



ABOUT THE COMPANY

In 2001, the Government of the Russian Federation approved creation of wholesale power generation companies in order to introduce a competitive power market and provide its efficient functioning, as well as create conditions for attraction of private investments into modernization and development of generating facilities.

OGK-5 was registered in October 2004 to become the first of the six wholesale power generation companies created after the onset of reforms in the Russian power industry.

The Company's main activities are production and sales on the wholesale power market.

OGK-5 aggregated the generating assets of four big thermal power plants: Konakovskaya GRES, Nevinnomysskaya GRES, Reftinskaya GRES and Sredneuralskaya GRES.

The installed capacity of OGK-5 totals 8,672 MW for power generation and 2,242 GCal/h for generation of heat.

The installed capacity of the Company makes up 8% of the total installed capacity of Russian thermal power plants.





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A portrait of Eldar Orudzhev, a man with dark hair, wearing a dark suit, white shirt, and light blue tie. He is standing in front of a background showing the Earth's horizon from space, with blue oceans and white clouds. The top of the image has a dark blue gradient with light rays.

Eldar Orudzhev

Chairman of Board of
Directors of JSC «OGK-5»



PER ASPERA AD ASTRA



ADDRESS OF CHAIRMAN OF BOARD OF DIRECTORS

Dear Shareholders!

The year 2005 became the crucial year for the Company in many ways. It was marked by elaboration of operating principles of the Company, formation of its staff, and formulation of the development strategy.

The Company's corporate culture and corporate discipline underwent a shaping period in 2005, a period which saw improved control over implementing decisions made by the Board of Directors. There is also no denying the fact that we achieved a better transparency of the Company's activities in 2005, thus securing the rights and interests of its shareholders and investors.

Admission of OGK-5 to the stock market in September 2005 improved the image of the Company and helped to get the fair value of our shares. Moreover, shareholders of JSC Konakovskaya GRES, who changed their shares to shares of OGK-5, managed to significantly increase the value of their investments due to the capitalization growth shown by our Company when entering the stock market.

The main outcome of the year is that we did everything necessary to become a unified operating company in the first quarter of 2006. Today we can confidently state that OGK-5 is a well-established company dealing with the production and sales of power and heat, which has a distinct structure and clear development prospects, and which is attractive for shareholders and potential investors.

While analyzing the activities of the Company in 2005, the Board of Directors finds it necessary to add that the success of OGK-5 was possible largely due to purposeful and rational work of the Company's management: a team of highly-skilled and experienced managers reached the set goals.

It should also be noted that OGK-5 was the first wholesale power generation company to be established in the country. Correspondingly, it was the first to go all the hard way through, from the state registration process up to consolidation of assets and full-scale operating activities.

At the same time we know that reforming the power industry is not an end in itself. The reform is necessary to increase investments into our industry and thus accelerate the process of modernization and increase its efficiency and reliability. It is a better efficiency of the business and a higher company value that interest OGK-5's shareholders. These are the principles laid down by the Board of Directors for the Strategy for Development of OGK-5 for 2006-2010.

We are confident that the well-elaborated, well-grounded, and properly-implemented Strategy for Development will secure a good future for OGK-5.

Chairman of Board
of Directors of JSC «OGK-5»

 Eldar Orudzhev

Anatoly Bushin

Director General
of JSC «OGK-5»



DEBES, ERGO POTES



ADDRESS OF DIRECTOR GENERAL

Dear Shareholders, Colleagues and Partners!

In 2005, we were making steady steps toward formation of a unified operating company with power plants as production affiliates.

Achieving this goal meant satisfaction of interests of all of the Company's stakeholders: shareholders interested in OGK-5's capitalization growth; the State interested in reliable and safe generation of power and heat and payment of taxes; our partners and clients, management and employees, for whom work in the Company means a secure future.

2005 was not an easy year for us. However, despite the importance and complexity of the corporate reforms, the reforms themselves could not and didn't have to be the only goal for the Board of Directors and the management of the Company. In 2005 we managed to ensure reliable, trouble-free production of power and heat at Konakovskaya GRES and Nevinnomysskaya GRES by implementation of efficient management and modern technologies. The net profit of the Company in 2005 totaled more than 4 billion RUB.

A significant event in 2005 was entering the stock market. In September 2005, shares of OGK-5 were the first among large power generation companies to be traded on Russian stock exchanges. As of December 30, 2005, the market capitalization of the Company totaled 1.7 billion USD.

Leadership in sales was defined by the Board of Directors as the strategic goal for the Company. For this purpose we should increase efficiency of sales management and pursue active investment policy aimed at a higher reliability, technical modernization, reconstruction and construction of new power generation facilities.

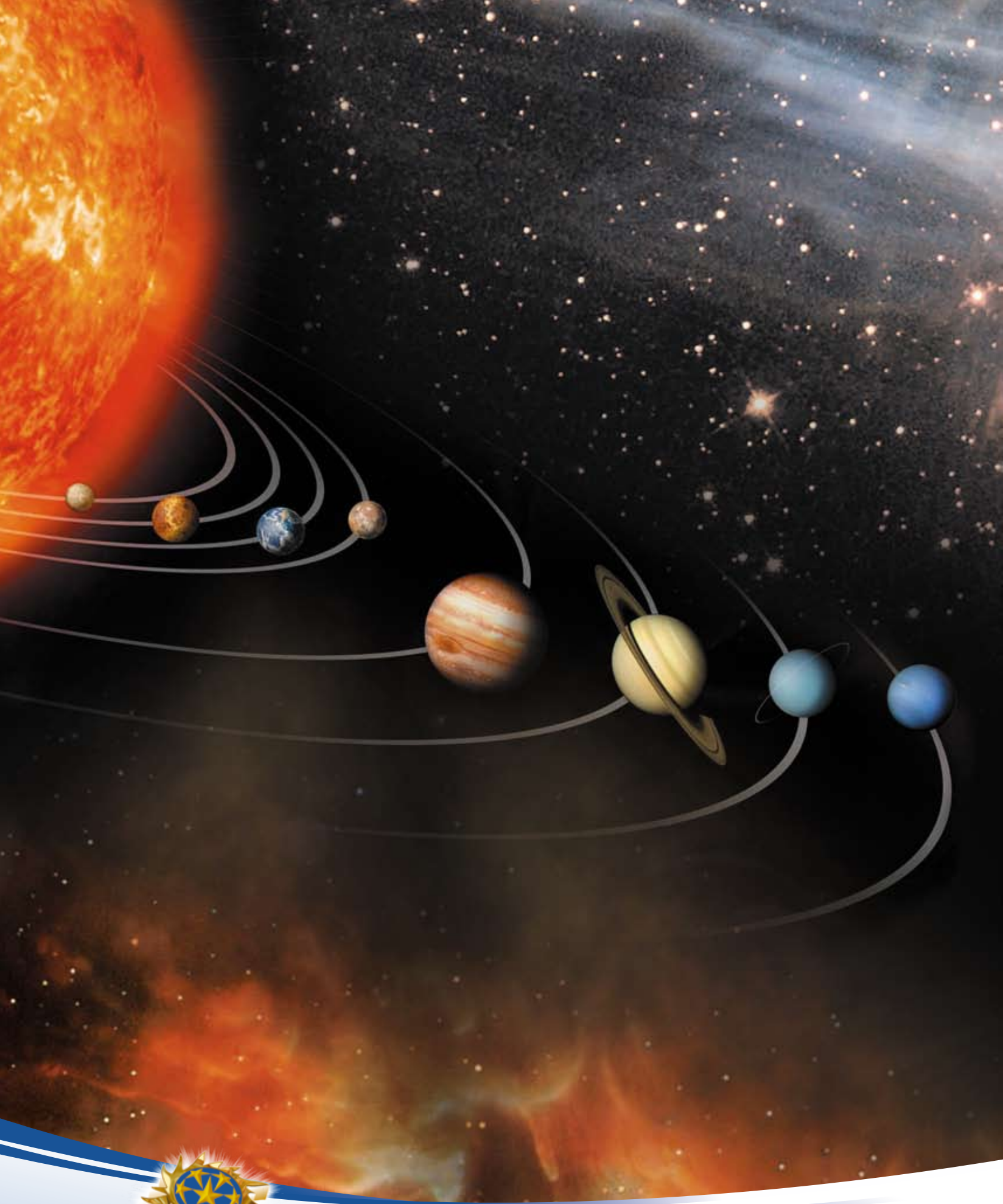
Meanwhile, when the formation of the Company is complete, we will have all the preconditions to enter both international and domestic capital markets. This will help implement investment projects, which are a necessary condition for further development of OGK-5.

While acknowledging the importance of all the objectives and highly appreciating the skill of our employees, the management team make their best efforts to implement the Company's strategy. The clarity of the objectives and presence of all the necessary resources allows us to be optimistic about the Company's future.

Director General of JSC «OGK-5»



Anatoly Bushin



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BACKGROUND

October 2004	State registration of OGK-5 as a wholly owned subsidiary of RAO UES in Yekaterinburg.
December 2004	Formation of the share capital of OGK-5 by shares of JSC Konakovskaya GRES (51 %) and JSC Nevinnomysskaya GRES (99.99 %), as well as assets of Reftinskaya GRES and Sredneuralskaya GRES. Lease of assets of Reftinskaya GRES and Konakovskaya GRES to JSC Sverdlovenergo (subsequently JSC TGK-9)
January 2005	Outstanding shares become owned by OGK-5.
February 2005	Establishment of OGK-5's affiliates: the Central Office, Konakovskaya GRES, Nevinnomysskaya GRES, Reftinskaya GRES, Sredneuralskaya GRES
March 2005	The Federal Antimonopoly Service of Russia permits OGK-5 to acquire 49% of shares of Konakovskaya GRES. The Company obtains the license for use and maintenance of grids and heat networks.
June 2005	Approval of the Company's registrar, JSC Central Moscow Depositary, by the Board of Directors. Registration of OGK-5's offering circular at the Federal Financial Markets Service.
July-August 2005	Exchange of shares of Konakovskaya GRES for OGK-5's shares.
September 2005	Appearance of minority shareholders in the share structure of OGK-5. Increase of OGK-5's share in Konakovskaya GRES to 88.74 %. Trading in OGK-5 shares commences on MICEX and RTS.
November 2005	An Extraordinary General Shareholders' Meeting of OGK-5 decides to reorganize OGK-5 by acquiring JSC Konakovskaya GRES and JSC Nevinnomysskaya GRES. The meeting also decides to increase the share capital of OGK-5 through issue of extra shares.
December 2005	The Federal Antimonopoly Service permits OGK-5 to acquire JSC Konakovskaya GRES and JSC Nevinnomysskaya GRES. Termination of lease agreements with TGK-9 related to assets of Reftinskaya GRES and Sredneuralskaya GRES.
January 2006	The decision of the Extraordinary General Shareholders' Meeting of OGK-5, JSC Konakovskaya GRES and JSC Nevinnomysskaya GRES to change the OGK-5's Articles of Association in connection with the reorganization of the Company.
March 2006	State registration of two issues of OGK-5's shares placed by conversion of shares of JSC Konakovskaya GRES and JSC Nevinnomysskaya GRES during the reorganization of OGK-5.
April 2006	JSC Konakovskaya GRES and JSC Nevinnomysskaya GRES cease to operate as independent companies. OGK-5 becomes a unified operating company with four production affiliates: Konakovskaya GRES, Nevinnomysskaya GRES, Reftinskaya GRES and Sredneuralskaya GRES.



IN CORPORE

BACKGROUND AND LOCATION OF POWER PLANTS

JSC The Fifth Power Generation Company (JSC OGK-5) was established by Decree No. 113p dd. October 25, 2004, of the Board of RAO UES of Russia, as part of the reforms in the country's power industry.

The company was registered on October 27, 2004 by the Russian Ministry of Taxation, with the state registry number of 1046604013257.

OGK-5 is one of the largest wholesale power generation companies in Russia, which aggregates the generating capacities of Tver and Sverdlovsk Oblasts, as well as Stavropol Krai.

Konakovskaya GRES



The power plant is located on the bank of the Volga River, in the south-east of Tver Oblast. The Konakovsky District of Tver Oblast is favorably located at the junction of major water-, rail- and roadways. Konakovo, with the population of 45,000, is one of the most developed towns in Tver Oblast.

Konakovskaya GRES was set up as a power plant of a new type, and has been considered one of the leaders in the industry throughout its history. In fact, the town of Konakovo grew out of a small village of Kuznetsovo, thanks to the establishment of Konakovskaya GRES.

Background:

1961	Survey of the construction site.
1962	Excavation of the groundwork for the power plant.
October 1964	Power Generation Unit 1 was put into operation
January 1965	A state commission signed an acceptance certificate for Unit 1.
December 1971	A state commission accepted Konakovskaya GRES for permanent operation. At that moment, Konakovskaya Power Plant was the largest power plant in Europe.
January 1993	Konakovskaya GRES was transformed into an open joint-stock company and a subsidiary of RAO UES of Russia.

Since 2000, the company has achieved a number of awards, including the «European Standard» Award, and became the winner of various awards including the 'Best Russian Enterprises' Award and the '1000 Best Russian Enterprises of 21st Century' Award. During the recent years, the plant has been enjoying a Top 3 spot in power sales in the competitive power sector.

Nevinnomysskaya GRES



The power plant is located in the north-eastern part of the town of Nevinnomyssk in Stavropol Krai.

Nevinnomyssk was founded in 1825 as a Cossack village which was transformed into a town in 1939. At the moment, Nevinnomyssk has the population of more than 130 thousand people.

The capital of Stavropol Krai, Stavropol, is 45 kilometers away from Nevinnomyssk. JSC Nevinnomyssky Azot, the largest producer of nitric fertilizers in Russia, is located in close proximity to Nevinnomysskaya GRES, and is the plant's key consumer of power and vapor. The power plant was initially a heating plant for the producer.

Background:

1958	Construction of the power plant started.
June 1960	The first turbine-type generator, with the total capacity of 25 MW and the boiler unit capacity of 220 tons per hour, was put into operation.
August 1960	The heating plant was withdrawn from the fertilizer-producing enterprise and gained the status of a separate enterprise.
1962	The power plant was renamed into Nevinnomysskaya GRES.
April 2005	A new 80MW turbine-type generator, TG-3, was put into operation to replace a used-up generator. Today the installed power and heat generation capacities of Nevinnomysskaya GRES total 1,290 MW and 729 GCal/h.

Reftinskaya GRES



The power plant is located in the south of Sverdlovsk Oblast, 80 kilometers away from the city of Yekaterinburg. The district centre, the town of Asbest, is 20 km southwest from the plant.

Reftinskaya GRES is the biggest thermal power plant in Russia which uses coal. The installed generation capacity of the plant is 3,800 MW. The plant provides power for industrial regions of Sverdlovsk, Tyumen, Perm and Chelyabinsk Oblasts.

The necessity to set up Reftinskaya GRES was caused by the need for power shortage coverage in the Ural region, as well as provision of power to newly surveyed oil and gas deposits in Tyumen Oblast.



Background:

1963	Construction of Reftinskaya GRES commenced.	December 1980	Commissioning of the last power generation unit (Unit 10) with the capacity of 500 MW.
December 1970	Commissioning of the first power generation unit with the capacity of 300 MW.		

Sredneuralskaya GRES



The power plant is located in the northern part of the town of Sredneuralsk on the bank of Lake Iset.

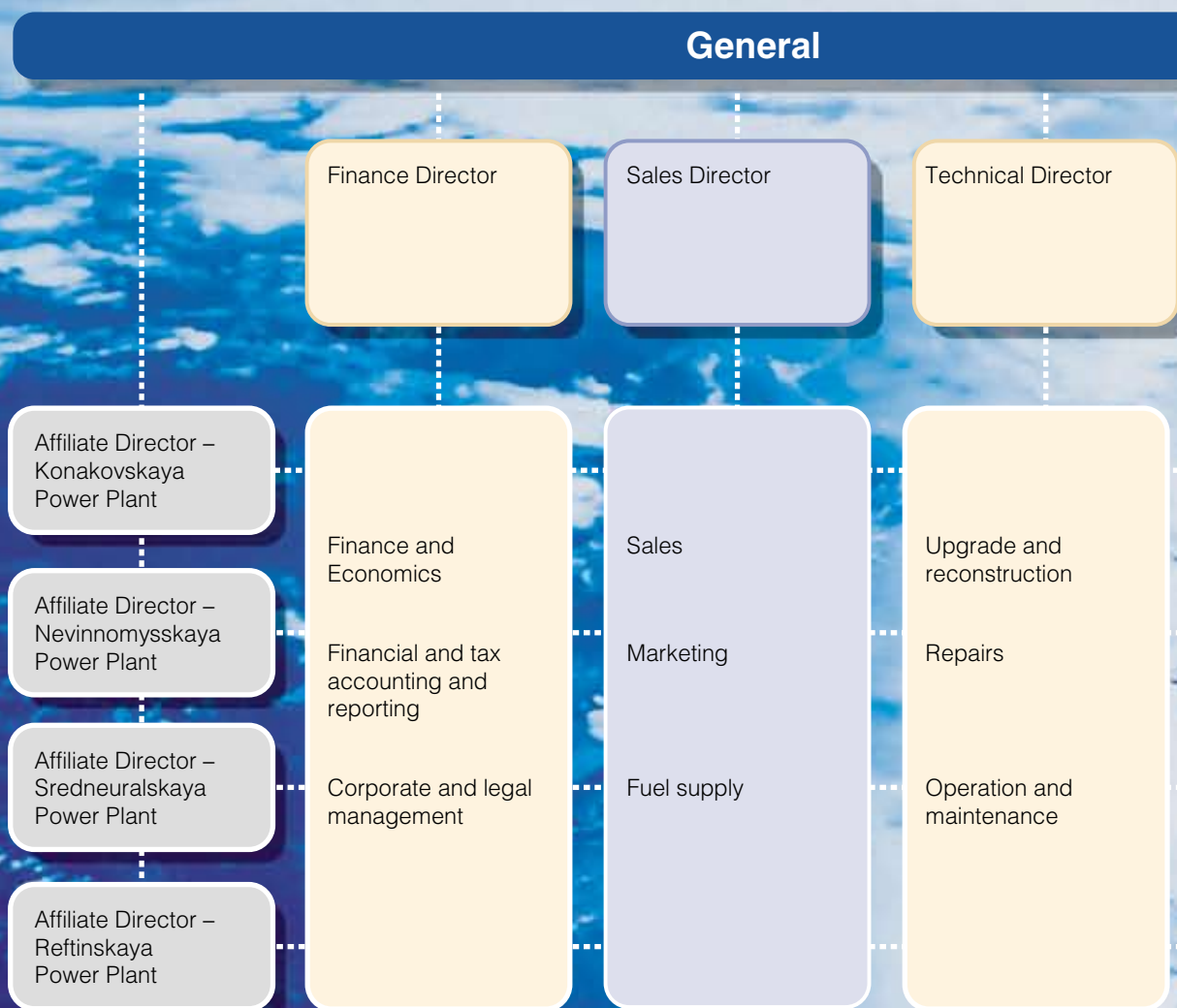
Sredneuralskaya GRES generates electric power and provides thermal power for heating and hot

water supply of Yekaterinburg, Verknyaya Pyshma, Berezovsk, and Sredneuralsk. Sredneuralskaya GRES is located in the centre of the region with especially high power consumption, and contributes to the region's power coverage. The current installed capacity of the power plant is 1,193 GCal/h for heat and 1,181 MW for power.

Background:

1931	Construction of the power plant commenced.
1936-39	The first unit block of the power plant was built. Commissioning of 5 medium pressure steam boilers and three upgradeable turbines.
1963-66	Construction of the second unit block.
1967-70	Construction of the third and fourth unit blocks.

CORPORATE STRUCTURE



HOMO ORNAT LOCUM, NON LOSUC HOMINEM



Director

Operations Director

HR director

IT Director

Strategy Director

Security

Emergencies

Corporate affairs

Recruitment and
personnel records

Motivation

Training

Production
automation

Corporate IT

Infrastructure and
communications

Risk management

PR

Project management



PERICULUM IN MORA



ANALYSIS OF COMPETITIVE ENVIRONMENT

Business Environment in Industry

Three of the four power plants that are part of OGK-5 are located in regions with power shortages (the Central and Ural regions), which guarantees a steady demand for the power generated by OGK-5 in the coming years. Furthermore, OGK-5's power plants supply heat and hot water to enterprises of the utilities sector in the Central and Ural regions of Russia. Generally speaking, the diversification of OGK-5's business, as well as steady economic development of the traditionally industry-oriented regions, speak to promising forecasts for the Company, and a stronger position of the power plants incorporated into it.

Economic and Political Status in Regions

Development of industry in the Central and Ural regions of Russia brings about a general problem — the shortage of fuel and power resources, first of all, the shortage of electricity. While acknowledging the crucial importance of the problem, regional authorities underscore a special role of programs aimed at developing the power industry, their priority being the creation of new generating facilities and modernization of equipment at the existing power plants. Adequate understanding of the regional problems in the sphere of power supply between local authorities and the management of OGK-5 allows the Company to join efforts and find a compromise during the solution of strategic goals.

Company's Financial Policy and Activities

OGK-5's economic and financial policy is aimed at investment of its own and borrowed funds into modernizing power plant equipment and constructing new generating facilities in the regions with electricity shortages. As regards attracting outside funds, OGK-5 plans to use both traditional sources (bank credits) and long-term financial investment tools (corporate bonds). In the light of decreasing tendencies in the refinancing rate of the Bank of Russia, as well as the relative stability of the Russian bond market, the risk of non-fulfillment of credit liabilities by OGK-5 can be regarded as minimal.

Changes in Legislation

Due to possible changes in legislation, the probability that the Federal Tariff Agency will set the power and heat tariffs at levels lower than what is economically justified, will negatively affect all participants of the wholesale power market. That is why these risks can be regarded as minimal.

Changes in legislation that touch upon licensing specific fields of activity, in particular, operating activities of the Company, can also be considered insignificant. OGK-5 has a comprehensive list of licenses that enable the Company to perform its operating activities to the full extent. In case it is necessary to obtain other licenses, the conditions for the Company and other market participants will be the same.

Major Competitors

Major competitors of OGK-5 are generating companies (OGKs/TGKs) and independent suppliers of power to the wholesale power market. It should be noted that, due to peculiarities of the power modes of the unified energy system, the load and volume of realized power generated by each of OGK-5's power plants depend upon proximate power plants.



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CORPORATE GOVERNANCE

Principles of Corporate Governance

Corporate governance in the Company is based on the following principles:

- equal treatment of all shareholders, equal protection of their rights and interests;
- the Board of Directors performs general administration of the Company's activities and efficiently controls the activities of the Company's executive bodies, while at the same time being accountable to the General Shareholders' Meeting;
- timely disclosure of information about the Company's activities, including its financial position, major economic performance data, and property and management structure.

In June 2005, in order to increase investment attractiveness, transparency and information accessibility, the Board of Directors of the Company approved and registered the offering circular of OGK-5 at the Federal Financial Markets Service of Russia. This fact drew obvious interest of potential investors who are observing the overall progress of reforms in the Russian power holding.

From now on, OGK-5 has begun disclosure of information related to its financial and economic activities, in the following form:

- Quarterly Issuer's Report;
- Reports on significant facts/events;
- Data that influences the value of the stock.

Financial information about the activities of the Company is regularly and periodically disclosed in news lines of Interfax and AK&M information agencies that are authorized for such disclosure by the Federal Financial Markets Service, as well as in periodicals which are available for the majority of OGK-5 shareholders.

Moreover, the events that are of immediate interest to the business community are disclosed by their handover to the listing departments of RTS and MICEX, as well as their publication at the corporate web-site of OGK-5, www.ogk-5.com. The Company's website offers regular news updates, which cover key and important company-related events.

In order to determine major approaches and principles of disclosure of corporate information, and meet the essential pre-listing requirements, the Board of Directors of OGK-5 approved two documents in autumn 2005:

- Regulation on Information Policy of OGK-5;
- Regulation on Insider Information of OGK-5.

For disclosure of corporate information, the Company sticks to the following major principles:

- Guarantee of fullness and reliability of the disclosed information;
- Timely disclosure of information about all the significant facts that affect the financial and economic activities of the Company;
- Public and non-selective disclosure of information.

One of the priority directions related to timely and full disclosure of information about the Company's activities is observation of the shareholders' right to participate at General Shareholders' Meetings of OGK-5. Announcements about holding General Shareholders' Meetings of OGK-5, as well as materials for the persons that have the right to attend such shareholders' meetings, are sent in accordance with the requirements of the Federal Law on «Joint Stock Companies» and the internal documents of OGK-5.

Periodicals, including the federal media, which are available for the majority of the Company's shareholders, are used as additional sources of timely notification of shareholders and other interested parties about the General Shareholders' Meetings of OGK-5.

In order to improve the corporate culture and introduce state-of-the-art practice of corporate governance, OGK-5 specialists are working at the Code of Corporate Governance, to be approved by the Board of Directors in the second quarter of 2006. The draft of the document was based on the basic provisions of the FFMS code, as well as the progressive experience of leading Russian and foreign companies in corporate governance.

In order to carry out an independent analysis of the efficiency of corporate governance and gain the corresponding rating spot, the Company plans to participate in corporate governance ratings which are

issued by Russian and international rating agencies. Participating in ratings will help to find advantages and disadvantages of the current corporate governance system in OGK-5.

Management and Control Bodies

The supreme management body of OGK-5 is the General Shareholders' Meeting. Shareholders delegate to the Board of Directors the principal powers to manage the Company's operations during the period between shareholder meetings. The Board of Directors appoints the Executive Board to run the Company on a day-to-day basis.

In 2005, two extraordinary meetings of the Company's shareholders took place.

In July 2005, the Board of Directors of RAO UES of Russia, acting as the General Shareholders' Meeting of OGK-5, decided to reelect the Board of Directors of the Company and elect an Audit Committee. Besides that, an auditor of OGK-5 was appointed, and the following internal documents of the Company were approved: Regulation «On Procedure of Preparation and Holding of General Shareholders' Meetings of OGK-5», Regulation «On Procedure of Convention and Holding

of Board of Directors Meetings of OGK-5», Regulation «On Management of OGK-5», Regulation «On Audit Committee of OGK-5», Regulation «On Payment of Remunerations and Compensations to Members of Audit Committee of OGK-5».

In November 2005, at an extraordinary General Shareholders' Meeting, it was decided to reorganize OGK-5 by acquiring JSC Nevinnomyskaya GRES and JSC Konakovskaya GRES, and the acquisition agreement was approved. The quantity, nominal value and type of the announced OGK-5's shares, as well as the rights granted by share owning, were determined. A new edition of the Company's Articles of Association was approved. A decision was made about increasing the share capital of OGK-5 by means of issue of extra shares converted from the shares of the companies that were acquired (JSC Nevinnomyskaya GRES and JSC Konakovskaya GRES).

Board of Directors of Company

The Board of Directors of OGK-5 performs general administration of the Company's activities and operates in accordance with the authority stipulated in the Articles of Association of OGK-5, and the Regulation «On Procedure of Convention and Holding of OGK-5's Board of Directors Meetings».

Operation of the Board of Directors is organized by the Chairman of the Board, who is appointed by the members of the Company's Board of Directors based on the majority principle, and is a member of the Board.

Meetings of the Board of Directors are held in accordance with the approved Board of Directors Work Plan, also if necessary, but at least once a quarter.

If necessary, the Chairman of the Board of Directors can decide upon an extraordinary meeting of the Board of Directors, or change the date of the regular meeting of the Board.

The participants of the meetings of the Board of Directors include members of the Company's Board of Directors, as well as persons invited for the meeting.

The quorum for the meeting of the Board of Directors is not less than half of the appointed members of the Board of Directors.

If decided so by the Chairman of the Board of Directors, the meeting of the Board of Directors can be held as a formal meeting, a remote meeting, or a mixed type of both. The order of decisions at meetings of the Board of Directors is determined by the Regulation «On Procedure of Convention and Holding of Board of Directors Meetings of OGK-5».

Major issues related to the authority of the Company's Board of Directors:

- 1) choosing priority directions of the Company's activities;
- 2) convention of annual and extraordinary General Shareholders' Meetings of the Company with the exception of the cases described in Clause 14.8, Article 14 of the Company's Articles of Association, as well as announcement of the date



- for a new General Shareholders' Meeting instead of the meeting that failed to take place due to the absence of the quorum;
- 3) choosing an agenda for a General Shareholders' Meeting of the Company;
 - 4) determining the book closing date for the General Shareholders' Meeting, fixing the cost sheet for the General Meeting, handling other issues related to preparation and holding of the General Shareholders' Meeting of the Company;
 - 5) approval of major transactions in cases stipulated in Chapter X of the Federal Law «On Joint Stock Companies»;
 - 6) approval of transactions stipulated in Chapter XI of the Federal Law «On Joint Stock Companies»;
 - 7) appointment of the Director General of the Company and early termination of his office,

including making a decision about termination of the labor agreement with him;

- 8) determining the composition of the Company's Executive Board, election of members of the Company's Executive Board, setting remunerations and compensations, early termination of their offices including making a decision about termination of labor agreements with them.

Decisions of the Board of Directors of the Company

In 2005, the Board of Directors held 23 meetings, 4 of them were formal, and 19 were remote.

In 2005, the Board of Directors of OGK-5 considered 128 issues and made a number of decisions that significantly affected the activities of the Company:

Nº	Description of Decision
1	Approval of agreements with JSC TGK-9 on lease of property of Reftinskaya GRES and Sredneuralskaya GRES, decision on termination of the property lease agreements on December 31, 2005.
2	Approval of agreements on purchase of property of Reftinskaya GRES and Sredneuralskaya GRES from RAO UES of Russia.
3	Decisions on submittal of the issues related to reorganization of OGK-5 by acquiring JSC Nevinnomysskaya GRES and JSC Konakovskaya GRES, as well as issues related to increasing the share capital of the Company by an issue of extra shares, for consideration of the General Shareholders' Meeting of the Company.
4	Each quarter of 2005, the Director General made reports about the results of the Company's activities and the progress of realization of the decisions made by the General Shareholders' Meeting and the Board of Directors of OGK-5.



BOARD OF DIRECTORS*

Eldar ORUDZHEV

Chairman of Board of Directors of OGK-5

Year and place of birth:

1975, Sukhoy Log (Sverdlovsk Oblast).

Education:

Law Department of Omsk State University.

Working experience:

Omsk Branch of the Federal Financial Markets Service, OAO Omsktekhuglerod.

2001-2002 — leading insolvency specialist for AK SIBUR.

Since 2002 — reform manager of RAO UES of Russia.

Since 2005 — Deputy Managing Director, Executive Director of Business Unit 1 of RAO UES of Russia.

Maria PICHUGINA

Deputy Chairman

Year and place of birth:

1980, Moscow

Education:

Higher

Working experience:

2001-2002 — a financial analyst of ZAO Anwalt Centre for Expertise and Consulting

2002-2004 — a leading specialist, head of the financial and management consulting department of OAO Centre on Settlement of Accounts Receivable and Accounts Payable.

Since 2003 — RAO UES of Russia, realization of reform projects.

Since 2005 — Deputy Managing Director, Executive Director of Business Unit 1 of RAO UES of Russia

* The Board of Directors of OGK-5 was elected at a meeting of the Board of Directors of RAO UES of Russia, acting as the General Shareholders' Meeting of OGK-5 (Protocol no. 200 dd. 29.07.2006). The powers of M. Abyzov, A.

Negomedzyanov, D. Shtykov were terminated, and E. Orudzhev, M. Pichugina and V. Flegontov were elected. In 2005, the members of the Board of Directors did not receive remunerations.



Mikhail ANDRONOV

Year and place of birth:

1969, Bishkek

Education:

Molecular and Chemical Physics Department of Moscow Institute of Physics and Technology

Working experience:

Director General of OAO Bolid Capital

Director for Management of Industrial Holdings of OOO Alpha-Eco

Director General of SP VINORUM S. A.

Since 2003 — Director General of OOO Rusenergobyt

Since 2005 — Head of OOO ESN ENERGO

Dmitry AKHANOV

Year and place of birth:

1975, Rostov-on-Don

Education:

Diploma in Economics and Law of Russian Peoples Friendship University

Working experience:

Worked in Nika, Rosprom, Centre Invest MK.

2000-2002 — NIKoil Bank

Since June 2002 — Deputy Head of Capital Management Department of RAO UES of Russia

Since 2002 — Head of Strategy Department of Reform Management Centre of RAO UES of Russia

Alexander BRANIS

Year and place of birth:

1977, Leningrad

(St. Petersburg)

Education:

Academy of National Economy under the Government of the Russian Federation

Working experience:

Brokering experience

2000-2001 — RAO UES of Russia, Deputy Head of Council for Protection of Shareholders' Rights; work in the task group for restructuring of energy companies of the State Council of the Russian Federation

2002-2003 — Member of Board of Directors of RAO UES of Russia

Since 1999 — Director of Prosperity Capital Management



Anatoly BUSHIN

Year and place of birth:

1965, Moscow

Education:

Moscow Commercial Institute and Ryazan State Teacher Training University (Law and Politics), Academy of National Economy under the Government of the Russian Federation (Management in Power Industry)

Working experience:

Since 2000 — Deputy Director General for Economics, Director for Economics and Finance of JSC Kostromskaya GRES

2003-2006 — Director General of JSC Konakovskaya GRES

Since 2004 — Director General of OGC-5

Evgeny BYKHANOV

Year and place of birth:

1968, Nakhodka

Education:

Far-East State Sea Academy and Far-East State Academy of Economics and Management

Working experience:

Since 1998 — Corporate Governance Block of RAO UES of Russia

2001-2003 — assistant for operation of boards of directors, Acting Deputy Director General of Vostokenergo (Khabarovsk), a Far-East office of RAO UES of Russia

Since 2003 — Deputy Director General for Strategy and Technology of the 'Institute of Professional Directors' Foundation

Igor KOZHUKHOVSKY

Year and place of birth:

1956, Osinniki

(Kemerovo Oblast)

Education:

Siberian Metallurgical University, postgraduate education in State University Higher School of Economics

Working experience:

Until December 1997 — Head of Coal Industry Department of the Ministry of Economic Affairs of the Russian Federation, later — Deputy Minister of Fuel and Energy of the Russian Federation

2000-2005 — Head of Economic Policy Department of RAO UES of Russia



Valery NEPSHA

Year and place of birth:

1976, Dmitrov
(Moscow Oblast)

Education:

Diploma for finance and credit of International Academy of Marketing and Management; Degree of Master of Economics (State University Higher School of Economics)

Working experience:

1999-2003 — Corporate Governance Block of RAO UES of Russia

Since 2003 — Deputy Director General for Finance of the 'Institute of Professional Directors' Foundation

Mikhail SLOBODIN

Year and place of birth:

1972, Severouralsk
(Sverdlovsk Oblast)

Education:

Economics, Ural State University. PhD in Science

Working experience:

2000-2001 — Director of the Department for Regional Development of ZAO Renova

2001-2002 — First Deputy Director General for Finance and Economics of Irkutskenergo

2002-2004 — Director of the Department for Development of Electricity and Energy Business in TNK

2003-2004 — Vice-President for Power of TNK-VR Management

Since 2003 — Director General of ZAO KES

Vladimir FLEGONTOV

Year and place of birth:

1966, Vologda

Education:

Moscow Law Institute, Academy of National Economy under the Government of the Russian Federation, Russian Institute of Directors

Working experience:

1997-2004 — judge, Chairman of Arbitration Court of Vologda Oblast

Since 2004 — adviser of the 'Institute of Professional Directors' Foundation

COMMITTEES OF BOARD OF DIRECTORS

For issues within the competence of the Board of Directors or studied by the Board of Directors, there are four Committees of the Board of Directors in the Company.

HR and Remuneration Committee

Nº	Name	Position
1	Vladimir Flegontov	Chairman of the Committee; adviser of the 'Institute of Professional Directors' Foundation
2	Maxim Antipov	Chief Accountant of OGK-5
3	Eldar Orudzhev	Deputy Managing Director, Executive Director of BU 1 of RAO UES of Russia
4	David Herne	Managing Director of Halcyon Advisors
5	Gennady Shepelev	HR Director of OGK-5

The Committee deals with preliminary study of issues related to: election and early termination of office of the Director General of the Company; election of the Company's Executive Board members and early termination of their offices; size of remunerations and compensations to the Executive Board members; terms

of agreements concluded with the Director General and the Executive Board members. The Committee also recommends the General Shareholders' Meeting and the Board of Directors to consider delegation of authority of the sole executive body to the managing organization.

Reliability Committee

Nº	Name	Position
1	Ilyas Zagretdinov	Chairman of the Committee; Deputy Managing Director, Executive Director of BU 1 of RA UES of Russia
2	Nikolai Grechenkov	Deputy Director General — Technical Director
3	Valentina Dmitrieva	Head of Financial and Economic Administration of OGK-5
4	Vladimir Flegontov	Chairman of the Committee; adviser of the 'Institute of Professional Directors' Foundation
5	Viktor Shchedrolyubov	Head of Department for Technical Management and Repairs of BU 1 of RAO UES of Russia

The Committee analyses production in the part related to the Company's readiness for the heat deficit ('autumn/winter') period, operation of the system for labor safety and production safety management, operation of the maintenance services; evaluates

technical conditions, degree of use and state of repair of the power production equipment; evaluates the activities of the Company's technical services and their management.



Audit Committee

Nº	Name	Position
1	Maria Pichugina	Chairman of the Committee; Deputy Managing Director, Executive Director of BU 1 of RAO UES of Russia
2	Valery Nepsha	Deputy Director General for Finance of the 'Institute of Professional Directors' Foundation
3	Eldar Orudzhev	Deputy Managing Director, Executive Director of BU 1 of RAO UES of Russia

The Audit Committee deals with preliminary study of the annual report and annual financial statement of the Company; considers an auditor for the company;

determines remuneration for the auditor's services and considers his report.

Committee for Strategy, Development, Business Planning and Corporate Governance

Nº	Name	Position
1	Maria Pichugina	Chairman of the Committee; Deputy Managing Director, Executive Director of BU 1 of RAO UES of Russia
2	Evgeny Bykhanov	Deputy Director General of the 'Institute of Professional Directors' Foundation
3	Vera Glazkova	Leading Expert of the Investment Department of ZAO ESN
4	Mikhail Krupin	First Deputy Director General — Financial Director of OGK-5
5	Nikolai Morilov	Strategy Director of OGK-5
6	Eldar Orudzhev	Deputy Managing Director, Executive Director of BU 1 of RAO UES of Russia
7	Yulia Orlova	Analyst of Halcyon Advisors

The Committee determines priority directions for the Company's activities; recommends the General Shareholders' Meeting and the Board of Directors to consider:

- Reorganization of the Company,
- Increase of the Company's share capital,
- Split-up and consolidation of the Company's shares,
- Placement of convertible bonds and other convertible securities,
- Approval of the annual financial statement, including the annual income statement, as well as allocation of profit including dividends,
- Payment of dividends on the basis of the Company's performance after the first quarter, first half, and nine months of the fiscal year,
- Participation in holding companies, financial industrial groups, associations, or other unions of commercial organizations,
- Placement of bonds or other securities by the Company.



EXECUTIVE BOARD AND DIRECTOR GENERAL OF COMPANY*

In order to provide day-to-day administration of the Company, the Board of Directors appoints a collegial body — the Executive Board, and a sole executive body — the Director General. The Director General of OGK-5 also performs the functions of the Chairman of the Executive Board. The Executive Board works on the basis of the Articles of Association and the Regulation on the Executive Board of OGK-5, approved by the Board of Directors of RAO UES of Russia acting as the General Shareholders' Meeting of OGK-5 in July 2005.

The Executive Board of the Company is responsible for implementation of goals, the development strategy and policy of the Company, and deals with administration of the Company's day-to-day activities within the competence defined by the Articles of Association, as well as decisions of the General Shareholders' Meeting and the Board of Directors of the Company.

Members of the Executive Board are elected by the Board of Directors of the Company at the suggestion of the Director General of the Company.

Operation of the Executive Board is governed by the Chairman of the Board. Board meetings are held in accordance with the working schedule, or in case of necessity, but at least once a month.

The competence of the Director General of OGK-5 includes all issues related to administration of the Company's day-to-day activities except issues within the competence of the General Shareholders' Meeting, Board of Directors and Executive Board of the Company.

* As of December 31, 2005.

All members of the Executive Board and the Director General of OGK-5 do not have:

- Participation shares in the share capital of the Company, or its subsidiaries and affiliates;
- Stock options of the Company, its subsidiaries and affiliates;
- Kinship with other persons that are members of management bodies or bodies that execute control over the financial and economic activities of the Company.





Anatoly BUSHIN

Chairman of Executive Board of OGK-5,
Director General of OGK-5

Year and place of birth:

1965, Moscow

Education:

Moscow Commercial Institute and Ryazan State Teacher Training University for Law and Politics, Academy of National Economy under the Government of the Russian Federation for Management in Power Industry. PhD in Economics

Working experience:

2000-2003 — Deputy Director General for Economics, Director for Economics and Finance of JSC Kostromskaya GRES

2003-2006 — Director General of JSC Konakovskaya GRES

Since 2004 — Director General of OGK-5



Mikhail KRUPIN

Deputy Chairman of Executive Board of OGK-5,
First Deputy Director General — Financial Director of OGK-5

Year and place of birth:

1972, Yaroslavl

Education:

Yaroslavl Higher Military Finance College, Law Department of Yaroslavl State University, Institute of Professional Accountants of Russia. PhD in Economics, MBA

Working experience:

2000-2003 — JSC Kostromskaya GRES, Head of the Finance and Law Administration

2003-2005 — First Deputy Director General — Business Director of JSC Konakovskaya GRES

Since 2005 — First Deputy Director General — Financial Director of OGK-5



Maxim ANTIPOV

Member of Executive Board of OGK-5,
Chief Accountant of OGK-5

Year and place of birth:

1973, Novoshakhtinsk (Rostov Oblast)

Education:

Yaroslavl Higher Military Finance College (Financing
of Capital Construction and Industry, Economy),
Institute of Professional Accountants of Russia. MBA

Working experience:

2001-2005 — Deputy Chief Accountant, later Chief
Accountant of JSC Kostromskaya GRES

Since 2005 — Chief Accountant of OGK-5



Dmitry VOLOGZHANIN

Member of Executive Board of OGK-5,
Deputy Director General — Commercial Director
of OGK-5

Year and place of birth:

1975, Ryazan

Education:

Ryazan State Radiotechnical Academy (System
Technician-Engineer, Economist-Manager)

Working experience:

2000-2003 — JSC Kostromskaya GRES

2003-2005 — Head of Fuel and Energy
Administration of JSC Konakovskaya GRES

Since 2005 — Deputy Director General —
Commercial Director of OGK-5





Nikolai GRECHENKOV

Member of Executive Board of OGK-5,
Deputy Director General — Technical Director
of OGK-5

Year and place of birth:

1954, Orekhovo-Zuevo (Moscow Oblast)

Education:

Moscow Energy Institute (Power Plants)

Working experience:

1977-1998 — Mosenergo

1998-2001 — Deputy Head of General Inspectorate
of Power Plant and Grid Maintenance of RAO UES of
Russia

2001-2004 — Director General of JSC
Gusinozerskaya GRES

2004-2005 — Head of Department for Technical
Audit and General Inspections of RAO UES of Russia

Since 2005 — Technical Director of OGK-5

Remunerations paid to the members of the
Executive Board and the Director General of the
Company totaled 16,467 thousand RUB in 2005.





LIBRA

INTERNAL AUDIT COMMISSION

The Internal Audit Commission of the Company was elected in June 2005 by the Board of Directors of RAO UES of Russia acting as the General Shareholders' Meeting of OGK-5.

The Internal Audit Commission is a permanent internal control body which is independent from the Company's management or executives and has the authority defined in the Federal Law of Russia «On Stock Companies», the Company's Articles of Association and the Regulation on the Internal Audit Commission of OGK-5.

Commission Members

Sergey SIDOROV

Chairman of Internal Audit Commission

Year and place of birth:

1952

Education:

Russian Distance-Learning Finance and Economics Institute (Accounting). The Auditor Qualification Certificate of International Management School 'Intensiv', an accounting certificate

Working experience:

1977-1998 — Mosenergo

1998-2001 — Deputy Head of General Inspectorate of Power Plant and Grid Maintenance of RAO UES of Russia

2001-2004 — Director General of JSC Gusinoozerskaya GRES

2004-2005 — Head of Department for Technical Audit and General Inspections of RAO UES of Russia

Since 2005 — Technical Director of OGK-5



Andrei LEONTYEV

Year and place of birth:

1978

Education:

Ural State Technical University, Higher Management School of State University Higher School of Economics

Working experience:

2000-2001 — the Energy Department of ZAO Renova

2001-2003 — a leading specialist of Energy Department of OAO SUAL-HOLDING

2003-2004 — Deputy Head of Department for Energy of Industrial Enterprises of ZAO KES

2004-2005 — Head of Department for Energy of Industrial Enterprises of ZAO KES — Energy Solutions

Since April 2005 — Director of Energy Department of OAO SUAL HOLDING

Yuri POMERANTSEV

Year and place of birth:

1949

Education:

Russian Distance-Learning Institute for Railway Engineers (engineer and mechanic); Moscow Management Institute (management administrator)

Working experience:

1999-2004 — leading specialist of Financial Audit Department of RAO UES of Russia

Since 2004 — leading expert of Internal Audit Department of the Corporate Centre of RAO UES of Russia

Igor UZOROV

Year and place of birth:

1964

Education:

Krasnoyarsk State Technical University, Krasnoyarsk Airspace Academy (economics and management at power enterprises, mechanics, management administration)

Working experience:

2000-2003 — Sibirenergo (an affiliate of RAO UES of Russia)

2003 — 'Institute of Professional Directors' Foundation

2003-2004 — Executive Director of OAO Russian Utilities Systems

2004-2005 — Head of Department for Activities of Audit Commissions of BU 1 of RAO UES of Russia

Since 2005 — Head of Department for Control of Financial and Economic Activities of BU 1 of RAO UES of Russia

Evgeny ZYBA

Year and place of birth:

1958

Education:

Far-East Polytechnic University, Primorye State Agricultural Academy (automated management systems, reorientation of economics and agricultural production management)

Working experience:

2001 — Head of Expertise and Analysis Branch of Capital Management Department of RAO UES of Russia.

2002-2004 — Deputy Director of Non-Commercial Partnership 'Centre of Assistance for Reforms in Energy Sector'

2004 — Head of OOO 'Power Management Consulting'

2004-2005 — Chief Manager of Administration for Effectivization of Operational and Investment Activities of BU 1 RAO UES of Russia

Since 2005 — Head of Investment Planning Department of OAO UK HidroOGK



BIS DAT, QUI CITO DAT

SHARE CAPITAL

The share capital of JSC OGC-5, as of December 31, 2005, totaled 29,407,170,469 RUB and consisted of 29,407,170,459 common shares with the nominal value of 1 RUB.

As of December 31, 2005, the Company had had one issue of shares. The issue was registered by

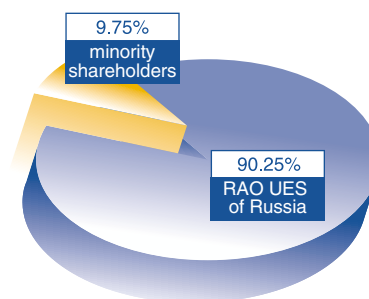
the Federal Financial Markets Service of Russia on December 24, 2004, receiving the registration number of 1-01-50077-A.

The structure of the share capital

As of December 31, 2004



As of December 16, 2005*



The structure of the Company's shareholders**

	Number of shareholders	Number of shares	Share of the share capital, %
Shareholders — natural persons	361	195,505,527	0.67
Shareholders — legal entities	6	50,751,250	0.17
Nominee shareholders	7	29,160,913,682	99.16

Shareholders that possess more than 5 % of the Company's share capital:

Name	Number of shares	Share of the share capital, %
RAO UES of Russia	26,539,600,486	90.25 %

* As of the book closing date.

** As of December 31, 2005

Interested-Party Transactions; Other Large Transactions

In accordance with the decision of the Board of Directors (Protocol 2 dd. 30.03.2005), the Company leased the property of Reftinskaya GRES and Sredneuralskaya GRES to JSC TKG-9 with the purpose of production of power and heat. Starting from 31.12.2005, the mentioned contracts were terminated.

While executing the decision of the Board of Directors (Protocol 13 dd. 29.08.2005), the Company entered into purchase agreements with RAO UES of Russia in the year under report. The subject of the given negotiations was acquisition of the property of Reftinskaya GRES and Sredneuralskaya GRES used for production, dispatch, transmission and distribution of electric and thermal power. The transaction cost of the property was 1,290,970,047 RUB. The agreement conditions envisage payment by installments until the end of 2008.

In 2005, on the basis of the corresponding contracts of agency, the Company performed as a sales agent of power and capacities produced by JSC Nevinnomysskaya GRES and JSC Konakovskaya GRES. Monthly remuneration of the Company totaled

100,000 RUB for each contract. The given contracts had been preliminarily approved by the Company's Board of Directors (Protocol 16 dd. 10.10.2005).

In accordance with the decision of the Board of Directors (Protocol 10 dd. 21.07.2006), the Company granted loans to JSC Nevinnomysskaya GRES and JSC Konakovskaya GRES totaling 200,000,000 RUB, at the interest of 9.5%. As of 31.12.2005, the loans were redeemed and the interest was paid to the full extent.

While executing the decision of the Board of Directors (Protocol 18 dd. 16.11.2005), the Company entered into a property lease agreement with JSC CKB Energoremont in the year under report. The rental for the mentioned property was 2,357,888 RUB per month. As of 31.12.2005, the Company didn't have any rental debts.

In 2005, the Company did not make any large transactions.

The Company's Shares on Market

On September 14, 2005, OGK-5 shares were included in the Register of Non-Listed Stock of MICEX (ticker symbol – OGKE). Since September 16, the shares were also added to the Register of Non-Listed Stock of NP RTS Stock Exchange and OAO RTS Stock Exchange (ticker symbols – OGKE and OGKEG correspondingly).

As of December 30, 2005, the market capitalization of the Company totaled \$1,748.3 mln. The capitalization value was based on the 10 biggest transactions made in the MICEX in December 2005.







INTELLIGENTI PAUCA

Main Performance Indicators

Power Production

№	Name	Measurement unit	Year		
			2003	2004	2005
1	Konakovskaya GRES	Mln kWh	6,415.7	6,317.6	6,542.8
2	Nevinnomysskaya GRES	Mln kWh	5,880.5	5,567.5	6,039.1
3	Reftinskaya GRES*	Mln kWh	19,147.2	17,148.6	17,724.6
4	Sredneuralskaya GRES*	Mln kWh	4,171.8	5,872.8	6,714.9
Total		Mln kWh	35,615.2	34,906.5	37,021.4

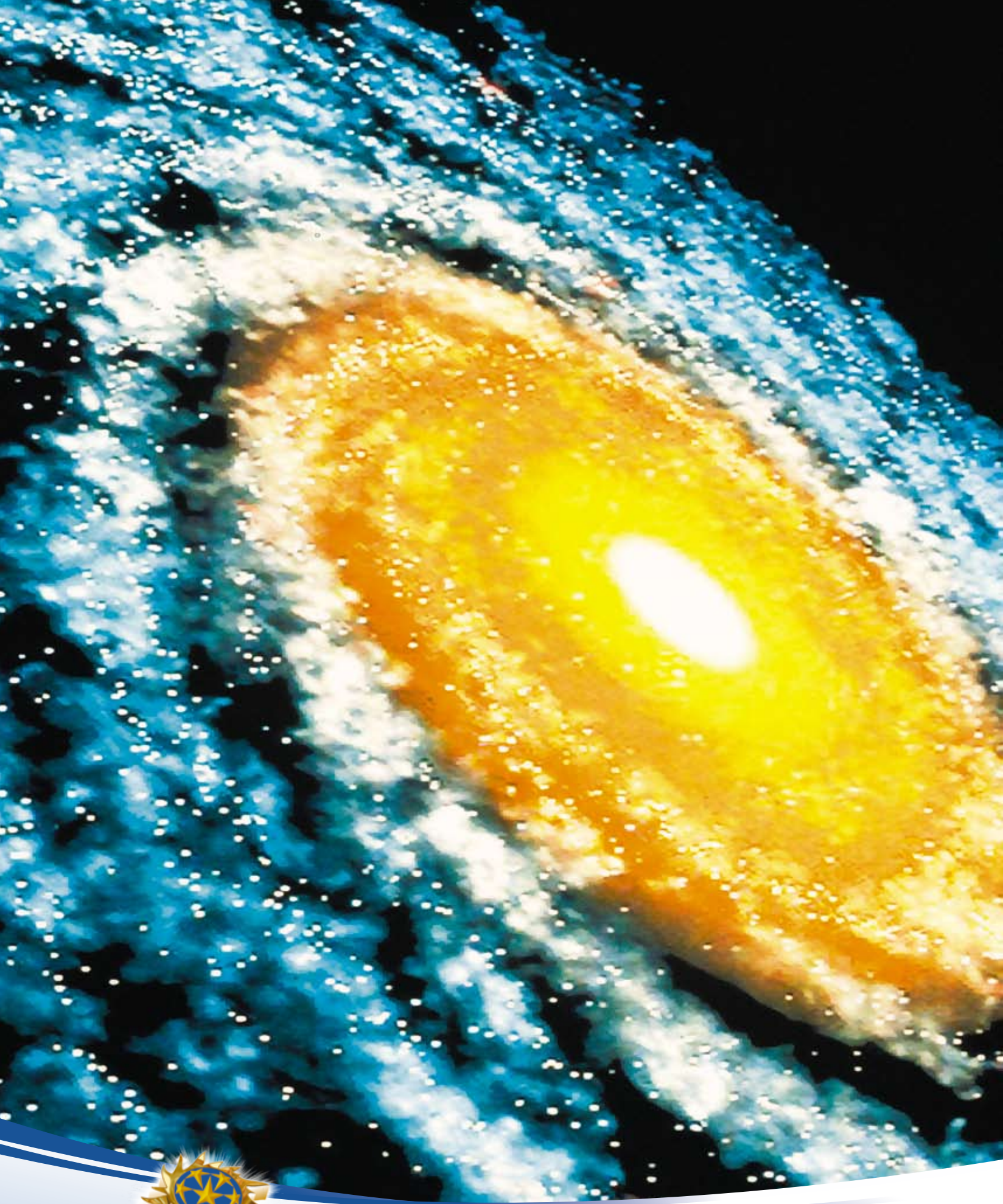
Electric Power Sales

№	Name	Measurement unit	Year		
			2003	2004	2005
1	Konakovskaya GRES	Mln kWh	6,131.5	6,042.2	6,246.7
2	Nevinnomysskaya GRES	Mln kWh	5,516.0	5,278.5	5,690.3
3	Reftinskaya GRES*	Mln kWh	18,248.7	16,322.5	16,864.6
4	Sredneuralskaya GRES*	Mln kWh	3,855.1	5,510.8	6,345.5
Total		Mln kWh	33,751.3	33,154.0	35,147.1

Heat Sales

№	Name	Measurement unit	Year		
			2003	2004	2005
1	Konakovskaya GRES	Thousand GCal	294.0	269.0	247.0
2	Nevinnomysskaya GRES	Thousand GCal	2,016.0	1,696.0	1,667.0
3	Reftinskaya GRES*	Thousand GCal	468.0	484.0	449.0
4	Sredneuralskaya GRES*	Thousand GCal	4,283.0	4,462.8	4,191.3
Total		Thousand GCal	7,061.0	6,911.8	6 554,3

* As part of JSC «Sverdlovenergo» (JSC TKG-9)



NERVUS RERUM

POWER SALES

Dynamics of Power Supply and Sales

Electric Power

Competitive and Regulated Sectors of Wholesale Electric Power Market

Until 01.11.2003, the Russian wholesale power market (hereinafter WPM) functioned in accordance with the rules of the Federal National Wholesale Power Market (FWPM). The accounting period on the market was a calendar month. Planning of power production, and production as such were carried out on the basis of the balance of power and capacity, which was approved by the Federal Energy Commission of the Russian Federation (since 2004 — the Federal Tariff Service of the RF), with due account for the corresponding tariffs of the suppliers.

On October 24, 2003, the Government issued Decree No. 643, «On Wholesale Electric Power (Capacity) Market Rules of the Transitional Period», which approved «Rules of Wholesale Power (Capacity) Market of the Transitional Period». In accordance with the given Decree, on 01.11.2003, a free trade sector (FTS) started functioning on WPM. In FTS, it was allowed to purchase and sell parts of power volumes at the prices formed after competitive selection of participants' applications. After the WPM rules of the transitional period were published, on a par with mode planning of UES of Russia, financial liabilities of the participants have been defined in relation to every hour of the day.

Supply of Power to WPM

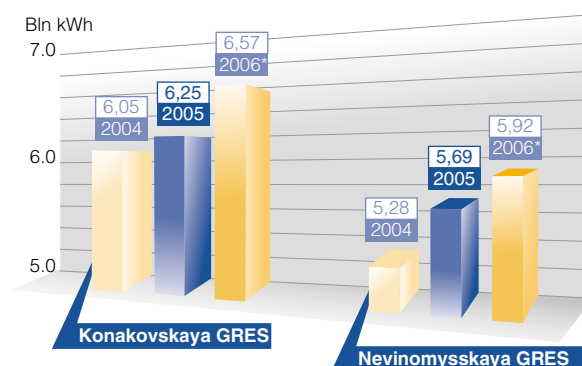
Name	Measurement unit	2004	2005	2006*
Konakovskaya GRES	Bln kWh	6.05	6.25	6.57
Nevinnomysskaya GRES	Bln kWh	5.28	5.69	5.92
OGK-5 Total	Bln kWh	11.33	11.94	12.49

Changes in Power Supply Volumes of Konakovskaya GRES and Nevinnomysskaya GRES

In FTS, pursuant to WPM rules, suppliers are allowed to sell volumes of electric power that do not exceed 15% of the installed capacity.

As FTS functioned for only 2 months in 2003, volumes of electric power sold by Konakovskaya GRES and Nevinnomysskaya GRES to the given WPM segment are low in comparison with 2004 and 2005. In 2005, sales volumes were higher than those for 2004, which also applies to receipt of funds.

Sales of Power in 2003-2006*



* Data for 2006 is forecast



Efficiency of Participation in FTS of WPM*

Name	Share of sales in FTS, to CS max, %		
	2003	2004	2005
Konakovskaya GRES	1.12 %	63.13 %	65,58 %
Nevinnomysskaya GRES	0.78 %	45.85 %	73,67 %
OGK-5 Total	1.0 %	57.3 %	68.1 %

Power Supply Volumes, Divided by WPM Sectors

Name	Measurement unit	Sales of power in the regulated sector of WPM			Sales of power in the free trade sector of WPM		
		2003	2004	2005	2003	2004	2005
Konakovskaya GRES	Bln KWh	6.13	4.05	4.18	0.01	2.00	2.07
Nevinnomysskaya GRES	Bln KWh	5.51	4.55	4.52	0.002	0.73	1.17
OGK-5 Total	Bln KWh	11.64	8.6	8.7	0.012	2.73	3.24

* The efficiency of participation of the Company's power plants in FTS is defined as the share of FTS sales in relation to the maximum possible share, which, in accordance with the WPM rules, equals the volume of power generated by using 15% of the installed capacity. Thus, for Konakovskaya GRES, the maximum volume of power sales to FTS is 360.0 MW/h, for Nevinnomysskaya GRES — 181.5 MW/h; the sum for both — 541.5 MW/h correspondingly.

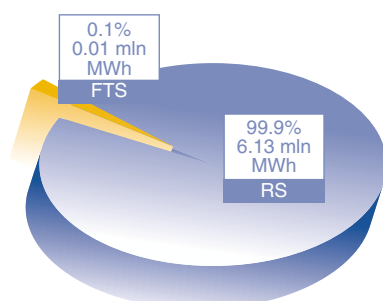
The yearly efficiency of participation of each power plant, or the Company as a whole, was calculated as the percentage of the actual yearly volume of sales to FTS in the total maximum possible volume for the hours that correspond to the hours of the plant's participation in FTS.



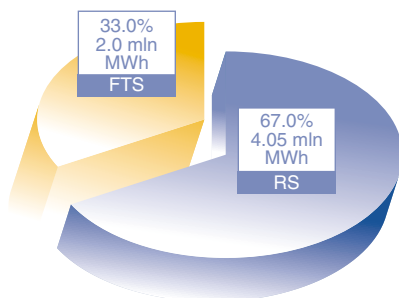
Structure of Power Sales, Divided by WPM sectors

Konakovskaya GRES

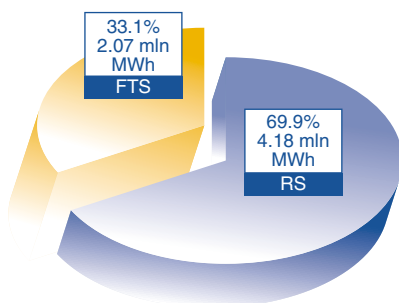
Share of power supply
to RS and FTS in 2003



In 2004

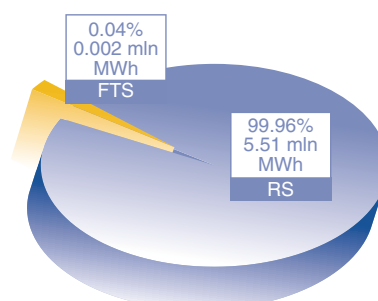


In 2005

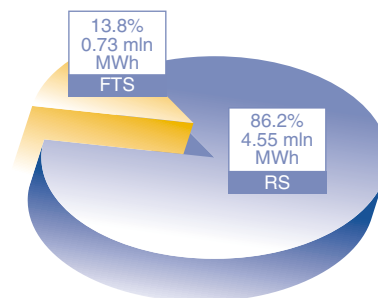


Nevinnomysskaya GRES

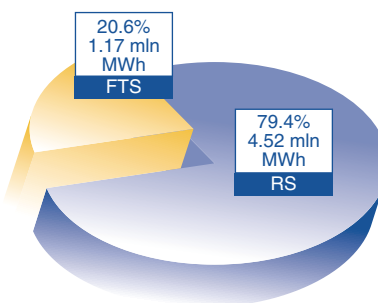
Share of power supply
to RS and FTS in 2003



In 2004



In 2005



Heat

In 2003-2005, heat supply volumes of Konakovskaya GRES and Nevinnomysskaya GRES showed the decreasing tendency.

The decrease in the heat supply of the power plants results from the tariff growth and transition to a 100-percent non-subsidized payment for services

in the utilities sector, and the subsequent reaction of consumers — use of energy-saving technologies.

Despite the decreasing tendency for the heat supply, the income of these plants increased in 2003-2005, thanks to the growing heat tariffs.

Heat Supply Volumes

Name	Period	Thermal Power			
		Thousand GCal	% to previous year	Min RUB	% to previous year
Konakovskaya GRES	2003	293.84		77.52	
	2004	268.96	— 8.5 %	95.21	22.8 %
	2005	247.23	— 8.1 %	99.77	4.8 %
Nevinnomysskaya GRES	2003	2,016.03		416.64	
	2004	1,695.50	— 15.9 %	428.81	2.9 %
	2005	1,666.90	— 1.7 %	451.43	5.3 %
OGK-5 Total	2003	2,309.87		494.16	
	2004	1,969.46	— 15.0 %	524.02	6.0 %
	2005	1,914.13	— 2.6 %	551.20	5.2 %

Dynamics of Tariff Changes Based on Introduction Dates

In 2003-2005, Nevinnomysskaya GRES and Konakovskaya GRES were independent WPM participants. Setting of the Federal Tariff Service tariffs

for power and capacity was performed separately for each power plant.

Changes in heat, power and capacity tariffs

Name	Heat tariff, RUB/GCal			Power tariff, RUB/MWh				Capacity tariff, RUB/MW			
	2003	2004	2005	2003	01.01.04-31.06.04	01.07.04-31.12.04	2005	2003	01.01.04-31.06.04	01.07.04-31.12.04	2005
KGRES	235.16	300.00	342.00	285.06	343.81	347.58	391.06	45,670.0	43,569.2	51,696.2	58,689.0
NGRES	175.97	211.44	247.85	333.21	403.09	404.47	446.44	52,270.0	59,357.0	59,357.0	69,694.2

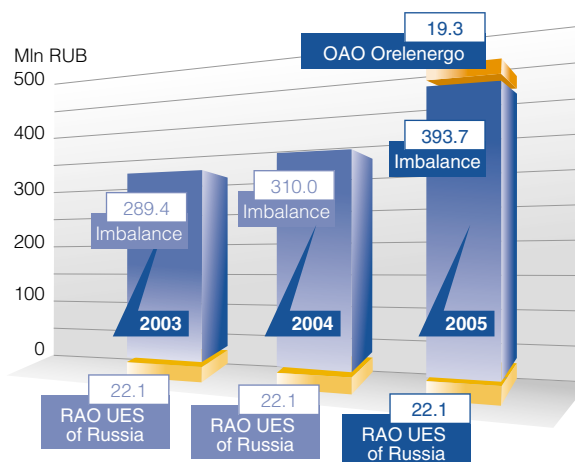


Accounts Receivable and Payable

Accounts Receivable of Konakovskaya GRES

As of the end of 2005, accounts receivable of Konakovskaya GRES totaled 480.14 million RUB, which is 11.5% higher than the level of 2004, and 22.0% higher than the level of 2003. The low-liquid constituent of accounts receivable for the end of 2005, which appeared mostly due to the growth of the WPM tariff imbalance, was 393.67 million RUB, which is 27.0% higher than the 2004 level, and 36.0% higher than the level of 2003. At the end of 2005, JSC Orelenergo joined the list of low-liquid debtors — the indebtedness regarded payments for the products that were supplied to this customer in 2000. The liquid constituent of accounts receivable in 2005 totaled 45.1 million RUB, being 2.2 times as low as the 2004 level, and 1.82 times as low as the 2003 level. This fact shows the improvement of the payment discipline of counteragents in relation to agreements on purchase of power, as well as payment terms stipulated in the given agreements.

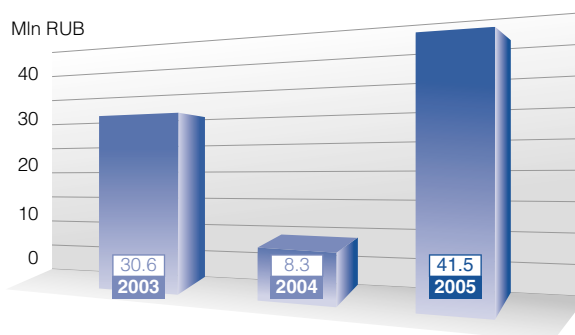
Dynamics of Low-Liquid Constituent of Accounts Receivable in 2003-2005



Accounts Payable of Konakovskaya GRES

As of the end of 2005, accounts payable of Konakovskaya GRES totaled 41.5 million RUB, which is 5 times as high as the 2004 level, and 35.6% higher than the level of 2003. The main cause of the increase in 2005 in comparison with 2004 and 2003 is that consumers' advance payments for power in the regulated sector exceeded the actual cost of supplied products.

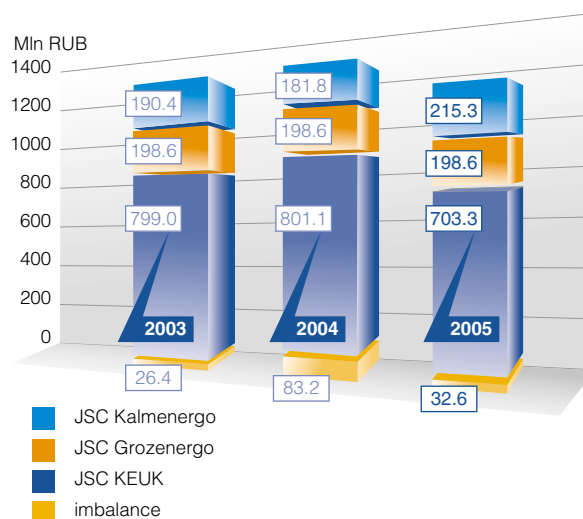
Dynamics of Accounts Payable in 2003-2005



Accounts Receivable of Nevinnomysskaya GRES

As of the end of 2005, accounts receivable of Nevinnomysskaya GRES totaled 1,332.13 million RUB, which is 1.29% higher than the 2004 level, and 0.77% higher than the 2003 level. The low-liquid constituent of accounts receivable was caused by the growth of non-payments of JSC KEUK, JSC Nurenergo and JSC Kalmenergo, as well as the growth of the WPM tariff imbalance. As of the end of 2005, this constituent accounted for 1,149.8 million RUB, which is lower than the 2004 and 2003 levels by 9.1% and 5.3% correspondingly. The liquid constituent of accounts receivable in 2005 was 191.7 million RUB, 3.6 times as high as in 2004. The level of this type of accounts receivable in 2004 was almost 2 times as low as that of 2003, and totaled 50.4 million RUB. The main cause for such growth is remaining payments for the following period (in accordance with the payment terms of purchase agreements, e. g. the agreement entered into with JSC Inter RAO UES).

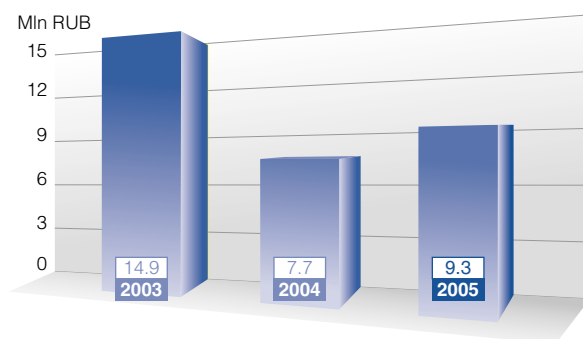
Dynamics of Low-Liquid Constituent of Accounts Receivable in 2003-2005



Accounts payable of Nevinnomysskaya GRES

As of the end of 2005, accounts payable of Nevinnomysskaya GRES totaled 9.3 million RUB, which is 20.4% higher than the 2004 level, yet lower by 61.0% than the 2003 level. The cause of the decrease in accounts payable for 2005 in relation to 2003 is the stabilization of the payment discipline. The increase in accounts payable of 2005 in relation to 2004 was mainly caused by consumers' advance payments for power in the regulated sector, which exceeded the actual cost of supplied products.

Dynamics of Accounts Payable in 2003-2005







NE VARIETUR

MAIN FINANCIAL PERFORMANCE INDICATORS*

OGK-5 Balance Sheet, in thousand RUB

	2005
Non-current assets	32,998,919
including:	
PP&E and other intangible fixed assets	18,031,559
Construction-in-progress	800,372
Long-term financial investments	14,165,475
Current assets	1,853,660
including:	
Inventory and VAT	1,222,626
Accounts receivable	507,021
Cash	124,013
ASSETS	34,852,579
Capital and reserves	33,840,506
including:	
Share capital	29,407,170
Earned and reserved capital	—
Retained earnings	4,433,336
Retained earnings from previous years	—
Liabilities	1,012,073
including:	
Loans and credits	—
Accounts payable	802,487
LIABILITIES	34,852,579

Income Statement, in thousand RUB

Revenues	1,666,824
Cost of products sold	-1,577,760
Selling and administrative expenses	—
Earnings from sales	89,064
Interest receivable and payable, income from participation in activities of other organizations	38,581
Operating income and expenses	4,537,445
Non-operating income and expenses	-5,307
Earnings before taxes	4,659,783
Income tax and other similar mandatory payments	-226,447
Extraordinary income and expenses	—
Net income	4,433,336

* The given balance sheet and income statement are abridged. The full versions of the annual financial statement can be received in the Company.

Konakovskaya GRES

Balance Sheet, in thousand RUB

	2003	2004	2005
Non-current assets	1,453,826	1,446,017	1,455,670
including:			
PP&E and other intangible fixed assets	1,197,078	1,324,967	1,329,477
Construction-in-progress	245,987	62,561	36,218
Long-term financial investments	7,761	39,702	67,811
Current assets	1,117,025	1,067,040	1,324,177
including:			
Inventory and VAT	480,410	452,432	483,218
Accounts receivable	636,255	610,625	823,232
Cash	360	3,983	17,727
ASSETS	2,570,851	2,513,057	2,779,847
Capital and reserves	1,669,632	1,815,906	1,917,569
including:			
Share capital	404,023	404,023	404,023
Earned and reserved capital	1,038,377	944,291	932,015
Retained earnings	126,963	148,015	171,390
Retained earnings from previous years	100,269	319,577	410,141
Liabilities	901,219	697,151	862,278
including:			
Loans and credits	279,243	379,959	410,000
Accounts payable	593,705	275,866	399,311
LIABILITIES	2,570,851	2,513,057	2,779,847

Income Statement, in thousand RUB

Revenues	3,394,959	3,950,754	5,568,314
Cost of products sold	-2,854,570	-3,708,152	-5,153,200
Selling and administrative expenses	-12,551	-41,452	-26,740
Earnings from sales	527,838	201,150	388,374
Interest receivable and payable, income from participation in activities of other organizations	-60,405	-67,328	-50,624
Operating income and expenses	-129,523	-50,468	-110,377
Non-operating income and expenses	-91,836	-13,236	-52,090
Earnings before taxes	246,074	70,118	175,283
Income tax and other similar mandatory payments	-119,111	106,571	-1,263
Extraordinary income and expenses	—	52	-2,630
Net income	126,963	176,741	171 390



Nevinomysskaya GRES Balance Sheet, in thousand RUB

	2003	2004	2005
Non-current assets	1,404,903	1,669,466	1,864,700
including:			
PP&E and other intangible fixed assets	1,210,954	1,232,617	1,652,051
Construction-in-progress	174,097	392,154	123,399
Long-term financial investments	17,684	34,808	68,659
Current assets	2,170,581	1,780,916	1,670,837
including:			
Inventory and VAT	441,226	391,673	295,089
Accounts receivable	1,729,025	1,354,963	1,365,650
Cash	330	34,280	10,098
ASSETS	3,575,484	3,450,382	3,535,537
Capital and reserves	1,963,535	2,016,761	2,341,976
including:			
Share capital	436,702	436,702	436,702
Earned and reserved capital	921,114	905,425	900,520
Retained earnings	100,250	105,613	325,215
Retained earnings from previous years	505,514	569,201	679,539
Liabilities	1,611,949	1,433,621	1,193,561
including:			
Loans and credits	317,953	512,943	613,678
Accounts payable	1,256,055	687,713	518,257
LIABILITIES	3,575,484	3,450,382	3,535,537

Income Statement, in thousand RUB

Revenues	2,937,369	3,398,711	4,695,991
Cost of products sold	-2,557,269	-2,926,775	-4,369,535
Selling and administrative expenses	-1,251	—	—
Earnings from sales	378,849	471,936	326,456
Interest receivable and payable, income from participation in activities of other organizations	-95,124	-77,268	-60,064
Operating income and expenses	-130,784	-190,252	-146,014
Non-operating income and expenses	77,281	187,636	44,567
Earnings before taxes	230,222	392,052	164,945
Income tax and other similar mandatory payments	-130,017	-125,209	160,270
Extraordinary income and expenses	—	—	—
Net income	100,205	266,843	325,215

Financial and Economic Performance
Indicators for 2005 (actual) and 2006
(forecast), in million RUB

Name of indicator	2005*	2006 (forecast)
Earnings from sales of products (services)	11,931	24,460***
Cost of products (services)	11,101	23,107***
Gross profit, total	830	1,352
Net profit	4,929 **	553
Gross profit margin (GPM), %	6.96%	5.53%
EBITDA	2,216	2,476

Profit allocation and dividend history
of Konakovskaya GRES and
Nevinnomysskaya GRES****,
in thousand RUB

Name of indicator	AGSM 2004	AGSM 2005	AGSM 2006
Non-allocated profit	159,698	414,858	496,605
Reserve fund	6,348	1,308	—
Accumulation fund	120,615	182,594	221,880
Dividends	32,735	230,956	274,725
Other purposes	—	—	—

Profit allocation***** and dividend history
of OGK-5, in thousand RUB

Name of indicator	AGSM 2006
Non-allocated profit	4,433,336
Reserve fund	221,667
Accumulation fund	4,011,667
Dividends	200,002
Other purposes	—

* Obtained by means of line-by-line summation of the corresponding indicators for OGK-5, Konakovskaya GRES, and Nevinnomysskaya GRES

** In 2005, operating and non-operating income of OGK-5 was higher by 4,570,719 thousand RUB than its expenses. This result derives from re-evaluation of shares of Konakovskaya GRES in accordance with their market price at the end of 2005.

*** Obtained by summation of the corresponding forecast indicators of OGK-5 for 2006 and indicators of Konakovskaya GRES and Nevinnomysskaya GRES for the 1st quarter of 2006.

**** Obtained by line-by-line summation of the corresponding indicators of Konakovskaya GRES and Nevinnomysskaya GRES.

***** Recommended by the Board of Directors of OGK-5







PRO BONO PUBLICO

INVESTMENT ACTIVITIES

Purposes of Investments into Upgrading and Reconstruction:

- Higher competitiveness of generating capacities of the OGK-5 affiliates on the power and capacity market;
- Reliable supply of power and heat to consumers;
- Lower costs during production and energy sales;
- More environmentally-friendly equipment.

Investments in 2005

Name of affiliate	Planned investment, thousand RUB	Actual investment, thousand RUB	Level of completion of investment program, %
Central Office	46,111	17,513	38*
Konakovskaya GRES	210,812	206,769	99
Nevinnomysskaya GRES	249,569	263,093	105
Reftinskaya GRES	1,032,342	433,674.3	42**
Sredneuralskaya GRES	159,974	62,032	39**

Investment structure for 2006

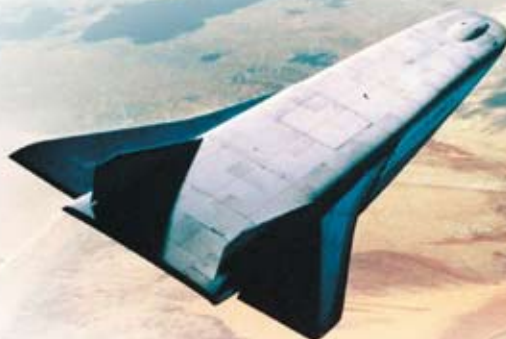
Name of affiliate	Profile objects: upgrade and reconstruction	Equipment not included into construction budget	Land survey for future construction	New construction	Total
Konakovskaya GRES	275,234	5,535	3,558	0,0	284,327
Nevinnomysskaya GRES	156,018	11,278	8,700	0,0	175,996
Reftinskaya GRES	929,431	93,111	97,045	218,872	1,338,459
Sredneuralskaya GRES	240,993	17,255	22,661	0,0	280,909
OGK-5 Total	1,601,676	127,179	131,964	218,872	2,079,691

* Non-fulfillment of the investment program is caused by the fact that equipment was purchased in parallel to personnel recruitment.

** The reason for non-fulfillment of the investment program is lease of Sredneuralskaya GRES and Reftinskaya GRES to JSC Sverdlovenenergo



PROPTER NECESSITATEM



TECHNICAL UPGRADE OF COMPANY

Development and approval of the investment program for the period of 2006-2010 by the Board of Directors of OGK-5 was a constituent of the Company's Strategy for Development for 2006-2010.

The investment program includes:

- Construction of new generating facilities with the capacity of more than 410MW at Sredneuralskaya GRES in 2006-2010;
- Modernization of equipment with comprehensive technical upgrading and reconstruction of more than 5,000MW of installed generating capacities, which will lead to a 540MW capacity increase and a better efficiency.
- Implementation of information technologies aimed at creation, development and reliable use of the unified IT-infrastructure.

Total cost of program until 2010	48.7 bln RUB
including:	
Modernization of equipment for better capacity and efficiency	15.4 bln RUB
Replacement of used-up capacities	1.4 bln RUB
Construction of new capacities	8.6 bln RUB
Higher reliability and efficiency	14.5 bln RUB
Maintenance of power plants	4.8 bln RUB
Modernization of IT systems	3.8 bln RUB



CONDITIO SINE QUA NON



IMPLEMENTATION OF INFORMATION TECHNOLOGIES

The Company's business is aimed at maximum efficiency of production management and sales of power. A significant contribution to this can be active automation of power production and business processes, and use of modern technologies and innovations.

The two strategic areas that have been outlined for this purpose are the following:

- Automation of power production including equipment and process management systems;
- Automation of financial and economic activities of the enterprise, which implies creation of a corporate information system.

In order to realize projects in main IT directions, the Company is actively developing the systems of the IT infrastructure, as well as user support services.

In 2005, the Company became the laureate of the Annual National IT-Leader Award in the «Enterprises of Fuel and Energy Complex» category.



Production Automation

Automated systems deal with collection, processing and transfer of various types of information, thus improving observability of production processes — a way to a higher reliability of power plant operation.

2005 saw the start of modernization of telematics and communications systems due to new requirements for participation on the balancing market. Modernization was active at Konakovskaya GRES and Nevinnomysskaya GRES; at the power plants in the Ural region, 2005 was the year of preparation for contractor's tenders.

Business accounting is an important field of the Company's business. It is 'weighing scales' for measuring the quantity of supplied products. The data

gathered from automated information and measuring systems for commercial billing (AIMS CB) provides the basis for financial transactions on the wholesale power market.

In 2005, AIMS CB systems were installed and certified at Konakovskaya GRES and Nevinnomysskaya GRES. The system at Konakovskaya GRES got the quality coefficient of 1.303, the best coefficient in Russia. As for the power plant itself, it became the laureate of the NP ATS award in the 'Highest Quality Class of Commercial Billing Systems' category. Works on setting up AIMS CB at Reftinskaya GRES and Sredneuralskaya GRES also commenced in 2005.

Management Automation

As part of the Company's information policy, the corporate website, www.ogk-5.com, was launched right after the establishment of OGK-5. It is used for provision of information about events within the Company to the investment community and shareholders.

In 2005, the IT department began implementation of the planning and accounting automation system.

The priority of the tasks derives from the specifics of the power enterprise. The first stage implies implementation of repair planning alongside with accounting and tax accounting. High-quality automation of repair planning leads to transparency of business processes including release of data blocks, a better quality and precision of planning, timely receipt of documents, and, finally,

the possibility of multilateral data analysis for optimization of distribution of repair costs.

Another launched project is creation of an automated system for production control, aimed at efficient operation of the Company on energy markets.

In the first place, a module was implemented in the Central Office for on-line monitoring of power plant operation modes, namely observation of operations schedules.

IT Infrastructure

In 2005, during organization of operating activities, the Company worked at creation of a single information space.

An IT infrastructure was set up in the Central office, which includes a server for data processing, a highly productive local area network, a digital communication system, computers and office equipment for employees.

It was also decided to start creating a global corporate network, which will unite computer and communication networks of all affiliates of the Company.

A lot of attention was paid to provision of information security. Thus, various systems were implemented that provide data restoration and backup copying, ensure protection from unauthorized access to networks and potentially dangerous software.

User Support

In order to provide full-time IT-servicing of the Company's workers, a user support division was established.

Requests that reach the single call-centre are processed on-line. Each user gets consulted, and, if

necessary, an IT-specialist comes to the user in order to solve the problem on-site as soon as possible.







ARTE ET HUMANITATE, LABORE ET SCIENTIA

ENVIRONMENTAL PROTECTION

The Company pays special attention to environmental protection and environmental safety of the technologies used in power production, aims at reduction of air emission and wastewater volumes, increasingly invests into environmental actions.

Money Spent on Environmental Actions in 2003-2005

Type of actions	Measurement unit	Year		
		2003	2004	2005
Air protection	thousand RUB	53,565	59,279	126,867
Water protection	thousand RUB	119,808	113,156	179,039
Protection of environment from toxic waste	thousand RUB	15,076	24,711	32,852

Dynamics of Air Pollution in 2003-2005

Air emission directly depends on fuel consumption during power production. The emission volumes are largely affected by the fuel composition.

Name	Measurement unit	Year		
		2003	2004	2005
Konakovskaya GRES	Tons	10,225	7,163	6,921
Nevinnomysskaya GRES	Tons	6,935	7,311	6,878
Reftinskaya GRES	Tons	311,982	262,968	289,694
Sredneuralskaya GRES	Tons	8,795	9,055	9,398
OGK-5 Total	Tons	337,937	286,497	312,891

Structure of Fuel Consumption in 2003-2005

The Company's power plants use fuel oil and environmentally clean natural gas. The only station that uses coal is Reftinskaya GRES.

Fuel	Measurement unit	Year		
		2003	2004	2005
Gas	Thousand m ³	5,084,831	5,512,007	5,886,839
Fuel oil	Tons	214,040	129,481	144,484
Coal	Tons	10,915,189	9,717,584	10,192,340

Dynamics of Wastewater Discharge Volumes in 2003-2005

Water discharge and abstraction volumes depend on the volumes of generated power.

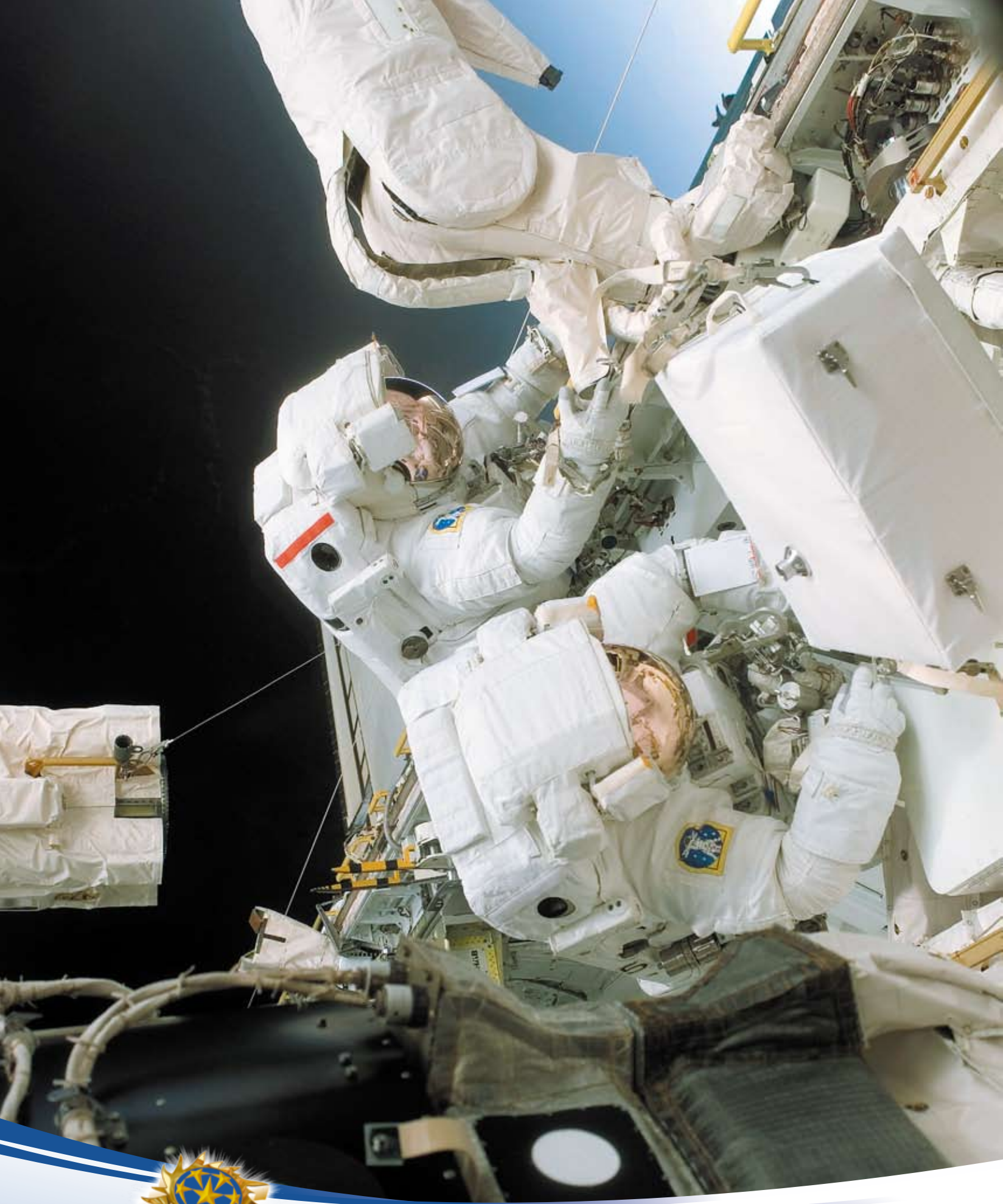
Wastewater discharged by Konakovskaya GRES, Nevinnomysskaya GRES and Sredneuralskaya GRES is clean and has the same concentration of contaminants as the water abstracted by the plants.

At Reftinskaya GRES, concentration of certain contaminants in wastewater is higher than the acceptable level. That is why the power plant undertakes additional measures on further purification of wastewater and reduction of discharged volumes.

Name	Measurement unit	Year		
		2003	2004	2005
Konakovskaya GRES	Thousand m ³	952,980	957,540	987,330
Nevinnomysskaya GRES	Thousand m ³	565,521	547,182	571,805
Reftinskaya GRES	Thousand m ³	4,880	4,544	4,399
Sredneuralskaya GRES	Thousand m ³	2,460	2,443	2,508
Всего по ОГК-5	Thousand m³	1,525,841	1,511,709	1,566,043







VIRIBUS UNITIS

HR AND SOCIAL POLICY. SOCIAL PARTNERSHIP

The Company's HR Policy is aimed at formation and development of a team of highly-qualified people, whose skills, motivation, and culture of labor and social relations ensure fulfillment of current and future goals in accordance with the Company's Strategy for Development.

The Company aspires to create conditions for maximum realization of labor and creative potential of each employee, nurture the feeling of solidarity and commitment to the Company's interests.

Basic instruments for such policy in the Company are selection, employment and adaptation of young workers and specialists, «cold-storage» training, professional training of workers, the improvement of the motivation system and the development of corporate culture.

In 2005, the Central Office of OGK-5 in Moscow was founded and staffed. Unified principles for labor remuneration and motivation for power plant workers were worked out; the year was also marked by active cooperation of the Company with labor unions on new Collective agreements.

In accordance with the Company's Strategy for Development, target teams of employees were formed, who underwent training within the framework of the Corporate Training System. While choosing a provider of educational programs, priority was given to educational institutions with long-term reputation in the field of advanced training in a wide variety of subjects (State University of Management, Academy of National Economy, Financial Academy, Presidential Institute for Advanced Training, Academy for National Education VIPKENERGO etc.).

Personnel Structure as of December 31, 2005

Name	Workers	Specialists	Managers	Total
Central Office	13	78	26	117
Konakovskaya GRES	591	231	176	998
Nevinnomysskaya GRES	419	126	126	671
Reftinskaya GRES	1107	261	168	1536
Sredneurskaya GRES	498	177	127	802
OGK-5 Total	2628	873	623	4,124

Age of Personnel

Name	30 or less	31-50	More than 50
Central Office	54	49	14
Konakovskaya GRES	170	536	292
Nevinnomysskaya GRES	117	440	114
Reftinskaya GRES	291	883	362
Sredneuralskaya GRES	224	313	188
OGK-5 Total	856	2,221	970

Education of Personnel

Name	PhD	Higher education	Secondary Vocational Education
Central Office	8	90	6
Konakovskaya GRES	2	411	311
Nevinnomysskaya GRES	1	324	202
Reftinskaya GRES	0	327	577
Sredneuralskaya GRES	0	213	314
OGK-5 Total	11	1,365	1,410

Turnover of Labor

Name	2005
Konakovskaya GRES	10.7 %*
Nevinnomysskaya GRES	2.47 %
Reftinskaya GRES	2.67 %
Sredneuralskaya GRES	4.08 %
OGK-5 Total	4.94 %

Social Policy

A most important aspect of the social policy of the Company is improvement of employees' labor and living conditions, satisfaction of their social needs and timely salaries.

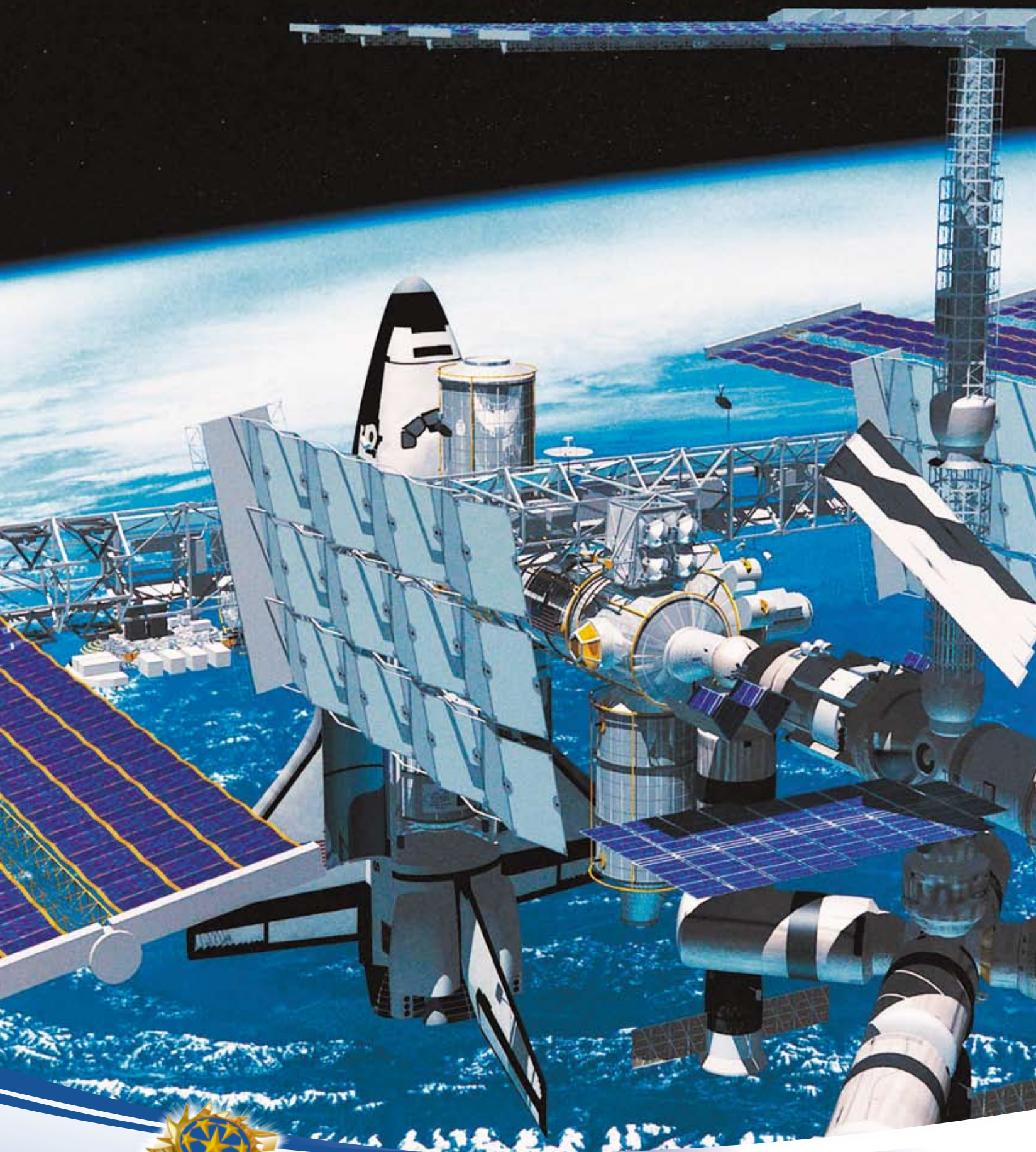
An analysis of dynamics of the salary level over a few recent years has shown its steady growth, which

was achieved thanks to the indexation mechanism which is an inherent part of Collective agreements, as well as thanks to the conformity of the salary rate at the power plants with the situation at the regional labor markets.

* An increased turnover rate at Konakovskaya GRES is connected with discharge of the personnel who dealt with non-core activities, and their transfer to separate joint-stock companies.







VERBUM MOVET, EXEMPLUM TRAHIT



DEVELOPMENT PROSPECTS

The Company's Strategy is based on the analysis of all internal and external factors that will affect development in 2006-2010. Given the current conditions, the Company must make use of possible development of the industry in combination with competitive advantages. Thus, it is important to convert the tactical advantages in current possession of OGC-5 to strategic superiority.

These advantages include:

- The leading position in power sales;
- Favorable location of power plants;
- The optimal structure of the fuel balance;
- High professional skills of the personnel.

Moreover, it is necessary to meet the following objectives:

- Increase reliability of the equipment of the functioning power plants in the light of depreciation and obsolescence of the existing one, increase requirements to reliability and fail-safety of the Unified Energy System of Russia;
- Satisfy the growing demand for power by construction of new generating facilities, first of all in the regions with potential power deficit like the central part of Russia and the Ural Region.

Based on the abovementioned preconditions, the strategic goal for the Company for the period of 2006-2010 is Leadership in sales (first among other companies operating in the industry). The activity of the management in this connection is subdivided into the following directions:

- Improvement of the Company's competence in the field of efficient management of power sales;
- Conduct of active investment policy aimed at a higher reliability, equipment modernization, reconstruction and construction of new generating facilities;
- Increase of fuel supply efficiency.

In particular, improvement of the Company's competence in the field of efficient management of power sales includes:

- Centralization of power sales management;
- Implementation of modern technologies during organization of power sales;
- Creation of efficient relations with retail consumers of power and heat by participation in the capital of regional sales companies.
- Implementation of the advanced personnel training system in the sphere of power sales on WPM;
- Monitoring of the economic environment and competitors including monitoring of WPM changes; study of consumers' demands and needs;
- Increase of reliability and mobility of equipment;
- Implementation of a Quality Management System.

Pursuance of active investment policy aimed at higher efficiency of the business and growth of the Company's value includes:

- Conduct of policy of information accessibility which conforms to the international standards for a public company;
- Introduction of an optimal capital structure for a long term;
- Economically efficient reconstruction and modernization of the functioning power plants;
- Construction of new generating facilities in regions with potential power shortages, as well as realization of strategically important investment projects.

A most important condition of the Company's successful operation is efficient fuel supply, which includes:

- Execution of mutually profitable long-term partnership contracts, including joint projects with fuel suppliers;
- Acquisition of fuel assets.

APPENDICES

Auditor

Full Company Name:

ZAO Pricewaterhouse Coopers Audit

Company Abbreviation:

PwC Audit

Office Address:

Kosmodamianskaya Nab.52, Bld.5
115054 Moscow, Russia

Postal Address:

Kosmodamianskaya Nab.52, Bld.5
115054 Moscow, Russia

Phone:

Phone: +7 (495) 967-60-00,

Fax: +7 (495) 967-60-01

**Auditing License No. E 000376 for the
period of 5 years; issued on 20.05.2002
by the Ministry of Finance of the Russian
Federation**

The auditor conducted an audit of the Company's financial and economic activities for the period of the 4th quarter of 2004 through December 2005 in accordance with the Russian accounting standards.

Information about the measures undertaken by the Company and the auditor in order to decrease the influence of the following factors:

The basic measure undertaken by the Company and the auditor in order to decrease mutual dependence is the process of thorough study of the auditor with respect to its independence from the Company. The auditor is completely independent from the management bodies of the Company in accordance with the requirements of Article 12 of the Federal Law «On Auditing Activities». Moreover, the level of payment for audit activities does not depend on the results of the performed audit.

Auditor (auditor's authorized persons), who performs audit for the Company, does not have:

- Participation in the Company's share capital;
- Funds borrowed from the Company;
- Close business relations (participation in promotion of the Company's products or services, participation in joint entrepreneurial activities), as well as kinship;
- The Company's officials that are also officials of the auditor.

In 2005, the auditor was paid 4,307,000 RUB in the form of an advance payment.





AUDIT REPORT On Financial (Accounting) Statement*

To shareholders of JSC «The Fifth Power Generation Company»:

Auditor

ZAO PricewaterhouseCoopers Audit
Certificate of State Registration of ZAO No. 008.890 issued by the Moscow Registration Chamber on February 28, 1992.

Certificate of Record in the Uniform State Register of Legal Entities about Legal Entity registered prior to July 1, 2002, No. 1027700148431 dd. August 22, 2002, issued by the Interdistrict Inspectorate No. 39 of the Ministry of Taxation of Russia in Moscow.

Audit License No. E000376 issued by the Ministry of Finance of the Russian Federation on May 20, 2002. The license is valid until May 20, 2007.

Auditee

JSC «The Fifth Power Generation Company» (OGK-5).

Address: 38 Pr-t Lenina, Yekaterinburg, Sverdlovskaya Oblast, The Russian Federation

Certificate of State Registration of Legal Entity No. 1046604013257 issued by the Inspectorate of the Ministry of Taxation of Russia in Leninsky District of Yekaterinburg on October 27, 2004.

Audit Report

On Financial (accounting) statement of JSC «The Fifth Power Generation Company»

To shareholders of JSC «The Fifth Power Generation Company»:

1. We have performed an audit of the enclosed Financial (Accounting) Statement of JSC The Fifth Power Generation Company (hereinafter, the Company) for the period from October 27, 2004, through December 31, 2005. The Financial (Accounting) Statement of the Company comprises a Balance Sheet, an Income Statement, a Statement of Changes in Capital, a Statement of Cash Flow, Appendices to the Balance Sheet, and an Explanatory Memorandum (hereinafter together referred to as «the Financial (Accounting) Statement»). The Financial (Accounting) Statement was prepared by the management of the Company on the basis of Russian legislation, namely its section related to preparation of a financial (accounting) statement. The statement prepared on the basis of the aforementioned legislation is substantially different from statements prepared in accordance with the International Accounting Standards.

2. The responsibility for preparation and presentation of a financial (accounting) statement is born by an executive body. Our liability is to express our stance about the credibility of the given Financial (Accounting) Statement in every essential respect, as well as about the compliance of the accounting procedure to the legislation of the Russian Federation of the performed audit.

3. We have performed the audit in accordance with the Federal Law «On Auditing Activities,» Federal Standards for Auditing Activities, International Auditing Standards, as well as our internal standards. The audit was planned and performed in a way to be reasonably confident that the Financial (Accounting) Statement does not have considerable aberrations. The audit was performed on a selective basis and included analysis of the proofs, which confirm the values in the Financial (Accounting) Statement and disclosure of information

* The report regards the full annual account which can be obtained from the Company.

about the financial and economic activities, evaluation of adherence to accounting principles and rules used for preparation of a financial (accounting) statement, the study of main estimated figures obtained by the management of the Company, as well as evaluation of the presentation of the Financial (Accounting) Statement. We believe that the performed audit provides sufficient ground for us to express our stance about the credibility of the Financial (Accounting) Statement and compliance of the accounting procedure to the legislation of the Russian Federation.

4. We believe that the enclosed Financial (Accounting) Statement of the Company credibly, in every essential respect, reflects the financial status of the Company as of December 31, 2005, and the results of its financial and economic activities for the period from October 27, 2004 through December 31, 2005, in accordance with the accounting requirements of Russian legislation.

5. Without changing our stance about the credibility of the Financial (Accounting) Statement, we draw attention to the information stated in Clause 3.3, «Long-term Financial Investments» (Article 140


of the Balance Sheet) of the enclosed Explanatory Memorandum of the Company for the period from October 27, 2004 through December 31, 2005. In the event that the reorganization of the Company in the form of acquisition, planned for 2006, takes place, a difference will emerge between the sum of share capitals and the unallocated profit of the companies to be acquired, and the book value of investments into these companies on the acquisition date, which will be settled in the balance sheet of the Company as from the acquisition date.

March 28, 2006

Company Director
A. Chmel

Auditor
A. Myshenkov,
Qualification Certificate No. K 019320
for General Audit (unlimited)





ANNUAL REPORT OF INTERNAL AUDIT COMMISSION OF OGK-5 FOR 2005

In accordance with the decision of the Internal Audit Commission (the minutes of the session of the Internal Audit Commission as of March 6, 2006), a commission consisting of S.B. Sidorov, Commission members I. I. Uzgorov, Y.A. Pomerantsev, and O.V. Burova performed auditing of OGK-5's financial and economic activities over the year of 2005.

An auditor of ZAO PricewaterhouseCoopers Audit, approved by the Board of Directors of RAO UES of Russia acting as the General Shareholders' Meeting of OGK-5 (Protocol 200 dd. July 29, 2005), performed audit of the Company's Accounting Statement for the period from October 27, 2004 through December 31, 2005 (Audit Report dd. March 28, 2006). In the opinion of the auditor, the Accounting Statement of the Company credibly, in every essential respect reflects the financial status of the Company as of December 31, 2005, and the results of its financial and economic activities for the period from October 27, 2004 through December 31, 2005, in accordance with the accounting requirements of Russian legislation.

The audit was performed from 27.03.2006 to 31.03.2006.

The audit of the presented original documents was done on a selective basis.

In 2005, the revenue of the Company from sales of products and services totaled 1,667 million RUB. The cost of products, work and services totaled 1,578 million RUB; earnings from sales for the period were as much as 89 million RUB.

Operating income surpassed operating expenses by 4,538 million RUB and totaled 7,826 million RUB.

Non-operating expenses surpassed non-operating income by 5.3 million RUB and added up to 5.7 million RUB.

In 2005, the Company's net income was 4,433 million RUB.

The book value of the Company's assets added up to 34,853 million RUB as of December 31, 2005. The net assets value as of December 31, 2005 amounted to 33,841 million RUB.

The Company's solvency and liquidity as of 01.01.06 is characterized by the following data:

- The equity ratio numbered 0.97, which is higher than the recommended level (0.5). This value is characteristic of the company's stability, as financial liabilities of the Company can be covered at the expense of its own capital;
- Cash ratio — 0.13;
- Quick ratio — 0.64;
- Current ratio — 1.89;

The receivables/payables ratio of OGK-5 as of the end of the year is 0.63.

The financial status of the Company can be characterized as stable.

As of 01.01.06, accounts receivable totaled 507 million RUB, including: buyers and customers — 160 mln RUB, other accounts receivable — 338 mln RUB. Out of the total sum, 65 mln RUB were given as advance payments.

As of 01.01.06, accounts payable totaled 802 million RUB, including: fuel oil suppliers — 39 mln RUB, coal suppliers — 596 mln RUB, repair service companies — 33 mln RUB, other suppliers and contractors — 6 mln RUB, remuneration of labor — 4 mln RUB, taxes and dues — 98 mln RUB.

Based on the audit, the Internal Audit Commission has sufficient grounds to assert the credibility of the data in the annual report of the Company and the annual accounting statement.

Chairman of the Internal Audit Commission
JSC OGK-5
S.B. Sidorov

SIGNIFICANT EVENTS*

Significant events related to OGK-5's financial and economic activities in 2005

Significant Events	Date
1) Decisions of the Board of Directors of RAO UES of Russia acting as an Extraordinary General Shareholders' Meeting, 29.07.2005 <ul style="list-style-type: none"> • Election of a new Board of Directors of OGK-5; • Election of an Internal Audit Commission of OGK-5; • Approval of OGK-5's auditor; • Approval of OGK-5's internal documents 	01.08.2005
2) Book closing date for an Extraordinary General Shareholders' Meeting on 18.11.2005	28.09.2005
3) Decisions of the Extraordinary General Shareholders' Meeting on 18.11.2005: <ul style="list-style-type: none"> • Decision on reorganization of OGK-5 and acquisition of Konakovskaya GRES and Nevinnomysskaya GRES; • Decision on a new placement of shares of OGK-5, by conversion of shares of Konakovskaya GRES and Nevinnomysskaya GRES into OGK-5's shares; • Approval of the new edition OGK-5's Articles of Association; • Decision on increase of OGK-5's share capital 	21.11.2005
4) Decision on a new placement of shares of OGK-5, by means of conversion of shares of Konakovskaya GRES and Nevinnomysskaya GRES into OGK-5's shares	21.11.2005
5) A legal entity in the shareholder register of the Company, which owns more than 25% of the Company's shares	01.12.2005
6) The Board of Directors of OGK-5 approves the decision on a new placement of shares of OGK-5 by conversion of shares of Konakovskaya GRES into OGK-5's shares	27.12.2005
7) The Board of Directors of OGK-5 approves the decision on a new placement of shares of OGK-5 by conversion of shares of Nevinnomysskaya GRES into OGK-5's shares	27.12.2005
8) Book closing date for an Extraordinary General Shareholders' Meeting of OGK-5	30.11.2005
9) Book closing date for an Extraordinary General Shareholders' Meeting of OGK-5	19.12.2005

* Detailed information available at www.ogk-5.com



Information that could considerably affect
the price of the Company's securities

Significant Event	Date
1) Execution of an agreement with NP RTS SE about introduction of the Company's securities for trading	06.09.2005
2) Execution of an agreement with JSC RTS SE about introduction of the Company's securities for trading	06.09.2005
3) Admission of OGK-5's securities to the non-listed stock of NP RTS SE	08.09.2005
4) Admission of OGK-5's securities to the non-listed stock of JSC RTS SE	08.09.2005
5) Admission of OGK-5's securities to the non-listed stock of CJSC MICEX	14.09.2005
6) Change of OGK-5's share in the share capital of Konakovskaya GRES from 51.383% to 71.071%	21.09.2005
7) Decisions of the Board of Directors of OGK-5 dd. 23.09.2005: <ul style="list-style-type: none"> About calling of an Extraordinary General Shareholders' Meeting; Setting the agenda for the Extraordinary General Shareholders' Meeting 	28.09.2005.
8) Change of OGK-5's share in the share capital of Konakovskaya GRES from 51.383% to 88.738%	30.09.2005
9) Decisions of the Board of Directors of OGK-5 dd. 29.11.2005: <ul style="list-style-type: none"> Carrying-out of the requirement of OGK-5's shareholder – RAO UES of Russia – about an Extraordinary General Shareholders' Meeting of OGK-5. Setting the agenda for the Extraordinary General Shareholders' Meeting 	30.11.2005
10) Decisions of the Board of Directors of OGK-5 dd. 16.12.2005: <ul style="list-style-type: none"> About calling of a Joint General Meeting of shareholders of OGK-5, Konakovskaya GRES and Nevinnomysskaya GRES; Setting the Book Closing Date for OGK-5's shareholders; Other procedural issues related to the Joint General Shareholders' Meeting 	19.12.2005

COMPANY'S REGISTRAR

Full Company Name:
Open Stock Company «Moscow Central
Depository»

Company Abbreviation:
OSC MCD

Office Address:
24 Ul. B. Pochtovaya, Building 5
105082 Moscow
Russia

License:
The license of the Federal Financial Markets
Service for registering activities No. 10-000-1-00255
dd. 13 September 2002 (not limited)

GENERATING FACILITIES

Konakovskaya GRES

Block №	Electric output, MW	Turbine set	Boiler unit	Power generator	Commissioning year
1	300	K-300-240	PP-950-255-GM (PK-41)	TWW-320-2	1964
2	300	K-300-240	PP-950-255-GM (PK-41)	TWW-320-2	1965
3	300	K-300-240	PP-950-255-GM (PK-41)	TWW-320-2	1965
4	300	K-300-240	PP-950-255-GM (PK-41)	TWW-320-2	1966
5	300	K-300-240	PP-950-255-GM (PK-41)	TWW-320-2	1967
6	300	K-300-240	PP-950-255-GM (PK-41)	TWW-320-2	1968
7	300	K-300-240	PP-950-255-GM (PK-41)	TWW-320-2	1968
8	300	K-300-240	PP-950-255-GM (PK-41)	TWW-320-2	1969

Nevinnomysskaya GRES

№	Electric output, MW	Turbine set	Boiler unit	Power generator	Commissioning year
Turbines					
1	25	PT-25/30-90/10	—	TWC-30	1960
2	25	PT-25/30-90/10	—	TWC-30	1960
3	80	PT-80/110-130/13	—	TZFP-110-2UZn	2005
4	50	P-50-130-1	—	TWF-60-2	1968
5	30	P-30(100)-130/15	—	TWF-100-2	1973
Boilers					
1	—	—	TP-15	—	1960
2	—	—	TP-15	—	1960
3	—	—	TP-15	—	1962
3A	—	—	TP-15	—	1965
4	—	—	TGM-96	—	1968
5	—	—	TGM-96	—	1972
5A	—	—	TGM-96	—	1974
Blocks					
6	150	K-150-130	TGM-94	TWW-165-2	1964
7	150	K-150-130	TGM-94	TWW-165-2	1964
8	150	K-150-130	TGM-94	TWW-165-2	1965
9	150	K-150-130	TGM-94	TWW-165-2	1966
10	150	K-150-130	TGM-94	TWW-165-2	1967
11	150	K-150-130	TGM-94	TWW-165-2	1970
CCGT Units					
12	145	K-145-130	WPG450-140	TWW-165-2	1972
13	25	GT-25-710	—	TWF-60-2	1972





Sredneuralskaya GRES

№	Electric output, MW	Turbine set	Boiler unit	Power generator	Commissioning year
Turbines					
1	16	P-16-29/8,5	—	T-4376/142	1933
2	46	PR-46-29/8.5/0.25	—	T-4376/142	1937
5	16	P-16-29/1,2	—	TWC-30	1949
6	100	T-100-130	—	TWF-100-2	1965
7	100	T-100-130	—	TWF-100-2	1966
8	38	P-38-130/34	—	TWF-60-2	1966
Boilers					
2	—	—	TWW	—	1936
3	—	—	OGWC	—	1937
4	—	—	OGWC	—	1937
5	—	—	OGWC	—	1939
6	—	—	TWW	—	1943
9	—	—	TGM-96	—	1965
10	—	—	TGM-96	—	1966
Blocks					
9	300	K-300-240-1	TGMP-114	TWW-320-2	1969
10	277	T-277-240	TGMP-114	TWW-320-2	1969
11	277	T-277-240	TGMP-114	TWW-320-2	1970

Reftinskaya GRES

Block №	Electric output, MW	Turbine set	Boiler unit	Power generator	Commissioning year
1	300	K-300-240	PK 39-II	TGW-300	1970
2	300	K-300-240	PK 39-II	TGW-300	1971
3	300	K-300-240	PK 39-II	TGW-300	1971
4	300	K-300-240-2	PK 39-II	TGW-300	1972
5	300	K-300-240-2	PK 39-II	TGW-300	1974
6	300	K-300-240-2	PK 39-II	TGW-300	1975
7	500	K-500-240-2	PK-57-2	TGW-500	1977
8	500	K-500-240-2	PK-57-2	TWM-500	1978
9	500	K-500-240-2	PK-57-3	TWM-500	1979
10	500	K-500-240-2	PK-57-3	TWM-500	1980

CONTACT DETAILS

Full Company Name:

Joint-Stock Company
«The Fifth Power Generation Company»

Company Abbreviation:

JSC «OGK-5»

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