject to transfer, cost of fixed assets received by the organization under contracts, providing execution of obligations (payment) not money resources, it is defined proceeding from cost on which in comparable circumstances similar objects of fixed assets are got.

In initial value of fixed assets received instead of retirement property within the limits of agreements on indemnification of losses and transfer of property rights, cost of actual expenses for construction of object of the transferring party, specified in the certificate приемки-assignment is recognized.

The estimation of object of fixed assets, which cost at purchase is expressed in a 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 date of acceptance of object to book keeping on accounting 01 « fixed assets ». The difference arising at it between the estimation of fixed assets reflected in the accounting of the accounting of fixed assets, and estimation on the accounting of the accounting of investments in non-current assets is written off on the accounting of the accounting of profits and losses as other incomes (charges).

Charges on internal moving objects of fixed assets between divisions of the Company, in initial value do not join, and concern on current expenses.

The basis for acceptance to the accounting of fixed assets received on internal moving between divisions of the Company, is the waybill on internal moving of objects of fixed assets (form OS-2) and a card of the accounting of fixed assets (form OS-6).

The objects of fixed assets accepted or transferred to is material-responsible storage are considered on off-balance accounting 002 «Commodity-material assets, accepted on responsible storage» in the prices stipulated in acceptance reports.

If the Company makes a decision on the full termination of own operation of separate objects of a fixed capital in the accounting depending on a situation, the following is reflected:

-Preservation of the specified objects - then the given objects stand apart in the analytical accounting;

-Transfer of the specified objects to other users on the basis of for-a-fee contracts (rent, hire) - then the given objects are transferred on the accounting of the accounting of profitable investments to material assets;

-Write-off from the accounting of constantly unused objects (moral and-or physical deterioration) - then the Company recognizes non-operating expenses.

Write-off of cost of separate objects of fixed assets

The assets purchased after 01.01.2006 up to 01.01.2008 in cost no more than 10000 rubles and with 01.01.2008 no more than 20 000 rubles per unit are reflected in book keeping and the accounting reporting in structure of inventories in accounting 10 "Material". Concerning these assets forms of primary registration documents under the accounting of fixed assets are not applied., in particular, OS-1 are not made out at reception-transfer of fixed assets, form N OS-2 at internal moving objects, form N OS-4 at their retirement, does not open an inventory card of the accounting of fixed assets form N OS-6, etc.

With a view of maintenance of safety of these assets in manufacture or at operation in OJSC « Moscow United Electric Grid Company » the credit order under form N M-4, the requirement-unprofitable under form N M-11, a card of the accounting of materials under form N M-17 is made on them, etc.

On the got vehicles, including during leasing, cost of no more than 20 000 rubles for unit besides on off-balance to the accounting, OS-1 are made out form N at reception-transfer of fixed assets, form N OS-2 at internal moving objects, form N OS-4 at their retirement, opens an inventory card of the accounting of fixed assets form N OS-6

Retirement of fixed assets

Incomes and charges connected with sale, retirement and other write-off of objects of fixed assets from book keeping, are subject to transfer in the accounting of profits and losses as other incomes and charges.

At retirement objects of fixed assets and other assets owing to impossibility of use in view of unfitness to the further operation, an obsolescence and other write-off, the loss from retirement and other write-off of property is subject to referring to miscellaneous costs (items 12, 31 of section III AR 6/01, item 11 of section III AR 10/99, items 7,8 of sections III AR 9/99, item 82 of Regulations 34H)

Expenses for repair of fixed assets

Expenses for carrying out of all kinds of repair (current, average and capital) join in charges for usual kinds of activity of that reporting period in which they have been made. The reserve of forthcoming charges for repair of fixed assets is not created.

Accounting of repair of fixed assets in structure of cost price

In structure of charges included in the cost price on repair of fixed assets following basic groups are allocated: charges on the repair which is carried out in the contract way; charges on the repair which is carried out in the economic way, including charges on wages of the workers borrowed by repair, carried out economic way; other expenses for repair.

In case of industrial necessity can be allocated and other groups of the accounting.

2.4.5. Change of cost of fixed assets

Change of initial value of fixed assets in which they are accepted to book keeping, is supposed in cases of completion, an additional equipment, reconstruction, modernization, partial liquidation and reassessment of objects of fixed assets. (Order Of Ministry of Finance of Russia as of 30.03.2001 № 26H «On adoption of accounting regulations «Accounting of fixed assets» AR 6/01», item 14.)

Works on completion, reconstruction and modernization (including partial liquidation) of fixed capital of the Company are carried out on the basis of the annual plan of reconstruction and modernization of the fixed capital, the Company approved by the head.

The reorganization of existing objects of as a result of which fixed capital is improved concerns to modernization or reconstruction (raise) of earlier accepted quality indicators of functioning of fixed assets:

- Capacity;
- Productivity;
- Transmission capacity;
- Other qualitative characteristics.

The full or partial reorganization and re-equipment of existing objects concerns to reconstruction without expansion of available designs, buildings and constructions, connected with perfection of manufacture and increase of its technical and economic level. Reconstruction is made with a view of increase in capacities, improvement of their qualitative characteristics.

The complex of actions concerns to modernization on increase of a 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 new, more productive.

Erection of new parts of buildings is related to completion, construction, reorganization of the existing objects making a single whole with object of fixed capital as a result of which quantitative characteristics of fixed capital change:

-Construction of additional premises on operating object (a superstructure of floors, an extension of new premises);

-Construction of additional objects and introductions in structure of an existing complex of 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 structure of complex of fixed assets, replacement of separate parts at modernization or reconstruction, etc.) is related to partial liquidation.

In case of partial liquidation of objects of fixed assets in the same proportion the amortization saved up on them is written off.

Modernization of objects of fixed assets is possible and at carrying out of major overhaul of objects of fixed assets. Major overhaul of the electronetwork equipment is held according to the engineering specifications: the operation manual and to major overhaul, the passport of the equipment, norms of the charge of materials and spare parts. If carrying out of procedural works within the limits of major overhaul-regenerative entails improvement (increase) before the accepted quality indicators of functioning of object of fixed assets with prolongation of service life, such works are equated to modernization and are considered by way of capital investments with increase in cost of objects of fixed assets. Allocation of works as a result of which modernization of object of fixed assets is carried out is made on the basis of the opinion by the employee of service of management of repairs authorized by the chief engineer.

If the sum of charges on modernization does not exceed 20 000 rubles, in this case all sum of expenses in full lump sum joins in charges at calculation of the profit tax. (Letter of Ministry of Finance Of Russia as of 7 May 2007 № 03-03-06/1/266)

If the sum of charges on modernization makes 20 000 rubles and more, the modernized object is included in structure of depreciated property. Its initial value will represent the sum of expenses for modernization. *In this case* the Company forms a new object of fixed assets. (Letter of Ministry of Finance of Russia as of 9 June 2004 № 03-02-05/3/50)

Acceptance of fixed assets from reconstruction and modernizations is made out by the certificate of acceptance of the reconstructed and modernized objects (form OS-3) on the basis of the certificate of the executed works on repair (form KC-2) on the basis of which the information on cost of the executed works and expenses (form KC-3) is filled in.

Reassessment of fixed assets is made in accordance with the procedure established by the legislation on the basis of the corresponding executive document of the head of the Company every two years.

The sum of additional estimation object of fixed assets as a result of reassessment is reflected in the account of debit of fixed assets in the correspondence with the credit of the accounting of the additional capital. The sum of additional estimation object of fixed assets is equal to its sum of markdown held during the previous reporting periods and is referred in the accounting to the unallotted profit (loss), is related to the credit of the accounts of the accounting of unallotted profit (loss) in the correspondence with the debit of the accounting of the fixed assets. (Order as of 13 October 2003 N 91H On adoption of methodical instructions on accounting of fixed assets (as amended Ordera Of Ministry of Finance of Russia as of 27.11.2006 N 156H), item 48)

The sum of markdown object of fixed assets as a result of reassessment is reflected under the debit of the accounting of unallotted profit (loss) in the correspondence with the credit of the accounting of fixed assets. The sum of markdown of object of fixed assets concerns in reduction of the additional capital of the Company formed due to the sums additional estimation of this object, is held during the previous reporting periods and is reflected in book keeping under the debit of the accounting of the accounting of the additional capital and the credit of the accounting of fixed assets. Excess of the sum of markdown of object above the sum of additional estimation is transferred to the additional capital of the organization as a result of reassessment held during the previous reporting periods, is reflected under the debit of the accounting of unallotted profit (loss) in the correspondence with the credit of the accounting of fixed assets.

At retirement of object of fixed assets, its sum of additional estimation is written off from the receivables of the accounting of the additional capital in the correspondence with the credit of the accounting of unallotted profit of the organization.

2.4.6. Term of useful life of objects of fixed assets

Definition of term of useful life of objects of fixed assets is made proceeding from the expected physical deterioration depending on mode of operation, natural conditions and influence of an excited environment, system of carrying out of repair. (Order of Ministry of Finance of Russia as of 30.03.2001 № 26H (as amended as of 18.05.2002) «On adoption of accounting regulations «Accounting of fixed assets» AR 6/01», item 20.) Term of useful life of objects of fixed assets is defined within the limits approved by the governmental order of the Russian Federation from 01.01.2002 1, under the list approved by the head of the Company. On all new objects term of useful life is defined at a

level of the average index established by the governmental order of the Russian Federation from 01.01.2002 1, on corresponding group.

Term of useful life of objects of fixed assets is established at their acceptance to the accounting on the basis of the passport of object, other technical documentation or on the basis of an estimation of technical services of the Company or its divisions according to internal documents on the basis of the decision of constantly operating commission. Term of useful life is fixed in an inventory card (OS-6).

Term of useful life of object of fixed assets is reconsidered in case of improvement (increase) of originally accepted normative parameters of functioning of object as a result of the held completion, an additional equipment, reconstruction or modernization. (Order Of Ministry of Finance of Russia as of 13.10.2003 № 91H «On adoption of methodical instructions on accounting of fixed assets», item 60.) Thus the increase in term of useful life of fixed assets can be carried out within the limits of the terms established for amortisation group in which the given fixed assets are included.

Term of useful life of the modernized part of object pays off as a difference between new target date of useful life of object after restoration and for its operation by the moment of end of modernization.

Definition of term of useful life of object of fixed assets, earlier used at other organization, is defined under the formula: the term of useful life estimated for new object of fixed assets, net of term of actual operation of object of fixed assets at the former owner and 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 a mode of operation, natural conditions and influence of an excited environment, system of carrying out of repair;
- normative legal and other restrictions of use of this object.

Prospective term of useful life of fixed assets on the basis of documentary acknowledgement of its value is established by the commission and the head of the Company or branch approved at acceptance of object to the accounting as fixed assets.

If received used object of fixed assets completely fulfilled the term according to data of the supplier and characteristics sheet, term of its useful life is defined by the commission of the branch which has accepted to the accounting specified object.

2.4.7. Amortization of fixed assets

Charge of amortization on objects of fixed assets is made by linear way, proceeding from initial or current (regenerative) cost (in case of carrying out of reassessment) object of fixed assets and norm of the amortization estimated proceeding from term of useful life of this object.

Charge of amortization of fixed assets transferred in leasing, is made as agreed with application of special factor to the basic norm of amortization.

Service (sentry) dogs are related to the third group of fixed assets according to the governmental order of the Russian Federation from 01.01.2002 1 «About classification of fixed assets included in amortisation groups».

Objects of the real estate on which capital investments are finished, are legalized by corresponding primary registration papers on acceptance-transfer, documents are transferred to the state registration and actually maintained, are accepted to book keeping as fixed assets and stand apart in the analytical accounting. (Order Of Ministry of Finance of Russia as of 13.10.2003 № 91H «On adoption of methodical instructions on accounting of fixed assets», item 52.)

At charge of amortization on gratuitously (Order Of Ministry of Finance of Russia as of 06.05.1999 № 32H (as amended as of 30.03.2001) «On adoption of accounting regulations «Incomes of organization» AR 9/99», item 8.) received fixed assets, and also fixed assets got with attraction of means of target (Order Of Ministry of Finance of Russia as of 16.10.2000 № 92H «On adoption of accounting regulations «Accounting of state assistance» AR 13/2000», item 9.) financing, simultaneously with write-off of the sum of amortization in the same proportion the part of incomes of the future periods is recognized as non-operating incomes of the Company.

Amortization is not charged on:

- Used for realization of the legislation of the Russian Federation about mobilization preparation and mobilization to objects of fixed assets which are inhibited and are not used in production, at performance of works or rendering of services, for administrative needs of the organization or for granting by the organization for payment in time possession and using or in time using;
- To objects of available housing (apartment houses, hostels, apartments, etc.), were not repaired;

-To objects of fixed assets which consumer properties eventually do not change (the ground areas; objects of wildlife management; the objects carried to museum subjects and museum collections, etc.);

-To long-term plantings;

-To library fund.

On the specified objects of fixed assets charge of deterioration is made in the end of fiscal year on the established norms of depreciation charges. Movement of the sums of deterioration on the specified objects is considered on separate off-balance account.

Charge of amortization stops:

-On fixed assets translated on preservation. The Company recognizes as preservation (Order of Ministry of Finance of Russia as of 30.03.2001 № 26H (as amended as of 18.05.2002) «On adoption of accounting regulations «Accounting of fixed assets» AR 6/01», item 23.) 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 the Company as other non-operating expenses (Order Of Ministry of Finance of Russia as of 06.05.1999 № 33H (as amended as of 30.03.2001) «On adoption of accounting regulations «Expenses of organizations» AR 10/99», item 4, 12.);

-For the period of reconstruction and modernization, major overhaul of objects of fixed assets if duration of works exceeds 12 months. (Order of Ministry of Finance of Russia as of 30.03.2001 № 26H (as amended as of 18.05.2002) «On adoption of accounting regulations «Accounting of fixed assets» AR 6/01», item 23.)

On the specified objects charge of amortization stops since a month following after month of translation, and begins with a month following after the month of commissioning of the given objects.

On property in stock (reserve) (Order Of Ministry of Finance of Russia as of 13.10.2003 № 91H «On adoption of methodical instructions on accounting of fixed assets», item 61.), not translated in a mode of preservation, charge of amortization is carried out regularly.

Charge of depreciation charges on object of fixed assets begins with the first date following after month of acceptance of this object to book keeping, and is made before full repayment of cost of this object or write-off of this object from book keeping.

Charge of depreciation charges on object of fixed assets stops from the first date following after month of full repayment of cost of this object or write-off of this object from book keeping.

Charge of amortization on fixed assets is made for the purposes of book keeping proceeding from norms of depreciation of charges which are defined according to the governmental order of the Russian Federation from 01.01.2002 1 «About classification of fixed assets included in amortisation groups» specially created by the head of branch commission, and on the executive body - by the commission created by the head of the Company.

2.4.8. Accounting of rent of fixed assets

The Company (Lessor) can give fixed assets got for own industrial activity or for administrative needs in rent. The given fixed assets are considered on account 01 «fixed assets», but stand apart in the analytical accounting.

- Expenses for carrying out of operating repair are recognized charges of the Company if the contract of rent stipulates carrying out of operating repair due to Lessor, otherwise the Lessee is obliged to support property in a serviceable condition and to make *operating repair* at own expense.

- 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 at Lessor charges on carrying out of major overhaul leased property related to the charges connected with reception of the income on rent.

The Company (Lessee) can rent fixed assets belonging to other proprietors according to the concluded contracts.

- The lessee is obliged to support property in a serviceable condition, 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 fixed assets.

- The lessee has the right to make the major overhaul stipulated by the contract or caused by urgent necessity (at infringement Lessor of duty on manufacture of major overhaul). In this case cost of major overhaul can be collected from Lessor or registered on accounting of rent.

- If expenses on major overhaul are compensated to the Company (Lessee) on accounting of rent between the parties of the contract offset of counter homogeneous requirements is spent: the Lessee should pay Lessor the certain sum of rent, Lessor owes to the lessee the certain sum for services on major overhaul.

- The separable improvements of the property taken in rent made by the Company (Lessee) due to own means and without consent of Lessor to compensate the made charges, are the property of the Lessee. 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 (Lessee), *inseparable* without harm for the rented property and carried out due to own means and with the consent of Lessor, can be considered at calculations on a rent or the Lessee 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 payment in time possession and using or in time using with the purpose of reception of the income, are reflected in book keeping and the accounting reporting in structure of profitable investments in material assets.

2.4.9. Accounting of equipment demanding installation

To the equipment to installation, the equipment put into operation only after assembly of its parts and attachments to the base or support concerns to a floor, interfloor overlappings and other bearing designs of buildings and constructions, and also complete sets of spare parts of such equipment. The structure of this equipment joins in the instrumentation or other devices intended for installation in structure of the installed equipment. (Order Of Ministry of Finance of Russia as of 31.10.2000 № 94Н (as amended as of 07.05.2003) «on adoption of plan of accounts of accounting of financial and economic activity of organizations and instructions on its applications », account 07 «Equipment for installation».)

The equipment to installation is accepted to the accounting on account 07 under the actual cost price of purchase which is developed out of cost under the prices of purchase and charges on purchase and delivery of this equipment to warehouse of the Company.

2.4.10. Intangible assets and their amortization

Intangible assets are recognized belonging to a Company, non monetary objects not having physical structure, irrespective of their cost, intended for useful life in production, rendering of services or for administrative needs during term not less than 12 months and capable in the future to bring economic gains.

The Company does not recognize objects concerning which at their acceptance to the accounting (during the moment of qualification) the decision on alienation in favor of other persons as intangible assets is taken - resale is supposed, change, etc. In this case the object is qualified by the Company as the goods.

The objects of intangible assets are those created or received on the basis of corresponding contracts:

- Exclusive rights of patent holder on inventions, industrial samples, useful model;
- Exclusive rights of the owner of the certificate to a trade mark, service marks, the name of a place of origin of the goods;
- Exclusive copyrights to the computer programs, databases;
- Business reputation.

Object of the accounting of intangible assets is rights arising from one patent, certificate, contract of concession of the rights. The basic attribute by which the object is identified from another, by its performance of independent function serves in production, performance of works or rendering of services or use for administrative needs of the Company.

Intangible assets are accepted to the accounting at the initial value defined depending on the reason of their receipt in the Company (purchase, creation by own forces, reception as the contribution in charter capital, etc.).

Cost of intangible assets on which they are accepted to the accounting, is not subject to change.

The business reputation is accepted to the accounting in the sum of difference between an actual purchase price of the got company (or its parts) as property complex as a whole and cost of all (or corresponding part) its assets and obligations on balance.

The negative business reputation is qualified as incomes of the future periods and in regular intervals is related to financial results of the Company in structure of 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 separate inventory object.

The sum of depreciation charges on intangible assets is defined on the norms calculated proceeding from their initial value and term of useful life (a linear way).

Terms of useful life of intangible assets are defined by a commission of experts and approved by the head of the Company at acceptance of object to the accounting proceeding from the following positions:

- By the rights got on the basis of patents, certificates and other similar security documents containing terms of their action, or having legislatively target dates of action - proceeding from the term fixed in such document;

- By the rights got on the basis of author's contracts, contracts of concession and other similar contracts containing concrete terms on which intangible assets - proceeding from the terms, specified in such contracts;

- On other objects of intangible assets - proceeding from expected term of use of object during which the Company can receive economic gains from use of the given assets;

- On objects of intangible assets, term of useful life of which cannot be determined, depreciation charges are established for 20 years (but no more term of operation of property complex to which the given asset is related);

- Term of useful life of business reputation and organizational charges is established as 20 years (but no more term of operation of property complex to which the given asset is related).

Charge of amortization is carried out monthly on special account 05 «Amortization of intangible assets» (except for business reputation, the cost of which is repaid by reduction of the rest under the accounting of intangible assets).

Charge of depreciation of charges does not stop, except for cases of preservation of property complex to which the given asset concerns, as a whole.

Use of objects of intangible assets for the purposes of manufacture, rendering of services or for administrative needs of the Company stops in communication:

- With expiry of the term of the action fixed in patents, certificates or other similar security documents;

- With expiry of the term of the action fixed in corresponding contracts;

- With impossibility of useful life of object before the expiration of the above-stated terms at presence of confidence, that in the future this object will not be used in production, at rendering services or for administrative needs of the Company;

- With a concession of the exclusive right and its transfer in the order established by statutory acts.

In case of retirement object of intangible assets its cost is a subject to write-off in the corresponding reporting period. Thus retirement of intangible assets is reflected at residual cost to similarly order established for fixed assets.

2.5. SELECTED WAYS OF ACCOUNTING OF INVENTORIES

2.5.1. Recognition of assets, inventories and their estimation

As inventories (further inventories) assets are recognized (Order Of Ministry of Finance of Russia as of 09.06.2001 № 44н «On adoption of accounting regulations «Accounting of inventories» AR 5/01», item 2.):

- Used as materials, spare parts, lubricants, etc. Item at rendering services after transfer of electric energy, performance of works (the production, intended for sale), including the special tool, special adaptations, special equipment, overalls irrespective of term of useful life;

- Used stock, tool and economic accessories with service life of less than a year considered on account 10 "Materials";

- Goods intended for sale;

- Send for administrative needs of the Company.

The goods got by branches of OJSC « Moscow United Electric Grid Company », are considered on account 41 "Goods".

The transport and other charges connected with delivery of the goods include:

- in the structure of actual expenses for purchase of the goods on account 41 "Goods" if they are formed till the moment of their acceptance to book keeping;

- in the structure of charges on distribution costs on account 76 «Calculations with different debtors and creditors» if transport charges on delivery are formed after their acceptance to book keeping. (Items 16 and 18 AR 5/01, plan of accounts № 94Н, section II, items 21, 24, 26 of Order Of Ministry of Finance Of Russia as of 26.12.2002)

Material support of the Company is organized through the special agent. The accounting of agency deliveries is carried out by accounts department of the executive body and accounts departments of branches of the Company.

Unit of book keeping of inventories is nomenclature number or homogeneous group (depending on a kind of inventories).

The analytical accounting of inventories is conducted by operatively-accounting (balance) method. (Letter of Ministry of Finance of the USSR as of 30.04.1974 № 103 «On main provision on accounting of materials at enterprises and construction sites»)

Estimation of inventories.

Inventories for the purposes of acceptance to the accounting are estimated depending on the reason of receipt: purchase for payment, manufacturing by own forces, gratuitous receipt, etc.

Inventories are accepted to book keeping under the actual cost price of purchase or manufacturing.

The actual cost price of inventories got for a payment, the sum of actual expenses of the organization, except for the value added tax and other compensated taxes (except for the cases stipulated by the legislation of the Russian Federation) is recognized.

Actual expenses for purchase of inventories it is defined in view of the course differences arising before acceptance of stocks to book keeping, in cases when payment is made in the sum equivalent to the sum in a foreign currency (conditional monetary units). After acceptance inventories sum differences arising by calculations with counterparts and connected with purchase of the given stock concern to book keeping to non-operating incomes and charges.

The actual expenses for purchase inventories include:

The sums paid according to the contract to the supplier (seller);

The sums, paid to the organizations for information and consultation services connected with purchase of inventories;

The customs duties;

Not compensated taxes paid in connection with purchase of unit of inventories;

The compensations paid of the intermediary organization through which are got inventories;

Expenses on preparation and delivery inventories up to warehouses, including charges on insurance;

Interest under credits and loans given by suppliers (commercial credit), before acceptance to book keeping inventories;

Interest on extra means if they are involved for purchase of these stocks, and also charges on service of the specified loans and credits, before acceptance of inventories to book keeping;

After acceptance on accounting inventories charges on the added percent for the received credits and loans are reflected in book keeping in the general order with reference on miscellaneous costs. (Order Of Ministry of Finance of Russia as of 06.05.1999 № 33Н «On adoption of accounting regulations «Expenses of organization» AR 10/99», item 11.)

The actual cost price of inventories received by the organization under the contract of donation or it is gratuitous, and also fixed assets remaining from retirement and other property, is defined proceeding from their current market cost for date of acceptance to book keeping.

The actual cost price of inventories brought on accounting of the contribution in charter (joint-stock) capital of the organization, is defined proceeding from their monetary estimation coordinated by founders (participants) of the organization if other is not stipulated by the legislation of the Russian Federation.

The actual cost price of financially - the industrial stocks received under contracts, providing execution of obligations (payment) non-money, cost of the assets which are transferred or subject to transfer by the organization is recognized.

Actual expenses of OJSC «Moscow United Electric Grid Company» on delivery of inventories, including the goods intended for sale till the moment of their transfer to sale, join in the actual cost price of inventories.

The actual cost price of material assets at their manufacturing is defined by the Company proceeding from the actual expenses connected with their manufacture.

The actual cost price of the material assets received by the enterprise gratuitously, and also fixed assets remaining from retirement and other property, is defined, proceeding from their current market cost for date of acceptance to book keeping. Current market cost is understood as the sum of money resources which can be received as a result of sale of the specified assets.

Common economic and other similar charges are not included in actual expenses for purchase of inventories of, except for cases when they are directly connected with purchase inventories.

2.5.2. Accounting of receipt of inventories

Materials are a kind of stocks. The raw material, the basic and auxiliary materials, purchased semi finished items and completing products, fuel, container, spare parts, building and other materials, and also the special tool, special adaptations, special equipment, overalls are materials.

The expenses directly connected with process of preparation and delivery of materials are recognized in the Company (Order Of Ministry of Finance of Russia as of 28.12.2001 № 119H «On adoption of methodical instructions on accounting of inventories», item 70.) transport-procuring charges. The structure of transport-procuring charges includes:

- Charges on loading materials in vehicles and their transportation subject to payment by the buyer over the price of these materials according to the contract;

- Charges under the maintenance of the warehouse device of the Company, including charges on payment and deductions for social needs of workers of the Company directly borrowed by preparation, acceptance, storage and supply of got materials, and also their delivery (support) in the Company;

- A 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.

The estimation of inventories received on non-invoiced deliveries, including used for repair work-regenerative and capital construction, is made under the average cost price of similar inventories of the last month.

Non-invoiced deliveries are credited under accounts of the accounting of material stocks (depending on purpose of accepted material stocks).

Thus material stocks are credited and considered in analytical and synthetic book keeping under the registration prices accepted in the organization.

Inventories belonging to OJSC "Moscow United Electric Grid Company", but being in way, or transferred on the security, are considered in book keeping under the registration prices.

The following prices are applied for materials as registration prices:

Contractual prices. In this case other charges entering into the actual cost price of materials, are considered separately in structure of transport - procuring charges;

The actual cost price of materials according to the last month or the reporting period (fiscal year). In this case deviations between the actual cost price of materials of current month and their registration by are considered in structure of transport - procuring charges. (Items 6,13 and 26 of section II AR 5/01, item 59 of Regulations № 34H., item 39 of Order of Ministry of Finance Of Russia as of 28.12.2001 № 119H.)

Formation of the actual cost price of materials is carried out with application of accounts 15 «Preparation and purchase of material assets» and 16 « Deviation in cost of material assets».

On credit accounts 15. «Preparation and purchase of material assets» in the correspondence with accounting 10 "Materials" are actually received in OJSC "Moscow United Electric Grid Company" and credited financially industrial stocks in the sums paid according to the contract.

The sum of difference of costs of got financially industrial stocks estimated in the actual cost price of purchase (preparation) and prices paid to the supplier according to the contract. Preparation and purchase of material assets » on account 16 « Deviation in cost of material assets» are written off from accounting 15.

The reserve under depreciation of material assets is not created.

Inventories on non-invoiced deliveries are accepted to the accounting under the prices of the previous delivery with the subsequent specification of cost at receipt of documents. Thus account 60 «Settlement of accounts with suppliers and contractors» is financed on at the cost of the received values determined under the prices of the previous delivery. At reception of documents from suppliers:

Additional record for the sum of the VAT if it is stipulated is made;

If the acted documents mismatch the prices of the previous delivery additional record on size of deviation under the debit of accounting 16 « Deviation in cost of material assets» and the credit of the accounting of calculations with the subsequent write-off from account 16 « Deviation in cost of material assets » regularly is made.

If settlement documents on non-invoiced deliveries have acted in following year after representation of the annual accounting reporting:

1. Registration cost of inventories does not vary.
2. The size of the value added tax is accepted to book keeping when due hereunder.
3. Calculation with the supplier is specified, thus the sum of the developed difference between registration cost of the credited material stocks and their actual cost price are written off in a month in which documents have acted:

Reduction of cost of material stocks is reflected under the debit of accounts of calculations and the credit of accounts of financial results (as the profit of the last years revealed in accounting year);

The increase in cost of material stocks is reflected under the credit of accounts of calculations and accounts of financial results (as the losses of the last years revealed in accounting year). (Items 6, 13 and 26 of section II AR 5/01, item 59 of Regulations № 34н., item 39 of Order of Ministry of Finance Of Russia as of 28.12.2001 № 119н.4.4.3.)

2.5.3. Accounting of retirement of inventories

Supply of materials on manufacture is understood as their delivery from warehouse directly for rendering services (performance of works, manufacturing of production), and also holiday of materials for administrative needs of the Company.

The order of supply of materials from warehouse of division of the Company to sites, brigades, on workplaces is established by the Head of division of material supplies of the Company in coordination with the Chief accountant of the Company.

In primary registration documents on supply of materials from warehouses of the Company in divisions, on sites, in brigades, on workplaces are specified:

- The name of material;
- Quantity;
- The price (the registration price);
- The sum, and also purpose - number (code) and (or) the name of kind of service (maintenance service, repair, starting-up and adjustment works, etc.) for which realization materials are released, either number (code) and (or) the name of expenses.

On actually spent materials division - addressee of materials - makes the Report on the spent materials in which are specified the name, quantity, registration price and sum under each name, number (code) and (or) the name of kind of service (maintenance service, repair, starting-up and adjustment works, etc.) for which realization materials, either number (code) and (or) the name of expenses, quantity and sum on norms of the charge are released, quantity and the sum of the charge over norms and their reasons; in necessary cases amounts of executed works are specified.

Write-off of materials with subaccount corresponding division of the Company and reference of their cost on expenses of manufacture (depending on for what purposes materials are spent) are made on the basis of specified-above the Report.

The concrete order of drawing up of the Report on the spent materials, and the list of divisions for which it is stipulated, are established by the Company.

The estimation of inventories (except for cable production) at supply to manufacture and other retirement is made under the average cost price of group (kind) of stocks on branch as a whole by division of the general cost price of group (kind) of stocks into their quantity, developing, accordingly, from the cost price and quantity of the rest on the beginning of month and received stocks within the given month.

The estimation of cable production at write-off is made at cost of a registration unit.

Supply of materials on the party for contractors is made at presence of contracts or agreements.

If in the turnkey contract transfer of materials to the contractor without payment is stipulated, materials are considered as charges of the customer. Cost of the materials, transferred to contractors as charges of the customer, it is considered on account 10.9.1. «Materials transferred in processing on the party». Subsequently on the basis of the document «Certificate of the executed works» cost of the materials, transferred to the contractor as charges of the customer, and the sum of deviations of costs of the given materials, are written off on production costs or on account 08 "Capital investments".

The actual cost price of holiday represents the sum of their registration cost and the size of the deviations falling written off resources.

Write-off of deviations from use of account 16 «Deviation in cost of material assets» is made proportionally costs of the spent materials, proceeding from the attitude of the sum of the rest of size of deviations on the beginning of month and current deviations month to the sum of the rest of materials on the beginning of month and the acted

materials for a month. The value received as a result increased on 100, gives percent which should be used at write-off of deviations on cost of the spent materials.

In book keeping the Company on accounting 10 "Materials" the subaccount for the control over use of overalls is allocated:

Overalls in operation (in a cut of employees - it is materially responsible persons).

Term of use is defined on the basis of Typical branch norms of free-of-charge delivery to workers of the special clothes, special footwear and other means of an individual defence approved by proxy bodies.

Cost of special clothes, which term of operation according to norms of delivery does not exceed 12 months, is written off to the debit of corresponding accounts of the accounting of expenses for manufacture during the moment of its transfer (holiday) to employees of the organization.

Cost of special clothes, which term of operation, according to norms of delivery, exceeds 12 months, is repaid by linear way, proceeding from terms of useful life of the special clothes, stipulated in typical branch norms of free-of-charge delivery of the special clothes, special footwear and other means of individual defence.

Cost of special equipment is repaid by linear way, proceeding from the actual cost price of object of special equipment and the norms estimated proceeding from terms of useful life of this object.

Charge of repayment of cost of special equipment and special clothes is reflected under the debit of accounts of the accounting of expenses for manufacture and the credit of the accounting "Materials" of subaccounts "Special equipment in operation" and "Special clothes in operation".

The overalls in cost no more than 20000 rubles for unit, is reflected in book keeping and the accounting reporting of the Company in structure of inventories. (AR 6/01, item 5)

The analytical accounting of special equipment and the special clothes, being manufacture (operation), is conducted under names (nomenclature numbers), quantity and the actual cost price, with the instruction of date of receipt in manufacture (operation) (month, year), places of operation (on divisions) and materially responsible persons.

Delivery to workers and delivery of means of an individual defence by them should enter the name in a personal card of the worker approved by the decision of the Ministry of work and social development of the Russian Federation «About the statement of rules of maintenance of workers the special clothes, special footwear and other means of an individual defence» №51 from 18.12.1998.

The special clothes, given out to workers, are the property of the organization and are a subject to return: at dismissal, while translating for other work for which given out by it the special clothes, the special footwear and safety adaptations are not stipulated by norms, and also upon termination of terms their socks instead of received new.

2.5.4. Accounting of inventories (including spare parts), credited as a result of removal from fixed assets in a stage of restoration (reconstruction, modernization, repair)

The spare parts credited as a result of removal from fixed assets in a stage of restoration, are considered separately from new spare parts, as independent nomenclature numbers.

If necessary repair of the spare parts credited as a result of removal from fixed assets in a stage of restoration, the following sequence of registration records is carried out. By transfer to repair spare parts are written off from the credit of accounts of the accounting of stocks (account 10 "Materials" of the plan of accounts of the Company) in the debit of accounts of the accounting of expenses for repair by forces of structural divisions of auxiliary manufacture (for example account 23 «Auxiliary manufactures» plan of accounts of the Company). In the debit of the same accounting expenses for repair of the specified spare parts are written off all. Upon termination of repair the restored spare parts are credited from the credit of the accounting of the accounting of expenses for repair in the debit of the accounting of the accounting of stocks (accounting 10 "Materials" of the plan of accounts of the Company) at cost in view of repair.

Inventories (including spare parts), remaining from retirement fixed assets and other retirement, are estimated proceeding from current market cost for date of acceptance to book keeping. (Order of Ministry of Finance of Russia as of 09.06.2001 № 44н «On adoption of accounting regulations «Accounting of inventories» AR 5/01», item 9.) Current market cost is understood as the sum of money resources which can be received as a result of sale of the specified assets.

The spare parts credited as a result of removal from fixed assets in a stage of restoration, are estimated at registration cost of the last on time of purchase of similar spare parts in view of percent of actual deterioration of credited objects (not below cost of scrap metal), in case of absence of the similar information at current market cost.

The accounting of inventories revealed at inventory, and (or) the property received at dismantle or disassembly of fixed assets deduced from operation, materials or other property received as a result of carrying out of repair or reconstruction of fixed assets which is not deduced from operation is made on the accounting of the accounting of stocks (accounting 10 "Materials" of the plan of accounts of the Company) and are other incomes of the Company (account 91 of the plan of accounts of the Company).

2.5.5. Accounting of automobile tires

Automobile tires (a tire cover, the chamber and rim tape), acting together with the new car or the trailer (on wheels and one spare complete set), enter into cost of the car and are considered in structure of fixed assets. The trunks got for replacement worn out, are considered on subaccount 10.4.1 "Spare parts in warehouse".

The trunks which have been released from warehouse for replacement worn out, become unfit for use or for other reasons, for seasonal change ("summer", "winter") and established on the car are considered on subaccount 10.4.2 "Automobile tires in operation" accounts 10.4 "Spare parts".

Cost of automobile tires is repaid lump sum depending on run upon termination of term of operation within the limits of the norms approved by the document "Time norms of operational run of trunks of vehicles" ПД - 3112199-1085-02 approved by the Ministry of Transport of the Russian Federation from 04.04.2002 in the debit of corresponding accounts of the accounting of expenses. At insufficient mileage of auto tire covers its reasons (fault of the driver, manufacturer and so forth) which are reflected in the document the Certificate on write-off are found out.

Charges on repair (Order Ministry of Trust of RF as of 24.06.2003 № 153 «On approval of instructions on accounting of incomes and expenses on ordinary activities in v vehicles », item 43.) of automobile tires join in structure of material inputs in charges by usual kinds of activity within the limits of the norms approved by Ministry of Transport of Russia.

2.6. SELECTED WAYS OF ACCOUNTING OF INCOMES, CURRENT EXPENSES AND CHARGES

2.6.1. General approaches to the accounting of incomes and charges

The accounting of incomes and charges is carried out:

- As a whole on the Company;
- On Moscow;
- On the Moscow Region.

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 production and the goods to the foreign organizations. (Order Of Ministry of Finance of Russia as of 06.05.1999 № 32Н «On adoption of accounting regulations «Incomes of organizations» AR 9/99», item 5.)

The Company recognizes as incomes of usual kinds of activity:

- Incomes of services on transfer and distribution of the electric power;
- Incomes of services on connection of capacity to electric networks;
- Incomes of sales of the other goods, works and services of industrial character by their kinds.
- Incomes of sales of the other goods, works and services of non-productive character and other kinds of activity which are usual for OJSC « Moscow United Electric Grid Company », by their kinds.

Incomes of services on transfer and distribution of the electric power include all incomes of transfer of the energy consumed by subjects of the market in region of service certain Company. Transfer and distribution of the electric power is an adjustable 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, the connection directed on a possibility concern to incomes of services on connection of capacity to electric networks to energy receiving devices of legal and physical persons according to the parameters declared by them. All incomes connected with realization of other works for the Company and services concern to incomes of realization of other works and services.

All incomes which were not connected with realization of works and services by usual kinds of activity are related to *other incomes*.

Volumes at own-accounting construction are not recognized incomes and are not considered in proceeds from realization.

Incomes of the Company according to the principle of charge are recognized in that reporting period in which they took place, irrespective of actual time of receipt of the money resources connected with these facts. (Order Of Ministry of Finance of Russia as of 09.12.1998 № 60H (as amended as of 30.12.1999) «On adoption of accounting regulations «Accounting policy of organization» AR 1/98», item 6.)

The Company subdivides charges into charges from usual kinds of activity and miscellaneous costs.

Charges from usual kinds of activity are the charges connected with rendering of services, performance of works. (Order Of Ministry of Finance of Russia as of 06.05.1999 № 33H (as amended as of 30.03.2001) «On adoption of accounting regulations «Expenses of organization» AR 10/99», item 5.)

Charges, first of all, concern to charges by usual kinds of activity in directions:

- Charges on transfer and distribution of the electric power;
- Charges on connection to electric networks;
- Charges on other works and services of industrial character
- Charges on other works and services of non-productive character and other kinds of activity which are usual for OJSC « Moscow United Electric Grid Company », by their kinds

The cost price of services on transfer and distribution of the electric power represents set of the charges connected with the maintenance and operation:

- Electric mains, switching centers, substations and other constructions and the equipment, intended for transfer and distribution of the electric power;
- Means of the accounting and the control of the electric power.

The cost price of services on connection to electric networks represents set of the charges connected with performance of a complex of works (actions) of organizational and technical character directed to possibility of connection to energy-receiving devices of legal and physical persons according to the parameters declared by them.

-The Cost price of other works and services represents the total charges connected with realization of other works for the Company and services.

Miscellaneous costs are those which are not connected with realization of works and services by usual kinds of activity.

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 by the charge directly (in case of realization of services, works, a recognition of administrative or commercial charges) or through retirement of assets for which creation the Company earlier carried out these expenses (fixed assets, inventories, own production, etc.). Then charges are recognized the accounting by usual kinds of activity or miscellaneous costs (retirement of the other assets which are distinct from production);

-When realization of expenses cannot be directly correlated with any income or becomes obvious, that the income prospective on corresponding expenses will not be received. Then miscellaneous costs are recognized in the accounting (for example, payment of percent under credits, charges on preservation of fixed assets, losses, etc.). Charges also are recognized in case of occurrence of the obligation without the fact of receipt of property.

2.6.2. Incomes and charges by usual kinds of activity

Incomes of services on transfer and distribution of the electric power are recognized in book keeping for date of the adoption by the parties of Balance of the electric power and Certificates of the executed works about volume of the rendered services on transfer and distribution of electric energy under the contracts concluded with the Marketing companies. The certificate is made on the basis of the monthly Balance of the electric power containing: total sizes of the received (put) electric energy in a network of the Company, total sizes of the electric power received by the consumer (useful holiday), total sizes of the electric power given to adjacent networks (transit), total sizes of actual losses.

The accounting of incomes of services on transfer and distribution of the electric power and charges on realization of services on transfer and distribution of electric energy is carried out by accounts department of the Company.

Charges on transfer and distribution of electric energy are considered in accounts department of the Company in a cut of clauses of charges and elements of expenses.

In OJSC « Moscow United Electric Grid Company » the basic way of the industrial accounting is the way of summation of expenses. Expenses of branches for transfer and distribution of electric energy are transferred in executive body OJSC « Moscow United Electric Grid Company » on aviso for definition of the full cost price to transfer and distribution of electric energy up to 8th day of the month following for accounting, with the appendix of accounting on transfer and distribution of energy.

Transfer and distribution of electric energy in one stage coincides on time with its realization, therefore in the basic manufacture on transfer and distribution of electric energy does not happen the rests of work in progress.

Proceeds and expenses of branches by other kinds of activity are considered by them independently with definition of result from a concrete kind of activity.

The final balance of profits and losses is monthly transferred by branches on aviso in executive body OJSC «Moscow United Electric Grid Company». (Instruction on planning, accounting and calculation of cost price of electric and thermal energy adopted by the ministry of Energy industry and Electrification of the USSR as of 1970)

The full cost price on transfer and distribution of electric energy.

The full cost price on transfer of electric energy is formed in executive body OJSC « Moscow United Electric Grid Company» and defined as a whole on the Company as a cost estimation used during manufacture and sale of kinds of production of natural resources, raw material, materials, energy, fixed assets and manpower, and also other expenses for transfer of the electric energy, made by all divisions OJSC «Moscow United Electric Grid Company».

Distribution of common industrial charges and common economic charges.

The grouping and write-off of expenses for transfer and distribution of electric energy is made by division of expenses on direct and indirect with calculation of the full cost price of production (works, services). Distribution of indirect charges between objects calculation is made is proportional to the basic wages of industrial workers.

Charges of industrial services in executive body OJSC «Moscow United Electric Grid Company» are considered as production costs, are considered in accounts 25 «common economic charges » and join in the cost price of transfer of electric energy in the reporting period.

The direct accounting on transfer and distribution of electric energy:

Expenses on fund of payment, uniform social tax of Department on transport of electric energy, the block of the assistant to the General director - the chief engineer, the assistant to General director-chief engineer, industrial services;

Services on electricity transmission rendered by the foreign organizations (payment of services of UES FGC, MUE, TGOs, factories);

Purchased energy on indemnification of losses;

Leasing;

The tax to property of the organizations.

Expenses on transfers in not state pension fund to carry by kinds of activity by proportionally generated Company to expenses on all fund of a payment (the executive body and network branches).

Other clauses of expenses by administrative personnel concern by kinds of activity to proportionally scheduled settlement proceeds.

Expenses for rendering of services on connection of capacity to electric networks are defined by "common stock" method, considered separately, written off on charges in the same reporting period and do not join in the cost price of transfer and distribution of electric energy. Expenses on Fund of payment, the uniform social tax of Department on technological connections completely concern on the cost price of services on connection of capacity to electric networks.

Charges on realization of other works, services are considered by accounts department "*common stock*" method.

2.6.3. Other incomes and charges (AR 9/99 «incomes of organizations» и AR 10/99 «Expenses of organization», adopted accordingly by Orders of Ministry of Finance of Russia as of 6.05. 1999 No. 32н и № 33н.)

As other incomes the Company recognizes incomes on the independent economic operations, not being subject of its activity, but carried out with the purpose of data acquisition of incomes, namely:

The receipts connected with participation in authorized capitals of other organizations (including percent and other incomes under securities);

Receipts from sale of fixed assets and other assets which are distinct from bank notes (except for a foreign currency) products, goods;

The profit received under the contract of simple company, and other receipts;

The percent received for granting in using of money resources OJSC «Moscow United Electric Grid Company», and also percent for use by bank of the money resources which are being on the accounting of the Company in this bank;

Penalties, fines, penalties for infringement of conditions of contracts;

Receipts in compensation caused OJSC «Moscow United Electric Grid Company» losses;

Gratuitous reception of assets;

The profit of the last years revealed in accounting year;

The sums of receivables and payables on which term of limitation of actions has expired;

The sum of additional estimation assets;

Course differences;

Other other incomes corresponding to AR 9/99.

As miscellaneous costs the Company recognizes:

The charges connected with representation for payment in time using of assets of the organization;

The charges connected with sale, retirement and other write-off of fixed assets and other assets which are distinct from money resources (except for a foreign currency), goods, products.

Miscellaneous costs join in the charges corresponding to AR 10/99, which account 91 - Other incomes and charges:

- Charges of social character: material aid, improving actions, losses from maintenance of housing and communal services, financing of objects of social sphere;

-transfer of means (payments, payments, etc.), connected with charities;

- Charges on realization of sports actions of cultural-educational character and other similar actions.

2.6.4. Incomes and charges of the future periods

Incomes (Order Of Ministry of Finance of Russia as of 31.10.2000 № 94H «on adoption of plan of accounts of financial and economic activity of organizations and instructions on its application », account 98 «Incomes of future periods».) of gratuitous receipt of assets concern to incomes of the future periods.

The charges made in the reporting period concern to charges of the future periods, but concerning to the following reporting periods. Charges of the future periods are considered in book keeping and reflected in balance by separate line as charges of the future periods.

In structure of charges of the future periods join, in particular:

The charges connected with development of new manufactures, installations and units;

The charges connected with recultivation of the grounds and realization of other nature protection actions;

The charges connected with purchase of software products and databases under contracts of sale and purchase or contracts of change if these assets mismatch the conditions established for intangible assets (item 3 AR 14/2000);

Charges on purchase of licenses or any rights of use and others;

Charges on payment of incomes (discount) under the bills given out by the Company (Accounting regulations "Accounting of loans and credits and expenses on their servicing " (AR 15/01), item 13).

Retirement of assets by way of the advance payment of inventories and other values, works and services of contract provisions or requirements of the legislation and statutory acts, or according to customs of the business relations return the listed money resources is possible, including prescheduled cancellation of the contract does not concern to charges of the future periods. Such payments are classified as advance payments (advance payment) and considered on accounts of calculations with suppliers and contractors separately. (Item 65 of Regulation № 34H, plan of accounts, sections VI and VIII).

Write-off of charges of the future periods.

Charges of the future periods are subject to write-off by kinds of charges in regular intervals proceeding from term of useful life of this property defined by constantly operating commission of branch by definition of terms of useful life of the software. (Item 65 of Regulations № 34H)

Accounting of charges of the future periods.

The analytical accounting of charges of the future periods is conducted by kinds of charges on accounting 97 «Charges of the future periods» (plan of accounts № 94H, section VIII, account «Expenses of future periods».)

2.6.5. Charges on advertising

- Charges on advertising and promotion of services:
- Charges on publicities through mass media and telecommunication networks;
- Charges on light and other outdoor advertising (including manufacturing of displays and publicity boards);
- Charges on purchase (manufacturing) of prizes, draws handed over to winners during mass advertising campaigns;

The charges connected with participation in exhibitions - rent of exhibition facilities, stands.

2.6.6. Accounting of course differences

Book keeping of assets and obligations which cost is expressed in a foreign currency in the accounting of assets and obligations which cost is expressed in a foreign currency » is carried out according to Accounting regulation (AR 3/2006 «Accounting of assets and obligations, the value of which is expressed in the foreign currency», Order Of Ministry of Finance of Russia as of 27.11.2006 № 154H).

Cost of assets and the obligations, expressed in a foreign currency, for reflection in book keeping and to the accounting reporting is subject to recalculation in rubles.

Recalculation of cost of assets and obligations, expressed in a foreign currency, into rubles is made at the rate of the Central bank of the Russian Federation for this foreign currency in relation to the ruble acting on date of fulfilment of operation in a foreign currency.

Recalculation of cost of assets and obligations (bank notes in cash department of the organization, means on accounts of the organization, monetary and payment documents, short-term securities, means in calculations (including under extra obligations with legal persons) in rubles is made for drawing up of the accounting reporting at the rate of the Central bank of the Russian Federation, acting on accounting date.

The course difference is reflected in book keeping and accounting reporting in that reporting period to which date of execution of obligations on payment concerns or for which the accounting reporting is made.

Recalculation of cost of bank notes in cash department of the organization and means on accounts in the credit organizations, expressed in a foreign currency, in process of change of rates of the foreign currencies quoted by the Central bank of the Russian Federation, is not made.

The course difference is subject to transfer to financial results as other incomes and miscellaneous costs.

The accounting of the obligations expressed in a foreign currency, but subject to payment in rubles, is conducted according to Accounting Regulations « Accounting of assets and obligations, the value of which is expressed in the foreign currency ». (AR 3/2006 «Accounting of assets and obligations, the value of which is expressed in the foreign currency», Order Of Ministry of Finance Of Russia as of 27.11.2006 № 154H)

In the accounting the obligations expressed in a foreign currency, but subject payment in rubles, are recalculated on condition:

For date of acceptance to the accounting;

For last date month during the period when they are registered in the accounting;

For date of repayment of obligations. (item 3 AR 3/2006 « Accounting of assets and obligations, the value of which is expressed in the foreign currency », Order Of Ministry of Finance Of Russia as of 27.11.2006 № 154H)

Thus arising differences are called course.

At repayment of the obligations expressed in a foreign currency, but subject to payment in rubles, the proceeds reflected at the moment of realization in the accounting of the Company as the seller, cost of property (works, services) reflected in accounting the Company as buyer, are not recalculated. (item 1 of Appendix to Order of Ministry of Finance Of Russia as of 27.11.2006 N 156H)

2.7. ACCOUNTING OF RESERVE FOR DOUBTFUL DEBTS

OJSC "Moscow United Electric Grid Company" forms a reserve on doubtful debts by calculations with the organizations for products, goods, works and services with reference of the sums of a reserve on financial results.

Doubtful debt (Order Of Ministry of Finance of Russia as of 29.07.1998 № 34H «On adoption of regulations on conducting accounting and reporting in RF», item 70) is recognized debts receivable which are not repaid in the terms

established by the contract, and are not provided by corresponding guarantees (deposit, mortgage, security for payment, aval of bills, etc.).

Account 63 (Order Of Ministry of Finance of Russia as of 31.10.2000 № 94Н «On adoption of plan of accounts of financial and economic operations of organization and instructions on its application », account 63.) is applied to the accounting of a reserve of doubtful debts « Reserves on doubtful debts ».

OJSC "Moscow United Electric Grid Company" forms a reserve on doubtful debts by calculations with the organizations for production, the goods, works and services with reference of the sums of a reserve on financial results.

The size of the reserve is defined separately on each doubtful debt depending on the financial condition (solvency) of the debtor and estimation of probability of repayment of debt in full or in part.

At estimation of financial condition (solvency) of the debtor the attributes of inconsistency (bankruptcy) specified in article 3 of the Law of the Russian Federation « About an inconsistency (bankruptcy) » from 26.10.2002 127-FL can be used: inability of the legal person to satisfy the requirement of creditors under liabilities and (or) to act on payment of obligatory payments if corresponding obligations and (or) duties are not executed by it within three months from the moment of approach of date of their execution.

The reserve of doubtful debts is created quarterly on the basis of results of the held inventory of receivables.

Formation of a reserve of doubtful debts (including the accounting of charge, use and write-off of not spent part of a reserve) is made by accounts department of the Company on the basis of the received information from structural divisions of the Company.

If up to the end of the fiscal year following after year of creation of a reserve of doubtful debts, this reserve or a part of it is not be used, not spent sums join at drawing up of accounting balance on the end of fiscal year in the financial results. (Plan of accounts № 94Н, section VI, account «Reserves for doubtful debts», item 70 of Regulations № 34Н)

2.8. Features of the accounting of interfirm calculations

In OJSC « Moscow United Electric Grid Company » the following order of interfirm calculations is applied: Transfer of material assets (fixed assets, equipment, cable products), performance of works and rendering of services by one structural divisions for needs of others in an intrasystem turn and is made with use of account 79 « Interfirm calculations » under the actual cost price without reflection on accounts of sale.

Transfer of financially industrial stocks by one structural divisions for needs of others is an intrasystem stage and is made with use of account 79 « Interfirm calculations » under the average cost price without reflection of retirement of material assets on accounts of sales.

2.9. SELECTED WAYS OF ACCOUNTING OF FINANCIAL INVESTMENTS

Estimation of financial investments (initial and subsequent).

Financial investments are accepted to book keeping at initial value. In initial value of the financial investments got for payment, the sum of actual expenses for their purchase, except for the value added tax and other compensated taxes is recognized.

Common economic and other similar charges do not join in actual expenses for purchase of financial investments, except for cases when they are directly connected with purchase of financial investments.

Before acceptance of assets as financial investments to book keeping actual expenses for their purchase are defined in view of sum differences arising in cases when payment is made in rubles in the sum equivalent to the sum in a foreign currency.

In case of insignificance (at a rate of up to 0.05 %) sizes of expenses (except for the sums paid according to the contract to the seller) on purchase of such financial investments as securities, in comparison with their face-value, such charges do not join in initial value of financial investments, and are related to miscellaneous costs in that reporting period in which the specified securities have been accepted to book keeping.

Financial investments sold and bought at the stock exchange on which it is possible to define current market cost, are reflected in book keeping at current market cost by quarterly updating their estimation for the previous accounting date. The difference between an estimation of financial investments at current market cost for accounting date and the previous estimation of financial investments concerns on financial results in structure of other incomes and charges.

Financial investments on which current market cost is not defined, are subject to reflection in book keeping at initial value. (Items 8, 10,11, 19, 20, 21 and 22 AR 19/02)

Retirement of financial investments.

At retirement financial investments on which 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), the loans given to another organizations, depositary contributions in the credit organizations, receivables got on the basis of concession of right of demand, are estimated at initial value of each retirement unit of financial investments;

Securities (shares and bonds) are estimated at retirement at average initial value;

Purchased bills are estimated at retirement (payment for performed works (the goods, services) at the price of purchase;

At retirement the assets accepted to book keeping as financial investments on which current market cost is defined, their cost is defined proceeding from their last estimation. (Items 26, 27, 28, 30 AR 19/02)

Classification of financial investments, proceeding from term of their use.

Depending on term of the reference (repayment) financial investments are subdivided on short-term and long-term. (Items 41, 42 AR 19/02)

2.10. Features of the accounting of operations of participation in joint activity (under the contract of simple company) («Information on participation in joint activities », AR 20/03, adopted by Order Of Ministry of Finance Of Russia as of 24.11.2003 № 105Н.)

In common carried out operations

In common carried out operations are understood as performance by each participant of the contract of the certain production phase of production (performance of work, rendering of service with use of own assets. Thus each participant of the contract in book keeping reflects the part of charges and obligations, and also a share of economic gains due to it or the income according to treaty provisions.

Incomes, charges, obligations and assets in are common carried out operations by each participant of the contract are considered separately in a share concerning the participant, in the analytical accounting under corresponding synthetic accounts of the accounting of incomes, charges, obligations and assets.

Each participant of the contract in book keeping carries out reflection of a share of production due to it and (or) the income of sale of production (performance of works, rendering of services) for the reporting period according to contract provisions. Thus the participant who carries out the final stage of joint production, share of production, due to other participants of the contract, considers off-balance, and if the contract stipulates sale of products (works, services) the incomes which are subject to reception by other participants of the contract, are reflected in book keeping as the obligation to them. (Items 6,7 of section II AR 20/03)

Shared assets

Assets are considered shared in case of when the property is in the general property of participants of the contract with definition of a share of each of proprietors in the property right (the share property) and proprietors conclude the contract with the purpose of sharing of such property for reception of economic gains or the income. Thus each of participants of the contract reflects in book keeping a share of charges and obligations, and also a share of incomes due to it from sharing assets according to contract provisions.

Incomes, charges, obligations received as a result of sharing of assets, are considered by each participant of the contract separately in the analytical accounting under corresponding synthetic accounts of the accounting of incomes, charges, obligations. The assets belonging to the participant of the contract on the right of the share property and brought by it as the contribution, continue to be considered by it on corresponding accounts of book keeping and are not translated into structure of financial investments. Thus the contribution of the participant of the contract, economic operations connected with performance of such contract, and also received from sharing assets financial results, are not allocated on separate balance.

Each participant of the contract in book keeping for the reporting period reflects its share of the incomes received from sharing of assets, and also obligations and the charges incurred by it in connection with performance of the contract.

The participant's obligations which have arisen directly at the participant in connection with participation in the contract, and also its share in joint obligations with other participants of the contract are subject to reflection in book keeping.

The participant's charges made directly by the participant in connection with participation in the contract, and its share in joint charges with other participants of the specified contract are considered in book keeping. (Items 9,10 of section III AR 20/03)

Joint activity

Under the contract («Civil Code of the Russian Federation (part two)» as of 26.01.1996 № 14-FL (adopted GD FS RF on 22.12.1995) (as amended as of 18.07.2005), article 1041.) of simple company (to the contract about joint activity) two or some persons (comrades) undertake to connect the contributions and in common to operate without formation of the legal person for extraction of profit or achievement of other purpose not contradicting the law.

The contribution to simple company is recognized in the accounting of the Company as financial investments. The property brought on accounting of the contribution under the contract about joint activity (the contract of simple company), joins in the partner organization in structure of financial investments at balance cost (Order Of Ministry of Finance of Russia as of 24.11.2003 № 105Н «On adoption of accounting regulations «Information on participation in joint activity » AR 20/03», item 13.) for date of the introduction of the contract by virtue of.

Acknowledgement of the fact of reception of the property contribution for the partner organization is the notice (aviso) about acceptance to the accounting of property the partner leading to common causes, or the primary registration document on reception of property (the certificate of acceptance-assignation, unprofitable, payment documents and etc.).

At formation of financial result each organization-comrade the share of profit or the losses which are a subject reception as a result of joint activity, includes in structure of other (Order Of Ministry of Finance of Russia as of 24.11.2003 № 105H «On adoption of accounting regulations « Information on participation in joint activity » AR 20/03», item 14.) incomes or charges.

The property which is subject to reception by each partner organization by results of section (Order Of Ministry of Finance of Russia as of 24.11.2003 № 105H «On adoption of accounting regulations « Information on participation in joint activity » AR 20/03», item 15.), according to item 1050 CC of the Russian Federation, at the termination of joint activity is reflected as repayment of the contributions considered in structure of financial investments. In case of occurrence of a difference between a cost estimation of the contribution considered in structure of financial investments, and cost of the received assets after the termination of joint activity it joins in structure of other incomes or miscellaneous costs at formation of financial result. The assets received by the partner organization after the termination of joint activity, are accepted to the accounting in an estimation which is registered in separate balance for date of decision-making on the termination of joint activity. (Items 12,13.14 of section IV AR 20/03)

Disclosing of the information in the accounting reporting.

The organization, being the participant of the contract about joint activity, in the accounting reporting the following information on participation in joint activity is a subject to disclosing:

The purpose of joint activity (production, performance of works, rendering of services, etc.) and the contribution to it;

Way of extraction of an economic gain or the income (in common carried out operations, shared assets, joint activity);

Classification of an accounting segment (operational or geographical);

Cost of assets and obligations concerning joint activity;

The sums of incomes, charges, profits or the loss, concerning joint activity. (Items 22 of section V AR 20/03)

Disclosing of the information in the accounting reporting of the organization about participation in joint activity is carried out in an explanatory note. (Accounting regulations "Information on segments" AR 12/2000)

2.11. SELECTED WAYS OF ACCOUNTING OF OWN MEANS (CAPITAL)

The structure of own capital of the Company includes authorized , additional and reserve capital, unallotted profit and other reserves.

In accounting balance the size of the authorized capital registered in authorized documents is reflected.

The sum of additional estimation of fixed assets, objects of capital construction and other material objects of property with for useful life from above 12 months, spent when due hereunder, and other similar sums are considered as the additional capital. (Item 68 of Regulations on conducting accounting adopted by Order of Ministry of Finance Of Russia as of 29.07.1998 N 34H)

The unallotted profit is:

Unallotted profit of the last years;

Unallotted profit of the reporting period;

Use of profit of the reporting period;

The uncovered loss of the last years;

The uncovered loss of the reporting period;

Target investment means.

Receipt of budgetary funds is related to target financing within the limits of the program of target financing and financing of target investment programs according to contracts of investment and individual share. (Items 66, 67, 68 of Regulations 34H)

Use of profit of OJSC « Moscow United Electric Grid Company », remaining at its disposal after charge of the profit tax of the organizations and other similar obligatory payments, including sanctions for non-observance of rules of the taxation, are approved by general meeting of shareholders. (Federal Law as of 26.12.1995 № 208-FL «On joint stock companies».)

Creation of funds.

OJSC «Moscow United Electric Grid Company» does not create any funds due to the profit remaining at its disposal, except for cases when creation of such funds is stipulated by constituent documents. In this case the order of their creation and use is defined on the basis of the decision of general meeting of shareholders.

In OJSC « Moscow United Electric Grid Company » the reserve fund at a rate of 5 (five) percent from the authorized capital of the Company is created.

The size of obligatory annual deductions in reserve fund of the Company makes not less than 5 (five) percent from net profit of the Company up to achievement by reserve fund of the established size.

The reserve fund of the Company is intended for covering of losses of the Company, and also for repayment of bonds of the Company and the repayment of shares of the Company in case of absence of other means.

2.12. SELECTED WAYS OF ACCOUNTING OF OBLIGATIONS (PAYABLES AND OF RECEIVABLES)

Estimation of payables

The payables to suppliers and other creditors are considered in the sum of the accounts accepted for payment and size of the added obligations according to settlement documents. The payables on non-invoiced deliveries are considered in the sum of the acted values determined proceeding from the price and conditions, stipulated in contracts. (Item 73 of Regulations № 34Н., plan of accounts № 94Н, section VI.)

The order of write-off receivables and payables.

The receivables on which term of limitation of action has expired, other debts, not real for collecting, are written off under each obligation on the basis of data of the held inventory, written substantiation and the order of the head of OJSC "Moscow United Electric Grid Company" and are charged to the reserve of doubtful debts or to the financial results if during the period, previous to the accounting one, the sums of these debts were not reserved.

Write-off of debt at a loss owing to insolvency of the debtor is not cancellation of debts. This debts are reflected off- 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.

The sums of receivables and payables on which term of limitation of actions has expired, are written off under each obligation on the basis of data of the lead inventory, written substantiation and order of the head of OJSC "Moscow United Electric Grid Company" and concern to financial results. (Items 77 and 78 of Regulations № 34Н).

2.13. Reserves of forthcoming charges and payments

OJSC «Moscow United Electric Grid Company» does not create reserves of forthcoming charges and payments. (Item 72 of Regulations № 34Н)

2.14. ACCOUNTING OF CALCULATIONS UNDER PROFIT TAX

Concept of constant differences, time differences, constant tax obligations

Constant differences are understood as incomes and charges forming accounting profit (loss) of the reporting period and excluded at the rate of tax base under the profit tax as accounting and subsequent periods.

As time differences are understood as incomes and charges forming accounting profit (loss) in one reporting period, and tax base under the profit tax - in another reporting period(s).

The constant tax obligation is understood as the sum of the tax which leads to increase in tax payments under the profit tax in the reporting period

The information on constant and time differences is formed on the basis of primary registration documents in registers of the accounting and tax accounting. (Items 4, 5, 7, 8, 13 AR 18/02.)

The order of the accounting of the postponed tax assets.

OJSC «Moscow United Electric Grid Company» recognizes the postponed tax assets in that reporting period in which there are subtracted time differences, under condition of existence of probability of that the Company will receive taxable profit in the subsequent reporting periods. The postponed tax assets are reflected in book keeping the executive body of OJSC «Moscow United Electric Grid Company» in separate synthetic account 09 «Postponed tax assets». Thus in the analytical accounting the postponed tax assets are considered is differentiated by kinds of assets in which estimation there was a subtracted time difference. (Item 14 AR 18/02).

Order of the accounting of the postponed tax obligations

The postponed tax obligations are recognized in that reporting period in which there are taxable time differences. The postponed tax obligations are reflected in book keeping by the executive body OJSC «Moscow United Electric Grid Company» in separate synthetic account 77 « Postponed tax obligations». Thus in the analytical accounting the postponed tax obligations are considered differentiated by kinds of assets and obligations in which estimation there was a taxable time difference. (Item 15 AR 18/02)

Order of reflection in the reporting of the postponed tax assets and obligations.

The postponed tax assets and postponed tax obligations are reflected in accounting balance of executive body OJSC «Moscow United Electric Grid Company» accordingly as non-current assets and long-term obligations. (Item 23 AR 18/02)

Order of reflection in the reporting

The constant tax obligations, postponed tax assets, postponed tax obligations are reflected in the report on profits and losses. (Items 24, 19 AR 18/02)

2.15. Information on segments

At formation in accounting reporting OJSC «Moscow United Electric Grid Company» on segments, primary information on operational segments, and secondary - on geographical segments is recognized. The order and rules of representation of the information on segments in the accounting reporting are defined by AR 12/2000 «Information on segments».

2.16. Events after accounting date. (AR 7/98 «Events after the reporting date », approved by Order of Ministry of Finance of Russia as of 25.11.1998 № 56H)

Recognition of event after accounting date of the accounting reporting.

Event after accounting date is recognized the fact of economic activities which has rendered or can influence a financial condition, money resources flow or on results of activity of OJSC «Moscow United Electric Grid Company» and which took place between accounting date and date of signing of the accounting reporting for a fiscal year.

Event after accounting date is the announcement of annual dividends when due hereunder by results of work for a fiscal year. (Item 3 of section II AR 7/98)

Estimation of consequences of event after accounting date.

For estimation in money terms consequences of event after accounting date corresponding calculation is made and acknowledgement of such calculation is provided. Calculation is made by service to which according to carried out functions event is related. (Item 8 of section III AR 7/98)

Disclosing in the reporting of events after accounting date.

Events after accounting date are reflected in the accounting reporting by specification of data about corresponding assets, obligations, capital, incomes and charges of OJSC «Moscow United Electric Grid Company» or by disclosing the corresponding information in explanatories to accounting balance and the report on profits and losses. The announcement of dividends is revealed in explanatories to accounting balance and the report on profits and losses. (Items 7, 9, 10 of section III AR 7/98).

In case during between date of signing of the accounting reporting and date of its statement the new information on events after the accounting date, opened in the accounting reporting, presented to users is when due hereunder received, and (or) have occurred events which can render essential influence on a financial condition, movement of money resources or results of activity of the organization the Company informs on it of persons to whom the given accounting reporting has been presented. (item 12 AR – 7/98 was introduced by Order of Ministry of Finance of Russia as of 20.12.2007 N 143H)

2.17. Conditional facts of economic activities (AR 8/01 «Conditional facts of economic activities», adopted by Order of Ministry of Finance Of Russia as of 28.11.2001 № 96H.)

Recognition of the conditional facts in the accounting reporting.

In accounting reporting OJSC «Moscow United Electric Grid Company» all essential conditional facts of economic activities are reflected, concerning which consequences and probability of their occurrence in the future are uncertain, that is which end result will be confirmed only at approach (or non-approach) of one or several uncertain events in the future. (Item 3 of section I and item 7 of section II AR 8/01)

Structure of the conditional facts of economic activities.

The conditional facts are:

The proceedings which hare not completed for accounting date, in which OJSC «Moscow United Electric Grid Company » acts as the claimant or the respondent, and decisions on which can be accepted only during the subsequent reporting periods;

The disagreements not resolved for accounting date with tax bodies in occasion of payment in the budget;

Guarantees and other kinds of maintenance of the obligations, given out in favor of the third parties, terms of execution on which has not come;

The discounted bills, which term of repayment has not come;

Sale either what termination or directions of activity OJSC «Moscow United Electric Grid Company», closing of branches or their moving;

Termination of a kind of activity of OJSC «Moscow United Electric Grid Company», liquidation of branches;

Other similar facts. (Item 3 of section I AR 8/01)

The order of reflection in the reporting of the conditional facts

OJSC "Moscow United Electric Grid Company" creates reserves in connection with obligations existing for accounting date, concerning size or term of which of execution there is uncertainty. The created reserve concerns to charges of the organization.

Conditional assets are not reflected in accounts of book keeping OJSC «Moscow United Electric Grid Company».

The information on the conditional obligation is disclosed in the explanatory note to accounting reporting of OJSC «Moscow United Electric Grid Company». (Items 7, 8, 9,13 of section II AR 8/01)

Estimation of consequences of the conditional facts of economic activities.

OJSC «Moscow United Electric Grid Company» estimates conditional obligations in money terms. Calculation of the conditional obligation (asset) is carried out in the event that this size can be grounded enough.

Calculation is made by service to which according to exercised functions the conditional fact of economic activities is related to. Conditional assets are not subject to estimation in money terms. (Section III AR 8/01)

2.18. Information about affiliated persons (AR 11/2000 «Information on affiliates», adopted by Order Of Ministry of Finance Of Russia as of 13.01.2000 № 5Н.)

Disclosing of the information about affiliated persons in the reporting.

OJSC «Moscow United Electric Grid Company» includes in the explanatory note which is a part of the accounting reporting, in the form of separate section the information about affiliated persons. Thus the specified data are not applied at formation of the reporting for the internal purposes, and also the reporting made for the state statistical supervision, for the credit organization or for other special purposes.

Data is related to the information about affiliated persons in the accounting reporting about operations between OJSC «Moscow United Electric Grid Company» and affiliated person.

Thus operation between OJSC «Moscow United Electric Grid Company» and affiliated person is any operation on transfer of any assets or obligations between OJSC «Moscow United Electric Grid Company» and affiliated person.

In accounting reporting of OJSC «Moscow United Electric Grid Company» the information on operations between RAO "UES of Russia" and OJSC «Moscow United Electric Grid Company», OJSC «Moscow United Electric Grid Company» and other companies entering into group is reflected. (Items 2, 5 of section I and item 14 of section II AR 11/2000)

The list of affiliated persons

The list affiliated persons, the information about which is revealed in the accounting reporting, is established by OJSC «Moscow United Electric Grid Company» independently, proceeding from the maintenance of attitudes between OJSC «Moscow United Electric Grid Company» and affiliated person, in view of observance of the requirement of priority of the contents with regard to the form.

2.19. Accounting of state assistance («Accounting of state assistance», AR 13/2000 approved by Order of Ministry of Finance Of Russia as of 16.10.2000 № 92Н)

Classification of budgetary funds.

For the purposes of book keeping budgetary funds are subdivided into:

Means for financing of the capital charges connected with purchase, construction or purchase by other by non-current assets (fixed assets, etc.);

Means for financing of the operational expenditure. The budgetary funds which are distinct from capital charges intended on financing concern to them. (Item 4 of section I AR 13/2000)

The order of reflection of budgetary funds in book keeping.

The budgetary funds accepted to book keeping are reflected in book keeping as occurrence of target financing and debts on these means.

Budgetary funds are recognized in book keeping in process of actual reception of resources.

Budgetary funds are written off from the accounting of target financing as increase in financial results.

Simultaneously on non-current assets got due to budgetary funds and subjects according to operating rules of amortization, in the general order the depreciation is charged.

Write-off of budgetary funds from the accounting of target financing is made on a regular basis:

The sums of budgetary funds on financing of capital charges - during term of useful life of non-current assets, subject according to operating rules to amortization. Thus target financing is considered as incomes of the future periods at input of objects of non-current assets in operation with the subsequent circulation during term of useful life of objects of non-current assets at a rate of the added amortization on financial results of OJSC «Moscow United Electric Grid Company» as non-operating incomes;

The sums of budgetary funds on financing of the operational expenditure - during the periods of recognition of charges on financing of which they are given out.

Budgetary credits are reflected in book keeping in the general order accepted for the accounting of extra means.

The rest of means under the accounting of the accounting of means of target financing regarding given OJSC «Moscow United Electric Grid Company» budgetary funds is reflected in accounting balance under article «Incomes of the future periods». (Items 7-9 of section II, item 16 of section III, item 20 of section IV AR 13/2000)

2.20. Information on terminated activity (accounting of «Information on terminated activity», AR 16/02, approved by Orders Of Ministry of Finance Of Russia as of 2.07.2002 № 66Н)

Disclosing of the information on terminated activity.

OJSC «Moscow United Electric Grid Company» includes in the explanatory note which is a part of the accounting reporting, the following information on stopped activity:

The description of stopped activity;

Cost of assets and obligations of OJSC «Moscow United Electric Grid Company», prospective to retirement or repayment within the limits of stopped activity;

The sums of incomes, charges, profits or losses before taxation, and also the sum of the added profit tax, concerning stopped activity;

The movement of money resources concerning stopped activity, with a breakdown into current, investment and financial activity during the current reporting period.

Chief Accountant

L.A.Sklyarova

**Appendix 2 to order
OJSC «Moscow United Electric Grid Company»**

**Regulations
About Tax Accounting Policy
OJSC "Moscow United Electric Grid Company"
for 2009**

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1. ORGANIZATION OF TAX ACCOUNTING

1.1. GENERAL PROVISIONS

1.1.1. The present Regulation defines the system of the tax accounting accepted in OJSC "Moscow United Electric Grid Company" for the purposes of calculation, payment and declaring of taxes, and also the order of interaction of the isolated divisions of OJSC "Moscow United Electric Grid Company" concerning the tax accounting. The tax accounting policy for the purposes of the taxation is obligatory for branches of OJSC "Moscow United Electric Grid Company".

1.1.2. Changes are brought in the tax accounting policy of OJSC "Moscow United Electric Grid Company" at change of the order of the accounting of separate economic operations and (or) objects with a view of the taxation in case of change of the legislation or applied methods of the accounting, and also if OJSC "Moscow United Electric Grid Company" has started to carry out new kinds of activity.

Decisions on any changes are reflected in the tax accounting policy for the purposes of the taxation.

1.1.3. OJSC "Moscow United Electric Grid Company" uses a system of registers of the tax accounting and the order their filling-in stipulated in the specialized program " 1C: Accounts department 7.7".

1.1.4. Inventory of the obligations connected with calculations under taxes and payments, verification of debts with tax bodies are made by the executive body and branches of OJSC "Moscow United Electric Grid Company" in the place of exercising duties of the tax bearer.

1.1.5. In each IFTS of Moscow, the Moscow region and other regions of Russia, a responsible branch is appointed for carrying out adjustment of calculations under personal accounts of OJSC "Moscow United Electric Grid Company" under the centralized taxes according to the order of OJSC "Moscow United Electric Grid Company".

1.2. Distribution of duties between the executive body and branches of OJSC "Moscow United Electric Grid Company"

1.2.1. Executive body carries out duties of the tax bearer (calculation of taxable base, granting of declarations (advance calculations) under following taxes:

Under the profit tax - carries out calculation of the tax as a whole on OJSC "Moscow United Electric Grid Company", distributes the sum of tax payments between budgets of different levels, represents the summary declaration (advance calculation) in the electronic form to tax body in a place of the accounting as the largest tax bearer, and also the declaration (advance calculations) in tax bodies on a site of the responsible isolated divisions (item 3 article 80, item 2 article 288 the Tax code of the Russian Federation - further RF-TC).

Under the value added tax - carries out calculation of the tax as a whole on OJSC "Moscow United Electric Grid Company" and represents the tax declaration in the electronic form to tax body in the place of the accounting as the largest tax bearer;

Under the tax to property - carries out calculation of the tax as a whole on OJSC "Moscow United Electric Grid Company" and represents the tax declaration (advance calculations) in the electronic form to tax body in a place of the accounting as the largest tax bearer, and also tax declarations (advance calculations) in tax bodies in the place of location of the isolated divisions having separate balance (branches), and in tax bodies on a site of objects of the real estate which is being outside of a site of the organization, the isolated division of the organization having separate balance (branch);

Under the land tax - regarding the ground areas considered in the executive body, carries out calculation of the tax and represents tax declarations (advance calculations) in the electronic form to tax body in a place of the accounting as the largest tax bearer;

Under the tax to incomes of physical persons (the tax agent), the uniform social tax, insurance payments to obligatory pension insurance - regarding the payments to workers made by the executive body, carries out calculation of taxes, insurance payments on obligatory pension insurance and represents tax declarations, declarations on insurance payments on obligatory pension insurance (advance calculations), data on incomes of physical persons under the form 2-PIT on tax bearers - physical persons in the electronic form to tax body in a place of the accounting of OJSC "Moscow United Electric Grid Company" as the largest tax bearer;

As a tax agent, the executive body at payment of dividends to shareholders of OJSC "Moscow United Electric Grid Company" estimates and keeps the profit tax of the organizations from legal persons and the tax to incomes of physical persons.

The executive body calculates and retains the VAT from the sums of the incomes paid by the executive body to the organizations-non-residents, which are not registered in the tax accounting records in the Russian Federation simultaneously with payment of the income.

The executive body accepts tax declarations (advance calculations) from branches in the electronic form under the land tax, the transport tax, the uniform social tax, the declaration on insurance payments on obligatory pension insurance (advance calculations), data on incomes of physical persons under the form 2-PIT and represents them to tax body in a place of the accounting of OJSC "Moscow United Electric Grid Company" as the largest tax bearer.

1.2.2. Branches of OJSC "Moscow United Electric Grid Company" under following taxes make calculation of the tax by way established by corresponding chapter TC of the Russian Federation and give in an electronic kind tax declarations (advance calculations), the form 2-PIT (including on electronic carriers) in the executive body according to the rules of OJSC "MOESK" on representation of the reporting by branches in an electronic form:

Under the land tax - regarding the land areas booked in a branch;

Under the tax to incomes of physical persons (the tax agent), the uniform social tax, insurance payments to obligatory pension insurance - regarding the payments to workers made by branch and its structural divisions;

Under the transport tax - regarding the vehicles registered on the location of branches and their structural divisions;

Under the tax to extraction of minerals;

Under the water tax.

Branches calculate, retain and transfer the VAT from the sums of the incomes paid by branch to the organizations-non-residents, which are not registered in the tax accounting records in the Russian Federation simultaneously with payment of the income.

1.2.3. Payment of tax payments to budgets and unappropriated funds is made:

under payments of branch and its structural divisions - by branch;

under payments of the executive body - by the executive body;

under the centralized taxes - by the executive body.

1.3. Order of interaction with tax bodies

1.3.1. OJSC "Moscow United Electric Grid Company" exercises rights and duties of the tax bearer (tax agent) through interaction with tax bodies which control correctness and timeliness of payment of taxes and granting of the reporting, and carry out other functions according to TC of the Russian Federation.

1.3.2. For conducting operative work with tax bodies in places, a responsible branch is appointed according to an order of OJSC "Moscow United Electric Grid Company" in each IFTS of Moscow, the Moscow Region and other regions of Russia.

1.3.3. Those experts of OJSC "Moscow United Electric Grid Company" can cooperate only with tax bodies, who are empowered to this by the duty regulations and only within the limits of their competence.

1.4. Order of carrying out of verification with tax bodies of data under the paid and accrued taxes

1.4.1. Verification of calculations with budgets is carried out in accordance with the procedure determined by order FTS of Russia from 09.09.2005 SAE -3-01/444 "About adoption of the rules of the organization of work with tax bearers, payers of collections, insurance payments on obligatory pension insurance and tax agents".

1.4.2. Verification of calculations with budgets is held quarterly in the time defined by the order of OJSC "Moscow United Electric Grid Company". As for the centralized taxes, a responsible branch represents the originals of certificates of verification to a tax sector of the executive body. As for taxes of a branch, x-copies of certificates of verifications are represented to tax sector of the executive body, the originals are stored at the branch.

1.5. Order of sending inquiries to tax bodies concerning application of the legislation on taxes and tax collections

1.5.1. In conformity with article 21 TC of the Russian Federation, OJSC "Moscow United Electric Grid Company" has the right to receive from tax bodies written explanations concerning application of the legislation on taxes and tax collections. For reception of such explanation, OJSC "Moscow United Electric Grid Company" forwards the corresponding inquiry in writing to a tax body in the place of the accounting.

1.5.2. Questions on application of the legislation on taxes and tax collections are forwarded to chief accountants of branches or the employees appointed by them - to accounts department of the executive body of OJSC "Moscow United Electric Grid Company". The accounts department of the executive body, proceeding from necessity of observance of the uniform approach to questions of the taxation and the tax accounting in OJSC "Moscow United Electric Grid Company" as a whole, answers the given question in written form. In case of impossibility of formulation of an unequivocally treated answer proceeding from requirements of the tax laws, accounts department of the executive body of OJSC "Moscow United Electric Grid Company" (if necessary with participation of experts of legal division) prepares for the letter of enquiry in tax body.

1.5.3. At sending inquiries to tax bodies concerning application of the legislation on taxes and tax collections the following order is observed. The inquiries on all questions demanding the decision within the limits of OJSC "Moscow United Electric Grid Company" are forwarded to IFTS in a place of registration of OJSC "Moscow United Electric Grid Company" (the executive body). The inquiries related to the order of calculation of the taxes which are

subject to transfer given tax body (for example, local taxes) can be forwarded to the IFTS in the place of the accounting of isolated divisions.

1.5.4. Originals of inquiries in tax bodies and their answers are stored in accounts department of the executive body of OJSC "Moscow United Electric Grid Company" or branch. The chief accountant of branch should provide delivery of spears of all inquiries and the answers made in IFTS in a place of registration of branch, in accounts department of the executive body.

1.6. Storage of documents of the tax accounting

1.6.1. Documents of the tax accounting are understood as tax declarations (advance calculations), declarations on insurance payments on obligatory pension insurance (advance calculations), data on incomes of physical persons under the form 2-PIT, payment assignments on transfer of taxes (payments), calculation of tax base, tax registers, and also primary documents of book keeping.

1.6.2. Originals of primary documents are stored in accordance with the established procedure in accounts department of the executive body or branch accordingly.

1.6.3. The responsibility for safety of documents of the tax accounting on paper carriers and in electronic form is defined by the order of the general director of OJSC "Moscow United Electric Grid Company" and the head of branch of OJSC "Moscow United Electric Grid Company".

2. RESPONSIBILITY FOR CONDUCTING THE TAX ACCOUNTING AND DRAWING UP OF THE TAX REPORTING

2.1. The tax accounting is carried out at all levels of management of OJSC "Moscow United Electric Grid Company". The responsibility for drawing up of the tax reporting is assigned to workers of the accounting service headed by the chief accountant of OJSC "Moscow United Electric Grid Company" and to the chief accountant of branch.

Powers and responsibility of tax divisions and the chief accountant of branch at each level of management and inside of each level are defined by Regulations about division, Regulations about the tax accounting policy of OJSC "Moscow United Electric Grid Company" and duty regulations of the employees who carry out the tax accounting and drawing up of the tax reporting at the organization.

The documents proving calculations on charge and payment of taxes (payments) are formed by accounts department of the executive body according to the data given by branches of OJSC "Moscow United Electric Grid Company".

2.2. For maintenance of correct and full formation of taxable bases under all taxes and payments, branches give the necessary information in the time established by the schedule of document circulation, in forms and volumes approved by corresponding orders of the chief accountant of OJSC "Moscow United Electric Grid Company".

2.3. The accounting of calculations under taxes and the payments paid to the budget and unappropriated funds, is conducted by continuously accruing result during the tax period separately under each tax and payment in by the level of budgets and unappropriated funds (federal, budget of the subject of the Russian Federation, the local budget), and also by the type of debts (shortage on the basic sum of the tax, and payment, fine, penalty fee).

2.4. The book keeping provides for requirements to the tax accounting according to provisions of the Tax Code of the Russian Federation (further on called TC of the Russian Federation).

3. PROFIT TAX

3.1. General provisions

3.1.1. OJSC "Moscow United Electric Grid Company" establishes a uniform system of organization, ways and forms of conducting the tax accounting for the purposes of the profit tax of the organizations on the basis of Chapter 25 TC of the Russian Federation and the present Regulations.

3.1.2. OJSC "Moscow United Electric Grid Company" estimates tax base based on results of each reporting (tax) period on the basis of data of the tax accounting.

3.1.3. OJSC "Moscow United Electric Grid Company" admits specification and expansion of principles, order and forms of conducting the tax accounting stated in the present Regulations, during the tax period by means of introduction of additional analytical data, registers and principles of generalization of the information promoting more correct disclosing principles and order of formation of tax base.

3.1.4. Primary documents for the purposes of the tax accounting are primary documents (including the information of the bookkeeper) of book keeping, tax registers and calculation of tax base.

3.1.5. The basis of the tax accounting and calculation of taxable base includes the data containing in primary documents used when conducting the accounting, and also special calculations of the accounting of objects and economic operations for the purposes of the taxation according to Chapter 25 TC of the Russian Federation.

3.1.6. Forms of registers of the tax accounting, book keeping accounting and other information used when calculating the profit tax are developed and approved in accordance with the established procedure. Registers of the tax accounting are conducted in electronic form, after the tax (accounting) period are transferred to the paper carrier and signed by the chief accountant and the executing party.

3.2. Order of recognition of incomes and charges

3.2.1. OJSC "Moscow United Electric Grid Company" estimates incomes and charges for the purposes of the taxation under the method of charging. According to this method incomes (expenses) are recognized in that reporting period in which they actually took place, irrespective of actual receipt (spending) of money resources.

3.2.2. The order of the accounting and the moment of recognition of separate kinds of incomes (charges) is specified in separate items of the present Regulation.

3.3. Tax accounting of the expenses connected with creation of objects of depreciated of property

3.3.1. With a view of the taxation, a part of the property used as means of work for manufacture and sale of goods (performance of works, rendering of services) with a view of income generation or for management of OJSC "Moscow United Electric Grid Company" is recognized as fixed assets, its cost is repaid by charge of amortization.

Depreciated property of OJSC "Moscow United Electric Grid Company" with a view of the tax accounting is the property which simultaneously meets the following conditions:

Term of its useful life is more than 12 months and initial value is more than 10 000 rubles on property which is put into operation before 01.01.2008, and more than 20 000 rubles on property which is put into operation since 01.01.2008 irrespective of time of its purchase (Federal law from 24.07.2007 N 216-FL, the letter of the Ministry of Finance of Russia from 03.11.2007 N 03-03-06/1/767).

Depreciated property also includes:

Capital investments into the objects of fixed assets given in rent in the form of permanent improvements made with the consent of lessor (the basis: item 1, article 256 TC of the Russian Federation);

3.3.2. Initial value of fixed assets is defined as the sum of charges on their purchase, construction, manufacturing, delivery and bringing up to the condition in which it is suitable for use, except for the value added tax and excises (the basis: item 1, article 257 TC of the Russian Federation.).

Initial value of gratuitously received fixed assets is defined proceeding from estimation of such property according to item 8 of article 250 TC of the Russian Federation.

When OJSC "Moscow United Electric Grid Company" uses objects of fixed assets of own manufacture, their initial value of is defined under the value of finished goods estimated according to item 2 of article 319 TC of the Russian Federation.

Fixed assets received at reorganization in the form of spin-off are accepted for the accounting at residual value which is defined according to the tax accounting of the transferring party for the date of reorganization.

Fixed assets received under the contract of leasing, are accepted for the accounting at redemption value which is provided in the contract of leasing.

Initial value of fixed assets changes in cases of completion, additional equipment, reconstruction, re-equipment, modernization, partial liquidation of the corresponding objects and on other similar bases.

3.3.3. The tax accounting of the expenses connected with creation of objects of depreciated property is conducted in the system of the tax accounting and provides for inclusion of expenses in initial value of objects of depreciated property under rules of Chapter 25 RF-TC.

3.4. Tax accounting of fixed assets

3.4.1. For the purposes of the tax accounting, fixed assets accepted for the accounting join in the corresponding amortisation group, proceeding from term of the useful life defined independently according to positions of article 258 TC of the Russian Federation and the Governmental Order of the Russian Federation from 01.01.2002 №1 «About classification of fixed assets included in amortisation groups».

3.4.2. Fixed assets, the rights to which are subject to the state registration according to the legislation of the Russian Federation, join in structure of corresponding amortisation group since the date of documentary confirmed fact of submission of documents for registration of the specified rights.

3.4.3. OJSC "Moscow United Electric Grid Company" has the right to increase the term of useful life of object of fixed assets after the date of its putting into operation if after reconstruction or modernisation of such object there was an increase in the term of its useful life. Thus the increase in the term of useful life of fixed assets can be carried out within the limits of the terms established for the amortisation group, such fixed assets had been earlier included in.

3.4.4. Amortization of fixed assets is charged by a linear method.

3.4.5. On cars and passenger minibuses having initial value accordingly more than 600 thousand rubles and 800 thousand rubles, which were put into operation after December 31st, 2007, the main norm of amortization is applied with a special factor 0,5 (paragraph 1 of item 9 article 259 TC of the Russian Federation).

Since January 1st, 2008 OJSC "Moscow United Electric Grid Company" applies the lowering factor on already depreciated cars with initial value from above 300 thousand rubles and up to 600 thousand rubles (to passenger minibuses with initial value from above 400 thousand rubles. and up to 800 thousand rubles.) is not made.

3.4.6. Concerning depreciated fixed assets used for work in conditions of aggressive environment and (or) raised changeability, a special factor is applied to the basic norm of amortization which is adopted by an order of the head of branch on each object of fixed assets (not above 2).

3.4.7. The sum of amortization for the purposes of the taxation is defined monthly according to the procedure established by article 259 and article 322 TC of the Russian Federation. Amortization is charged separately on each object of fixed assets.

3.4.8. Charge of amortization on objects of fixed assets which are again put into operation, begins with the 1st day of the month following after the month, in which the following conditions are compiled with:

Objects are put into operation;

On objects, the rights to which are subject to the state registration according to the legislation of the Russian Federation, the fact of submission of documents on registration is documentary confirmed.

3.4.9. Charge of amortization on object of fixed assets stops from the 1st day of the month following after the month when there was a full write-off of the value of such object or when the given object left structure of fixed assets of OJSC "Moscow United Electric Grid Company" on any bases.

3.4.10. In case of purchase of used objects of fixed assets, the norm of amortization on this property is defined in view of the term of the useful life reduced by quantity of years (months) of operation of given property by the previous proprietors. If term of actual use of the given fixed assets at the previous proprietors will appear equal to, or exceeding the term of its useful life approved by administrative documents of OJSC "Moscow United Electric Grid Company" on the basis of the governmental order of the Russian Federation from 01.01.2002 1 "About classification of fixed assets included in amortisation groups", additional term of use of this fixed assets is defined in view of requirements of the

safety precautions and other factors by technical commission of corresponding branch of OJSC "Moscow United Electric Grid Company" and approved by the order of the head of branch.

3.4.11. On fixed assets received by reorganization in the form of spin-off, amortization is charged proceeding from the remained term of useful life which is defined according to the tax accounting of the transferring party at the date of reorganization.

3.4.12. Charge of amortization on depreciated to property in the form of capital investments in objects of the rented fixed assets which is subject to amortization, is made as follows:

1) it starts at lessor with the 1st day of the month following after the month in which this property was put into operation, but not earlier than in the month in which lessor made compensation to the lessee of the value of the specified capital investments;

2) it starts at the lessee with the 1st day of the month following after the month in which this property was put into operation (the basis: item 2, article 259 TC of the Russian Federation).

3.4.13. The following is not subject to amortization:

The land and other objects of wildlife management (water, bowels and other natural resources);
inventories;
goods;
objects of incomplete capital construction;
securities;
financial instruments of futures transactions.

3.4.14. The following kinds of property are not subject to amortization:

a) The property purchased (created) with use of budgetary funds of target financing (except for the property received at privatization);

b) Land improvement facilities (including, objects of road facilities, which were constructed with attraction of the sources of budgetary or other similar target financing) and other similar objects;

c) Productive cattle (except for working cattle);

d) Purchased editions (books, brochures, etc.), works of art;

e) Property received within the limits of target financing;

3.4.15. The following fixed assets are excluded from structure of depreciated property:

Transferred (received) under contracts for gratuitous use;

Transferred by the management of OJSC «Moscow United Electric Grid Company» to preservation of duration of over three months;

Transferred by the management of OJSC «Moscow United Electric Grid Company» for reconstruction and modernization by duration of over 12 months.

3.4.16. Branches of OJSC "Moscow United Electric Grid Company", at which objects of the fixed capital are translated to preservation for over three months or are deduced for reconstruction for over 12 months, duly prior to the beginning of translation for preservation or reconstruction prepare and give to the executive body a draft decision of the management of OJSC "Moscow United Electric Grid Company" about translation for preservation or putting for reconstruction of the corresponding object of fixed assets, signed by director of branch.

3.4.17. On fixed assets transferred to gratuitous use, since the 1st day of the month following after the month in which there was a specified transfer, charge of amortization is not made. The similar order is applied to fixed assets translated under the decision of the management of OJSC "Moscow United Electric Grid Company" to preservation by duration of over three months, and also to fixed assets which are under reconstruction, modernization and re-equipment for over 12 months under the decision of the management of OJSC "Moscow United Electric Grid Company".

Upon termination of validity of the contract of gratuitous using and return of fixed assets, and also at depreservation or termination of reconstruction, the amortization is charged in accordance with the procedure established by Chapter 25 TC of the Russian Federation, since the 1st day of the month following after the month in which there was the return of fixed assets of OJSC "Moscow United Electric Grid Company", the termination of reconstruction or depreservation of fixed assets.

At depreservation of the object of fixed assets, the term of useful life is prolonged for the period of time during which the object of fixed assets was on preservation.

Sale and retirement of depreciated property.

3.4.18. The profit (loss) from sale or retirement of depreciated property is defined on the basis of the analytical accounting on each object at the date of recognition of the income (charge). The accounting of incomes and charges on depreciated property is conducted object by object.

3.4.19. The profit received as a result of sale of depreciated property, joins in structure of tax base in the reporting period in which sale of property was carried out.

3.4.20. The loss received as a result of sale of depreciated of property is reflected in the analytical accounting as miscellaneous costs. The received loss joins in structure of miscellaneous costs by equal shares during the term defined as a difference between useful life of this property and actual term for its operation before the moment of the sale.

3.4.21. The sums of incompletely charged amortization of fixed assets at their liquidation are related to non-operating expenses.

3.5. Tax accounting of intangible assets

The intangible assets are purchased and (or) created by OJSC "United Electric Grid Company" objects of intellectual activity and other objects of intellectual property (exclusive rights to them) used in production (performance of works, rendering of services) or for administrative needs of OJSC "Moscow United Electric Grid Company" for a long time (duration is over 12 months).

For recognition of intangible asset, presence of ability to bring economic gains (income) to the Company is necessary, as well as presence of properly issued documents confirming existence of the intangible asset and (or) the exclusive right of the Company to the results of intellectual activity (including patents, certificates, other security documents, contract of concession (purchase) of patent, trade mark).

Definition of term of useful life of object of intangible assets is made proceeding from validity of the patent, certificate and (or) from other restrictions of terms of use of objects of intellectual property according to the legislation of the Russian Federation or the applicable legislation of the foreign state, and also proceeding from the useful life of intangible assets specified by corresponding contracts. A ten-year norm of amortization is fixed for the intangible assets, in relation to which it is impossible to define the term of useful life of the object of intangible assets.

Amortization of intangible assets is charged by a linear method proceeding from the norms estimated on the basis of target dates of useful life.

The sum of amortization for the purposes of the taxation the Russian Federation is defined monthly by way established by article 259 TC. Amortization is charged separately on each object of intangible assets. Charge of amortization on object of intangible assets begins with the 1st day of the month following after the month in which this object was put into operation. Charge of amortization on object of intangible assets stops from the 1st day of the month following after the month when there was a full write-off of the value of such object or when the given object left the structure of intangible assets of OJSC "Moscow United Electric Grid Company" on any bases.

Value of the intangible assets created by OJSC "Moscow United Electric Grid Company" is defined as the sum of actual charges for their creation, manufacturing (including material charges, charges on payment, charges on services of foreign organizations, patent fees connected with reception of patents, certificates), except for the value added tax and excises.

Initial value of depreciated intangible assets is defined as the sum of charges for their purchase (creation) and their bringing to the condition, in which they are suitable for use, except for the sums of the taxes considered in the structure of charges according to RF-TC.

Results of intellectual activity and other objects of intellectual property with a view of the taxation are not related to property (item 2 of article 38 TC of the Russian Federation, article 128 CC of the Russian Federation), therefore, even if cost of such objects is less than 10 000 rubles, they also should be considered in the structure of depreciated property (letter FTS of Russia from 27.02.2006 N 04-2-05/2 "About the order of application of separate positions of the Tax Code of the Russian Federation").

The acquired rights to results of intellectual activity and other objects of intellectual property are not subject to amortization if under the contract for acquisition of the specified rights the payment should be made by periodic payments during validity of the specified contract.

3.6. Tax accounting of inventories

3.6.1. The value of raw material and other materials is defined proceeding from the prices of their purchase (without taking into accounting the sums of the taxes which are subject to deduction, or included in charges according to TC of the Russian Federation), including the commissions paid to intermediary organizations, import customs duties and collections, charges for transportation and other expenses connected with purchase of raw material and other materials.

3.6.2. The value of raw material and materials does not include:

Charges in the form of interest under debt obligations of any kind taken for the purpose of purchase of raw material and other materials;

Charges in the form of sum difference arising in the event that the sum of arisen obligations and requirements estimated on rate of conditional monetary units established by the agreement of the parties for the date of recording of raw material and other materials, mismatches actually paid sum of rubles.

The charges specified in the present item are included in structure of non-operating expenses.

3.6.3. The value of raw material, other materials, spare parts completing parts, semifinished items and other material assets of own manufacture, and the value of results of works or services of own manufacture included in structure of material charges, is defined as value of finished goods in accordance with the procedure established by article 319 TC of the Russian Federation.

3.6.4. At definition of the size of material charges at write-off of raw material and other materials used in production (manufacturing) of goods (performance of works, rendering of services), the method of estimation under the average cost price is applied.

3.6.5. Value of inventories in the form of the surpluses revealed during inventory, and (or) the property received at dismantling, disassembly of fixed assets put out of operation, and their repair is defined as the sum of the tax estimated from the received income.

Order of write-off of value of purchased goods

3.6.6. The value of the goods is defined proceeding from the prices of their purchase (without taking into accounting the sums of the taxes which are subject to deduction, or included in charges according to TC of the Russian Federation), including the commissions paid to intermediary organizations, import customs duties and collections, charges for transportation and other expenses connected with purchase of goods.

3.6.7. The value of goods does not include:

Charges in the form of interest under debt obligations of any kind taken for the purpose of purchase of the goods;

Charges in the form of sum difference arising in the event that the sum of arisen obligations and requirements estimated under the rate of conditional monetary units established by the agreement of the parties for the date of booking the goods, mismatches actually paid sum of rubles.

The charges specified in the present item join in the structure of non-operating expenses.

3.6.8. At selling goods, the sales incomes decrease by the value of purchase of the given goods defined at the value of the purchases which were first as to time (FIFO method).

3.7. Tax accounting of charges

3.7.1. Charges of OJSC "Moscow United Electric Grid Company" are defined on the basis of primary documents and data of the tax accounting which is conducted according to the present Regulation.

3.7.2. At definition of charges which reduce incomes of OJSC "Moscow United Electric Grid Company", their documentary acknowledgement and economic validity are checked without fail.

3.7.3. Documentary confirmed charges are understood as the charges confirmed by primary documents, issued according to the legislation of the Russian Federation.

Primary 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 content of economic operation;

Measuring instruments of economic operation in kind and terms of money;

The name of positions of the persons responsible for fulfilment of economic operation and correctness of its registration;

Personal signatures of the specified persons.

Documentary acknowledgement of the performed charges are the primary accounting documents issued not only according to the legislation of the Russian Federation, but also as the documents issued according to the business customs applied in the foreign state, in the territory of which the corresponding charges were made, and (or) the documents indirectly confirming performed charges (including the customs declaration, order on business trip, travel papers, report on the executed work according to the contract) (the basis: item 1, article 252 TC of the Russian Federation);

The branches applying in addition their internal forms of primary accounting documents approve them by order of the head of the branch. The given forms are without fail coordinated with the chief accountant of OJSC "Moscow United Electric Grid Company".

3.7.4. Charges of OJSC "Moscow United Electric Grid Company", except for the charges which are not considered with a view of the taxation in conformity from item 270 TC of the Russian Federation, are subdivided into:

Charges connected with manufacture and sale;

Charges for realization of the activity connected with use of objects of production of services and facilities in conformity with item 275.1 RF-TC;

non-operating expenses.

3.7.5. Charges for manufacture and realization which were exercised during the reporting (tax) period, are subdivided into: direct and indirect

3.7.6. For the purposes of the tax accounting, direct costs are equated to charges which are booked on account 20 «Main manufacture», 23 «Auxiliary manufacture», 25 «Common industrial charges» and form the cost price of book keeping.

3.7.7. The direct costs concerning a concrete kind of activity (including charges for payment of the employees borrowed in a concrete kind of activity, amortization of the fixed capital used in a concrete kind of activity) with a view of the tax accounting join in charges by corresponding kind of activity in accordance with the procedure accepted by OJSC "Moscow United Electric Grid Company" for the purposes of book keeping of such charges.

3.7.8. The indirect charges include:

All other sums of charges on manufacture and sales, except for non-operating expenses and charges which are not booked with a view of the taxation in conformity with article 270 TC of the Russian Federation;

Charges on rendering services on connection of capacity to the electric networks formed in the accounting reports.

3.7.9. The structure of non-operating expenses includes the proved expenses for realization of the activity which was not directly connected with manufacture and selling. The structure of non-operating expenses is formed in conformity with article 265 TC of the Russian Federation.

3.7.10. The structure of the charges which are not booked with a view of the taxation is formed in conformity with article 270 TC of the Russian Federation.

3.7.11. The charges accepted for the purposes of the taxation in view of positions of Chapter 25 TC of the Russian Federation, are recognized in the reporting (tax) period they are related to, irrespective of time of actual payment of money resources and (or) another form of their payment.

3.7.12. Dates of recognition of concrete kinds of charges are accepted in accordance with the procedure established by the Russian Federation by article 272 TC. The charges connected with purchase of software products and databases are distributed to the corresponding quantity of the reporting (tax) periods proceeding from conditions of contracts. If contract provisions do not connect occurrence of charges with concrete reporting (tax) periods, the charges are written off in accordance with the procedure established for the purposes of the accounting, i.e. in regular intervals proceeding from term of useful life of this property defined by constantly operating commission for definition of terms of useful life of software;

3.7.13. Charges (expenses) with a view of the tax accounting are formed in an actual place of realization of charges: of the executive body and branches of OJSC "Moscow United Electric Grid Company".

3.7.14. Taking into account that OJSC "Moscow United Electric Grid Company" forms taxable base with the identical tax rate, charges which cannot be directly referred expenses under a concrete kind of activity, are distributed proportionally to proceeds.

3.7.15. The activity connected with use of objects of production of services and facilities of OJSC "Moscow United Electric Grid Company" considers activity of the isolated divisions according to requirements of article 275 TC of the Russian Federation and defines tax base on the specified activity separately from tax base by other kinds of activity.

3.7.16. The sum of direct costs on manufacture and realization, performed in the reporting (tax) period, is related to charges of the current reporting (tax) period, except for the sums of the direct costs distributed to the rests of production in progress, finished goods in warehouse and shipped, but production not sold in the reporting (tax) period in accordance with the procedure established by article 319 TC of the Russian Federation.

The production in progress with a view of the tax accounting is products (works, services) of partial readiness, i.e. which did not pass all operations of the processing (manufacturing) stipulated by technological process. The production in progress joins in works and services, which are finished, but not accepted by the customer. The rests of outstanding orders of manufactures and the rests of semifinished items of own manufacture are related to production in progress. Materials and semifinished items in manufacture are related to production-in-progress provided that they were exposed to processing.

By the activity «transmission and distribution of electric energy» the production in progress is absent, since transmission of electric energy in one stage coincides on time with its sale.

By other kinds of activity the estimation of production in progress is made on direct costs.

The sum of direct costs is distributed to rests of production-in-progress as the share calculated as the relation of gain of production-in-progress regarding direct costs for the reporting (tax) period according to book keeping to direct costs of the current (tax) period according to book keeping.

By the kinds of activity connected with rendering of services, the production in progress is absent, since all direct costs are in full written off to reduction of incomes of the reporting (tax) period.

The estimation of the rests of finished goods in warehouse is defined as a difference between the sum of direct expenses for the rests of finished goods at the beginning of current month, increased by the sum of the direct expenses for output in the current month (net of the sum of the direct expenses for the rest of production in progress) and the sum of direct expenses for products shipped in the current month.

During the reporting period (month is accepted as the reporting period), release of finished goods to warehouse, supply of finished goods from warehouse is carried out in quantitative expression.

Cost of the finished goods which were issued to the warehouse, released from warehouse during the reporting period is defined at the end of the month.

Cost of finished goods released to warehouse is defined as a difference between the sum of the direct costs which were carried out in the current month and the sum of direct costs related to the rests of production-in-progress.

At definition of the amount of the direct expenses for production shipped in the current month, the method of estimation of finished goods at average cost is applied.

3.7.17. The sum of indirect charges for manufacture and sale carried out in the reporting (tax) period, is in full related to charges of the current reporting (tax) period in view of the requirements stipulated by TC of the Russian Federation.

3.7.18. The expenses included in charges, are considered according to the present Regulations in view of limit rates and specification established by TC of the Russian Federation for separate clauses of charges or limit rates established OJSC «Moscow United Electric Grid Company».

3.7.19. Charges for purchase of land areas are considered at a rate of 30 % of tax base of the previous tax period. Thus the sums of charges for purchase of the rights to land areas considered in previous year are excluded from

tax base (paragraph 3 of item 1 of item 3 of item 264.1 TC of the Russian Federation). The accounting of charges is made in the corresponding reporting (tax) period up to full recognition of all of the sum of expenses.

3.7.20. Charges in the form of sum difference arising in the event that the sum of arisen obligations and requirements, estimated under rate of conditional monetary units established by the agreement of the parties for the date of selling (booking) of goods (works, services), property rights mismatches actually received (paid) sum of rubles, is reflected in structure of non-operating expenses.

Sum difference is recognized to be charge:

At sale of goods (works, services), property rights - for date of repayment of debts receivable for the sold goods (works, services), property rights, and in case of the advance payment - for date of sale of goods (works, services), property rights;

At purchase of the goods (works, services), property rights - for date of repayment of payables for the purchased goods (works, services), property or other rights, and in case of the advance payment - for date of purchase of the goods (works, services), property, or other rights (item 9 Article 272 RF-TC).

3.7.21. Charges on repair of fixed assets are recognized for the purposes of the taxation in the sum of actual expenses of that reporting (tax) period in which they were carried out. Charges for repair of fixed assets are considered on the basis of the data reflected in registers of book keeping.

3.7.22. Charges in the form of rent payments for rented property, are reflected in the tax accounting at date of their reflection in book keeping, but not later last date month to which they concern in view of a principle of uniform and proportional formation of charges.

3.7.23. Charges in the form of leasing payments for the property accepted in leasing are reflected in the tax accounting at date of their reflection in book keeping, but not later than on the last day of the month they are related to, at the rate stipulated by the schedule of charge of leasing payments under the contract.

Charges for payment

3.7.24. For the purposes of the taxation charges for payment are considered, except for the sums of payments under the contracts of obligatory and voluntary insurance concluded in favour of workers, on the basis of data of book keeping. The size of the specified payments accepted for the purposes of the taxation is calculated in registers of the tax accounting.

Charges for labor payment join in all charges to employees of OJSC "Moscow United Electric Grid Company" meeting positions of article 255 TC of the Russian Federation and stipulated by orders and other administrative documents of OJSC "Moscow United Electric Grid Company", positions accepted according to them at branches and the executive body, and also collective and labour contracts.

3.7.25. Charges for payment join in charges for payment of the employees who are not included in staff of the organization, for performance of works under contracts of civil legal character.

3.7.26. The structure of charges for payment recognized for the purposes of the taxation does not include the charges named in item 270 TC of the Russian Federation.

3.7.27. For the purposes of the taxation, charges for payment are recognized monthly, proceeding from the sum of the added charges for payment for the given period.

Tax accounting of other indirect charges connected with manufacture and selling

3.7.28. Indirect charges include charges on research and development, charges on voluntary and obligatory insurance of property and other charges according to TC of the Russian Federation. The structure of the expenses included in specified clauses of indirect charges is defined in conformity with article 263 and article 272 TC of the Russian Federation and other statutory acts of the legislation of the Russian Federation about taxes and tax collections.

3.7.29. Charges on capital investments at a rate of 10 percent of initial value of fixed assets (except for fixed assets received gratuitously) and (or) the charges incurred in cases of completion, additional equipment, modernization, re-equipment, reconstruction, partial liquidation of fixed assets, join in structure of miscellaneous costs of the reporting (tax) period (the basis: item 1, article 259 TC of the Russian Federation).

3.7.30. Charges on the research and development, which gave a positive result, are included in structure of miscellaneous costs in regular intervals within 2 years. The charges which did not given positive result, join in full in structure of miscellaneous costs within 3 years (the basis: item 2, article 262 TC of the Russian Federation).

3.8. Tax accounting of incomes

3.8.1. Incomes of OJSC "Moscow United Electric Grid Company", profits considered at the taxation, are defined on the basis of primary documents and data of the tax accounting which is conducted according to the present Regulation; documentary acknowledgement of the received incomes is not only primary accounting documents, but also other documents - quotations of exchange rates of the Central Bank of the Russian Federation and the Moscow Interbank Stock Exchange, other documents confirming the income (the basis: subitem 2, item 1, article 248 TC of the Russian Federation);

3.8.2. With view of calculation of the profit tax, all incomes of OJSC "Moscow United Electric Grid Company" share into two groups:

Incomes of selling;

Non-operating incomes.

3.8.3. At definition of incomes the sums of taxes presented to the buyer (purchaser) of the goods (works, services, property rights) according to TC of the Russian Federation of OJSC "Moscow United Electric Grid Company" are excluded from them.

3.8.4. Incomes are recognized in that reporting (tax) period in which they took place, irrespective of actual receipt of money resources, other property (works, services) and (or) property rights.

3.8.5. Under incomes of connection of capacity to electric networks, the date of reception of the income will be date of signing of the certificate of the executed works on connection (the letter of the Ministry of Finance of Russia 03-03-04/1/674 from 28.09.2006).

3.8.6. For incomes of realization by date of reception of the income date of realization of the goods (works, services, property rights) defined according to item 1 of article 39 TC of the Russian Federation (date of transition of the property right), irrespective of actual receipt of money resources (other property (works, services) and (or) property rights) in their payment is recognized. At realization of the goods (works, services) under the contract of the commission (the agency contract) OJSC "Moscow United Electric Grid Company", representing itself as the committent (principal), date of reception of the income of realization is the date of selling of the property (property rights) belonging to the committent (principal) specified in the notice of the commission agent (agent) on selling and (or) the report of the commission agent (agent).

3.8.7. Date of reception non-operating incomes is accepted in accordance with the procedure established by item 4 of article 271 TC of the Russian Federation.

3.8.8. Incomes of selling are defined by kinds of activity: in case for the given kind of activity other order of the taxation is stipulated, other rate of the tax is applied, or the order of the accounting of profit distinct from general and the loss received from the given kind of activity is stipulated.

3.8.9. For the purposes of the taxation incomes of selling fixed assets and other property (except for securities, the income of which realization is defined in accordance with the procedure established TC of the Russian Federation) are considered on the basis of data of book keeping in view of positions of item 40 TC of the Russian Federation.

Incomes of delivery of property in rent are reflected in the tax accounting in the sum which is due for payment for the reporting (tax) period according to conditions of concluded contracts, in view of the principle of uniform and proportional formation of incomes and charges. The specified incomes are recognized in tax accounting at the date of their reflection in book keeping, but not later than the last date of the month, they are related to.

3.8.10. Sum difference is recognized the income:

At sale of the goods (works, services), property rights - for date of repayment debts receivable for the realized goods (works, services), property rights, and in case of the advance payment - for date of realization of the goods (works, services), property rights;

At purchase of the goods (works, services), property rights - for date of repayment of payables for the got goods (works, services), property, property or other rights, and in case of the advance payment - for date of purchase of the goods (works, services), property, property or other rights (item 7 of Article 271 RF-TC).

Sum differences in the tax accounting are reflected in structure of non-operating incomes.

3.9. Order of accounting of incomes and charges from delivery of property in rent

Incomes of delivery of property in rent are recognized with a view of the tax accounting incomes of realization. The charges connected with delivery of corresponding property in rent, are recognized with a view of the tax accounting of charges connected with manufacture and sale (item 4 of item 250 TC of the Russian Federation, item 1 of item 1 Article 265 TC of the Russian Federation).

3.10. Tax accounting of securities

3.10.1. Value of securities is determined proceeding from the prices of their purchase, including charges on their purchase. Charges at sale (or other retirement) of securities are defined proceeding from cost of securities, expenses for their realization, the sum of the accumulated interest (coupon) income paid by OJSC "Moscow United Electric Grid Company" to the seller of the securities. Thus the charges do not join the sums of the accumulated interest (coupon) income which was earlier considered at the taxation. At realization or other retirement of securities the cost of the retired securities which are written off on charges, is defined at the cost of unit.

3.10.2. The tax accounting of bills of exchange

Charges on manufacture or purchase of forms of bills are considered in structure of non-operating expenses (subitem 3 item 1 article 265 TC of the Russian Federation). Charges on interest (discount) are recognized in regular intervals during term of the circulation of the bill in structure of non-operating expenses in view of the restrictions established by the present position proceeding from article 269 of the TC of the Russian Federation, and join in tax base quarterly (item 8 article 272 TC of the Russian Federation).

Under discount bills with the term "after presentation" the charge (discount) is defined from the date of drawing up of the bill, i.e. the cycle time of the bill is accepted equal to 365 (366) days.

For charge of discount under bills with for "after presentation, but not earlier" as term of the circulation proceeding from which discount as of the end of the reporting period is defined, prospective term of the reference of the bill, defined according to the bill legislation (365 (366) days plus term from date of drawing up of the bill before the minimal date of its presentation to payment) is used.

At prescheduled repayment of the bill, the charge is recognized carried out. It joins in structure non-operating expenses on date of cancellation of the contract.

3.11. Tax accounting of interest under debt obligations

Interest charges under debt obligations join in structure of non-operating expenses without dependence from character of the given credit or loan (current and-or investment).

Under contracts of the loan and other similar contracts (other debt obligations, including securities) which validity is more than one reporting period, the charge is recognized performed and joins in structure of corresponding charges at the end of the corresponding reporting period.

The limiting amount of the percent recognized as the charge is accepted equal to the rate of refinancing of the Central bank of the Russian Federation increased in 1,1 times, - at registration of the promissory note in rubles and, to

equal to 15 percent, - under promissory notes in foreign currency. The above-stated order is applied also to interest under bills, thus in concept of percent under the bill for calculation of limiting size of interest joins the interest of the revenue specified in the bill and discount which is formed at the drawer as a difference between by return purchase (repayment) and sale of the bill.

The interest added to the creditor over the sums accepted to the charge, are not considered for the purposes of the taxation.

3.12. Reserves

3.12.1. Reserve for doubtful debts.

With a view of covering losses on hopeless debts by results of held at the end of the previous reporting (tax) period of inventory of debts receivable, OJSC "Moscow United Electric Grid Company" creates reserves for doubtful debts by way established by article 266 TC of the Russian Federation.

Doubtful debt is any debts to the tax bearer, which arose in connection with selling the goods, performance of works, rendering of services, and at observance of the conditions stipulated by norms of article 25 of TC of the Russian Federation (basis of item 1, item 266).

Reserves for doubtful debts can be used only for covering of hopeless debts, that is debts to OJSC "Moscow United Electric Grid Company" on which the target date of limitation of actions has expired, and also those debts on which according to the civil legislation the obligation is stopped owing to impossibility of its execution, on the basis of the certificate of the state body or liquidation of the organization.

3.12.2. Reserve of forthcoming charges for repair of fixed assets. The reserve of forthcoming charges on repair of fixed assets is not created.

Charges on repair are considered by actual expenses.

3.13. Order of calculation of the profit tax

3.13.1. During the reporting (tax) period (quarter) of OJSC "Moscow United Electric Grid Company" pays monthly advance payments under the profit tax. Payment of monthly advance payments is made by equal shares in the amount of one third of actual quarter advance payment for the quarter previous to the quarter in which payment of monthly advance payments is made.

3.13.2. Payment of advance payments, and also the sums of the tax which are subject to transfer to budgets of subjects of the Russian Federation, is made on the location of OJSC "Moscow United Electric Grid Company", and also on the location of each responsible division. The sum of the tax which is subject to payment to the budget of the subject of the Russian Federation, is defined proceeding from a share of the profit estimated from set of parameters of isolated divisions located on territory of the given subject of the Russian Federation.

The share of the profit per these isolated divisions is defined as arithmetic average of relative density of average number of workers and relative density of average specified cost of depreciated property of OJSC "Moscow United Electric Grid Company" and the specified isolated divisions for the reporting (tax) period.

4. Value-added tax

4.1. Payment of the VAT to the federal budget is made centrally by the executive body of OJSC "Moscow United Electric Grid Company".

4.2. The moment of definition of tax base under the VAT (except for conditions of realization stipulated items 3, 7 11, 13 15, item 167 TC of the Russian Federation) is the earliest of following dates:

- 1) day of shipment (transfer) of the goods (works, services), property rights;
- 2) day of payment, partial payment of forthcoming deliveries of the goods (performance of works, rendering of services), transfer of property rights.

In cases if the goods are not shipped and are not transported, but there is a transfer of the property right to these goods, such transfer of the property right with a view of calculation of the VAT is equated to its shipment (item 167 TC of the Russian Federation).

The moment of definition of tax base under the VAT at performance of civil and erection works for own consumption is last day month of each tax period (item 167 TC of the Russian Federation).

In case the moment of definition of tax base is day of payment, partial payment of forthcoming deliveries of the goods (performance of works, rendering of services) or day of transfer of property rights at date of shipment of the goods (performance of works, rendering of services) or at date of transfer of property rights for earlier received payment, partial payment, a moment of definition of tax base is also appears (item 14 of item 167 TC of the Russian Federation).

4.3. Data under the value added tax from branches monthly are reflected in account 68 "Calculations with the budget" on the separate subaccount on the basis of aviso, monthly received from corresponding branch together with monthly calculation of the tax being an internal document of the Company. On results of the tax period (quarter with 2008) branches give summary calculation of the tax. The tax declaration is submitted by the executive body as a whole on the Company for the tax period.

The sums in aviso are specified in rubles and copecks.

4.4. The order of drawing up and registration of invoices, books of purchases, books of sales is adjusted by the current legislation.

In case of rent of state (municipal) property, OJSC «Moscow United Electric Grid Company» pays the income to body of the government (local self-management) and acts as the tax agent under the value added tax, thus invoices itself in one copy which remains at OJSC «Moscow United Electric Grid Company ».

For the tax period (month) one invoice is made dated as of the last day of the current month, for a total sum of the rent payment transferred in this month.

Registration of invoices in case of rent of the state (municipal) property is made in the generally established order in view of following features.

In the invoice in line 2 "Seller" the tax agent specifies the tax bearer, from the incomes of which the value-added tax is withheld, for example, Department of property of Moscow. Column 5 of tabulated part of the invoice, in which cost of the goods (works, services) is reflected without the VAT, is not filled in by the tax agent. Thus in column 9 " Cost of the goods (works, services), total, in view of the tax" a total sum of the income paid to lessor of the state (municipal) property is specified. In column 7 the settlement rate of the tax 18/118 is provided, and in column 8 - size of the withheld tax is given. In the similar order invoices are made in case of purchase of goods, works, services from foreign organizations which are not having registered representative office in tax body in territory of the Russian Federation.

Log-books of the received and exposed invoices, books of purchases and books of sales are conducted by branches and have through numbering with application of an index which corresponds to a code of branch. Log-books of invoices both given out, and received, are stored directly at branches. For registration of a uniform log-book of invoices, the uniform book of purchases and books of sales, the branches give the above-named documents for the reporting tax period to accounts department of the executive body.

5. Tax to property of organizations

The tax accounting of the tax to property of organizations is carried out centrally on the basis of Chapter 30 TC of the Russian Federation.

Object of the taxation is movable and real estate considered on balance of OJSC "Moscow United Electric Grid Company" as objects of fixed assets according to the established order of conducting book keeping.

The land areas and other objects of nature management (water objects and other natural resources) are not recognized objects of the taxation.

With a view of correct application of privileges under the tax to property in the executive body of OJSC "Moscow United Electric Grid Company" and in branches of OJSC "Moscow United Electric Grid Company" the separate accounting of the property which is subject to privileges according to the current legislation under the tax to property of organizations.

The structure of objects of property which is taken into consideration for reduction of cost of property estimated for the purposes of the taxation, is defined in conformity with article 381 TC of the Russian Federation.

For calculation of the tax to property, branches of OJSC "Moscow United Electric Grid Company" represent calculations and lists of property which are taken into consideration for reduction of cost of the property estimated for the purposes of the taxation, in time according to the schedule of document circulation. The given calculations and lists are coordinated by corresponding divisions of the executive body:

The list of power lines and constructions being by the integral technological part of the specified objects is coordinated with the deputy general director for distributive networks, deputy chief engineer for high-voltage electric networks.

The tax to property of organizations is distributed and paid to the budget in the place of location of OJSC "Moscow United Electric Grid Company", location of branches and each object of the real estate which is located outside of OJSC "Moscow United Electric Grid Company" or outside of branches in conformity with articles 383, 384, 385 TC of the Russian Federation.

6. Uniform social tax (UST)

The tax base on UST is defined as the sum of payments and other compensations according to chapter 24 TC of the Russian Federation.

Branches independently make calculation and payment of UST separately concerning the federal budget, Federal fund of obligatory social insurance, Federal and territorial funds of obligatory medical insurance and represent the tax declaration (calculation on advance payments UST) by way stipulated by item 3.2. of the present position.

Branches which structure includes isolated divisions, estimate and pay UST for divisions centrally in the place of the location.

Payments and compensations are not subject to inclusion in tax base for calculation of the tax, if they are not referred to the charges reducing tax base under the profit tax of the organizations in the current reporting (tax) period.

Calculation of tax base on each physical person is made by an accruing result from the beginning of the year. If during the tax period the physical person passes from one division of OJSC "Moscow United Electric Grid Company" to another, the tax rate is defined depending on the tax base calculated in view of payments on all divisions.

Chief accountant

L.A. Sklyarova

