

JOINT STOCK COMPANY

ANNUAL REPORT 2009

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Address to the shareholders by the Chairman of the Board of Directors



Dear Shareholders!

Year 2009 was a difficult one for the power industry. The economic crisis and decline in the industrial sector caused a considerable fall in demand for electric power. But despite all this, the OJSC “OGK-2” managed to get over the negative trends and even reach impressive results. The Company’s capitalization increased by more than 200%, its net profit for the year was 1,7 bln rub as compared to 1,3 bln rub of the previous year. As a result of cost optimization the Company successfully increased financing for production and maintenance, technical re-equipment and reconstruction primarily for the Troitsk GRES.

In 2009 the Board of Directors made numerous decisions aimed at the Company’s sustainable development and enforcement for the safety and stability of electric energy production. Implementation of the investment program remains one of the main priorities of the Company’s activities. Commissioning of new facilities is the pillar, the basic condition for further successful development of a generating company. Therefore the Board of Directors of the OJSC “OGK-2” pays much attention to controlling implementation of investment projects. It is our mutual priority to start the construction of a new coal-fired power unit of 660 MW at the Troitsk GRES and one combined cycle gas turbine power unit of 400 MW at the Serov GRES.

In the coming year we will continue resolving the issues aiming to increase the Company’s capitalization and its operating efficiency and to ensure production stability. If we maintain the tempo for technical re-equipment and reconstruction of the existing capacities, it will allow us to increase equipment availability, to reduce the number of incidents and improve the specific index for fuel consumption.

I am sure that the great production potential, effective cooperation between shareholders, the Board of Directors and the management of the Company as well as high professionalism and responsibility of the Company’s employees is the receipt for success in reaching all intended objectives.

Chairman of the Board of Directors

D.V. Fyodorov

Address to the shareholders by the General Director

Dear Shareholders!

The previous year was not an easy period for the OJSC “OGK-2”. The financial and economic crisis, increasing of non-payments by consumers and participation in numerous lawsuits made correctives to the activities of the Managing Board.

The basic long-term objectives formed at the Annual General Meeting of shareholders of 2009 have always been the centre of attention of the company’s management team. These efforts brought their results: if in 2008 the Company made losses, in 2009 the Company’s net profit amounted to 1,7 bln rub, its revenue was 40,7 bln rub; the Company produced 47,5 bln kW/h of electric power and 2,2 mln Gcal of heat power.

At the same time the Managing Board solved other urgent issues and tasks. The first and the most important one was preparation for operation during the autumn and winter period 2009-2010. The Company’s readiness for the autumn and winter period was tested by a special committee that included representatives from the Ministry of Energy, SO UES, Rostekhnadzor and Gazprom. They confirmed the high level of readiness of the branches of the OJSC “OGK-2” to operate in condition of low temperatures.

In general, operation of the branches of the OJSC “OGK-2” in 2009 can be qualified as stable. The Surgut GRES-1 operated all year at its full capacity. During the 37 years of its uninterrupted operation the station produced 750 bln kW/h of electric power. Operation of the Pskov GRES, the Serov GRES and the Stavropol GRES also proved to be reliable. During the whole year of 2009 no emergency, fire or technological breakdown took place at any of these stations.

The attention of the Company’s Management was still focused on the Troitsk GRES. In the boiler-and-turbine workshop of line II there were completed the planned repair works at power unit № 5 of 300MW and there was made a major overhaul of unit № 7. The station’s reliability increased, its ecological parameters and economic efficiency improved. It must be stressed that it was the first time that additional works on implementations of a system for dry removal of ash and slag at unit №7 were conducted. In August 2009 the Board of Directors of the OJSC “OGK-2” confirmed it reasonable to transfer the units of line II and line III at the Troitsk GRES to the system of dry removal of ash and slag and assigned the Managing Board of the Company to work out a basic plan that was to meet the



highest ecological requirements.

Environmental policy is another direction that constant attention was paid to in 2009. At power unit № 5 of the Troitsk GRES alone there were allocated 400 mln rub for installation and set-up of the new gas treatment equipment. But in order to reduce the high level of ash content, there still remains a lot of work to be done at this GRES.

The teamwork that was demonstrated by the Managing Board together with the General Director, Stanislav Neveynitsyn, during the transitional period of the Company's development must also be noted. The newly created top management was aimed at the Company's fast recovery from the crisis.

There were achieved certain positive results in the financial sphere. The Company finished year 2009 with profit. The revenue increased by 0,4% as compared to 2008. As of December 31, 2009 the asset value of the OJSC "OGK-2" was 48,9 bln rub, which as compared to the beginning of the reporting year increased by 7,4%. The production costs for the main products decreased by 6,9%, i.e. from 39 738 mln rub to 36 975 mln rub in 2009.

All the year round there continued goal-oriented work with the shareholders of the OJSC "OGK-2"; new and reliable mechanisms for their rights' protection were further developed. In autumn 2009 the ordinary shares of the OJSC "OGK-2" were transferred from the Quotation List "A" of the second level on the CJSC "MICEX Stock Exchange" into the Quotation List "A" of the first level, which allowed to extend the base of potential investors and to increase investment attractiveness and shares liquidity of the OJSC "OGK-2".

Besides there were continued works to minimize the financial damage caused to the OJSC "OGK-2" and to its shareholders by the previous management. The contract for servicing of the Employee Stock Option Plan between the OJSC "OGK-2" and the OJSC "NOMOS Bank" was proved invalid in a juridical proceeding. The court obliged the OJSC "NOMOS Bank" to pay back to the OJSC "OGK-2" funds in the amount of almost 734 mln rub.

All the necessary work is being done to follow the story with "golden parachutes" to its logical end. In 2009 the Court resolve to recover the losses in the amount of 446,5 mln rub from the former General Director, Mikhail Kuzichev, in favour of the OJSC "OGK-2". The lawsuit with "Group E4" was finished with a settlement agreement, and now the OJSC "OGK-2" starts to realize its investment projects on construction of a combined cycle gas turbine power unit of 400 MW at the Serov GRES.

And finally let me tell you about the major tasks that the OJSC "OGK-2" will be working on in 2010.

The highest priority will be given to the merger of the OJSC "OGK-2" and the OJSC "OGK-6". This merger was planned since the OJSC "Gazprom" became the principle shareholder of the two companies. No doubt the coming merger will offer additional opportunities for operating costs optimization, increase of reliability and efficiency of the stations' operation and capitalization growth.

Besides, the Managing Board's efforts will be concentrated on implementation of the recently accepted Plan for perspective development of the Company. We will start to build new highly efficient generating capacities at the Troitsk and Serov GRES. Reconstruction of the existing capacities will be

based on the use of the most modern innovation technologies.

I am sure that fulfillment of all the stated objectives will bring profit to the Company's shareholders and will reinforce Gazprom's position as the leading electric power company of Russia.

General Director

A.A. Mityushov



1. General Information

Brief history of the Company

The Company was founded in the process of power industry reformation by decision of the sole founder (the OJSC RAO “UES of Russia”) and registered on 9th of March 2005 by the Inspectorate of the Federal Tax Service, Izobilnensky municipal district of the Stavropol territory, No. 2607; legal address: Stavropol territory, Izobilnensky municipal district, village of Solnechnodolsk. As per Decree of the Government of the Russian Federation of September 1, 2003 No. 1254-r the Company affiliated the Pskov GRES, the Serov GRES, the Stavropol GRES, the Surgut GRES-1 and the Troitsk GRES.

Contracts on delegation of authority of the executive bodies of the OJSC “Serov GRES”, the OJSC “Stavropol GRES”, the OJSC “Pskov GRES”, the OJSC “Troitsk GRES” and the OJSC “Surgut GRES-1” were conducted by the Company.

As of September 29, 2006, JSC-GRES ceased to exist as separate entities and became branches of the Company.

For the purpose of attracting investments, the Company conducted an additional equity offering, which was made available to all investors including foreign (IPO with a listing of the Company’s securities on the Primary market of the London Stock Exchange).

Second reorganization of the Company proceeded in affiliation of the OJSC “OGK-2 Holding”, separated from OJSC RAO “UES of Russia”, took place on 1st of July, 2008.

Mission

- Leadership in production and sale of electric power among the wholesale heat generation companies.
- Application of modern production and management technologies.

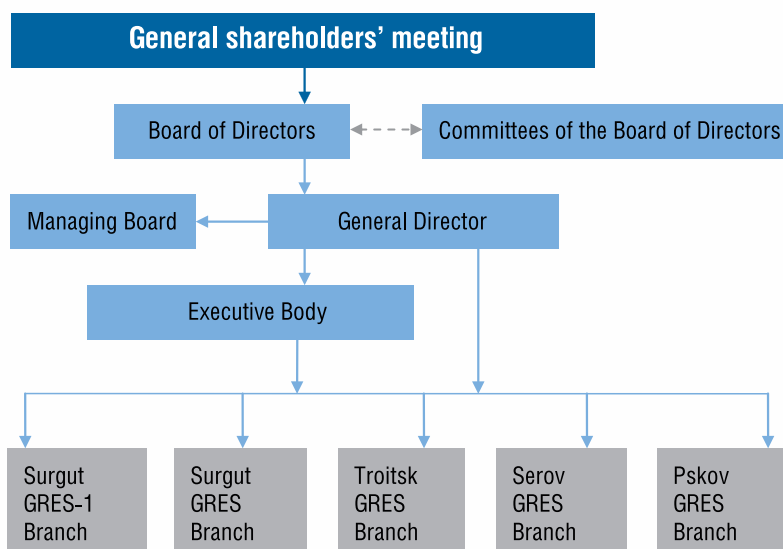
Target

- Enhancing business efficiency, forming a stable positive development trend, increasing capitalization of the Company.

Major objectives:

- Assurance of reliability and efficiency of the stations operation, development of fuel infrastructure and assurance of the required volume of operating capacity with a high performance level with the aim to sustain the high level of competitiveness;
- Increase in profit and further growth of other financial indices testifying reliability, stability and administrative efficiency of the Company with the aim to increase the market value of the Company;
- Implementation of the Investment program (achieving the necessary performance indicators, optimization of target values of the project budget), as well as improvement of heat and energy production technologies;
- Further expansion of the Company’s presence at the heat and energy markets.

Organizational structure



Market analysis and competitive environment

According to the results of year 2009 the OJSC "OGK-2" ranks second in out - turn and third in installed capacity among the Russian wholesale heat generation companies. The capacities of the GRESs are in demand at the market, what is confirmed by the high loading level: average ICUF for GRESs of OJSC "OGK-2" was 61,9% in 2009. The reduction by 3,3% compared to 2008 was caused by the decline in energy consumption in the country by 6,3% due to the world economic crisis.

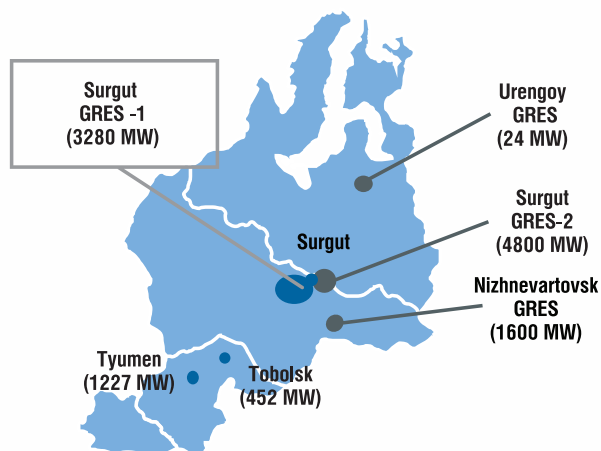
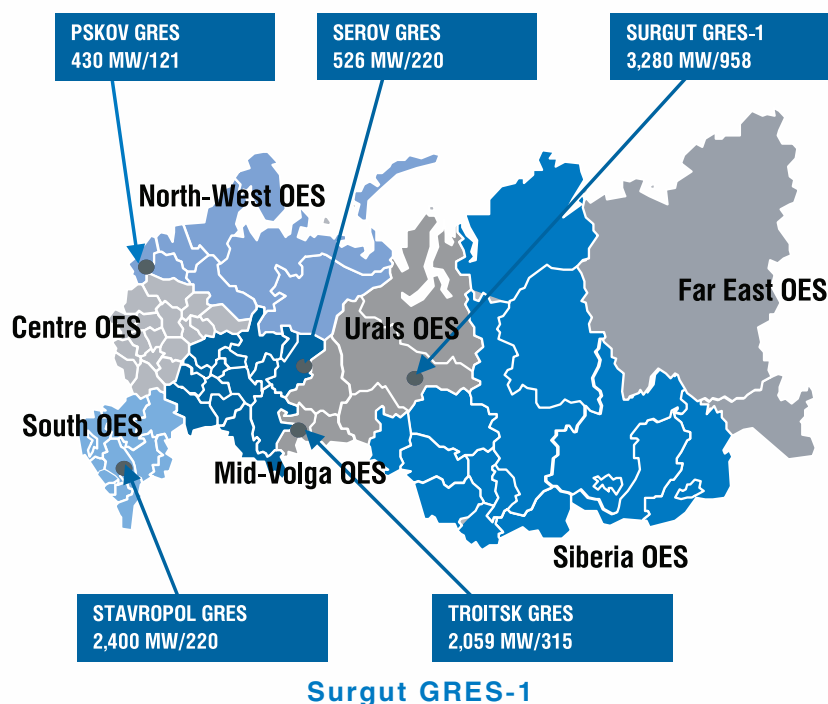
Expertly, energy supply share is 5,9% of aggregate consumption of the 1st price zone, and power supply share is 6,5% of aggregate power supply to the 1st price zone.

Appearance of new competitors in the nearest future will be possible only in case of restructuring of current competitors. Furthermore, change in production share of the Company is possible due to change in installed capacities of the rival companies.

The core competitors of the Company at the wholesale power market are five generation companies (the OJSC "OGK-1", the OJSC "OGK-3", the OJSC "OGK-4", the OJSC "OGK-5", the OJSC "OGK-6"), the OJSC "RusGidro" and the State Corporation "Rosatom". In the process of OJSC RAO "UES of Russia" reform GRESs for each OGK were selected in such a way that each company had comparable starting conditions at the market (installed capacity, asset value, average equipment wear rate). Each OGK incorporates stations located in different regions of the country, what minimizes potential monopolistic abuse. Independent heat generation companies are the principal competitors at the wholesale energy market. Free competition determines market prices in a great degree.

Geographic location

The Company operates at the Russian wholesale power market, which is a unified market for the whole country.



The **Surgut GRES-1** is part of the Ural Integrated Energy System (the Ural OES). It is located in Khanty-Mansi Autonomous Okrug, Tyumen region, village of Kedrovoy. Area of Khanty-Mansi Autonomous Okrug: 523 100 sq. km. Population: 1 301 thousand people.

Plant age: 37 years (start-up years: 1972-1983).

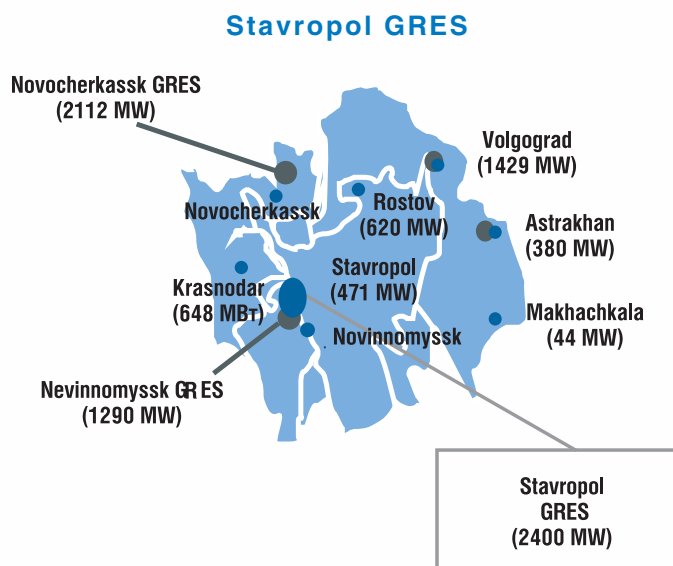
Fuel balance: gas (100%).

ICUF in 2009 was 85,05%.

The Surgut GRES is located in close vicinity to the major industrial hub with oil and gas supply

companies. For the last several years region of location of GRES demonstrated high level of energy consumption growth (about 5% per year). Oppositely to decrease in consumption Ural Integrated Energy system by 6,3% in 2009, the Tyumen energy system resulted in 100% consumption of electric energy offered by the plant at present and in the future.

Core competitors: The Nizhnevartovsk GRES (the OJSC “OGK-1”) and the Surgut GRES-2 (the OJSC “OGK-4”). As compared to rivals, the Surgut GRES-2 has the least maneuvering capabilities. However the installed capacity of each competitors’ power unit is four times greater than the installed capacity of each power unit of the Surgut GRES-1.



The **Stavropol GRES** is part of the South Integrated Energy system -South OES (Stavropol territory, village of Solnechnodolsk, Izobilnensky region). It is a highly-maneuverable station, which plays a key role in sustaining the system reliability of the South Integrated Energy system. Area of the Stavropol territory: 66 500 sq. km. Population: 1 491,6 thousand people.

Plant age: 34 years (start-up years: 1975-1983).

Fuel balance: gas (97%), black oil (3%).

ICUF in 2009 was 48,57%.

The most significant advantages of the Stavropol GRES are still optimal economic performance, wide-range power regulation capabilities, rates of load increase and load dropping, providing maximal cover of consumption schedule. The Company certified its 7 blocks, which will allow the plant to sell system services at the market. The market specific features are now being developed; the launch of system services sale is expected in the near future.

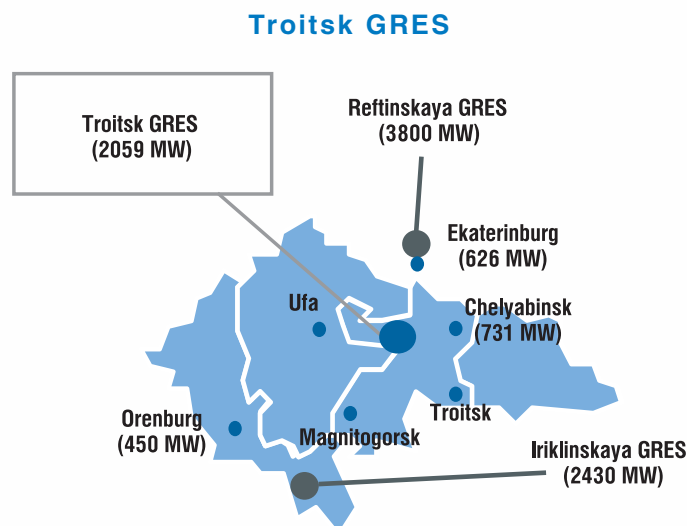
The load of the power plant makes export supplies to Georgia and Azerbaijan (in transit through Georgia) technologically feasible. This also refers to power interchange support in the backbone power network of the South Integrated Energy System.

At the South Integrated Energy system the Stavropol GRES is in competition with the Nevinno-myssk GRES (the OJSC “OGK-5”) and the Novochoerkassk GRES (the OJSC “OGK-6”).

The Novochoerkassk GRES uses coal as primary fuel. The power units of the Nevinno-myssk GRES

show a considerable rate of equipment wear rate, lower regulating range, and lower rates of load increase and load dropping.

Two stations running on gas (the Stavropol GRES and the Nevinnomyssk GRES) contribute to a more favorable environmental situation in the region.



The **Troitsk GRES** is part of the Ural Integrated Energy system - the Ural OES (Chelyabinsk region, city of Troitsk-5), located at the energy transfer zone of Yekaterinburg-Chelyabinsk-Magnitogorsk, and along the direct supply line to the Northern Kazakhstan. Area of the Chelyabinsk region: 87 900 sq. km. Population: 3 634 thousand people.

Plant age: 49 years (start-up years: 1960-1976).

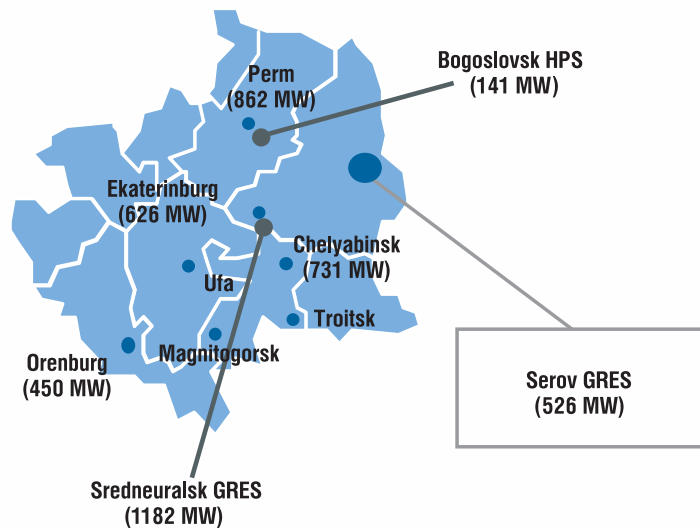
Fuel balance: coal (98,3%), black oil (1,7%).

ICUF in 2009 was 43,61%.

The plant is characterized as highly volatile in condition of network limitations. Due to its low fuel component, the plant is in high demand at the wholesale power market. Taking into account an increase in expected rates of gas and coal prices, the situation will remain the same. The OJSC "OGK-2" is conducting large-scale works on general maintenance of the plant's generation equipment in order to improve reliability and increase the volume of electric energy sales at the wholesale power market, with high return on sales.

The Yuzhno-Uralsk GRES (the OJSC "OGK-3") can be pointed out as a primary competitor. At the same time 87% of the installed capacity of the Troitsk GRES is made up by the power units of 300 and 500 MW having a wider range of power loading control. In addition, the Yuzhno-Uralsk GRES has higher energy production cost due to gas fuel for energy production, which is higher than the Ekibastuz coal fuel component used at Troitsk.

Serov GRES



The Serov GRES is located in the Severo-Bogoslavsky junction, where aluminum and ferroalloy production facilities are concentrated (Sverdlovsk region, city of Serov). Area of the Sverdlovsk region: 195 000 sq. km. Population: 4 670 thousand people.

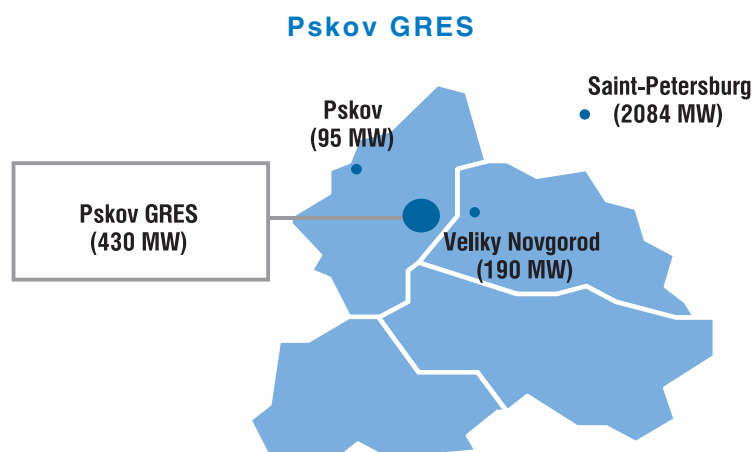
Plant age: 55 years (start-up years: 1954-1959).

Fuel balance: gas (32,6%), coal (67,4%).

ICUF in 2009 was 60,61%.

The Serov GRES is the sole and largest station in the junction (the Bogoslovsky combined heat power plant has installed capacity of only 141 MW, it produces energy to satisfy heat demand of the existing consumers), which allows to get a quality of “System generator” within the System operator. The GRES can use gas, coal or a mixture of gas and coal as fuel. In the future, even taking into account setting into operation of VL 500 kW Severnaya-BAZ (which in fact will only improve energy supply reliability of the junction), the need of the station will remain the same. Decrease in gas share in the fuel balance will increase the plant’s efficiency at the wholesale power market.

Competitors: The Bogoslovskaya combined heat power plant (the OJSC “TGK-9”), which is more dependant on consumer heat demand and has lesser installed capacity (as compared to the Serov GRES).



The **Pskov GRES** is part of the North-Western Integrated Energy system - the North-West OES (Pskov region, village of Dedovichi). Area of the Pskov region: 55 300 sq. km. Population: 747,3 thousand people.

Plant age: 16 years (start-up years: 1993-1996).

Fuel balance: gas (100%).

ICUF in 2009 was 49,4%.

The load ratio and location of the station in the North-West Integrated Energy station make it possible to export to power networks of Belarus and the Baltic states, due to the location of the Pskov GRES in the power grid, which ensures parallel operation of these power networks with the United Energy Systems of Russia.

In accordance with these factors production of power at Pskov GRES is unconditionally dependant on demand for electric energy, also in the Baltic states and Belarus.

The only competitor of the Pskov GRES is the Kirishi GRES (the OJSC "OGK-6") which also has modular condensing equipment at the load centre of the Lenenergo-Pskovenergo-Baltic Integrated Energy System. However, the equipment of the Pskov GRES combines high maneuverability with lower cost indices as compared to the Kirishi GRES, which ensures priority load of this power station with condition of sufficient gas supply.

Risk management

The power industry is one of the leading industries of Russian economy, its share in the GDP is 10-11%. Furthermore, the power industry is an infrastructural branch of economy. Most of ultimate consumers of the industry products are in Russian Federation. This is why the state of power industry is governed by other industry sectors to a great extent. The world financial and economic crisis influences the Russian economy in a negative way. The general decline in production is the cause of decrease in energy consumption in the country, and, as a consequence, reason for lower turnover and lower revenue of the power companies. The situation is aggravated by the fact that one of the major industrial consumers of electric energy is the metallurgy industry, which suffered greatly during the crisis. Besides, level of fixed costs of the energy companies is traditionally high and hardly dependant on turnover.

The situation is aggravated by the fact that the Russian power industry feels the lack of investment and experiences problems with credit resources, resulting in adjustment of volumes and dates of commissioning of new facilities.

In order to reduce such risks and ensure reliable energy supply to consumers the Company realizes the following activities:

- timely maintenance, repair, modernization, reconstruction and technical upgrade;
- construction of new generation capacities;
- improvement of operational efficiency and realization of considered financial policy (through economy and optimization of expenses);
- conclusion of long-term contracts for supply of electric and heat energy;
- creating competitive environment in the sphere of procurement and services.

Business priorities

The Company has the following business priorities:

- production (including environmental issues);
- sales (operation on energy markets);
- implementation of investment projects;
- corporate governance.

The result of activities in the sphere of "Production" is assurance of reliability and uninterrupted operation of the power stations during heat deficit period (autumn-winter). As concerns environmental issues, the Company observes the Environmental Policy (approved by the Board of Directors), the Guidelines for realization of the environmental policy for the years 2008 – 2015 (approved by the Board of Directors) and the Program for realization of environmental policy for the years 2008 – 2010. At the same time the Company continues the implementation of MS ISO 14001:2004 "The systems of environmental management. Standards and directions for use". The Executive Body and the Stavropol GRES were certified for compliance to MS ISO 14001:2004. Currently the work of expanding certification to the rest of the stations is in process.

The result in the sphere of "Operation at energy markets" is an increase in the volume of sales at the national wholesale market of electric energy (power) by 28,3% using free-of-control prices. Since January 1, 2011, electric energy and power will be delivered in full volume using free-of-

control prices, exclusive of community supplies, where the rates are regulated by the Government. The power stations of the Company sell their heat energy at the retail market in the regions of their location. Furthermore, considering changes in the regulatory structure of the wholesale energy and power market, the Company actively participates in sale of power using the free-of-control prices and the mechanism of open and over-the-counter trade in electric energy and power.

The result of activities in the sphere of “Realization of investment projects” is execution of the coordinated scope of works on realization of investment projects in harsh conditions of the global systemic economic and financial crisis.

Due to the unstable situation the Company initiated a number of measures to optimize projects structure and vital conditions of their implementation. The Company carried out a systemic analysis of factors influencing the process of investment projects realization, specifically, execution and compliance with conditions of the contracts with prime contractors, possibilities of attracting others, dynamics of energy consumption in the regions where the power stations of the Company are located, and also of project financing abilities of the Company, etc.

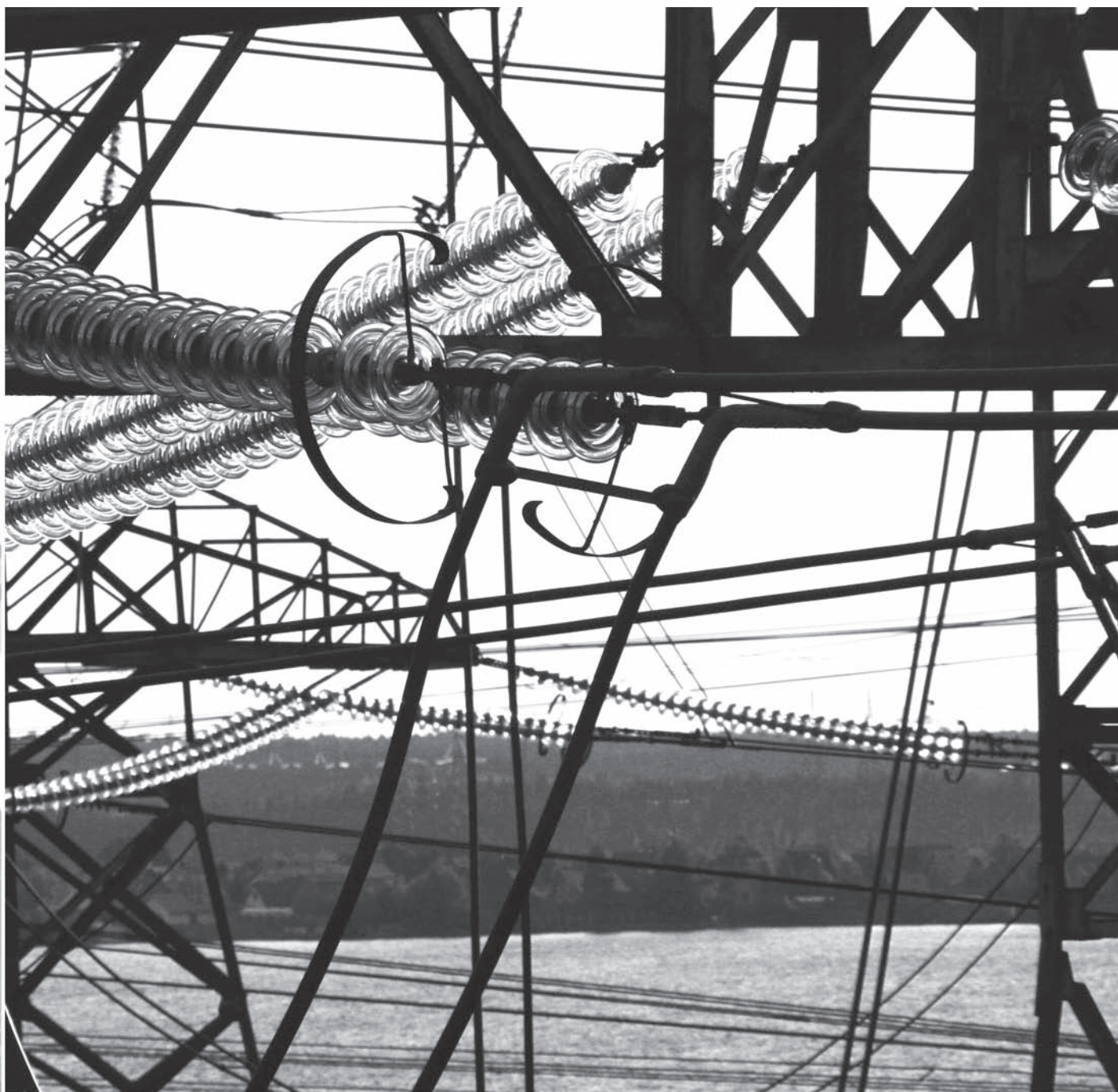
The results of activities in the sphere of “Corporate governance” are as follows:

- ensuring efficient interaction with the shareholders, investors, and authorities of all levels;
- execution of commitments concerning further listing at the primary market of the London Stock Exchange and in quotation lists of the Russian RTS and MICEX.

The shares of the Company are included into the calculation base for the benchmark stock indices, such as RTS, RTS2, RTSeu, MICEXPWR, MICEXSC.

Currently the shares of the Company are listed in the “A top level” on the trading board of the CJSC “MICEX Stock Exchange”, which allows:

1. to increase liquidity of shares by enforcing investment attractiveness and expanding the pool of investors;
2. to use highly-reliable instruments of the financial market, such as commercial papers issuance program, as shares listing in the Quotation list of the highest level allows to count on a much lower obligations active rate.



2. Primary results of activities

2.1. Operating data

Table 1. Dynamics of working capacity and electric energy production of the stations of OJSC “OGK-2” in 2007-2009

Name of Station	Start-up year	Installed capacity, MW	Operating capacity, MW			Electric power generation, mln kWh		
			2007	2008	2009	2007	2008	2009
Surgut GRES-1	from 1972 till 1983	3280	2 920,8	2 900,3	2 935,5	24 469,3	24 543,3	24 436,7
Stavropol GRES	from 1975 till 1983	2400	2 045,9	2 020,2	2 089,6	9 703,9	11 016,7	10 210,5
Troitsk GRES	from 1960 till 1976	2059	1 483,4	1 154,3	1 120,3	9 026,3	9 023,8	7 865,8
Serov GRES	from 1954 till 1959	526	438,2	445,4	452,6	3 087,2	3 348,3	2 792,8
Pskov GRES	from 1993 till 1996	430	339,0	390,8	399,8	1 735,4	1 894,5	1 860,0
Total for OJSC “OGK-2”		8695	7 227,3	6 911,0	6 998,5	48 022,1	49 826,6	47 165,8

Table 2. Capacity factor for electric power plants of the branches of OJSC “OGK-2” in the review period, %

#	Branches	2008	2009
	Total for OJSC “OGK-2”, including:	65,24	61,92
1	Surgut GRES-1	85,19	85,05
2	Stavropol GRES	52,26	48,57
3	Troitsk GRES	49,89	43,61
4	Serov GRES	72,47	60,61
5	Pskov GRES	50,16	49,38

In real figures, in 2009 the total electric energy production amounted to 47 165,8 mln kWh which is 5,34% lower than the volume produced in 2008 (49 826,6 mln kWh). Among the major reasons that led to the underutilization of the stations' capacity in the review period, apart from the decrease in sales volumes, can be named the following ones:

- Branch of the OJSC “OGK-2” – Surgut GRES-1: there was no underutilization of equipment in 2009.
- Branch of the OJSC “OGK-2” - Stavropol GRES: the station was utilized by the System operator.
- Branch of the OJSC “OGK-2” - Troitsk GRES: due to the breakdown maintenance and equipment reserve the underutilization in 2009 was 4 005 625 ths kWh.
- Branch of the OJSC “OGK-2” - Serov GRES: the underperformance is explained by low demand for electric energy due to high selling price compared to other power stations.

· Branch of the OJSC “OGK-2” - Pskov GRES: station discharge initiated by the System operator.

Table 3. Heat produced by thermal power stations and boilers of the branches of the OJSC “OGK-2” in the review period, ths Gcal

#	Branches	2008	2009
1.	Total for OJSC “OGK-2”, including:	2 455,7	2 397,3
1.1.	Surgut GRES-1	1 694,5	1 642,0
1.2.	Stavropol GRES	81,3	68,1
1.3.	Troitsk GRES	492,1	486,4
1.4.	Serov GRES	112,2	119
1.5.	Pskov GRES	75,6	81,8

Table 4. Energy productive supply, mln kWh

#	Branches	2008	2009
1.	Total for OJSC “OGK-2”, including:	47 327	44 763
1.1.	Surgut GRES-1	23 415	23 308
1.2.	Stavropol GRES	10 662	9 887
1.3.	Troitsk GRES	8 377	7 251
1.4.	Serov GRES	3 092	2 569
1.5.	Pskov GRES	1 781	1 748

Table 5. Specific consumption of fuel equivalent for energy supply for thermal power stations of the branches of the OJSC “OGK-2” for the review period, gr/kWh

#	Branches	2008 actual	2009 norm	2009 actual	deviation from the norm (-saving, +overspent)	deviation from the previous year (-saving, +overspent)
	Total for OJSC “OGK-2”, incl.:	347,5	348,2	347,2	-1	-0,3
1	Surgut GRES-1	325,2	327,6	326	-1,6	0,8
2	Stavropol GRES	330,7	329,1	328,5	-0,6	-2,2
3	Troitsk GRES	392	403,1	403	-0,1	11
4	Serov GRES	463,4	464,4	464,3	-0,1	0,9
5	Pskov GRES	331	332,2	331,9	-0,3	0,9

Specific consumption of fuel equivalent for electric energy was 347,2 gr/kWh (total for the branches of OJSC “OGK-2”), which is by 0,3 gr/kWh below the level of 2008 (347,5 gr/kWh).

The major dropdown in the specific consumption takes place at the Stavropol GRES (-2,2 gr/kWh), the major rise was shown at the Troitsk GRES (+11,0 gr/kWh). The specific consumption increase at the Troitsk GRES was caused by the rise of the operation hours of turbines of the second line in the single-case mode and increase of outage hours at the most energy efficient line.

Table 6. Specific consumption of fuel equivalent for heat energy supplied of TPS and boilers of the branches of the OJSC “OGK-2” for the review period, kg/Gcal

№	Branches	2008 actual	2009 norm	2009 actual	deviation from the norm (-saving, +over-spent)	deviation from the previous year (-saving, +overspent)
	Total for OJSC “OGK-2”, incl.:	152,7	152,7	152,1	-0,6	-0,6
1	Surgut GRES-1	142,8	143,4	142,7	-0,7	-0,1
2	Stavropol GRES	171,2	171,2	171,2	0	0
3	Troitsk GRES	173,9	170,8	170,4	-0,4	-3,5
4	Serov GRES	183,9	183,9	183,8	-0,1	-0,1
5	Pskov GRES	171,8	170,6	170,5	-0,1	-1,3

The specific fuel consumption for heat energy supply in 2009 is by 0,6 gr/kWh less than in 2008.

2.2. Indices of accident rate and employment injuries

No accidents and fires as well as no disturbance due to nonobservance of safe operation conditions for technical equipment at hazardous industrial facilities of the branches of the OJSC “OGK-2” were registered in 2009.

The total number of technological violations in 2009 was 169 as compared to 215 incidents in 2008.

Table 7. Statistical data on accident rate at the branches of the OJSC “OGK-2” for the period 2007-2009

Power stations	Accidents			Incidents		
	2009	2008	2007	2009	2008	2007
Surgut GRES-1	-	-	-	50	55	55
Stavropol GRES	-	-	-	8	10	13
Troitsk GRES	-	-	-	84	97	75
Serov GRES	-	-	-	18	47	69
Pskov GRES	-	-	-	9	6	5
Total for OJSC “OGK-2”	-	-	-	169	215	217

Table 8. Comparative analysis of incidents as to groups of equipment that took place at the stations of the OJSC "OGK-2" in 2009 as compared to 2008

Groups of equipment	Surgut GRES-1		Stavropol GRES		Troitsk GRES		Serov GRES		Pskov GRES		TOTAL:	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Accidents occurred	-	-	-	-	-	-	-	-	-	-	-	-
Total accidents occurred, including:	50	55	8	10	97	84	18	47	9	6	169	215
at the boiler equipment	22	25	2	1	65	73	7	37	4	0	100	136
at the turbine equipment	23	17	2	3	9	7	5	3	1	0	40	30
at the accessories compartment	0	0	1	2	0	1	0	2	1	0	2	5
at the electrical equipment	5	13	3	4	10	16	5	5	4	6	27	44
at the lifting and transporting equipment	0	0	0	0	0	0	0	0	0	0	0	0
at the gas supply facilities	0	0	0	0	0	0	1	0	0	0	1	0
at the facilities containing hazardous substances	0	0	0	0	0	0	0	0	0	0	0	0
at water development facilities	0	0	0	0	0	0	0	0	0	0	0	0
in buildings and constructions	0	0	0	0	0	0	0	0	0	0	0	0

Local accidents at the generating equipment of the branches were not registered. Currently increased attention is paid to the following matters:

At the Surgut GRES-1:

1. Gas supply systems of boilers No. 1, 4, 7, 8, 10 and 13 do not correspond to the requirements of the new Regulations. Considerable funds and time are needed to repair them (in fact only for basic repair of power generating units). This work is planned for the boiler of station № 4 in 2010.

2. Due to the erosive wear of the metal of the pipes, the tube bundles of turbine condensers of power generating units of stations № 4 and 11 are in a critical state (in operation for more than 30 years). It is required to cover the entry surface of the tube bundles (depending on the degree of wear) and tube plates with a protective paste. This work is planned for the turbine condensers of stations № 4 and 11 in 2010.

At the Troitsk GRES:

1. Damaging of boiler heating surfaces grows due to run-out as a result of the long operating life. In general, most painful for the Company is the increase of incidents that took place due to the damage to the heating surfaces of equipment of line III. It is planned to increase annual volumes of heating surfaces replacement of steam boilers of line III.

At the Pskov GRES:

1. Unsatisfactory performance of protection systems and automatics (4 out of 9 incidents oc-

curred in 2009) can be observed. In July 2009 there was hold a meeting with specialists of contractor organizations that had participated in development and installation of the operating automatic process control systems. Currently there are works being done in accordance with decisions made at this meeting.

Emergency prevention activities. Personnel development.

Emergency prevention activities stated in the acts of investigation of technological violations and in documents on disposition, issued on the results of such investigations, are implemented within the established deadlines.

Personnel development is made in accordance with requirements of Regulations on Personnel development, including:

- analysis and working-through reasons for technological violations;
- regularly assessment of the start and shutdown quality of the main equipment;
- emergency and fire prevention trainings;
- operation meetings.

Table 9. Expenses for labour protection measures in 2009

No	Expenses for activities, ths rub	Surgut GRES-1	Stavropol GRES	Troitsk GRES	Serov GRES	Pskov GRES
1.	Accident prevention	1 090,0	2 872,8	6 912,9	2 073,0	981,2
2.	Sanitary-hygienic measures	28 427,0	20 081,8	2 676,1	3 147,0	452,0
3.	Improvement of working conditions	0	3 148,4	7 661,3	478,0	0
4.	Personal protective equipment for personnel	2 498,0	2 168,6	2 730,6	3 156,0	1 285,9
	Total	32 015,0	28 271,6	19 980,9	8 854,0	2 719,1

In order to prevent accidents and to comply with the rules of labour protection the following measures are taken at the branches of the OJSC "OGK-2":

- induction and refresher trainings on labour safety and fire protection;
- knowledge examination of labour safety and industrial safety;
- analytical review of injury rates in electrical energy industry;
- trainings of personnel on basics of fire safety;
- responsible managers and specialists of stations and the executive body take rounds and make inspections of working places of the stations' departments and working teams of contractor organizations in accordance with the established terms;
- practical skills of rendering predictor care to the injured in case of emergency are trained on annual basis in the branches of the Company;
- for 2010 there is planned competition between multiple-skilled teams of the branches of the

OJSC “OGK-2”. The competition program includes testing of knowledge of norms and specifications of labour protection, accident prevention and testing of skills of rendering predictor care to the injured in case of emergency.

Working places of all branches were certified in order to eliminate occupational hazards. Measures on possible elimination of harmful factors have been worked out and are being implemented on this assessment.

Social insurance against industrial accidents, occupational illnesses and certification of labour protection programs are implemented in accordance with the Labour Code of the Russian Federation. Furthermore, the OJSC “OGK-2” takes prevention measures on labour protection: there is a Day of labour safety and fire protection, assessment of working places with issuing respective recommendations once a month.

Repair program of the OJSC “OGK-2”

Table 10. Results of the repair program of the OJSC “OGK-2” in 2009

Name of equipment	Full repair			Medium repair			Current repair		
	Planned for 2009, units	Actual in 2009, units	%	Planned for 2009, units	Actual in 2009, units	%	Planned for 2009, units	Actual in 2009, units	%
Boilers	8	8	100	9	9	100	48	46	96
Turbine sets	4	4	100	8	8	100	31	30	97
Generators	4	4	100	8	8	100	31	30	97
Power converters	1	1	100	0	0	-	31	31	100

Branch of the OJSC “OGK-2”: the Troitsk GRES:

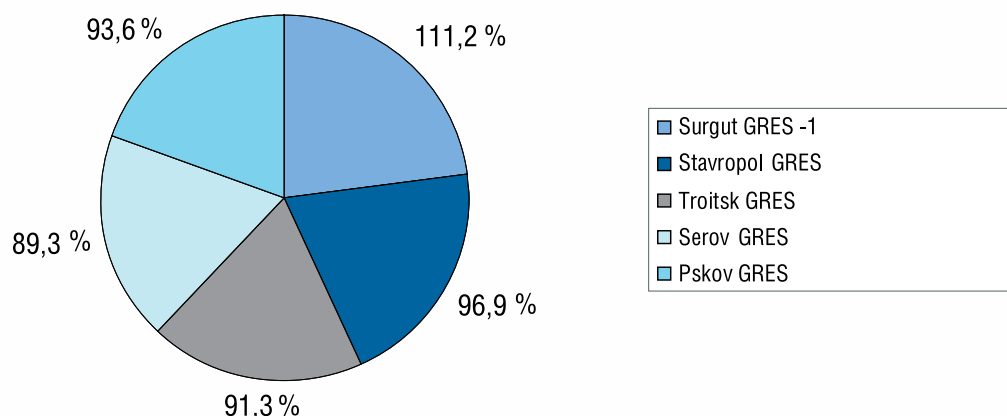
- current repairs of the generating set of station 7 is extended for the period from 25.05 till 31.12 to the period from 25.05 till 08.02.2010

- current repairs of the boiler of station 2A planned for the period from 01.10 till 16.10 is cancelled.

Table 11. Achievement of annual rates for repairs in 2009 for the branches of the OJSC “OGK-2”

Branch	Plan 2009, ths. rub	Actual 2009, ths. rub.
Surgut GRES-1	Actual 2009,	1 220 985
Stavropol GRES	561 025	543 811
Troitsk GRES	980 140	894 384
Serov GRES	192 370	171 871
Pskov GRES	116 025	108 607

Annual rates for repairs in 2009 for the branches of the OJSC "OGK-2", %



Main reasons for the non-fulfillment of the plan for repair expenses were late delivery of the material and technical resources, economy on the Salary Fund/Unified social tax of the own maintenance staff, late conclusion of contract agreements due to repeated procurement procedures, incomplete fulfillment of obligations by the contractor organization on several contracts.

Table 12. Actual expenses for repair of principal production funds during the last three years, in prices adjusted to 2009 (ths rub)

Branch	2007 (in prices of 2009)	2008 (in prices of 2009)	2009 (in current prices)
Surgut GRES-1	1 494 722,00	1 465 276,00	1 220 985,00
Stavropol GRES	738 178,00	692 638,00	543 811,00
Troitsk GRES	1 027 622,00	1 242 710,00	894 384,00
Serov GRES	249 790,00	237 309,00	171 871,00
Pskov GRES	151 368,00	140 667,00	108 607,00
Total for OJSC "OGK-2"	3 661 680,00	3 778 600,00	2 939 658,00

During the last three years almost all branches of the OJSC "OGK-2" showed decrease in repair expenses (in prices adjusted to 2009) in accordance with the allocated limits for conditioned and constant repair expenses. Increase in repair expenses at the Troitsk GRES in 2008 was caused by the need to replace electrofilters at power generating unit 5 because of technical and ecological parameters.

2.3. Sale of heat and electric power

Analysis of development trends in wholesale trade of electric power

Electricity and power sale at the wholesale market for electricity and power is the principal activity of the OJSC “OGK-2”. The model of the wholesale power market of the transition period was established in 2003, when the FTS (free trade sector) appeared, where wholesale trade of part of electric energy volumes was realized in the form of conclusion and implementation of bilateral sale contracts and in the form of price bids selection from sellers and buyers at non-regulated prices. During the FTS operation each producer could offer up to 15% of the installed capacity (for hydroelectric power plants – not more than 15% of the planned output) at non-regulated prices, and each buyer had the right to buy in the FTS up to 30% of his claimed planned hourly energy consumption. At the same time the buyers had the guarantee to be able to buy the full planned consumption volume that they were not able to buy at the FTS as to the established tariffs of the regulated market (or of the retail market). The producers had the guarantee of selling at the regulated tariffs not less than 85% of the energy volume planned for them by the System operator (the SO) in the preliminary operations load schedule (the POS). This was how electric energy wholesale trade was operated up to September 1, 2006. On September 1, 2006 the government resolved to launch a New model of wholesale power market (NMWPM) which introduced several trade schemes: electrical energy (power) sale at regulated prices (tariffs) based on regulated contracts and electrical energy (power) sale at non-regulated prices defined in the following way:

- based on non-regulated bilateral contracts on electrical power sale or non-regulated bilateral contracts on deviations sale;
- by means of competitive price bids selection from buyers and providers realized one day before the delivery start date;
- as a result of competitive bids selection for balancing the system.

The main aim for the NMWPM is to gradually move from the guaranteed consumption of the full electrical energy volume at regulated tariffs to the limited purchase volume of electrical energy based on regulated contracts of limited duration and annually decreasing volumes. The pace for such decrease is defined in the Order of the Government of Russian Federation of April 7, 2007 No. 205 “On amendments to certain acts of the Government of Russian Federation on definition of electrical energy sales volume at non-regulated prices”. Since January 1, 2010 the liberalization rate shall be approximately 60%, since January 1, 2011 electrical energy and power shall be delivered in full volume at non-regulated prices, exclusive of community supplies where rates are regulated by the Government.

Implementations of amendments to the liberalization pace may have a considerable impact on the operation of the wholesale electric energy and power market.

Furthermore there are other changes for the MWPM functioning that have a direct impact on the activities of the OJSC “OGK-2”:

1. Unit commitment

Since December 2007 and up to July 1, 2008 the day-ahead market used the transitional model. The market players sent their bids for unit commitment voluntarily.

After the Order of the Government of the Russian Federation of July 1, 2008 bids for unit commitment became obligatory for all players of the wholesale market.

Results:

- for consumers: cost minimization;
- for suppliers: preliminary notification on unit commitment planned for the coming week;
- for the system in general: opportunity to assess electrical energy and power balance for the coming week, preliminary unit commitment for heat power stations.

2. Competitive power takeoff

In order to define suppliers that should receive full payment for the electric power within the framework of one of the sales arrangements, the System operator made a competitive power takeoff (CPT).

In 2008 as well as in 2009 stations of the OJSC “OGK-2” passed a competitive power takeoff for full volumes of the installed capacity.

Free capacity volumes that were not covered by non-regulated bilateral agreements are delivered to the wholesale market at the price of the order which does not exceed the tariff for electric power supply set by the Federal Tariff Service of Russia adjusted for the seasonal factor. The seasonal factor is connected with the irregularity of power consumption by consumers during the regulation period and it leads to a differential monthly distribution of payment for free capacity.

3. Non-regulated Electricity and Capacity Contract (NECC) (over-the-counter)

As a result of liberalization of capacity volumes supplied to the wholesale market, from 01.07.2008 it became possible to make bilateral non-regulated electricity and capacity contracts (NECC) at non-regulated prices. Furthermore, for the capacity approved in 2007 it is possible to make over-the-counter NECCs but only with contractors of regulated contracts (RC) and for the volumes whose total (including the RC) shall not exceed basic volumes of electricity and capacity stated in this RC.

4. Exchange-traded NECC (from 01.01.2009)

A new way of trade at non-regulated prices on the base of exchange was introduced. Exchange house “Arena” offered the opportunity to sell electricity and capacity. 165 members of the wholesale market for electricity and power now take part in the exchange auctions. At the same time opportunity to make exchange-traded NECC without limitations exists only at the free power transfer zone (FPTZ) proper.

Power supply to the marginal FPTZ is limited by the regulations of the wholesale market. The Commercial operator (the OJSC “ATS”) uses these regulations to calculate indices for maximum volumes (limits) for supply to other zones of free power transfer.

5. Cost of decrease in free capacity

In order to confirm availability of the generating equipment for the loading set, rules for payment for capacity that employ an availability factor, used since January 2007, were introduced at the wholesale market.

The financial result of the Company is influenced by the Regulation on payment for decline in the price for free capacity based on the final price of the CPT used for reporting according to the Agree-

ment on availability maintenance. At the same time the final price for the CPT exceeds the tariff set with account of the seasonal factor. This regulation of the wholesale market results in the increase in absolute value for the decrease in power costs for the stations whose availability factor is lower than generally defined for the price zone.

6. Cost of the new capacity

- For power generation inclusion into the balance is a necessary condition of payment for capacity.
- The total capacity is supplied at non-regulated prices.
- Supplier's application for CPT is not limited by the tariff, set by the Federal Tariff Service of Russia.
- A new requirement for economic feasibility of the price bid for capacity is being introduced. Compliance with this requirement is supervised by the non-profit organization "Sovet rynka" that is empowered to turn down a bid that is considered to be economically feasible.

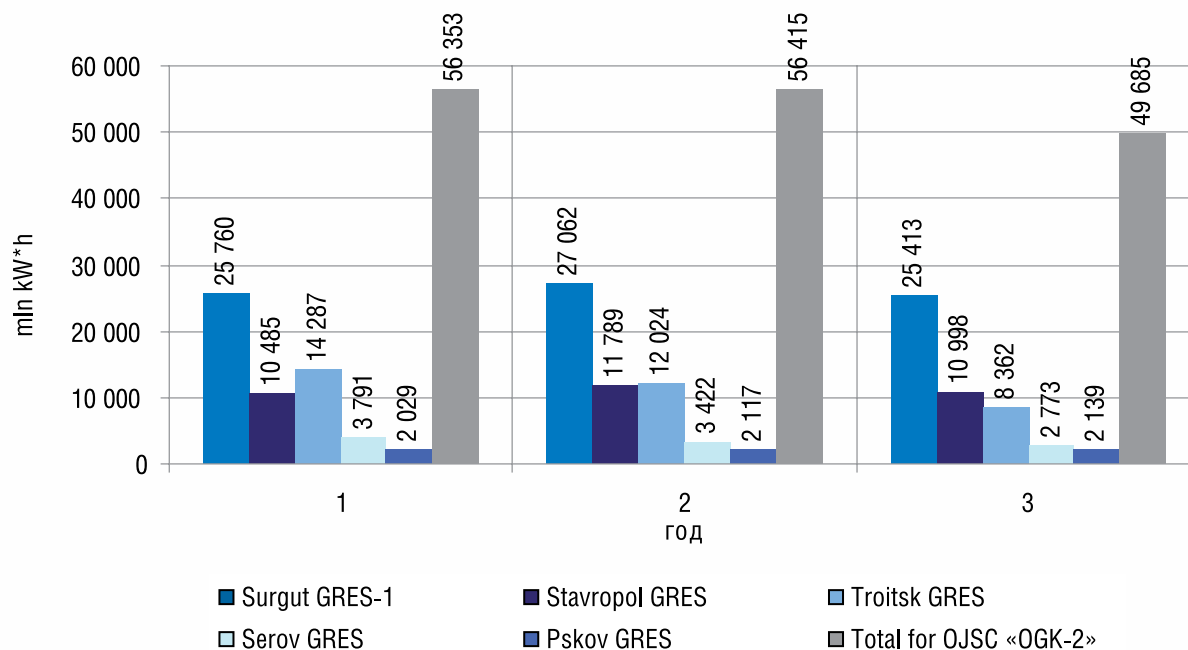
Information on tariffs for power and electric energy

Table 13. Tariffs for electric energy and power for 2009 - 2010

No	Indices	Measurement unit	2009	Approved for 2010
1	2	3	4	5
1	Surgut GRES-1			
	Tariff rate for energy	rub/thh kWh	456,94	547,81
	Tariff rate for power	rub/MW mnth	86 615,55	72 198,91
2	Stavropol GRES			
	Tariff rate for energy	rub/thh kWh	757,29	941,37
	Tariff rate for power	rub/MW mnth	75 888,14	63 512,07
3	Troitsk GRES			
	Tariff rate for energy	rub/thh kWh	517,58	575,94
	Tariff rate for power	rub/MW mnth	83 692,07	75 978,06
4	Serov GRES			
	Tariff rate for energy	rub/thh kWh	812,82	885,48
	Tariff rate for power	rub/MW mnth	95 589,98	84 198,78
5	Pskov GRES			
	Tariff rate for energy	rub/thh kWh	682,87	855,89
	Tariff rate for power	rub/MW mnth	125 621,24	109 536,31

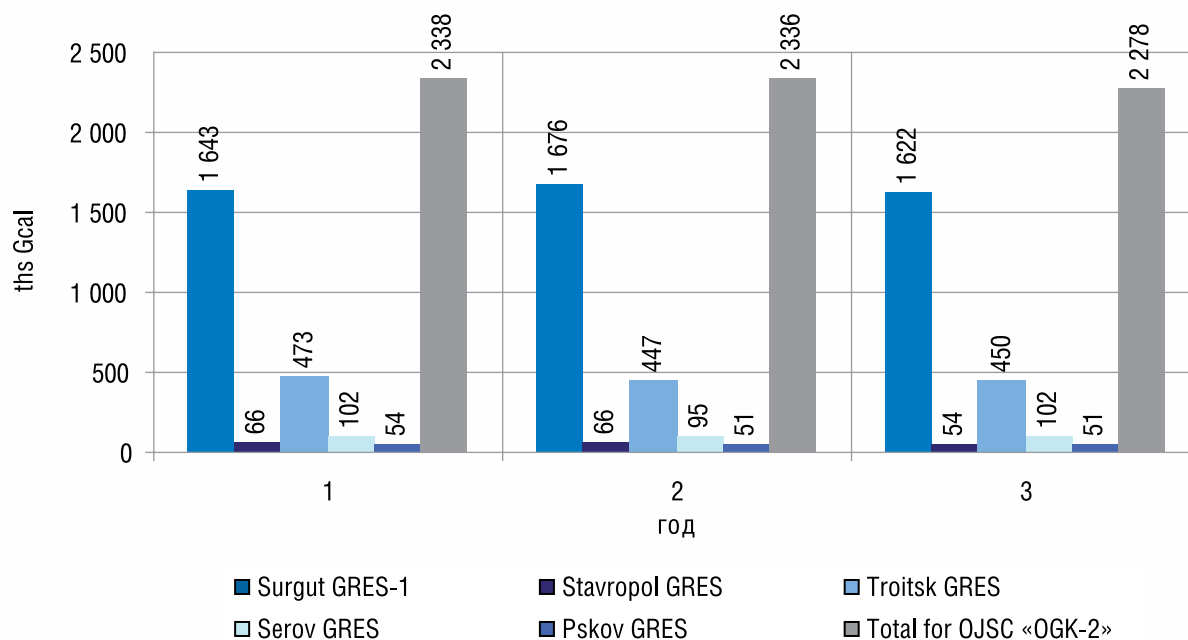
Dynamics of heat and electric power supply

Dynamics of electric energy productive supply in 2007-2009, mln KW*h



Volatility of net supply volumes, volumes of energy sales, is caused by the changes to energy production volumes as well as energy re-sale volumes purchased to secure regulated contracts.

Dynamics of net heat power supply in 2007-2009, thsGcal



The general decrease of the heat and electric power productive supply of the OJSC “OGK-2” in 2009 was caused by the decrease in power productive supply at the Surgut GRES-1 and the Stavropol GRES.

The decrease in power productive supply at the Surgut GRES-1 was caused by commissioning of new boilers in the city of Surgut, modernization of heat points, reconstruction and repairs of heat network.

The decrease in power productive supply at the Stavropol GRES was due to the higher temperature of the outdoor air at the station’s location in 2009 in comparison with previous periods.

Dynamics of electrical energy sales

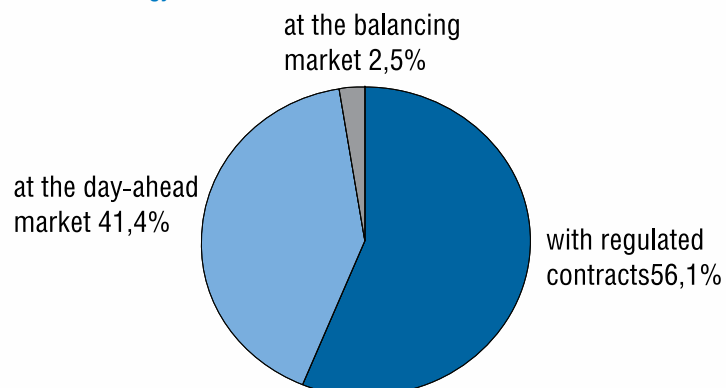
Table 14. Dynamics of electrical energy sales, mln KWh

Station	2007		2008		2009	
	total	Incl. purchased electric energy	total	Incl. purchased electric energy	total	Incl. purchased electric energy
Surgut GRES-1	25760	2371	27062	3535	25413	1955
Stavropol GRES	10485	1136	11789	1178	10998	1171
Troitsk GRES	14287	5995	12024	3737	8362	1201
Serov GRES	3791	985	3422	374	2773	243
Pskov GRES	2029	390	2117	338	2139	398
OGK-2	56353	10877	56415	9162	49685	4969

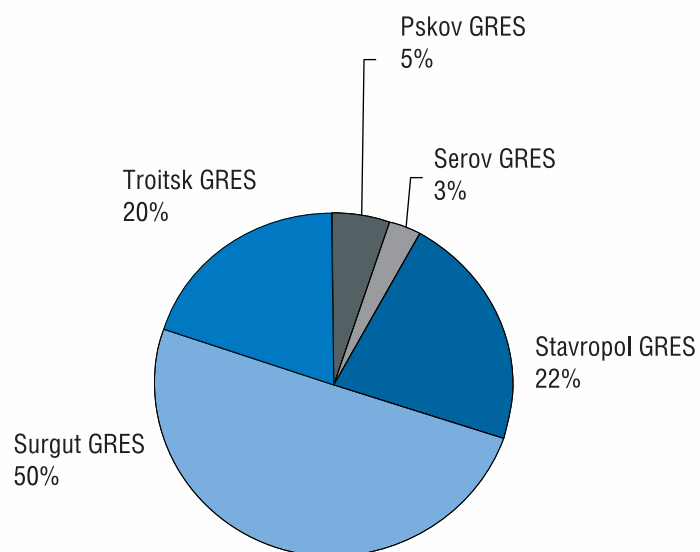
Table 15. Volumes of electrical energy sale at the wholesale market as to sectors, mln KWh

Station	2007				2008				2009			
	total	RC	DAM	BM	total	RC	DAM	BM	total	RC	DAM	BM
Surgut GRES-1	25760	20692	4841	228	27062	18535	8279	248	25413	14729	10348	336
Stavropol GRES	10485	8380	1549	555	11789	7317	3997	475	10998	5962	4532	504
Troitsk GRES	14287	5814	8332	142	12024	5169	6712	143	8362	4067	4065	230
Serov GRES	3791	2927	642	222	3422	2618	596	209	2773	2095	581	98
Pskov GRES	2029	1393	507	130	2117	1243	775	99	2139	996	1064	79
OGK-2	56353	39205	15871	1276	56415	34881	20359	1175	49685	27849	20589	1247

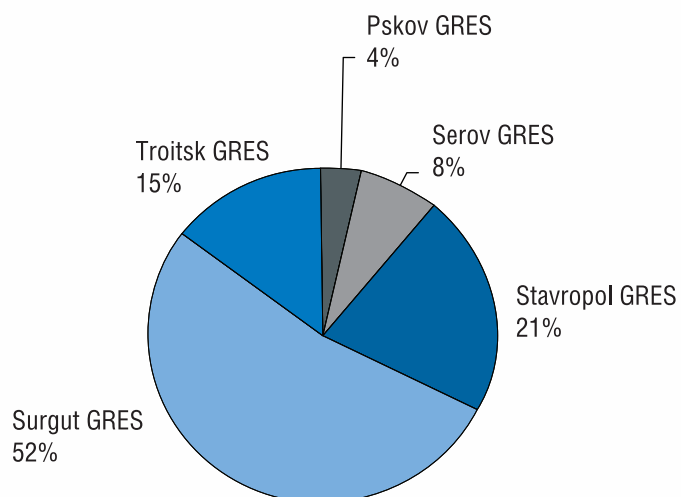
Share of electrical energy sale at the wholesale market as to sectors in total sales in 2009, %



Share of stations in the total volume of the Company's electric energy sale at the day-ahead market in 2009, %



Share of stations in the total volume of the Company's electric energy sale with regulated contracts in 2009, %



Shares of the stations in the total electric energy sale of the Company at the basic market in 2009, %

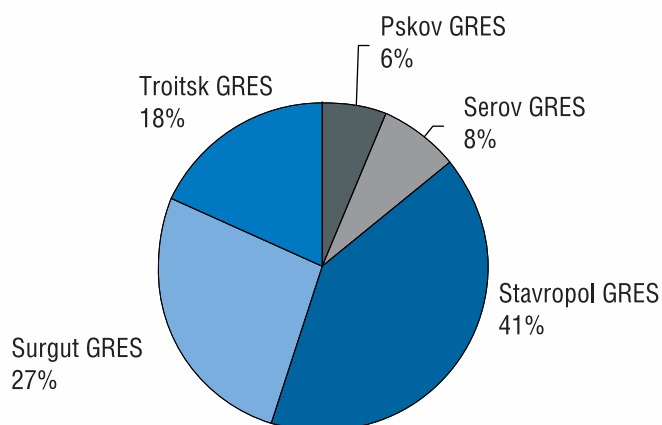


Table 16. Purchase volumes for electrical energy at the wholesale market as to the sectors, mln KWh

Station	2007			2008			2009		
	total	DAM	BM	total	DAM	BM	total	DAM	BM
Surgut GRES-1	2371	1920	451	3535	2859	677	1955	1219	736
Stavropol GRES	1136	511	625	1178	636	542	1171	714	457
Troitsk GRES	5995	5417	578	3737	3174	562	1201	550	651
Serov GRES	985	853	132	374	298	76	243	185	58
Pskov GRES	390	249	141	338	216	122	398	293	105
OGK-2	10877	8950	1927	9162	7183	1979	4969	2963	2006

The volume of the electric energy sale with regulated contracts decreases due to the increase in the liberalization of the wholesale market of electricity and power.

The volume of the electric energy sale at the day-ahead market varies due to the decrease in volumes of sales with regulated contracts as well as due to the change in electric energy production volumes.

The change in sales volumes at the basic market shows minor fluctuations which are mainly caused by random factors.

Table 17. Structure of capacity sales volumes at the regulated/non-regulated market

Branch	Index	In 2009, MW
Surgut GRES-1	regulated market	24 932,30
	non-regulated market	14 157,90
Stavropol GRES	regulated market	18 430,80
	non-regulated market	10 160,10
Troitsk GRES	regulated market	15 743,60
	non-regulated market	8 854,20
Serov GRES	regulated market	4 062,10
	non-regulated market	2 190,70
Pskov GRES	regulated market	3 375,40
	non-regulated market	1 760,30
OGK-2	regulated market	66 544,20
	non-regulated market	37 123,20

Table 18. Main consumers of electric energy and capacity, regulated contracts in 2009

Name of the contractor	Cost of the electric energy and capacity according to regulated contracts incl. VAT, mln rub	Contractor's share in the total volume
Tyumenskaya energosbitovaya kompaniya, OJSC	4 687,1	19%
Sverdlovenersgosbit, OJSC	1 748,4	7%
Mosenergosbit, OJSC	1 619,7	6%
Orenburgenergosbit, OJSC	1 157,5	5%
Kubanskaya energosbitovaya kompaniya, OJSC	1 004,9	4%
Donenergosbit, LLC	970,4	4%
Tchelyabenergosbit, OJSC	913,1	4%
Rusenergosbit, LLC	867,0	3%
Volgogradenergosbit, OJSC	700,9	3%
Edinaya energosnabzhayuschaya kompaniya, CJSC	693,3	3%
Energobit Rostovenergo, OJSC	626,6	2%
Ekaterinburgenergosbit	513,2	2%
RUSENERGO RESURS	505,7	2%
Belgorodskaya sbityovaya kompaniya, OJSC	413,3	2%
Other	6 258,6	33%
Total	25 148,8	100%

2.4. Financial data

Information on the Company's assets

As of December 31, 2009 the Company's assets amount to 48,955 mln rub and have the following structure:

Table 19. Dynamics and structure of assets of the OJSC "OGK-2" for 2007-2009

Name of index	balance sheet line code	31.12.2007		31.12.2008		31.12.2009	
		value, mln rub	%	value, mln rub	%	value, mln rub	%
Non-current assets	190	14 517	33%	12 317	27%	14 902	30%
intangible assets	110	0	0%	0	0%	0	0%
fixed assets	120	9 355	21%	9 403	21%	9 006	18%
construction in process	130	1 555	4%	1 256	3%	1 854	4%
income yielding investments into tangible assets	135	7	0%	7	0%	7	0%
long-term financial investments	140	2 130	5%	46	0%	2 549	5%
deferred tax assets	145	84	0%	187	0%	103	0%
other non-current assets	150	1 386	3%	1 418	3%	1 383	3%
Current assets	290	28 958	67%	33 292	73%	34 053	70%
inventory	210	2 224	5%	2 727	6%	2 444	5%
VAT for assets purchased	220	48	0%	63	0%	118	0%
accounts receivable	230, 240	5 006	12%	27 273	60%	26 535	54%
short-term financial investments	250	20 103	46%	1 868	4%	3 405	7%
cash assets	260	1 577	4%	1 361	3%	1 541	3%
other current assets	270	0	0%	0	0%	10	0%
Total	300	43 475	100%	45 609	100%	48 955	100%

As of December 31, 2009 the biggest share in the structure of the Company's assets belongs to current assets (70%) most of which are accounts receivable. As of December 31, 2009 the share of non-current assets in the structure of the Company's assets amounts to 30% most of which are fixed assets (18%).

Information on the capital employed of the Company

Table 20.1. Financial indices of the OJSC "OGK-2" for 2007-2009

Index	Units	2007	2008	2009
Balance-sheet total	ths rub	43 475 330	45 608 815	48 955 174
Net assets	ths rub	34 503 664	33 188 592	34 985 545

The negative dynamics in the change of net assets in 2008 in comparison with 2007 was caused by outrunning growth of long-term and short-term liabilities of the Company as compared to the growth of the Company's assets.

The positive dynamics in change of net assets in 2009 as compared to 2008 was caused by outrunning growth of the Company's assets as compared to the growth of the short-term liabilities.

As of December 12, 2009 the net assets of the Company amount to 34,986 mln rub. Calculation of net assets is given in table 20.2:

Table 20.2. Dynamics and structure of the Company's net assets in 2007-2009

Name of index	balance sheet line code	31.12.2007, mln rub	31.12.2008, mln rub	31.12.2009, mln rub
Assets				
Non-current assets	190	14 517	12 317	14 902
intangible assets	110	0	0	0
fixed assets	120	9 355	9 403	9 006
construction in process	130	1 555	1 256	1 854
income yielding investments into tangible assets	135	7	7	7
long-term financial investments	140	2 130	46	2 549
deferred tax assets	145	84	187	103
other non-current assets	150	1 386	1 418	1 383
Current assets	290	28 958	33 292	34 053
Inventory	210	2 224	2 727	2 444
VAT for assets purchased	220	48	63	118
accounts receivable	230, 240	5 006	27 273	26 535
short-term financial investments	250	20 103	1 868	3 405
cash assets	260	1 577	1 361	1 541
Accounts receivable for payments into the charter capital	244	0	0	0
Other current assets	270	0	0	10
Total (lines 190+290-244)		43 475	45 609	48 955
Liabilities				
Long-term liabilities	590	5 308	5 912	484
loans and credits	510	5 189	5 192	-
deferred tax liabilities	515	119	720	477
other long-term liabilities	520	0	0	7
Short-term liabilities	690	3 689	6 514	13 491
loans and credits	610	1 600	2 503	9 607
accounts payable	620	2 064	4 005	3 878
unpaid dividend	630	0	0	0
deferred income	640	26	6	6
Total (lines 590+690-640)		8 971	12 420	13 969
Cost of net assets		34 504	33 189	34 986
% to total assets		79%	73%	71%

Financial highlights of the Company's activities

Table 21. Financial highlights of the activities of the OJSC "OGK-2" in 2007-2009

Indices	2007	2008	2009
Revenue	33 759	40 533	40 712
electric and heat energy	33 677	40 466	40 641
Cost of production	(32 640)	(39 739)	(36 976)
electric and heat energy	(32 554)	(39 670)	(36 898)
Sales profit	1 119	794	3 737
Interest receivable	303	546	322
Interest payable	(437)	(627)	(830)
Other revenues	7 171	1 107	1 695
Other expenses	(7 730)	(2 963)	(2 572)
Profit before tax	426	(1 143)	2 352
Net profit	39	(1 365)	1 708

During the last three years dynamics of sales profit shows a positive trend. The main reason for the growth is increase in share of electric energy and power market liberalization.

The profit growth in 2008 in comparison with 2007 (+20,1%) was caused by the increase in electric energy sale volume as well as by increase in sale price mainly at the non-regulated market sector. Despite the decline in electric energy sale volumes in 2009 due to the decrease in energy consumption in the regions of presence of power plants of the OJSC "OGK-2" caused by the crisis, the revenue grew compared to 2008. The rise of the average price for electric energy sale, rise of the average price for capacity sale as well as increase of sale volume for capacity as a result of the competitive capacity outtake and conclusion of non-regulated bilateral contracts provided the revenue in the amount of 40,712 bln rub, which is by 0,44% higher than in 2008.

The growth pace for the cost of production in 2008 outran the growth pace of the Company's revenue by 1,65%. In 2009 expenses went down by 6,95% with the revenue increase, which shows a positive trend.

According to the data from the financial statement the actual net loss in 2008 was 1,365 bln. rub. The main reason for the aggravation of the financial result of the Company in 2008 was due to the increase of other expenses, including write-off of expenses for servicing of the Employee Stock

Option Plan and creation of reserve funds for doubtful debts. As compared to 2008 the balance of other incomes and expenses in 2009 shows a positive dynamics. The net profit in 2009 amounted to RUR 1,708 bln.rub.

Table 22. Comparative figures for 2009

No	Indices	2009
1	Return on sales $((I.050 \text{ f.2}/I.010 \text{ f.2}) * 100\%)$	9,18%
2	Total profitability for the reporting period $((I.140 \text{ f.2}/I.010 \text{ f.2}) * 100\%)$	5,78%
3	Return on equity $(2 * I.190 \text{ f.2} / (I.490 \text{ f.1 for the beginning of the year} + I.490 \text{ f.1 for the end of the year})) * 100\%$	5,01%
4	Return on assets $(2 * I.190 \text{ f.2} / (I.300 \text{ f.1 for the beginning of the year} + I.300 \text{ f.1 for the end of the year})) * 100\%$	3,61%
5	Economic efficiency of core activities (production of electric and heat energy) $((I.011 \text{ f.2} + I.012 \text{ f.2(heat)} - I.021 \text{ f.2} - I.022 \text{ f.2 (heat)}) / (I.011 \text{ f.2} + I.012 \text{ f.2(heat)}) * 100\%)$	9,21%

Return on equity defines general efficiency index of the Company's resource management. Change of this index testifies to the general tendency of efficiency increase or decrease in all spheres of the Company's activities (finance, investment and main activities of the Company). Return on equity showed a fast growth by the end of 2009 and reached 5,01% (0,18% in 2007, -4,03% in 2008), which was directly influenced by the return on assets of 3,61% (0,13% in 2007, -3,07% in 2008). Fluctuation of this index during the last 3 years was mostly caused by the main activity of the Company whose efficiency is characterized by return on sales.

Return on sales grew and amounted to 9,18% (3,32% in 2007, 1,96% in 2008). Profitability from electric and heat energy production reached 9,21% (3,33% in 2007, 1,97% in 2008). The sharp changes were caused by the outstripping growth rates of expenses over the revenue increase in 2008 and the situation improvement in 2009 due to the optimal management of expenses: production costs reduction by 6,95% as compared to 2008 and increase of sales volumes by 0,44%.

Estimation of financial solvency and liquidity

One of the indices of the financial status of the company is its financial solvency that is ability of timely extinguishment of debts or obligations.

Main goal of financial solvency and liquidity analysis is to evaluate the Company's ability to generate cash assets in volume and within the time-limit required for carrying-out of estimated expenditures and payments.

The main financial indices used to estimate the company's solvency and liquidity are given in table 23:

Table 23. The main financial indices used to estimate solvency and liquidity

№	Index	Normal limitation	Value For the end of the reporting period (2008)	Value For the end of the reporting period (2009)	Explanation
1	General index of financial solvency (L1)	$L1 \geq 1$	1,8	1,8	Used in integrated assessment of company's financial solvency
2	Absolute liquidity ratio (L2)	$L2 \geq 0,2 - 0,7$	0,5	0,4	Demonstrates which part of the short-term indebtedness can be redeemed by the organization in the nearest future using cash assets and short-term financial investments
3	Quick ratio (acid-test ratio, intermediate liquidity ratio) (L3)	допустимо $L3 \approx 0,5 - 0,7$ желательно $L3 = 1$	1,2	1	Demonstrates which part of the short-term obligations can be paid immediately using the assets in accounts, the funds in the short-term securities and the receipts on payments
4	Current liquidity ratio (L4)	Необходимое значение 1,5; оптимальное $L4 \geq 2$	4,8	2,5	Demonstrates which part of the short-term obligations can be paid by mobilizing all current assets
5	Functioning capital maneuverability ratio (L5)	$L5 \geq 0$	0,9	1	Demonstrates which part of the functioning capital is immobilized in the inventory and the long-term receivables
6	Share of current assets in assets(L6)	$L6 \geq 0,5$	0,7	0,7	Depends on the company's industry

Analysis of the Company's financial solvency through accounting liquidity shows that financial solvency of the OJSC "OGK-2" as of December 31, 2009 can be estimated as capable of discharging its liabilities. The value of the absolute liquidity ratio lies within the recommended limits (0,4), i.e. about 40% of the Company's short-term liabilities can be paid in the near future by the highly liquid assets (cash assets and short-term financial investments). This is also improved by availability of less liquid assets (inventory, short-term and long-term accounts receivable, other current assets): acid-test ratio and intermediate liquidity ratio are high and make up 1,0 and 2,5 accordingly, which exceeds the set criteria and ensures enough reserve funds for the OJSC "OGK-2" to compensate the loss that may occur in case of liquidation of all current assets. Values of these three liquidity ratios

determine a high value of the general index of financial solvency which is 1,8.

Functioning capital maneuverability ratio is 1,0 and shows a positive dynamic.

Share of current assets in assets did not change as compared to the previous year.

Evaluation of the financial stability

Analysis of the financial stability for the specific date shows how efficiently own and borrowed funds are managed by the Company during the review period. Actually this is the ability to make due payments, extensively finance own activities, endure unforeseen disturbances and maintain paying capacity in adverse circumstances. Evaluation of financial stability requires an analysis based on the study of absolute and relative indices.

Continuous stock replenishment takes place during the production process. For that purpose own current assets and borrowed funds are used. In process of study of excessive or insufficient funds in stock replenishment the absolute indices of financial stability are determined. For the purpose of detailed presentation of different sources in stock replenishment the system of indices is used, that is, a three-component index of financial stability.

Table 24. Types of financial stability indices

№	Indices	31.12.2008 mln rub	31.12.2009 mln rub
1	Total inventory ($Z_p = I.210$)	2 727	2 444
2	Availability of own current assets ($SOS = I.490 - I.190$)	18 786	20 078
3	Functioning capital (availability of own and long-term borrowed sources of stock-forming) $KF = (I.490 + I.590) - I.190$	24 578	20 562
4	Total volume of main sources of stock-forming $VI = (I.490 + I.590 + I.610) - I.190$	27 081	30 169
5	Excess (+) or insufficiency (-) of own current assets $\pm FS = SOS - Z_p$	16 059	17 634
6	Excess (+) or insufficiency (-) of own and long-term borrowed sources for stock-forming $\pm FT = KF - Z_p$	21 851	18 118
7	Excess (+) or insufficiency (-) of total volume of main sources of stock-forming $\pm FO = VI - Z_p$	24 354	27 725
8	Three-component index of financial situation S (F)	S 1;1;1	S 1;1;1

Due to observable excess of own circulating assets, excess of own and long-term borrowed sources of stock-forming, excess of total value of primary sources of stock-forming, three-component index of financial situation type is $S(F) = \{1;1;1\}$, which means that the OJSC “OGK-2” is financially stable.

Comparative figures of financial stability

Comparative figures of financial stability characterize degree of the Company’s dependence on outward investments and creditors. Evaluation of the Company’s financial stability is given based on the indices shown in table 25.

Table 25. Comparative figures of financial stability

№п/п	Index	Normal limitation	Value For the end of the reporting period (2008)	Value For the end of the reporting period (2009)	Explanation
1	Equity ratio(Koss)	should be $> 0,1$ optimum value.: $Koss \geq 0,5$	0,6	0,59	Demonstrates which part of current assets is financed using own funds
2	Equity to Total Assets (KFN)	$K\Phi H \geq 0,5$	0,73	0,71	Demonstrates the share of owned assets in assets financing
3	Financial stability ratio (KFU)	$K\Phi Y \geq 0,7$	0,86	0,72	Demonstrates the share of those sources of financing that can be used in the Company’s activities for a prolonged period of time
4	Financing ratio (KF)	$K\Phi \approx 1,5$	2,7	2,5	Demonstrates which parts of the Company’s activities are financed using own and borrowed funds
5	Accounts receivable/ accounts payable ratio	$KDK3 \geq 1$	6,26	6,82	

Equity ratio (Koss) is 0,59. This means that current assets of the Company can be financed using own sources in the amount of 59%. Equity to Total Assets ratio (KFN) is 0,71, which is rather high: 71% of all assets are financed by own sources. Though financial stability ratio (KFU) went down in comparison with 2008, it is still high and complies with the specified criterion. Financing ratio (KF) is 2,5, which shows that the Company is capable of covering borrowed funds using own capital in unfavorable circumstances. Accounts receivable/accounts payable ratio is 6,82: accounts receivable is more than 6 times higher than accounts payable.

Evaluation of business activity

The business activity indices (indices of asset and liability turnover) determine how effectively the Company uses its assets.

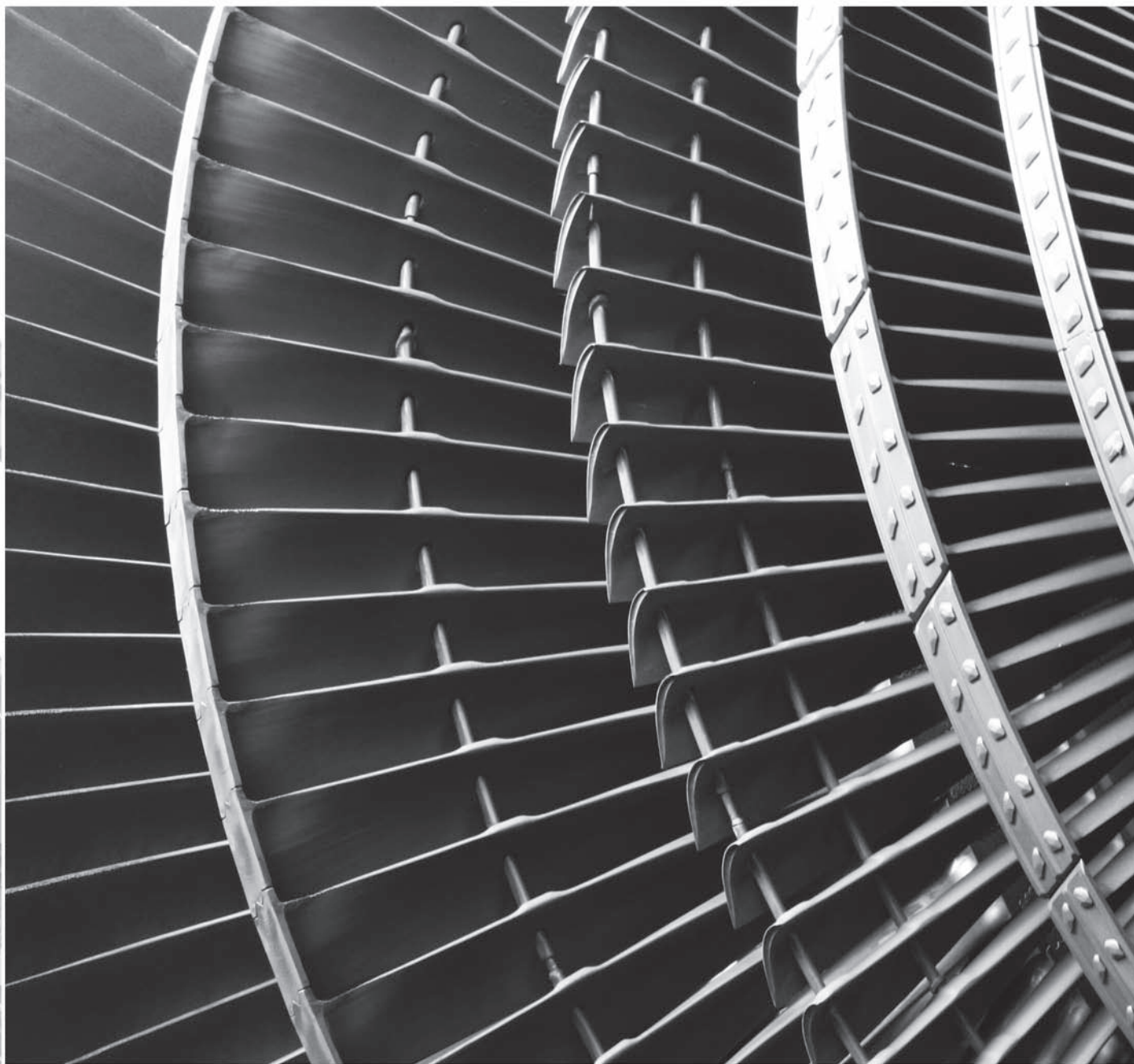
The turnover of all assets of the Company shows the rate of their turnover which is measured by the number of turnovers of all assets for the reporting period. Growth of asset turnover for the reporting period as compared to the prior period means asset turnover acceleration. Reduction of asset turnover leads to a slower asset turnover.

Growth of turnover of all assets is rated as positive on condition of the Company's profitability. If return on sales is negative (i.e. the company is unprofitable) then growth of asset turnover results in acceleration of unprofitable activities, that is, to accelerated production of losses.

Table 26. Business activities indices (indices of assets and liability turnover)

№	Index	Value for 2008	Value for 2009	Explanation
1	Current assets turnover ratio (KOA)	1,35	1,25	Demonstrates the number of full turnovers of current assets for the period under analysis
1a	Current assets turnover (OOA)	270	292	Characterizes the average period of the current assets turnover in days
2	Return on assets ratio (KF)	4,32	4,42	Demonstrates efficiency of the fixed assets utilization in the organization
3	Inventory turnover ratio (KOZ)	16,37	15,75	The inventory turnover is high, which is a positive factor
3a	Inventory turnover (OOZ)	22	23	Characterizes inventory turnover period in days
4	Receivables turnover ratio (KDZ)	2,69	1,58	KDZ is equal to 1,58, which testifies to low receivables turnover
4a	Receivables turnover (OOD)	135	231	Receivables turnover is 231 days
5	Payable turnover ratio (KKZ)	13,36	10,32	Payable turnover ratio is equal to 10,32, which testifies to the normal payable turnover
5a	Payable turnover	27	35	Demonstrates payback time on the company's current liabilities
6	Ratio of cash turnover and short-term financial investments (KD)	3,25	9,96	Turnover of high liquidity assets is high, which can be viewed as a good factor
6a	Turnover of cash and short-term financial investments (OD)	112	37	Characterizes period of cash and short-term financial investments turnover

Turnover ratios under consideration mainly show negative dynamics for the reporting period. All current assets of the Company have insufficient turnover. Growth of the Ratio of cash turnover and short-term financial investments (KD) can be considered positive. Return on assets ratio (KF) also demonstrates positive dynamics and is equal to 4,32: the Company's fixed assets are used quite efficiently.



3. Corporate governance

3.1. Principles of corporate governance and documentation

As per cl. 3.1 of the Corporate Code of Conduct approved by the resolution of the Board of Directors of September 26, 2006 (Minutes No. 43/43), the corporate governance is determined as:

- the whole complex of processes ensuring management and control of the Company's activities, also including relations among shareholders, the Board of Directors and executive bodies of the Company in the interest of shareholders;
- mean of the Company's performance enhancement, its reputation strengthening, reduction of expenditures for raising borrowed or share capital;
- mean of strategy formation with the purpose to improve capitalization, market value of equity and investment appeal of the Company.

The corporate governance includes relations with all interested parties (stakeholders), execution of commitments in accordance with the Russian and international legislation pertaining disclosure on the Company's activities, and also within the framework of social responsibility.

Principles of the corporate governance:

- Justice (observance of rights and effective system of rights protection, equal treatment of shareholders and investors);
- Responsibility (recognition and observance of rights of all interested parties (stakeholders), distribution of responsibility to all activities of the Company, cooperation and development of contacts, social responsibility);
- Control and quality rating of business management through accountability of the Board of Directors to shareholders and accountability of the Executive body to the Board of Directors, also regarding the Board of Directors' assignments, and accountability of the Executive body to the shareholders;
- Controllability of the Executive body by the Audit Commission and the auditor;
- Transparency and disclosure (forehanded disclosure of reliable information in full volume concerning all important issues and events regarding activities of the Company). Accessibility of information that is a subject to disclosure, mandatory and voluntary, in accordance with international standards and requirements of the stock exchanges dealing with securities of the Company (RTS, MICEX, LSE).

The corporate governance of the Company is regulated and administered in strict compliance with:

- the provisions of the federal legislation and regulatory acts on joint stock companies, securities markets, issue of securities, defense of competition, registration of legal entities, registration of real estate, disclosure, activities on organization of trade on securities markets;
- rules of the regulators of the Russian Federation (Federal Service on Financial Markets) and of Great Britain (FSA, UKLA);
- listing rules of the Moscow Interbank Currency Exchange, RTS and the London Stock Ex-

change;

- the Charter and the internal documentation of the Company.

Information on observation of the Corporate Code of Conduct by the Company

The Company is guided by the principles of Corporate Code of Conduct recommended for use by the regulation of the Federal Commission for Securities Market of April 4, 2002, No. 421/r. For information on observance of the Corporate Code of Conduct by the Company, see Appendix to the present report (Appendix No. 1).

Protection of rights and equal treatment of all shareholders and investors

Corporate governance should ensure protection of shareholders' and investors' rights, transparency and disclosure of the Company's activities, and afford ground for control and quality rating of business management.

The rights of shareholders and stock owners are stipulated by Art. 6 of the Company's Charter.

Building relations with stakeholders

The Company acknowledges and respects the rights and lawful interests of all interested parties (stakeholders), ensures effective interaction, cooperation and development of relations with shareholders, investors, investment analysts, representatives of regional authorities and municipal government, ecologists and other related parties. The Company intends to carry on the mission of fulfilling obligations in the sphere of social responsibility.

In 2009 the Company provided conditions for contemporaneous, in-time and full information distribution to all members of the investment community on all key issues including:

- announcement of the operational and financial results for the reporting period;
- extraordinary (non-standard) events/activities and their financial consequences for the Company;
- key decisions in the sphere of investment program implementation;
- events of not great importance, but helping all interested parties to understand the current activities of the Company, thus forming a full and diversified picture;
- indicators assisting in building and correction of the valid financial estimation model of the Company for the purpose of interested investors.

The Company guarantees equal access to information for all investors, avoiding the policy of information suppression or exclusive access to information of any kind.

Control and quality evaluation of corporate governance

The system of control and quality evaluation of corporate governance supposes regular control for financial and economic plans, production plans and indices approved by the Board of Directors and shareholders execution. Furthermore, the Board of Directors controls activities of the Executive bodies (the General Director and the Managing Board), passes resolutions on approval of major

transactions, interested-party transactions, makes decisions on other vital issues of the Company's activities.

The system of control and quality evaluation of corporate governance includes:

- Board of Directors;
- Audit Commission;
- Auditor;
- Audit Committee of the Board of Directors;
- Internal Audit Department of the Company.

Transparency and disclosure

In accordance with the current Russian and European legislation the Company provides to the controlling authorities all necessary information in due time, makes it available for the mass media and information agencies. After the IPO with listing at the London Stock Exchange the Company assumed the obligation of information disclosure in accordance with the rules of the regulatory bodies of Great Britain (FSA and UKLA).

Furthermore, for the purpose of timely public exposure of open, qualitative and reliable information on the Company's activities for shareholders, investors and other interested parties the Company web site (www.ogk2.ru) is in operation since 2005, where information is available both in the Russian and English languages.

The web site provides full information on the Company's activities, particularly on financial and economic indicators, production activities, sales, procurement and competitive tenders. The web site is regularly and simultaneously updated both in Russian and English languages and serves as an effective source of information about the Company.

Plans on improvement of the corporate governance quality

Main objectives of the corporate governance system improvement for the near future are ensuring the rights and interests of the shareholders, development of relations with the investment community, increase of capitalization and growth of shares liquidity.

For the purpose of corporate governance quality improvement, bringing corporate governance of the Company to conformity with the international standards of corporate governance the following activities are planned for 2010:

- development of corporate social responsibility of the Company;
- establishment of the Board of Director's Committee for risks and Committee for corporate conflict settlement;
- keeping up the Company's securities in quotation lists "A" at the Russian stock exchanges RTS and MICEX with the purpose of liquidity improvement, support of GDR listing at the London Stock Exchange;
- development of the corporate governance and reporting system transparency for investors through working out standards for additionally disclosed information and carrying-out of requirements of the London regulator (LSE) as related to information disclosure;
- development and improvement of interaction with the investment community.

3.2 Board of Directors

The Board of Directors is a body performing as general management of the Company. Number of Members of Board of Directors of the Company is 11 (eleven).

As per cl. 4 art. 66 of the Federal Law “On Joint Stock Companies”, members of the Board of Directors are elected by cumulative voting of the General meeting of shareholders where the number of votes of each shareholder is multiplied by the number of persons to be elected to the Board of Directors, and each shareholder has the right to cast his votes for one candidate or share them among two or more candidates. The candidates with the highest vote totals are declared as elected to the Board of Directors.

Issues of activity and competence of the Board of Directors are determined by the Federal Law “On Joint Stock Companies”, by the Charter of the Company and by Provision on the Board of Directors of the OJSC “OGK-2” approved by Resolution of the Shareholders meeting (Minutes No. 2 of June 26, 2009)¹.

Line-up of the Board of Directors of OJSC “OGK-2”, whose term of power terminated on June 25, 2009

No	Name of the Board member	Position and place of employment for the moment of termination of powers as a member of the Board of Directors
1	Fyodorov Denis Vladimirovich	Chairman of the Board of Directors, Director for development of the power industry sector and marketing in the power industry of the OJSC “Gazprom”
2	Gavrilenko Anatoly Anatolyevich	Deputy Chairman of the Board of Directors, General Director of the CJSC “Lider”
3	Kulikov Denis Viktorovich	Deputy Executive Director of the Association for protection of investors rights
4	Lipsky Igor Iosifovich	Deputy Director of the Department for asset management and corporate relations of the OJSC “Gazprom”
5	Lisyansky Mikhail Eduardovich	General Director of the LLC «UK Kvarts»
6	Neveynitsyn Stanislav Vitalyevich	General Director of the OJSC «OGK-2»
7	Medvedeva Elena Alekseyevna	General Director of the CJSC «SENRY»
8	Mityushov Aleksey Aleksandrovich	General Director of the OJSC «OGK-6»
9	Opadchiy Fyodor Yurievich	Director for market development and monitoring of the OJSC «SO UES»
10	Khodursky Mikhail Leonidovich	Chairman of the Managing board of the CJSC “Gazenergoprombank”
11	Sharonov Andrej Vladimirovich	Managing Director of the presidential establishment of the CJSC “Investment Company “Troika Dialog”

Current Board of Directors (as of June 25, 2009).

1. Name: **Fyodorov Denis Vladimirovich (Chairman)**Year of birth: **1978**Education: **higher**

Current positions, including part-time:



Company name	Position
OJSC "Mosenergo"	Member of the Board of Directors
OJSC "TGK-1"	Member of the Board of Directors
OJSC "MRSK Holding"	Member of the Board of Directors
OJSC "RAO Energeticheskiye systemi Vostoka"	Member of the Board of Directors
NP "VTI"	Member of the Supervisory Board
CJSC "Gazenergoprombank"	Member of the Board of Directors
OJSC "OGK-6"	Chairman of the Board of Directors
OJSC "Tyumenskaya energosbitovaya kompaniya"	Chairman of the Board of Directors
OJSC "Tsentrenergoholding"	Chairman of the Board of Directors
CJSC "Kaunasskaya termofikatsionnaya stantsiya"	Member of the Managing Board
OJSC "MTenergosbit"	Member of the Board of Directors
OJSC "Mezhregionenergostroy"	Chairman of the Board of Directors
OJSC "TEK Mosenergo"	Chairman of the Board of Directors
CJSC "Fortis Energy"	Member of the Managing Board
OJSC "Gazprom"	Head of the Department
LLC "Gazprom energoholding"	General Director
OJSC "OGK-2"	Chairman of the Board of Directors

2. Name: **Shatsky Pavel Olegovich**Year of birth: **1972**Education: **higher**

Current positions, including part-time:



Company name	Position
OJSC "OGK-2"	Deputy Chairman of the Board of Directors
OJSC "OGK-6"	Member of the Board of Directors
OJSC "MRSK Holding"	Member of the Board of Directors
LLC "Tsentrenergoholding"	Member of the Board of Directors
LLC "Gazprom energoholding"	First Deputy General Director
Arbitration Court Non-profit partnership "Sovet Rynka"	Deputy Chairman

3. Name: **Vainzikher Boris Feliksovich**

Year of birth: **1968**

Education: **higher**

Current positions, including part-time:



Company name	Position
OJSC "TGK-1"	General Director, Member of the Managing Board, Member of the Board of Directors
OJSC "OGK-6"	Member of the Board of Directors
OJSC "OGK-2"	Member of the Board of Directors
OJSC "RusGidro"	Member of the Board of Directors

4. Name: **Gavrilenko Anatoly Anatolyevich**

Year of birth: **1972**

Education: **higher**

Current positions, including part-time:



Company name	Position
CJSC "Lider" (Pension Fund Asset Management Company)	General Director, Member of the Board of Directors
OJSC "Mosenergo"	Member of the Board of Directors
OJSC "Moskovskaya obyyedinennaya elektrosetevaya kompaniya"	Member of the Board of Directors
"Gazprombank" (Open Joint Stock Company)	Member of the Board of Directors
OJSC "SIBUR Holding"	Member of the Board of Directors
OJSC "Salavatnefteorgsintez"	Member of the Board of Directors
OJSC "OGK-6"	Member of the Board of Directors
OJSC "GAZKON"	Member of the Board of Directors
OJSC "GAZ – service"	Member of the Board of Directors
OJSC "Glavnaya doroga"	Member of the Board of Directors
OJSC "Stolichniy trakt"	Member of the Board of Directors
OJSC "OGK -2"	Member of the Board of Directors



5. Name: **Golenishchev Igor Anatolyevich**

Year of birth: **1963**

Education: **higher**

Current positions, including part-time:

Company name	Position
OJSC "Gazprom"	Head of debt and project financing Department
OJSC "Gazprom Kosmicheskiye systemi"	Member of the Board of Directors
OJSC "Tsentrenergoholding"	Member of the Board of Directors
OJSC "OGK-2"	Member of the Board of Directors
LLC "Russkiye energeticheskiye proyeki"	General Director



6. Name: **Kulikov Denis Viktorovich**

Year of birth: **1975**

Education: **higher**

Current positions, including part-time:

Company name	Position
Association for protection of investors' rights	Managing Director
OJSC "YUTK"	Member of the Board of Directors
OJSC "MOEK"	Member of the Board of Directors
OJSC "Severo-Zapadnyy Telekom"	Member of the Board of Directors
OJSC "OGK-2"	Member of the Board of Directors

7. Name: **Mityushov Aleksey Aleksandrovich**

Year of birth: **1975**

Education: **higher**

Current positions, including part-time:



Company name	Position
OJSC "OGK-6"	General Director, Chairman of the Managing Board, Member of the Board of Directors
OJSC "TGK-1"	Member of the Board of Directors
OJSC "Mosenergo"	Member of the Board of Directors
OJSC "Gazpromregiongaz"	Member of the Board of Directors
OJSC "Salavatnefteorgsintez"	Member of the Board of Directors
LLC "Gazpromenergo"	General Director
LLC "Pyatigorskteploservis"	Member of the Board of Directors
OJSC "Teploset"	Member of the Board of Directors
OJSC "Mezhregionteploenergo"	Chairman of the Board of Directors
OJSC "Mezhregionenergogaz"	Chairman of the Board of Directors
OJSC "OGK-2"	General Director, Chairman of the Managing Board, Member of the Board of Directors

8. Name: **Neveynitsyn Stanislav Vitalyevich**

Year of birth: **1966**

Education: **higher**



Company name	Position
OJSC "OGK-2"	Member of the Board of Directors

9. Name: **Opadchiy Fyodor Yuryevich**

Year of birth: **1974**

Education: **higher**

Current positions, including part-time:



Company name	Position
OJSC "SO UES"	Director for market development and monitoring
OJSC "TGK-2"	Member of the Board of Directors
CJSC "Energorynok"	Member of the Board of Directors
NP "Sovet Rynka"	Member of the Supervisory Board
OJSC "OGK-2"	Member of the Board of Directors

10. Name: **Khodursky Mikhail Leonidovich**

Year of birth: **1971**

Education: **higher**

Current positions, including part-time:



Company name	Position
CJSC "Gazenergo-prombank"	Chairman of the Managing Board, Member of the Board of Directors
OJSC "OGK-6"	Member of the Board of Directors
OJSC "Sobinbank"	Chairman of the Board of Directors
JSCB "SOYUZ" (OJSC)	Member of the Supervisory Board
OJSC "OGK-2"	Member of the Board of Directors

11. Name: **Shavaleev Damir Akhatovich**

Year of birth: **1975**

Education: **higher**

Current positions, including part-time:



Company name	Position
OJSC "Salavatnefteorgsintez"	General Director, Chairman of the Managing Board, Member of the Board of Directors
OJSC "SIBYR – Mineralniye udobreniya"	Member of the Board of Directors
OJSC "OGK-6"	Member of the Board of Directors
OJSC "OGK-2"	Member of the Board of Directors
LLC "Salavatsky neftekhimicheskiy kompleks"	General Director, Member of the Board of Directors

Independent directors

According to the definition of an independent director (cl. 2.2.2. chapter 3 of the Corporate Code of Conduct recommended for use by the Instruction of the Federal Commission for the Securities Market of Russia of April 4, 2002, No. 421/r) all directors exclusive of the General Director, Mr. S.V. Neveynitsyn, are independent.

Remuneration and compensation for the members of the Board of Directors

Amount and manner of payment of compensation and remuneration to the members of the Board of Directors are stipulated by the Regulations on compensation and remuneration payable to the members of the Board of Directors approved by the resolution of the Shareholders' meeting (Minutes No. 2 of June 26, 2009)².

For participation in the Board of Directors' meeting, additional compensation for the net profit ratio of the Company according to the data in the annual accounting reporting approved by the General shareholders' meeting, compensation of expenses are stipulated to be paid to the members of the Board of Directors.

Total amount of compensation paid to the members of the Board of Directors in 2009 was 3 741 954 rubles (three million seven hundred and forty one thousand nine hundred and fifty four rubles) and 50 kopeks.

3.3. Committees of the Board of Directors

Committees of the Board of Directors are established by resolution of the Board of Directors (art. 19 of the Charter) and represent consultative and advisory bodies ensuring effective execution of functions by the Board of Directors. In their work Committees are guided by Federal laws, other

regulatory acts of the Russian Federation, the Charter, Provisions on order of calling and holding of the Board of Directors, provisions on Committees and resolutions of the Board of Directors.

Committees are not bodies of the Company, and may not act on behalf of the Company. Decisions of a Committees are of advisory nature for the Board of Directors. The main purpose of a Committee is to ensure effective work of the Board of Directors relating to questions within its competence by submitting recommendations (conclusions) to the Board of Directors in accordance with the main lines of its activity. Representatives of minority shareholders and the investment community are elected to the Committees; therefore Committees of the Board of Directors are the means of interaction with stakeholders of the Company, which makes it possible to coordinate solutions for all important aspects of the Company's activities before they are approved.

Currently the following Committees are formed and operate: Strategy and investment Committee, Audit Committee, Personnel and compensation Committee, Committee on reliability.

Current Committees of the Board of Directors

Audit Committee of the Board of Directors

The Committee is formed by the Resolution of the Board of Directors of the OJSC "OGK-2" as of July 16, 2009, Minutes No. 1, and shall consist of three members.

Personnel of the Audit Committee of the Board of Directors:

- Golenishchev Igor Anatolyevich, Head of debt and project financing department of OJSC "Gazprom";
- Gavrilenko Anatoly Anatolyevich, General Director of CJSC "Lider";
- Fyodorov Denis Vladimirovich, Director for development of the power industry sector and marketing in the power industry of the OJSC "Gazprom", General Director of the LLC "Gazprom energoholding".

Chairman of the Audit Committee of the Board of Directors of the Company: Golenishchev Igor Anatolyevich.

Personnel and compensation Committee of the Board of Directors

The Committee is formed by the Resolution of the Board of Directors of the OJSC "OGK-2" as of July 16, 2009, Minutes No. 1, and shall consist of three members.

Personnel of the Personnel and compensation Committee of the Board of Directors:

- Khodursky Mikhail Leonidovich, Chairman of the Managing Board of the CJSC "Gazenergo-prombank";
- Fyodorov Denis Vladimirovich, Director for development of the power industry sector and marketing in the power industry of the OJSC "Gazprom", General Director of the LLC "Gazprom energoholding".
- Shatsky Pavel Olegovich, First Deputy General Director of the LLC "Gazprom energoholding".

Chairman of the Personnel and compensation Committee of the Board of Directors of the Company: Khodursky Mikhail Leonidovich.

Committee on reliability of the Board of Directors

The Committee is formed by the Resolution of the Board of Directors of the OJSC “OGK-2” as of July 16, 2009, Minutes No. 1, and shall consist of seven members.

Personnel of the Committee on reliability of the Board of Directors:

- Tarasenkov Aleksandr Anatolyevich, Deputy General Director on production, the OJSC “OGK-2”, Chief engineer;
- Nikitin Anatoly Alekseevich, Deputy Head of the Centre for the technical control of investment project implementation of the OJSC “SO UES”;
- Rozhkov Dmitry Ernstovich, Deputy Head of Production, Head of Production and technical department of the LLC “Gazprom energoholding”;
- Rogalev Nikolay Dmitrievich, Deputy General Director of the LLC “Gazprom energoholding”;
- Bashuk Denis Nikolaevich, Head of Production of the LLC “Gazprom energoholding”;
- Syrovatkin Dmitry Alekseevich, Chief Specialist of the Department for development of the power industry sector and marketing in the power industry of the OJSC “Gazprom”;
- Trinoga Artur Mikhailovich, Director of the Department for development of the power industry sector and marketing in the power industry of the OJSC “Gazprom”.

Chairman of the Committee of the Board of Directors of the Company on reliability: Trinoga Artur Mikhailovich.

Strategy and investment Committee of the Board of Directors

The Committee is formed by the Resolution of the Board of Directors of the OJSC “OGK-2” as of July 16, 2009, Minutes No. 1, and shall consist of eleven members. The number of the Committee members was increased up to 13 members by the Resolution of the Board of Directors of the OJSC “OGK-2” as of February 10, 2010, Minutes No. 8.

Personnel of the Strategy and investment Committee of the Board of Directors:

- Vaitulenis Natalya Vasilyevna, Deputy General Director on economics and finance, the OJSC “OGK-2”;
- Sabetsky Roman Nikolaevich, Deputy General Director on capital development of the OJSC “OGK-2”;
- Borov Aleksey Leonidovich, Leading expert of the Department for investment projects in power industry, the OJSC “SO UES”;
- Kulikov Denis Viktorovich, Executive Director of the Association for protection of investors’ rights;
- Rogov Aleksandr Vladimirovich, Director of the Department for development of the power industry sector and marketing in the power industry of the OJSC “Gazprom”;

- Shatsky Pavel Olegovich, First Deputy General Director of the LLC “Gazprom energoholding”;
- Ganzer Yana Nikolaevna, Head of the department for reporting and construction control, the LLC “Gazprom energoholding”;
- Korobkina Irina Yuryevna, Director of the Department for the development of the power industry sector and marketing in the power industry of the OJSC “Gazprom”;
- Zemlyanoy Evgeny Nikolaevich, Chief Specialist of the Department for development of the power industry sector and marketing in the power industry of the OJSC “Gazprom”;
- Demina Valentina Aleksandrovna, Leading expert, the CJSC “Lider”;
- Bashuk Denis Nikolaevich, Head of Production of the LLC “Gazprom energoholding”;
- Naumov Yury Viktorovich, Head of Finance of the LLC “Gazprom energoholding”;
- Bikmurzin Albert Fyartovich, Deputy Director of the Department for asset management and corporate relations of the OJSC “Gazprom energoholding”.

Chairman of the Strategy and investment Committee of the Board of Directors of the Company: Shatsky Pavel Olegovich.

3.4. Managing Board

Issues of activity and competence of the Managing Board are determined by the Federal Law “On Joint Stock Companies”, by the Charter of the Company and by the Provision on the Managing Board of the OJSC “OGK-2”³ approved by the Annual General Meeting of shareholders of the Company (hereinafter referred to as AGM) of June 25, 2009 (Minutes No. 2 of June 26, 2009).

As to December 31, 2009, 6 (six) members are elected to the Managing Board of the Company.

1. Neveynitsyn Stanislav Vitalyevich (Chairman of the Managing Board), General Director (till March 31, 2010). Since April 1, 2010 Mityushov Aleksey Aleksandrovich performs functions of the General Director and the Chairman of the Managing Board;

2. Vaitulenis Natalya Vasilyevna, Deputy General Director on economics and finance;

3. Merabishvili Teymuraz Petrovich, Deputy General Director on supply of resources;

4. Sabetsky Roman Nikolaevich, Deputy General Director on capital development;

5. Svistunov Viktor Viktorovich, Deputy General Director on IT and energy market;

6. Tarasenkov Aleksandr Anatolyevich, Deputy General Director on production, Chief engineer.

Total amount of compensation paid to the members of the Managing Board in 2009 was 41 570 768 rubles (forty one million five hundred and seventy thousand seven hundred and sixty eight rubles) and 49 kopeks, among which there were the following types of compensation:

Compensation, RUR.	76 547,59
Salary, RUR.	28 445 212,02
Bonus, RUR.	12 353 719,33
Expenses compensation, RUR.	695 289,55
TOTAL, RUR.	41 570 768,49

³ This Provision can be viewed at the official web-site of the OJSC “OGK-2” at: <http://www.ogk2.ru>

3.5. General Director

Issues of activities and competence of the General Director are determined by the Federal Law “On Joint Stock Companies”, by the Charter of the Company, by the Provision “On the General Director of the Company”⁴ approved by the AGM of the Company of June 25, 2009 (Minutes No. 2 of June 26, 2009) and the Contract of Employment properly signed by the Company and the General Director.

In 2009 Neveynitsyn Stanislav Vitalyevich performed the functions of the General Director

Year of birth: 1966

Education: higher

Company name	Position
OJSC “OGK-2”	Member of the Board of Directors

Starting from April 1, 2010 and until present Mityushov Aleksey Aleksandrovich performs the functions of the General Director

Year of birth: 1975

Education: higher

Current positions, including part time:

Company name	Position
OJSC “OGK-2”	General Director, Chairman of the Managing Board, Member of the Board of Directors
OJSC “OGK-6”	General Director, Chairman of the Managing Board, Member of the Board of Directors
OJSC “TGK-1”	Member of the Board of Directors
OJSC “Mosenergo”	Member of the Board of Directors
OJSC “Gazpromregiongaz”	Member of the Board of Directors
OJSC “Salavatnefteorgsintez”	Member of the Board of Directors
LLC “Gazpromenergo”	General Director
LLC “Pyatigorskteploservis”	Member of the Board of Directors
OJSC “Teploset”	Member of the Board of Directors
OJSC “Mezhregionteploenergo”	Chairman of the Board of Directors
OJSC “Mezhregionenergogaz”	Chairman of the Board of Directors

3.6. Audit Commission

Audit Commission is elected by the AGM for the one year period (until the next AGM) to take charge of financial and economic activities of the Company. Number of members in the Audit Commission of the Company is 5 (five).

Operation procedures of the Audit Commission are stipulated by the Provisions on Audit Commission approved by the Board of Directors of the OJSC “Unified Energy System of Russia” (Minutes No. 200 of July 29, 2005).

In accordance with the audit (inspection) decision the Audit Commission has the right to engage for this purpose specialists in law, economics, finance, accounting, management, economic security, etc., as well as specialized organizations.

The audit (inspection) of financial and economic activities of the Company can be carried out also on the initiative of the Company’s Audit Commission, by resolution of the General meeting of shareholders, of the Board of Directors of the Company or upon demand of a shareholder (shareholders) of the Company owning in total not less than 10% of voting shares of the Company.

Personnel of the Audit Committee of the Board of Directors of the Company:

1. Mironova Margarita Ivanovna (Chairman of the Audit Commission), Director of the Internal Audit Board of the LLC “Mezhregiongaz”
2. Zemlyanoy Evgeny Nikolaevich (Deputy Chairman of the Audit Commission), Deputy Director of the Department for development of the power industry sector of the OJSC “Gazprom”
3. Sorokin Mikhail Vladimirovich, Deputy Director of the Department of power engineering, Department for development of the power industry sector and marketing in the power industry of the OJSC “Gazprom”
4. Naryshkina Lyudmila Nikolaevna, Director of Department for internal audit and general examination of the LLC “Gazprom energoholding”

In accordance with the “Regulations on compensation and remuneration payable to the members of the Audit Commission” approved by the AGM of June 27, 2008 (Minutes No. 1) the members of the Audit Commission had the following payments:

1. Compensation for expenses connected with participation in sessions of the Audit Commission and inspections using the regulations for compensation of travel expenses for the moment of the corresponding session or inspection.
2. Remuneration for participation in inspection (audit) of financial and economic activities – in the amount equal to five minimal salaries of a first grade worker for the time of inspection (audit).
3. The additional remuneration paid for each inspection (audit) of financial and economic activities of the Company – in the amount not exceeding twenty minimal monthly salaries of a first grade worker.

The amount of remuneration payable to the Chairman of the Audit Commission is increased by 50 percent

Remuneration paid to the members of the Audit Commission in 2009 was 260 424,00 (Two hundred and sixty thousand four hundred and twenty four) rubles.

3.7. Authorized capital and issuing activity

The authorized capital of the Company is 11 872 827 952,1514 (Eleven billion eight hundred and seventy two million eight hundred and twenty seven thousand nine hundred and fifty two, one thousand five hundred and fourteen) rubles.

The Company placed ordinary registered shares of the same principal amount of 0,3627 rubles per share, in total - 32 734 568 382 (Thirty two billion seven hundred and thirty four million five hundred and sixty eight thousand three hundred and eighty two) shares.

Table 27. Structure of the authorized capital of the OJSC “OGK-2”

Name of placement owner	Share in authorized capital as of:	
	01.01.2009	31.12.2009
Individuals	2,29%	2,31%
Legal entities	0,05%	0,32%
Nominee holder	97,39%	97,34%
Federal property	0,27%	0,28%

Table 28. List of shareholders of the OJSC “OGK-2” owing more than 5% of authorized capital in shares

Name of shareholder owing more than 5% of authorized capital in shares	Share in authorized capital as of:	
	01.01.2009	31.12.2009
LLC “Depozitarnye i korporativnye tehnologii” (nominee holder)	47,24%	51,87%
Including OAO “Tsentrenergoholding”	44,39%	49,49%
Non-profit partnership “Natsionalny depozitarny tsentr” (nominee holder)	14,16%	13,82%
CJSC “Gazenergoprombank” (nominee holder)	12,84%	8,21%
including OOO “Invest-Generatsiya”	12,22%	7,59%
CJSC “Depozitarno-Kliringovaya Kompaniya” (nominee holder)	9,85%	11,02%
LLC “Deutsche Bank” (nominee holder)	6,19%	4,04%
CJSC “UBS Nominees” (nominee holder)	6,13%	6,13%

3.8. Company's securities

The Company's shares are listed at the Russian stock exchange (Moscow Interbank Currency Exchange and RTS) since July 2006.

In the autumn of 2007 Global depositary receipts (GDR) for shares of the OJSC "OGK-2" were issued. They were officially listed by the Listing department of Great Britain and traded at the Main market of the London Stock Exchange.

For the end of the reporting period the Company's shares are listed at the Russian stock exchange Moscow Interbank Currency Exchange (quotation list "A1") and RTS (quotation list "A2"), and Company's GDR at the primary market of the London Stock Exchange.

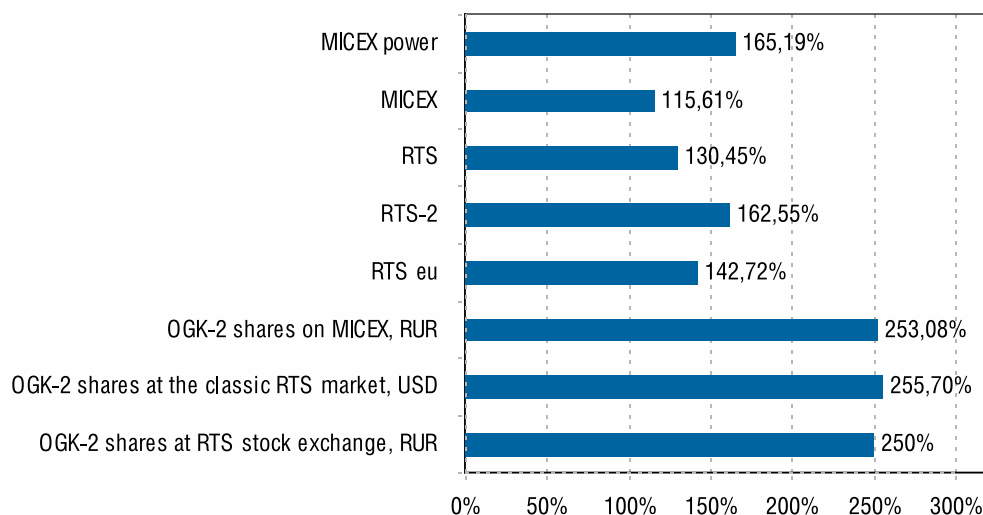
Table 29. Trading volume and number of transaction at MICEX and RTS

Period	Share trading volume, shares			Number of transactions		
	Classic RTS market	RTS stock exchange	MICEX (principal issue, primary trading session)	Classic RTS market	RTS stock exchange	MICEX
2007	229 037 307	17 398 035	1 608 053 456	352	230	23 705
2008	142 816 876	9 331 853	4 951 917 261	236	98	105 098
2009	279 291 012	1 272 450	22 398 742 586	200	237	277 853

Quotations of the Company's shares for the reporting period:

- increased from RUR 0,25 to RUR 0,875 at the RTS stock exchange;
- increased from US\$ 0,0079 to US\$ 0,0281 \$ at the classic RTS market;
- increased from RUR 0,260 to RUR 0,918 at the Moscow Interbank Currency Exchange (primary trading session).

Change in price of the Company's shares and RTS indices in 2009



Capitalization was RUR 30,05 bln at the MICEX, US\$ 999,4 mln at the Classic RTS market by the end of the year.

The most important factors influencing the stock market of the Company in 2009 were:

- gradual stabilization and tendency to return to the pre-depression level of the market;
- the Company's earnings and revenue growth as compared to the losses in 2008;
- revision of energy consumption forecasts, information on the investment program adjustment.

Table 30. Change in price for shares of the Company at MICEX, stock exchange and classic RTS markets for the period of 2007-2009 (last transaction price)

By the end of period	Classic RTS market, \$	RTS stock exchange, RUR	MICEX, RUR.	\$ rate
2007	0,154	3,7	3,745	24,5462
2008	0,0103	0,2001	0,258	29,3804
2009	0,0311	0,9101	0,919	29,3804

GDR Program

Sponsored program of the Global depositary receipts for shares of the Company (GDR) was established in 2007. Each depositary receipt certifies the right for 100 registered ordinary of the Company. GDR and shares grant equal rights. The depositary bank is the Deutsche Bank Trust Company Americas. The GDRs were officially listed by the Listing department of Great Britain. Since October 4, 2007 unconditional trading started at the main market of the London Stock Exchange under the ticker symbol of OGK2.

The total volume of the GDR program for 2009 decreased by 5,27 mln and by the end of 2009 was 9,41 mln (2,87% of the authorized capital units). On the whole, the number of the GDR reduced throughout the reporting year, which firstly is explained by the securities sales by foreign investors who were short of liquidity due to emergence of the crisis situation.

The GDR program promoted the rights of the owners of depositary receipts of the JSC RAO "Unified Energy System of Russia". Within the process of reorganization of the holding 350 thousand GDR were issued in exchange for the Company's shares (20 000 as per Regulation S and 330 000 as per Rule 144A).

Table 31. Number of GDR

For the end of period	GDR issued		
	as per Regulation S	as per Rule 144A	Total
December 2009	8 645 484	767 655	9 413 139

3.9. Dividends

The amount of dividends paid per shares is determined by the General meeting of shareholders on recommendation of the Board of Directors and cannot exceed the recommended amount.

Table 32. Dividend history

Name	Reporting period used in the decision for dividend payout				
	9 months of 2005	2005	6 months of 2006	2006	1st quarter of 2007
amount of declared dividends per share, RUR	0,006264	0,011836	0,003539	0,001873	0,0015257
amount of declared dividends on all shares, ths RUR	67 462 051,85	127 471 399 ,37	89 597 108,95	49 598 717,87	40 401 902,75
date of shareholders' meeting	23.12.2005	21.04.2006	25.09.2006	22.06.2007	22.06.2007
period assigned for dividend payout	within 60 days from the day the decision on payout was taken				
form and other conditions of dividend payout	money				
total amount of the dividends paid (adjusted for taxation), ths RUR	67 462 051,85	127 471 399 ,37	89 590 484,32	49 457 987.35	40 286 005.11

Cause for non-payment of declared dividends in full amount is absence of full and reliable information on banking details and mailing address in the shareholder register. In accordance with clause 5, Art. 44 of the Federal law "On Joint Stock Companies" a person registered in the shareholder register is obligated to inform the registrar on any change in his particulars in due time. The register of the Company is the OJSC "Central Moscow Depository".

The amount of income payable on inconvertible certified invest-banking bonds (payable to the bearer) with obligatory centralized storage, series 01, in monetary value, per one bond and in total for all bonds of issue – 1 through 5th coupon – RUR 38,39 per bond, 6th coupon – RUR 39,24 per bond. On all bonds in total of issues 1 through 5, coupon payments amount to RUR 191 950 000, 6th coupon payout – RUR 196 200 000.

The period of time for payout of income on bonds of issue is the date of coupon period ending. Form and other conditions of dividend payout on bonds are cash assets.

Amount of income paid on all bonds of the issue for each reporting period during which such income was paid:

- 1st coupon period (03.01.2008) – RUR 191 950 000;
- 2nd coupon period (03.07.2008) – RUR 191 950 000;
- 3rd coupon period (01.01.2009) – RUR 191 950 000;
- 4th coupon period (02.07.2009) – RUR 191 950 000;
- 5th coupon period (31.12.2009) – RUR 191 950 000.

3.10. Subsidiaries and affiliates of the Company.

1. Open Joint Stock Company “Chaika”

Location: 31 Parkovaya str, bld A, village of Solnechnodolsk, Izobilnensky region, Stavropol territory, 356128 Russia

Taxpayer’s identification number (INN): 2607017231

Primary State Registration Number (OGRN): 1032600036590

Reasons for a company’s admission as subsidiary or affiliate to the OJSC “OGK-2”: a predominant share of the OJSC “OGK-2” in the authorized capital of such company allows to determine decisions taken by company

Ownership interest of the OJSC “OGK-2” in the entity’s authorized capital, %: 100

The entity’s common shares owned by the OJSC “OGK-2”, %: 100

Key activities: sanatorium-preventorium

Board of Directors of the entity:

Name	Year of birth
Blokhin Vladimir Vladimirovich (Chairman)	1974
Bolotov Dmitry Aleksandrovich	1977
Egorova Elena Nikolaevna	1961
Miridonov Oleg Borisovich	1962
Korshnyakov Denis Anatolyevich	1983

Individual executive body of the entity:

Name	Year of birth
Ustyuzhanin Vitaly Aleksandrovich	1969

Collective executive body of the entity: not applicable

2. Limited Liability Company “OGK-2 Finans”

Location: 31 Parkovaya str, bld A, village of Solnechnodolsk, Izobilnensky region, Stavropol territory, 356128 Russia

Taxpayer’s identification number (INN): 2607019528

Primary State Registration Number (OGRN): 1072607000157

Reasons for a company admission as subsidiary or affiliate of the OJSC “OGK-2”: the OJSC

“OGK-2” can define decisions made by the company by owing interests/shares of other companies that have a direct control over company

Ownership interest of the OJSC “OGK-2” in the entity’s authorized capital, %: 0

The entity’s common shares owned by the OJSC “OGK-2”, %: 0

Key activities: consulting services regarding commercial activities and management

The Board of Directors of the entity: not applicable

Name	Year of birth
Orlov Eduard Yuryevich	1972

Individual executive body of the entity:

Collective executive body of the entity: not applicable



4. Social responsibility

4.1. Environmental protection

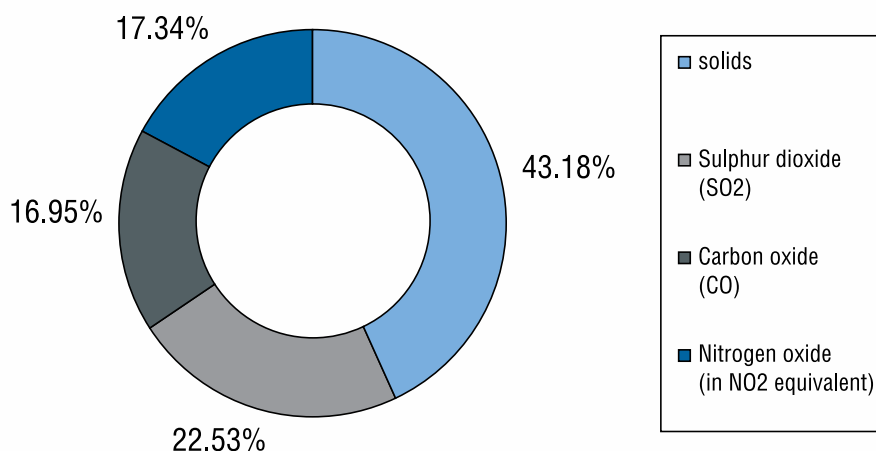
Degree of the negative impact on the environment by operating activities of OJSC “OGK-2” (intensity of pollutant emissions into the atmosphere and discharges to surface waters; the amount of water taken from the surface water sources and the amount of waste produced) are closely connected with dynamics of electric energy production by the Company’s branches, content and condition of the technological equipment of power plants and structure of used fuel: its type (gas/black oil/coal) and quality characteristics (lower heating value, ash content, sulphur content etc.).

In general, compared to the negative impact level of 2008, in 2009 the OJSC “OGK-2” showed a decrease of such indices as:

- pollutant emissions into the atmosphere - by 23,9 %.
- waste production – by 11,3%.
- amount of water taken from the surface water sources – by 14%.

The Troitsk GRES is running on high-ash Ekibastuz coal. Emissions of coal ash are the main pollutants as they produce the major impact on the environment. After coal is burned at the Troitsk GRES and the Serov GRES there remains coal ash which makes 42,9% of the total pollutant volume from all the branches that gets into the atmosphere. The total amount of solids in the waste: 43,18%.

The content and proportion of the total pollutant emission into the atmosphere of OJSC “OGK-2” in 2009 is given below:



Total pollutant emission of OJSC “OGK-2” in 2009

At all gas stations (the Stavropol GRES, the Pskov GRES, the Surgut GRES-1) and the mixed-fuel station (the Serov GRES) pollutant emissions lie within the set standards of maximum permitted emissions (MPE).

Only ash emissions of the Troitsk GRES exceed the limits of the maximum permitted emissions and lie within the temporary agreed emissions limits.

The OJSC “OGK-2” together with the government of the Chelyabinsk region worked out and ap-

proved a long-term “Plan for reduction of pollutant emission into the atmospheric air” for the Troitsk GRES in order to gradually reduce the negative impact on the atmospheric air and thus reach the maximum permitted emissions limits.

Under this plan there was conducted a great scope of works on repairs, reconstruction and replacement of the run-down gas purifying equipment. The following measures were carried out in 2009:

- replacement of 8 electrofilter fields at the 9th power unit.
- replacement of electrofilters at the 5th power unit.
- replacement of the run-down scrubbers of 1A and 2A boiler units by the modern 2nd generation emulsifiers at the 1st section of the power plant.
- capital repair of the aeration devices.

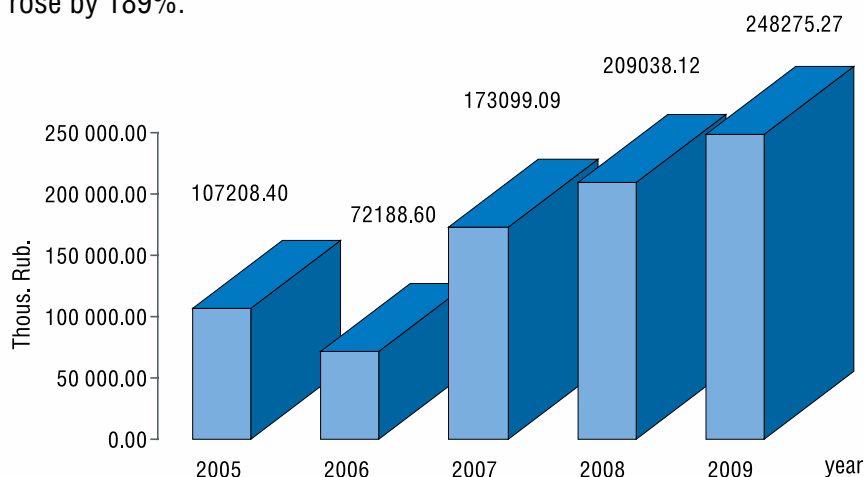
The decrease in electricity production that took place at the end of the last year, along with the carrying out of these works made it possible to reduce the gross emissions from the Troitsk GRES by 26,06% in compare with the previous year.

Besides the mentioned regional plan, in cooperation with the authorized agencies of the Republic of Kazakhstan, the Company implements “The Plan of measures for the branch of the OJSC “OGK-2” - the Troitsk GRES, for reduction of negative impact on the environment of the ash-dump located at the Shobarkul lake and for adjustment the engineering status of the ash-dump with the project parameters in 2008-2010”.

In 2009 the following works from this Plan of measures were realized:

- land restoration (1st stage - conservation) of 177,7 ha of the disturbed lands (Republic of Kazakhstan).
- reconstruction of dams, ash-dump sections No. 1-3.
- setting-up and implementation of the ash pond beaches dust suppression system.
- regular operational control and monitoring of the ash-dump impact on the environment.

The current expenses on the environmental protection increased by 18,8% during the year. At the same time the current expenses on the environment protection for the territory of the Republic of Kazakhstan rose by 189%.



Current expenses on environment protection of the OJSC “OGK-2” in 2005-2009.

Water resources are used to cool the equipment in the process of power station operation (the Novotroitskoye reservoir on the Yegorlyk river – the Stavropol GRES; the Toitskoye reservoir on the Uy river – the Troitsk GRES; the reservoir on the Sosva river – the Serov GRES; the reservoir on the Shelon river falling into Ilmen lake – the Pskov GRES, the reservoir on the Chernaya river – the Surgut GRES-1).

The Serov GRES and the Troitsk GRES increased the amount of pollutant emissions into the water during the review period; besides, their major amount exceeds the limits of the permitted emissions limits.

In order to decrease the negative impact on the natural water and in particular, to reduce the amount of pollutant emissions into reservoirs to meet the respective limits, the following activities were started during the review period:

- construction of wastewater treatment facilities with biologic water purification system at the Serov GRES;
- reconstruction of wastewater treatment facilities at the Troitsk GRES.

In 2009 there were conducted annual works on biocenose recovery at Novotroitskoye reservoir (Stavropolskaya GRES) and the reservoir on the Shelon river (Pskov GRES).

The Surgut GRES-1 now operating on oil gas serves as a positive example of the rational use of natural sources.

In 2009 there were no breakdowns with consequences for the environment. As part of prevention measures aimed to avert emergency situations with consequences for the environment, water development facilities were repaired and shore protection was reinforced at the reservoir of the Surgut GRES-1.

In the review period the Troitsk GRES received an environmental insurance for its production activities on the territory of the Republic of Kazakhstan. This type of insurance is planned for the current year either.

4.2. Social partnership

The key element of the corporate social responsibility of the Company is ensuring reliable operation and uninterrupted power supply to community facilities, where generating capacities of the Company are located. Stable operation of the GRES and meeting heat and electric energy requirements directly influence the fulfillment of production programs of consumer companies and prevent social disruption. The Company is committed to taking technically sound, economically feasible and effective solutions to maintain heat and electric power balance.

The Company is aware of its responsibility for support of social and economic development in the regions of its operation, that is the North-Western, the North-Caucasus, the Ural, the West Siberian federal districts. The Company's activities have an effect on the situation in the regions, where the generation facilities of the Company are located. This influence is diversified and can be traced in different spheres. We can point out three closely connected aspects of influence, i.e. economic, social and environmental (which were viewed earlier). As the major enterprises the power plants of the Company act as initiators of the regional economic activity, providing jobs, also by engaging third-party companies as suppliers/contractors, ensuring uninterruptible power supply, paying significant taxes to local budgets. Operation of the power plants makes the situation in the region more stable

and affords an opportunity for the sustainable development of the regional industry.

The Company builds its relationships with partners upon mutual respect, transparency, responsibility and steadfast implementation of laws. The Company adheres to the following principles in its relations with suppliers/contractors:

- All prospective suppliers of goods and services and the contractors have open access to information on needs of energy production of the OJSC “OGK-2”;
- Creation of competitive environment with optimal choice of partners in its production activities.

Social responsibility determines the strategy and needs of the Company that is sustainable development, modernization of technical facilities, and enhancement of investment appeal.

Implementing the principles of social responsibility the Company aims to ensure:

- territorial and organizational access to heat and electric energy supply;
- price accessibility of heat and electric power supply (prices for energy should be economically sound and socially acceptable);
- power balance for the energy system (working capacity of the power station should correspond to the current and estimated consumer demand);
- reliability of operation of infrastructure’s key elements, including stock regulation, level of required services etc.
- environmental safety, promoting enhancement of energy efficiency and cost-effective use of resources, simulation of development and distribution of environmentally friendly (safe) technologies.

Social responsibility of the Company means that its activities are based on the disclosure and transparency principles. These principles assume public, comprehensible and open conduct of business. The Company is aiming to provide only reliable information and maintain contacts with all parties concerned. Social responsibility of the Company includes not only charity work, but also informing the general public of the Company’s activities and policy directed to public good.

The Company provides principles of corporate responsibility by ensuring:

- balance of interest of all related parties;
- implementation and application of the corporate governance standards meeting expectations of the Russian and foreign investors;
- use of modern management technologies, improvement of management efficiency;
- improving competitiveness of the Company using cost reduction and implementation of investment programs;
- realization of principles of free and fair competition and fair price formation.

4.3. Personnel and social policy

Respect of the employees’ rights is part of the social policy of the OJSC “OGK-2”. Though the business strategy of the Company is aimed at increasing commercial profit, relationship with the personnel in the Executive Board and in the branches is based on the principle of recognition and the employees’ life and health priority to the production operation results.

The HR policy of the OJSC “OGK-2” is set on the principle of a system approach to work with

the personnel, which predetermines the interdependence of optimal selection, placement and personnel rotation within one technical industrial centre.

The Company makes a professional selection of specialists on a competitive basis to fill vacant positions.

Each new employee passes an adaptation program on entering a new role. Employees with a probation period receive an Assignment for the probation. The results of this assignment are discussed during the Assessment of probation successful completion.

In 2009 the Company employed 549 people, among whom 6,37% (35 people) are managers, 17,85% (98 people) are specialists, 0,55% (3 people) are employees, 75,23% (413 people) are workers. During the review period there were dismissed 687 people, among whom 18,34% (126 people) are managers, 34,35% (236 people) are specialists, 0,29% (2 people) are employees, 47,02% (323 people) are workers.

Regular personnel structure. Personnel development system

At the end of December 2009 the OJSC "OGK-2" employed 4 794 people. Therein are:

- Executive body of the OJSC "OGK-2" – 214 people;
- Branch of the OJSC "OGK-2" – the Surgut GRES-1 – 1 014 people;
- Branch of the OJSC "OGK-2" – the Stavropol GRES – 929 people;
- Branch of the OJSC "OGK-2" – the Troitsk GRES – 1 615 people;
- Branch of the OJSC "OGK-2" – the Serov GRES – 602 people;
- Branch of the OJSC "OGK-2" – the Pskov GRES – 420 people.

Two third of the total personnel, 65,96% (3 162 people) are workers, 18,84% (903 people) – specialists and employees, 15,21% - managers (729 people).

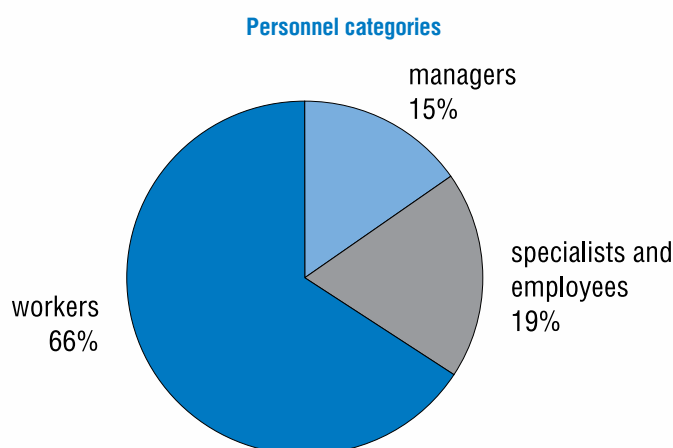


Table 33. Personnel age structure of the OJSC “OGK-2” as to the categories.

Age	Number of people
below 30 y.o.	1 353 people
30-50 y.o.	2 276 people
over 50 y.o.	1 165 people
including working pensioners	289 people

By the end of 2009, 34,19% of the total personnel have a higher education (1 639 people) and 38,38% of the employed – vocational secondary education (1 840 people) (i.e. education received at technical schools specializing in energy) and only 25,16% (1 206 people) – secondary education and 2,27% (109 people) – junior secondary education.

In order to maintain the high professional level of the employed and to prepare them to perform difficult operation functions in the modern work conditions, the OJSC “OGK-2” takes measures to develop, train and upgrade the personnel’s qualification.

In 2009 the Company spent 15 475 046 rubles on training and upgrading the qualification of the personnel, out of which 42,69% were paid for management trainings, 15,86% - for the training of the specialists and the employees and 41,45% - for training of the workers.



5. Future development

5.1. Future objectives

Core objectives of the Company are break-even activity, profit-making, efficient administration of property and financial management, and reliability of production activities.

The Company has the following objectives:

- execution of the production program, ensuring efficient operation of the power equipment and reliable supply to consumers (including timely and quality repair, technical upgrade and reconstruction, preparation for on-peak demand of autumn/winter season);
- profit-making (by means of efficiency upgrading of market operations and cost optimization);
- reliability enhancement of energy systems operation;
- implementation of investment projects.

The following measures are planned by the Company for realization of the specified tasks:

- Integrated surveys of the power plants and determination of the priority areas of technical upgrading, reconstruction and capital development as concerns power plants, and also of investments required for their realization.
- Provision and monitoring of implementation of the most important in terms of reliability and efficiency enhancement technical upgrade projects, projects on reconstruction and capital development.
- Implementation of operational cost reduction technologies.
- Improvement of energy and repair services quality, cost and expenditure optimization for repair of power equipment, buildings and facilities.
- Improvement of the receivables and payables system.
- In order of attracting investments commercial papers issuance is planned.

OJSC "OGK-2" major objectives in the investments attracting and using are to increase the operating capacity and to ensure high reliability of the power plants of the Company, their effectiveness and operation efficiency in general.

5.2. New construction, reconstruction and technical upgrade

Reconstruction and technical upgrading of the stations is a package of measures for enhancement of the production engineering level in accordance with the modern requirements through implementation of new equipment and technologies, mechanization and automation of production processes, modernization and replacement of the run-down equipment, quality improvement and increase of volumes of supplied electrical energy.

Overall volume of investments into new construction in 2009 includes two primary groups of expenditures:

- construction of new power units;

- other power industry facilities.

Realization of the investment program on construction of new power units

During several coming years it is planned to realize the following investment projects that are included into the capital construction plans of the Company:

Table 34. Construction of the new generating plant

№	Branches of the OJSC "OGK-2"	Capacity, MW	Year of start of works	Year of the unit's commissioning	Estimated costs (w/o VAT), bln.rub.
1	Unit №10 of the Troitsk GRES	660	2007	2014	33,1
2	Unit №11 of the Troitsk GRES	-	-	-	-
3	Unit №9 of the Stavropol GRES	400	2007	2016	17,4
4	Unit №10 of the Stavropol GRES	-	-	-	-
5	Unit №9 of the Serov GRES	400	2007	2013	20
6	Unit №10 of the Serov GRES	-	-	-	-

In 2009 the Company initiated the proposals aimed at the reduction of the investment program. In accordance with these proposals unit №11 of the Troitsk GRES, unit №10 of the Stavropol GRES and unit №10 of the Serov GRES were excluded from the Company's investment program. The corresponding draft resolution on the reduction of the Company's investment program was sent for approval to the Ministry of Energy of the Russian Federation.

Table 35. Volumes of investments in new construction in 2009 channeled for construction of new power units and other facilities of power industry

Item No.	Name of the branch Groups of activities	New construction		
		Plan mln. rub. incl VAT	Net mln. rub. incl VAT	Accom- plished, %
1	2	3.1	3.2	3.3
1.	Troitsk GRES	2 787,7	549,78	19,7%
1.1.	Construction of two new power units PSU-660 MW, incl.:	2 659,5	428,08	16%
1.1.1.	Main works of construction of two new power units PSU-660MW	1982,5	2,1	0,1%
1.1.2.	Engineering and design work of construction of two new power units PSU-660MW	677	425,98	62,9%
1.2.	Other primary facilities of power industry, incl.:	128,3	121,7	94,8%
2.	Stavropol GRES	39,984	8,82	22,1%
2.1.	Construction of two new power units PGU-400MW, incl.:	23,94	5,12	21,4%
2.1.1.	Main works of construction of two new power units PGU-400MW	12,96	5,12	39,5%
2.1.2.	Engineering and design works of construction of two new power units PGU-400MW	10,98	0	0%
2.2.	Other primary facilities of power industry, incl.:	16,044	3,7	23,06%
3.	Serov GRES	525	49,1	9,35%
3.1.	Construction of two new power units PSU-330MW, incl.:	393,4	7,5	1,9%
3.1.1.	Main works of construction of two new power units PSU-330MW	106,5	7,5	7,04%
3.1.2.	Engineering and design works of construction of two new power units PSU-330MW	286,9	0	0%
3.2.	Other primary facilities of power industry, incl.:	131,6	41,6	31,6%
4.	Pskov GRES	0		
5.	Surgut GRES-1	0		
	TOTAL:	3 352,68	607,7	18,1%

Decrease of the net volume of investments into the new construction as compared to the planned volume was due to the decision to reduce the Company's investment program in 2009.

Sources of financing for the investment programs in 2009

Table 36. Sources of assimilation of capital expenditures

№	Name of the branch	Investments PLAN (ths.rub)	PLAN, including:				Investments NET (ths.rub)	NET, including:			
			Amorti-zation	Income	Borrowed assets	Issuance of shares		Amorti-zation	Income	Borrowed assets	Issuance of shares
1	Surgut GRES-1	149 435	99 435	50 000	0	0	101 053	94 599	6 455	0	0
2	Stavropol GRES	272 313	50 913	0	51 909	169 492	37 766	36 851	0	915	0
3	Troitsk GRES	2 912 083	647 799	0	208 603	2 055 681	783 791	665 165	0	58 685	59 941
4	Serov GRES	533 396	24 999	0	508 397	0	39 755	20 863	0	18 892	0
5	Pskov GRES	18 499	18 499	0	0	0	19 597	19 597	0	0	0
6	Executive body	34 049	34 049	0	0	0	30 191	30 191	0	0	0
TOTAL for OJSC "OGK-2"		3 919 775	875 694	50 000	768 908	2 225 172	1 012 154	867 265	6 455	78 493	59 941

Table 37. Financing sources for capital expenditures

№	Name of the branch	Investments PLAN (ths.rub)	PLAN, including:				Investments NET (ths.rub)	NET, including:				
			Amorti-zation	Income	Borrowed assets	Issuance of shares		Amorti-zation	Income	Borrowed assets	Issuance of shares	Other
1	Surgut GRES-1	176 379	161 066	0	15 313	0	157 471	128 033	29 438	0	0	0
2	Stavropol GRES	99 937	59 650	0	40 287	0	57 669	48 840	0	8 829	0	0
3	Troitsk GRES	3 551 478	412 511	0	1 258 468	1 880 500	1 316 853	557 108	0	268 961	414 587	76 196
4	Serov GRES	580 856	55 865	0	524 991	0	107 349	50 208	0	57 141	0	0
5	Pskov GRES	41 142	41 142	0	0	0	41 914	41 914	0	0	0	0
6	Executive body	42 668	42 668	0	0	0	33 063	33 063	0	0	0	0
TOTAL for OJSC "OGK-2"		4 492 460	772 901	0	1 839 059	1 880 500	1 714 318	859 166	29 438	334 930	414 587	76 196

Realization of the program on reconstruction and technical upgrading.

The following most important activities were realized within the program of technical upgrade in 2009:

№	Name of activity	Effect received
Surgut GRES-1		
1	Reconstruction of the gas supply in unit 2, incl. the project.	Reconstruction of the gas supply system in accordance with "Security rules for gas consumption and gas distribution" PB 12-529-03. After replacement of the burner units with low-toxic single-flow units with high inflammation stability in a wide range of air and gas pressure changes it is expected that emissions of the nitrogen oxide in the outgoing waste gases be reduced. Implementation of the software and hardware complex for burner firing management which also contributes to enhancement of operating reliability of the equipment.
2	Implementation of the software and hardware complex for the Medium Term Strategic Plan of Use of the primary energy sources.	Implementation of the Order of the OJSC RAO "EES of Russia" of October 23, 2007 № 680 "On creation of the monitoring system for stability margin of electric energy system in real time on the territory of the northern districts of the Tyumen region".
Stavropol GRES		
1	Replacement of the air-gas channel of the turbo feed pump (AGC TFP) of power unit № 2.	Enhancement of operation reliability, reduction of costs for repairs and technical maintenance, increase of the degree of efficiency for TFP by 3%.
2	Replacement of the computer system SM-2.	Reliability enhancement of the system for technological information transmission to the operating personnel, of the efficiency of the electric energy production process management, assurance of the uninterrupted operation and reliability of technological information collection from energy units № 6, 7, 8 of the Stavropol GRES.
3	Replacement of unit transformer leads for leads with solid insulation.	Enhancement of the operation reliability, reduction of costs for repairs and technical maintenance.
4	Replacement of voltage transformers for the Open Distribution Unit (ODU) 330 kV (3 items)	Enhancement of the operation reliability, reduction of costs for repairs and technical maintenance. Increase of precision level for the purpose of commercial register (realization of the program on Automated power supply monitoring and control system).
5	Replacement of coupling capacitance 500 kV (3 items).	Enhancement of the operation reliability, reduction of costs for repairs and technical maintenance.
Troitsk GRES		
1	Reconstruction of generator stator coil TGV-500.	Enhancement of reliability and extension of the repair interval.
2	Boiler-turbine shop-1. Reconstruction of gas flues of the 1st line.	Assurance of uninterrupted operation of gas flues that avert flue gases from boilers of the 1st line (1st stage from the side of boilers 1,2 and 3).
3	Electrolythis bath №2. Reconstruction with replacement.	Enhancement of the reliable and safe operation of the main equipment.
4	Boiler-turbine shop-2, power unit №5. Replacement of straight-flow land-type boiler lower nuclear island.	Operation reliability of the equipment, decrease in the number of accidents.

№	Name of activity	Effect received
5	Boiler-turbine shop-1. Reconstruction of flue gas treatment systems of the 1st line (K1A, K2A, K3B) with replacement of scrubbers for modern gas cleaning equipment.	The degree of efficiency increased. The scrubber was re-equipped into an emulsifier of the 2nd generation of the battery type through installation of additional titanic components into the main body. Ash collecting degree: 99.0-99.5 %, flue gas concentration in output: less than 350mg/nm ³ , efficiency of entering gas (effluent gas): 260m ³ /h. Decrease of ash emission into the atmosphere from 572-832 kg/h down to the level of ≤ 90 kg/h, which allows to reduce payment for negative impact on the environment and increase the technical and economic indices of the Troitsk GRES. (Completion of works on the boilers: 2A – 25.09.09; 1A – 25.10.09r. 3B - in 2010).
6	Compressor ODU-220. Reconstruction of compressor ODU-220 with replacement of compressors 1,2.	Installation of compressed air devices of KP-3020/40 that have a high degree of efficiency, low noise level and do not require constant presence of support personnel. Operation time before the scheduled maintenance service: up to 2 000 machine hours. This allows to twice increase the overhaul life. The two-stage system of oil separation and the final cooling of the compressed air together with moist separator allow to get qualified technological compressed air, which will considerably increase reliable supply of compressed air to air circuit breakers ODU-220 kV.
7	Power unit 300MW st. №7. Reconstruction of the turbo feed plant with replacement of the wheel space.	Assurance of the reliable and safe operation of turbo feed plant OSPT-1150M TG st. №7, decrease in the number of incidents.
8	Purification plants. Reconstruction and installation of decontaminating equipment and equipment for water treatment.	Assurance of reliable operation of treatment plants. Decrease in expenses for sewage water treatment. Register organization for sewage waters discharged into the water reservoir. Exclusion of water treatment plants from the register of most dangerous objects.
9	Paging of the station, modernization of equipment for paging of station KOS-22.	Bringing into compliance with the requirements of Regulations for pipeline technical maintenance (RD 34.20.501-95).
10	Creation of the system for access control and management (SACM).	Creation of the system for control and management of access to entrance points to the Troitsk GRES. Automated control of the pass control, limitation to the employees' rights to access the station's premises as to the working hours. Bringing into compliance with RD 78.145-93 "Systems and complexes of security, fire and fire and security alarms. Regulations for conduct and acceptance of works".
Serov GRES		
1	Reconstruction of the levee of the second level of connection (levee connection of the 2nd level by 1 m until the marking of 95,2 m).	Creation of additional capacities for ashes and slag waste storage, which allows to increase the object's useful life by 15 months.
2	Reconstruction of Open Distribution Unit (ORU) 110 kV with replacement of air circuit breakers for gas and electricity breakers.	Increase of operation reliability, decrease of costs for repair and technical maintenance. Achievement of a higher level of precision of the built-in current transformers employed in the Automated measuring and information system for electric power fiscal accounting.
3	Installation of safety relief valves on the gas pipe line of low pressure.	Fulfillment of requirements of circular № Ts-03-97(t) p.1.11 Increase of safety for the maintenance and repair personnel.
4	Modernization of team paging.	Provision of the dispatching and technological management of the plant with a reliable and qualitative team paging system. Reconstruction of the worn out and outdated equipment.

5	Reconstruction of the automated notification system ACS 8-4 (Automated Control System).	Adjustment of the automated notification system to comply with the joint order of the Ministry of Emergency Situations of Russia, Ministry of Notification and Connectivity of Russia and Ministry of Culture of Russia of 25.07.06 № 422/90/376 "On approval of the regulation on people notification systems", decree of the Head of Serov city of 09.07.2005 № 1562 "On order of people notification in Serov city in case of natural and man-made emergency situations", approved plan of the urban district of Serov of 06.02.2009.
Pskov GRES		
1	Purchase and installation of ESP unit №3 of energy unit № 2.	Availability of a back-up ESP unit on the energy unit ensures the nominal operation parameters of energy unit -215 MW. In case of a breakdown of one of the two pumps, absence of a back-up ESP unit on the energy unit makes it impossible to continue to operate with the load of more than 140 MW.
2	Replacement of the current transformers for OPU 330 kV (3 items.).	Decrease of the accident risk in the network of "EES of Russia". Increase of reliability of the station's operation.
3	Expansion of the microcellular connection.	There was enhanced the quality and reliability of the existing micro-cellular connection for the prompt management of the production process. The zone of the stable microcellular connection was expended on the territory of the Pskov GRES.

Technical upgrading and reconstruction program results of the (TUR) in 2009.

Surgut GRES -1

Investment volume on the TUR program in 2009: 149 435,2 ths.rub.

Assimilated funds: 101 053,3 ths.rub., which makes up 67,6% of the planned indices.

Stavropol GRES

Investment volume on the TUR program in 2009: 50 912,7 ths.rub.

Assimilated funds: 36 850,7 ths.rub., which makes up 72,4 % of the planned indices.

Troitsk GRES

Investment volume on the TUR program in 2009: 647 799,1 ths.rub.

Assimilated funds: 665 164,6 ths.rub., which makes up 102,7% of the planned indices.

Serov GRES

Investment volume on the TUR program in 2009: 24 999,4 ths.rub.

Assimilated funds: 20 855,4 ths.rub., which makes up 83% of the planned indices.

Pskov GRES

Investment volume on the TUR program in 2009: 18 499,40 ths.rub.

Assimilated funds in 2009: 19 589,9 ths.rub, which makes up 105,9% of the annual plan.

Total for the OJSC "OGK-2": plan: 891 646 ths.rub., fact: 843 521 ths.rub, which makes up 95% of the annual plan.

5.3. Development of information technologies

Major achievements in information technologies:

1. Implementation of the electronic document management system.

Within the framework of development and improvement of the electronic document management system (EDMS) in 2009 the OJSC "OGK-2" started the project on transition to a new version of EDMS where security and scalability problems are eliminated.

2. Creation of DPC in the new office.

Within the framework of moving into the building of the OJSC "Neftyanoj dom" there was created a modern network infrastructure of the office as well as the new suballocated Data Processing Centre (DPC) equipped with the modern systems for management, monitoring and fire fighting.

3. Preparation and outsourcing of IT.

During the first six months of 2009 there were made preparations for outsourcing of the IT function. From September 1, 2009 the OJSC "OGK-2" has only the Client IT service and more than 170 IT employees were transferred to the specialized IT company, the LLC "ANT-Inform" that now provides a new level of IT service for the systems of the OJSC "OGK-2".

4. Telephone communications.

Within the framework of expenses optimization the executive body of the Company started to use landline telecommunication services of a unified provider - Gaztelecom, which allowed to reduce expenses on this item of expense and increase reliability of telecommunication.

5. Implementation of "Monitoring system for stability margin of electric energy system of Northern districts of the Tyumen region (MSSMEES NDTR)" (Order of the RAO "EES of Russia" № 680 of 23.10.2007).

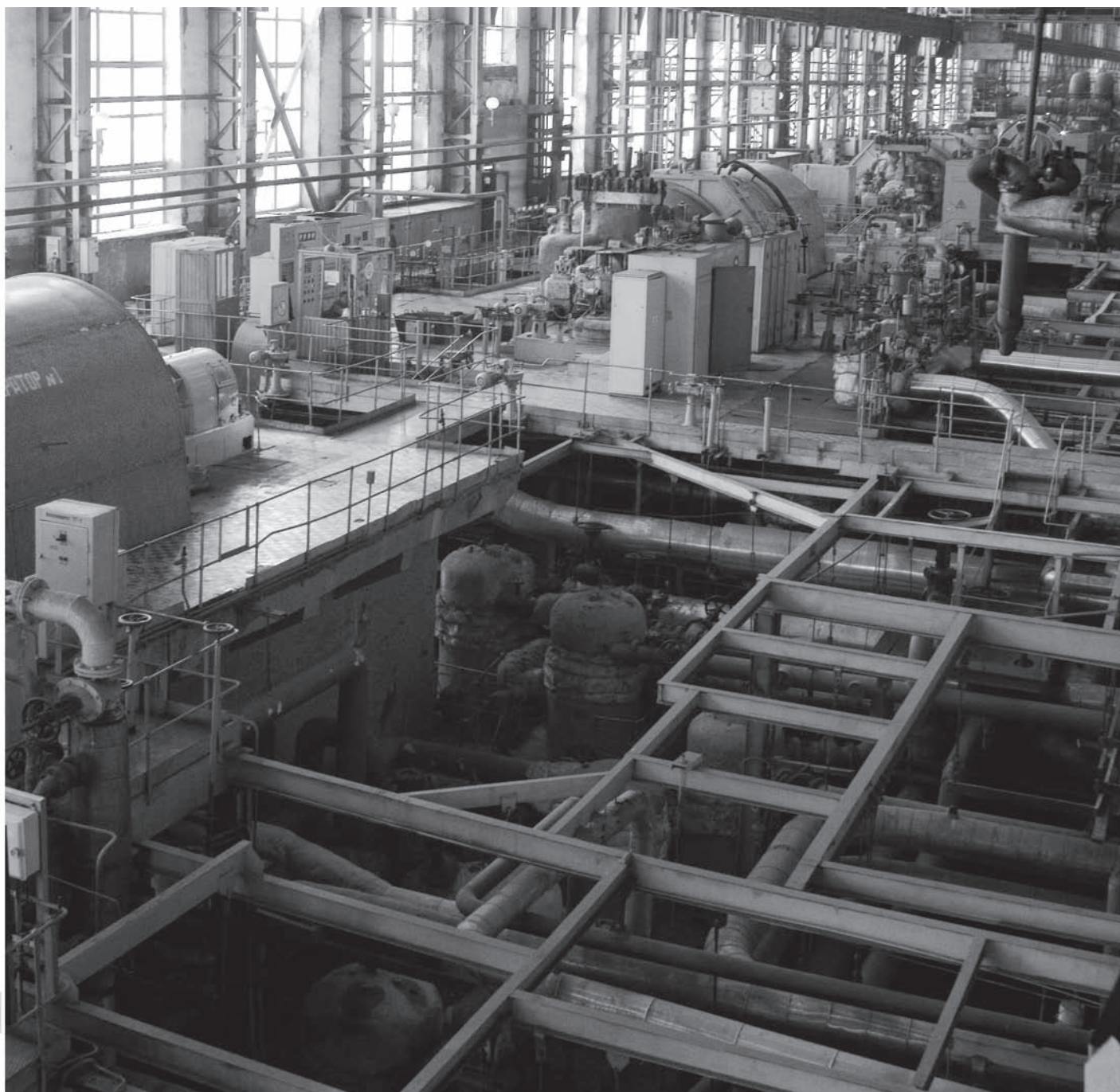
The electric energy system stability margin monitoring system of the northern districts of the Tyumen region (MSSMEES NDTR) was put into commercial operation.

Table 38. Activities to develop information technologies in 2009.

№	Branches of the OJSC "OGK-2" / Name of project	Cash disbursement in 2009 (net), ths.rub.
1	Surgut GRES-1	9 816,4
	Implementation of software and hardware complex for the Medium Term Strategic Plan of Use of the primary energy sources	
2	Stavropol GRES	0
3	Troitsk GRES	5 091,7
	Dispatch system of the station. Modernization of the equipment of the dispatch system of the station KOS-22	
4	Serov GRES	6 023,4
	Modernization of team paging	
5	Pskov GRES	3 948,9
	Modernization of LAN	1438,6
	Reconstruction of the dispatch system	743,8
	Expansion of the Automatic telephone system of the administration and living quarters	749,9
	Expansion of the microcellular communication	1016,6
6	OJSC "OGK-2"	23 339,1
	Construction and modernization of DPC and Client Service Centre	
7	TOTAL:	48 219,5

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Appendix 1.

Execution of Corporate Code of Conduct

The present report on compliance with recommendations contained in the Code of corporate conduct was drawn up in accordance with the procedural recommendations approved by the regulation of the Federal Commission for the Securities Market of Russia on April 30, 2003, No. 03-849/r.

N	Provisions of Code	Compliant or non-compliant	Remarks
General meeting of shareholders			
1.	Notice to shareholders on intent to convene the General meeting of shareholders no less than 30 days before the meeting date regardless of the issues on the agenda unless the law determines a larger notice period.	Compliant partialy	cl. 17.12. of the Company's Charter: "Notice on intent to convene a General meeting of shareholders shall be sent (or served) to each person from the shareholder list entitled to participate in the General meeting of shareholders, shall be published by the Company in the "Izvestiya" newspaper and shall be put on the web site of the Company no later than 20 (twenty) days before the meeting date, in case of the Annual General Meeting of shareholders or the General meeting of shareholders whose agenda contains the issue of the Company restructuring – no later than 30 (thirty) days before the meeting date".
2.	Opportunity for shareholders to study the list of persons entitled to participate in the General meeting of shareholders beginning from the day of the notice until the in-presence General meeting of shareholders is closed. In case of an in-absentia General meeting of shareholders – until the end of voting bulletin acceptance period.	Non-compliant	cl. 4 art. 51 of the Federal Law "On Joint Stock Companies".
3.	Opportunity for shareholders to study information (materials) relevant to preparation and the General meeting of shareholders proper, by means of electronic communications, including the Internet.	Compliant	cl. 17.16. of the Company's Charter: "Information (materials) on the agenda for the General meeting of shareholders shall be available to study in the office of the Executive body of the Company and in other places whose addresses shall be given in the notice on intention to convene the General meeting of shareholders. This information (materials) shall be available to persons entitled to participate in the General meeting of shareholders 20 (twenty) days and in case of the Annual General Meeting of shareholders or the General meeting of shareholders, whose agenda contains the issue of the Company restructuring – 30 (thirty) days before the meeting date. This information (materials) shall also be put on the web site of the Company no later than 10 (ten) days before the meeting date. This information (materials) shall be available to persons participating in the General meeting of shareholders during the meeting".

N	Provisions of Code	Compliant or non-compliant	Remarks
4.	Opportunity for shareholders to put issues on the general meeting agenda or request a convocation of a General meeting of shareholders without a statement from the shareholders' register, if such shareholder's title to the shares is attested by a shareholders' register. Where the shareholder's title to the shares is attested by a DEPO account, a statement from the DEPO account will suffice in order to exercise the above rights.	Compliant	cl. 17.2. of the Company's Charter: "Shareholders (shareholder) that collectively own not less than 2 percent of voting shares of the Company are entitled to put issues on the agenda for the Annual General Meeting of shareholders and to propose candidates to the Company's Board of Directors and the Audit Commission. The number of such proposed candidates cannot exceed the quantitative composition of the related body. Such proposals shall be submitted to the Company not later than 60 (sixty) days after the end of the financial year.
5.	Stipulation of provisions in the Company's Charter or internal documents requiring presence of the General Director, members of the Managing Board, the Board of Directors, the Audit Commission, as well as the auditor of the Company at a General meeting of shareholders.	Compliant	cl. 5.2.2 of the Corporate Code of Conduct of the Company approved by the Company's Board of Directors on September 26, 2006 (Minutes No. 43/43 of October 2, 2006).
6.	Mandatory presence of candidates at the General meeting of shareholders, when issues of election of the Board of Directors' members, the General Director, the Managing Board's members and the Audit Commission's members as well as approval of the Company's auditor are considered.	Non-compliant	The Company's Charter and internal documents do not formulate this provision.

N	Provisions of Code	Compliant or non-compliant	Remarks
7.	Stipulation in the Company's internal documents of a procedure regulating registration of participants of the General meeting of shareholders.	Compliant	<p>cl. 9.1. Section 9 of the Provisions "On the General meeting of shareholders: "Persons (their representatives) included in the list of persons entitled to participate in the General meeting of shareholders except persons (their representatives) whose bulletins are received no later than two days before the meeting date shall register to participate in the General meeting of shareholders. Persons (their representatives) entitled to participate in the meeting whose bulletins are received no later than two days before the meeting date shall have the right to participate in the meeting.</p> <p>In case the Company or the Company's registrar that performs the functions of the Returning Board receives a notice on the replacement (recall) of the representative of a person entitled to participate in the meeting before this representative is registered, the person entitled to participate in the meeting (including a new representative acting upon the power of attorney for voting) shall be registered to participate in the meeting.</p> <p>Buyers of shares given over after the date when the list of persons entitled to participate in the General meeting of shareholders is completed shall register to participate in the meeting if the person included into the list of persons entitled to participate in the meeting gives powers of attorney for voting to the buyers of such shares.</p> <p>cl. 18.4. of the Charter: "At the General meeting of shareholders the functions of the Returning Board shall be performed by a professional market maker that shall be the register-keeper of the Company (the Company's registrar)".</p>
The Board of Directors			
8.	Stipulation in the Company's Charter of authority of the Board of Directors to approve the Company's financial and economic plan on an annual basis.	Compliant	as per 62. cl.20.1 Art. 20 of the Charter: "The competences of the Board of Directors shall include the following matters: approval of a business plan (adjusted business plan) including the program of technical upgrade, reconstruction and development, report on the results of fulfillment thereof as well as approval (adjustment) of the list and values of cash flow benchmarks of the Company".
9.	Existence of a risk management procedure for the Company approved by the Board of Directors.	Non-compliant	The Company intends to work out a Risk management policy and risk maps for the Company.
10.	Stipulation in the Company's Charter of the Board of Directors' right to decide on suspension of powers of the General Director appointed at the General meeting of shareholders.	Compliant	cl. 22.5. Art. 22 of the Charter: "The Board of Directors of the Company may at any time take decision of early termination of the powers of the Managing Board members and the General Director of the Company.

N	Provisions of Code	Compliant or non-compliant	Remarks
11.	Stipulation in the Company's Charter of the Board of Directors' right to establish criteria for qualification and the size of remuneration for the General Director, members of the Managing Board, and heads of the main Company divisions.	Non-compliant	The Company's Charter does not contain this provision.
12.	Stipulation in the Company's Charter of the Board of Directors' right to approve conditions of agreements with the General Director and members of the Managing Board.	Non-compliant	The Company's Charter does not contain this provision. cl. 3.1.2 Amendments and additions to the Regulation on the Personnel and remuneration Committee of the Board of Directors of the OJSC "OGK-2": "To resolve the following issues that are the exclusive competence (functions) of the Committee: - to work out proposals on definition of important agreements provision jointly with the members of the Board of Directors, members of the Collegial executive body and the person that acts as the issuer's individual executive body; - to define criteria for selection of candidates to become members of the Board of Directors, members of the Collegial executive body and the issuer's individual executive body as well as to make a preliminary assessment of such candidates".
13.	Stipulation in the Company's Charter or internal documents of the requirement that on approving conditions of agreements with the General Director (managing company or manager) and members of the Managing Board, the votes of the Board of Director's members who also serve as the General Director and the Managing Board's members are not taken into consideration.	Non-compliant	The Company's Charter and internal documents do not contain this provision.
14.	Presence of no less than three independent directors at the Board of Directors of the Company that meet the requirements of the Corporate Code of Conduct.	Compliant	10 independent directors are members of the Board of Directors of the Company.
15.	No members of the Board of Directors are found guilty of economic crimes or crimes against government or local authorities, government interests, or persons who were administratively liable for crimes related to violations in business, finance, taxes and levies, or securities market.	Compliant	The said persons are not present in the Company's Board of Directors.

N	Provisions of Code	Compliant or non-compliant	Remarks
16.	The Board of Directors does not include persons being participants, general directors (managing directors), members of administration or employees of the legal entities competing with the Joint Stock Company.	Non-compliant	One member of the Company's Board of Directors is the General Director and six members of the Board of Directors are members of the Board of Directors of the rival company (the OJSC "OGK-6).
17.	Stipulation in the Company's Charter of a requirement to elect the Board of Directors by cumulative vote.	Compliant	cl. 15.4. of the Company's Charter: "Decision on election of members of the Board of Directors shall be made at a cumulative voting".
18.	Stipulation in the internal documents of the Company of a regulation obliging the members of the Board of Directors to refrain from acts which will result in or are potentially capable of leading to a conflict of their interests with the interests of the Company, and in case of such conflict, obliging to disclose such information on the conflict to the Board of Directors.	Compliant	cl. 4.1.6 of the Company's Corporate Code of Conduct approved by the Board of Directors of the Company on September 26, 2006 (Minutes No. 43/43 of October 2, 2006).
19.	Stipulation in the Company's internal documents of an obligation of the Board of Directors' members to notify the Board of Directors in writing on intentions to make transactions with securities of the Company, in which they are members of the Board of Directors or members of the Board of Directors of its subsidiaries (affiliates), as well as to disclose information on the transactions they made with such securities.	Compliant	cl. 4 of Provisions on insider information of the Company approved by the Board of Directors of the Company on September 23, 2005 (Minutes No. 10/10 of September 29, 2005).
20.	Stipulation in the Company's internal documents of a requirement to hold meetings of the Board of Directors at least once every six weeks.	Non-compliant	cl. 8.2. of Provisions on the Board of Directors stipulates that meetings of the Board of Directors shall be held with the frequency of no less than once in four months.
21.	Conducting meetings of the Board of Directors of the Company in a year, for which the Company's annual report is being prepared, at least once every six weeks.	Compliant	During the reporting period of 2009, 12 meetings of the Company's Board of Directors were held with the frequency of no less than once in four weeks.
22.	Stipulation in the Company's internal documents of a procedure for conducting the Board of Directors' meetings.	Compliant	Art.8-10 of Provisions on the Board of Directors of the OJSC "OGK-2" approved by the AGM on June 25, 2009 (Minutes No. 2 of June 26, 2009).
23.	Stipulation in the Company's internal documents of an obligation for the Board of Directors to approve all Company transaction worth of 10% or more than 10% of the Company assets, except for the deals made in course of standard economic activities.	Compliant	cl. 20.1.49. art.20 of the Company's Charter: "taking decisions on approval of transactions (before their settlement) including several interrelated transactions the subject of which is property, work and/or services and value (estimated money value) of which amounts to more than 10 percent of the balance sheet value of assets of the Company determined in accordance with the data of the Company's accounting reports of the closing date (unless other percent or transaction price is set by decision of the Board of Directors) excluding transactions made during the normal course of business of the Company, transactions on placement of ordinary shares of the Company by subscription (sale) and transactions on placement of equity securities of the Company convertible into shares except transactions approval of which is stipulated in 50, 51, 53-55 cl.20.1 art. 20 of this Charter".

N	Provisions of Code	Compliant or non-compliant	Remarks
24.	Stipulation in the Company's internal documents of the right of members of the Board of Directors' members to obtain from the executive heads of the Company's divisions information required to assist the Board of Directors in fulfilling its duties, as well as responsibility for failure to submit such information.	Compliant	cl. 4.2.1. Provision on the Board of Directors of the OJSC "OGK-2": "Members of the Board of Directors shall have the right: 4.2.1. to study the normative, accounting, reporting, financial and other documents and materials of the Company (including full auditor's reports, minutes of meetings of the Board of Directors, Committees of the Board of Directors and the Managing Board of the Company as well as other documents as provided by art.89 of the Federal Law "On Joint Stock Companies") required to resolve matters related to the competence of the Board of Directors and to request the Company's executives to provide any information on the Company's activity in accordance with the procedure established in the Provision.
25.	Availability of the Strategic planning Committee of the Board of Directors on strategic planning or assignment of this Committee's functions to another Committee (excluding the Audit Committee and the Personnel and compensation Committee).	Compliant	The Strategy Committee of the Board of Directors was formed by resolution of the Board of Directors on November 28, 2006 (Minutes No. 49/49 of December 4, 2006). By decision of the Board of Directors of July 30, 2008 the Strategy Committee was renamed to the Strategy and investment Committee (Minutes No. 3 of July 30, 2008).
26.	Availability of the Board of Directors' Committee (the Audit Committee) which advises the Board of Directors on selection of an auditor for the Company and cooperates with the auditor and the Company's Audit Commission.	Compliant	The Audit Committee of the Board of Directors was formed by resolution of the Board of Directors on November 28, 2006 (Minutes No. 49/49 of December 04, 2006).
27.	Presence of non-executive and independent directors at the Audit Committee only.	Compliant	All members of the Audit Committee of the Board of Directors are independent directors.
28.	An independent director's chairmanship of the Audit Committee.	Compliant	The Audit Committee of the Board of Directors of the Company is headed by an independent director.
29.	Stipulation in the Company's internal documents of the right of all Audit Committee's members to have access to any of the joint stock company's documents and information on a non-disclosure basis.	Compliant	Art.4-5 of the Provisions on the Audit Committee of the Board of Directors of the Company approved by resolution of the Board of Directors of the Company on November 28, 2006 (Minutes No. 49/49 of December 4, 2006).
30.	Establishment of the Board of Directors' Committee (the Personnel and compensations Committee) whose function is to prepare selection criteria for candidates to the Board of Directors and develop the Company's remuneration policy.	Compliant	The Personnel and compensations Committee of the Board of Directors was formed by resolution of the Board of Directors of the Company on August 6, 2007 (Minutes No. 79/79 of August 8, 2007).
31.	An independent director's chairmanship of the Personnel and compensation Committee.	Compliant	The Personnel and compensation Committee of the Board of Directors of the Company is headed by an independent director.

N	Provisions of Code	Compliant or non-compliant	Remarks
32.	No Company's executives in the Personnel and compensation Committee.	Compliant	No Company's executives are present in the Personnel and compensation Committee.
33.	Establishment of the Board of Director's Committee on risks or assignment of this Committee's functions to another Committee (excluding the Audit Committee and the Personnel and compensation Committee).	Non-compliant	cl. 19.9 art. 19 of the Charter of the Company empowers the Board of Directors to establish Committees: "The Board of Directors may form constant and temporary (for resolution of certain matters) committees of the Board of Directors to ensure reasoned and viable decisions are taken". Currently the Company considers possibility to form a Committee of the Board of Directors on risks.
34.	Establishment of the Board of Director's Committee on corporate conflict settlement or assignment of this Committee's functions to another Committee (excluding the Audit Committee and the Personnel and compensation Committee).	Non-compliant	cl. 19.9 art. 19 of the Charter of the Company empowers the Board of Directors to form Committees: "The Board of Directors may form constant and temporary (for resolution of certain matters) committees of the Board of Directors to ensure reasoned and viable decisions are taken". Currently the Company considers possibility to form a Committee of the Board of Directors on corporate conflicts settlement.
35.	No Company's executives in the Committee on corporate conflicts settlement.	Non-compliant	No Committee on corporate conflicts settlement established in the Company.
36.	An independent director's chairmanship of the Committee on corporate conflicts settlement.	Non-compliant	No Committee on corporate conflicts settlement established in the Company.
37.	Existence of the Company's internal documents approved by the Board of Directors providing for the procedure of establishing and functioning of the Board of Director's Committees.	Compliant	Currently the Company has the following Committees: 1. Committee on reliability of the Board of Directors, 2. Strategy and investment Committee of the Board of Directors, 3. Audit Committee of the Board of Directors, 4. Assessment Committee of the Board of Directors, 5. Personnel and compensation Committee of the Board of Directors Formation and operational procedure of Committees are regulated: 1. by Provision on the Committee of the Board of Directors of the Company on reliability approved by the Board of Directors on November 30, 2005 (Minutes No. 15/15 of November 30, 2005), 2. by Provision on the Strategy and investments Committee of the Board of Directors of the Company (Minutes No. 3 of July 30, 2008) with amendments and additions of February 10, 2010 (Minutes No. 8 of February 15, 2010), 3. by Provision on the Audit Committee of the Board of Directors of the Company (Minutes No. 49/49 of November 28, 2006), 4. by Provision on the Assessment Committee of the Board of Directors of the Company (Minutes No. 49/49 of November 28, 2006), 5. by Provision on the Personnel and compensations Committee of the Board of Directors of the Company (Minutes No. 79/79 of August 6, 2007).

N	Provisions of Code	Compliant or non-compliant	Remarks
38.	Stipulation in the Company's Charter of the procedure of designating the Board of Directors' quorum which will provide for mandatory participation of independent directors in the Board of Directors.	Compliant	<p>cl. 22.8. art. 22 of the Company's Charter: "The meeting of the Board of Directors carried out in the form of joint attendance of the shareholders shall be quorate if attended by no less than half of the number of elected members of the Board of Directors of the Company.</p> <p>The meeting of the Board of Directors held in the form of an absentee vote shall be quorate if attended by no less than half of the number of elected members of the Board of Directors of the Company.</p> <p>Members of the Board of Directors shall be deemed attending a meeting executed in the form of absentee voting if their bulletins are received by the Board of Directors before the date specified in the notice and in this bulletin for termination of acceptance of the filled bulletin".</p> <p>cl. 22.9 art. 22 "In case the number of the members of the Board of Directors of the Company becomes less than the number of the specified quorum, the Board of Directors of the Company shall resolve to carry out an extraordinary General meeting to elect the new body of the Board of Directors of the Company. The remaining members of the Board of Directors shall have the right only to decide on convocation of such extraordinary General meeting of shareholders".</p>
Executive bodies			
39.	Existence of the Company's collegial executive body (the Managing Board).	Compliant	<p>The Managing Board of the Company was formed by Resolution of the OJSC RAO "UES of Russia" of March 4, 2005, No. 35r.</p> <p>In accordance with art. 27 of the Company's Charter "The Managing Board of the Company shall be a collegial executive body of the Company and shall function based on this Charter and the Provision on the Managing Board of the Company approved by the General meeting of shareholders of the Company.</p>
40.	Stipulation in the Company's Charter or in the internal documents of the mandatory approval of real estate transactions and loan agreements by the Managing Board if these transactions are not considered as major and do not belong to standard economic activities of the Company.	Compliant	<p>7, 9 cl. 27.4 art. 27 of the Charter of the Company:</p> <p>"7. Takes decisions on the Company's transactions (including several interrelated transactions) the subject of which is property, work and/or services and value (estimated money value) of which amounts to more than 5 percent of the balance sheet value of assets of the Company determined in accordance with the data of the Company's accounting reports of the closing date (or in case other percent or transaction price (higher than of such percent or price) is set for decision of the Board of Directors in accordance with 49 cl. 20.1 art. 20 of this Charter) excluding transactions decision on which lies within the competence of the Board of Directors of the Company in accordance with this Charter;</p> <p>9. Approves transactions with fixed property if the transaction cost defined in accordance with the conclusion of an independent assessor exceeds 30 million rubles and execution of such transactions does not refer to the normal activities of the Company or makes a preliminary examination of such transactions when decision on such transactions lies within the competence of the General meeting of shareholders or the Board of Directors of the Company".</p>
41.	Stipulation in the internal documents of the Company of the procedure for approval of transactions which are beyond the scope of the Company's financial and economic plan.	Compliant	<p>62 cl. 20.1 art. 20 of the Company's Charter: "Approval of a business plan (adjusted business plan) including the program of technical upgrade, reconstruction and development, report on the results of fulfillment thereof, approval (adjustment) of the list and values of cash flow benchmarks of the Company as well as consideration of adjustments to the Company's cash flow approved by the Managing Board of the Company".</p>

N	Provisions of Code	Compliant or non-compliant	Remarks
42.	The executive body does not include persons being participants, general directors (managing directors), members of the administration or employees of the legal entities competing with the Company.	Compliant	cl. 20.6. of the Charter of the Company stipulates that "the Board of Directors of the Company shall approve participation of the General Director and the members of the Managing Board or the Company in managing bodies of other organizations".
43.	The executive body of the Company does not include persons who were found guilty of economic crimes or crimes against the government, civil service and local authorities or who were subject to administrative penalty for offence in the sphere of entrepreneurship, finance, taxes and tax collections, or stock market operations. If the functions of a sole executive body are carried out by the managing organization or manager, the General Director and the members of the board of the managing organization or the managing director conform to requirements specified for the General Director and members of the Managing Board of the Company.	Compliant	Internal documents of the Company do not embody regulations which can place the said limitations for the persons being the members of the executive bodies of the Company.
44.	Stipulation in the Charter or in the internal documents of the Company of a regulation proving against performing corresponding functions in a competing company by the managing organization (managing director), and also prohibiting any property relations with the Company apart from rendering services to the managing organization (managing director).	Non-compliant	Functions of the sole executive body of the managing organization were not delegated.
45.	Stipulation in the internal documents of the Company of a regulation obtaining the executive bodies to refrain from acts, which will result in or are potentially capable of leading to a conflict of their interests with the interests of the Company, and in case of such conflict, obliging to inform the Board of Directors of this fact.	Non-compliant	Internal documents do not formulate these responsibilities.
46.	Stipulation in the Company's Charter or internal documents of the criteria for selection of a managing company (manager).	Non-compliant	No criteria for selection stipulated in the Charter of the Company and in the internal documents of the Company.
47.	Monthly reports of executive bodies of the Company shall be delivered to the Board of Directors.	Compliant	In accordance with cl. 6.2 art. 6 of the Provision on the General Director "The General Director shall report to the Board of Directors on a periodic basis on fulfillment of investment and other programs and plans of the Company, fulfillment of decisions of the General meeting of shareholders and the meeting of the Board of Directors of the Company as well as on other results of the Company's activities". In accordance with the established practice of corporate management the General Director shall make monthly reports on the work done on different directions of the Company's activities, including fulfillment of orders of the Board of Directors.

N	Provisions of Code	Compliant or non-compliant	Remarks
48.	Allocation of responsibility in the agreements concluded by the Company with the General Director (managing organization, managing director) and members of the Managing Board for infringement of provisions on use of confidential and insider information.	Compliant	<p>Section 5 of the Provision on insider information approved by the Board of Directors of the OJSC "OGK-2" on September 23, 2005 (Minutes No. 10/10 of September 29, 2005):</p> <p>5.1. For unauthorized distribution and/or use of insider information the insiders of the Company may bear disciplinary and/or civil liability in accordance with the conditions of the contracts with the Company and the current laws, administrative and criminal liability in accordance with the current laws.</p> <p>5.2. The Company may request from the insiders of unauthorized use and distribution of insider information to indemnify the damages caused to the Company by their wrongful acts.</p> <p>5.3. The Company and the shareholder(s) of the Company holding in aggregate no less than 1 percent of the placed shares of the Company may appeal to a court with the action against a member of the Board of Directors of the Company, of the individual executive body of the Company, of the collegial executive body of the Company likewise to the managing organization or manager to indemnify the damages caused to the Company as the result of unauthorized use or distribution by the defendant of insider information.</p> <p>In accordance with cl. 4.11 of the Provision on the Managing Board of the Company "Members of the Managing Board shall bear responsibility towards the Company for all damages caused to the Company by their wrongful acts/omissions if other grounds and amount of liability are not defined by federal laws".</p> <p>In accordance with cl. 5.2 of the Provision on the General Director of the Company "The General Director shall bear responsibility towards the Company for all damages caused to the Company by his wrongful acts/omissions in accordance with the current law".</p>
Company Secretary			
49.	Availability of a special employee (the Company secretary) in the Company whose task is to ensure observance by the bodies and executives of the Company of the procedural requirements which guarantee implementation of the rights and legitimate interests of the Company's shareholders.	Compliant	Article 24 of the Company's Charter "Corporate secretary of the Company".
50.	Stipulation in the Company's Charter or internal documents of the procedure for appointing (electing) the Company secretary and establishing the secretary's duties.	Compliant	<p>Article 24 of the Company's Charter "Corporate secretary of the Company"</p> <p>Art. 7 of the Provisions on the Board of Directors of the Company "Secretary of the Board of Directors".</p>
51.	Stipulation in the Company's Charter of requirements for secretary candidates.	Non-compliant	These requirements are not defined by the Charter.

N	Provisions of Code	Compliant or non-compliant	Remarks
Substantial corporate actions			
52.	Stipulation in the Company's Charter or internal documents of a requirement to approve large transactions before they are made.	Compliant	cl. 49-51 art. 19, art. 28 of the Company's Charter.
53.	Mandatory engagement of an independent assessor to appraise the market value of the property that is the subject of a large transaction.	Compliant	In accordance with the established practice of corporate management all transactions with property are made by means of employment of an independent assessor.
54.	Presence of a provision in the Company's Charter which prohibits in the process of acquisition of large blocks of shares of the Company (takeover) any actions aimed at protection of interests of the executive bodies (members of these bodies) and the members of the Board of Directors, and also infringing the interests of shareholders as compared to existing in particular, prohibiting acceptance of a decision by the Board of Directors (before expiration of presumed time-limit for acquisition of shares) concerning issue of new shares, issue of securities convertible to shares, or securities granting the right for acquisition of shares of the Company, even if such right is granted by the Charter.	Non-compliant	These requirements are not defined by the Charter.
55.	Presence of a provision in the Charter which requires engaging an independent assessor to evaluate current market value of shares and possible change in their market value as a result of takeover.	Compliant	cl.36 art. 20 of the Company's Charter: "the order of selection and approval of an independent assessor(s) to define the price of shares, property and other assets of the Company in cases stipulated by the Federal Law "On Joint Stock Companies" shall be defined by this Charter as well as by separate resolutions of the Board of Directors of the Company".
56.	No clause in the Company's Charter releases an acquirer from responsibility of offering the shareholders to sell their ordinary shares to the Company (equity securities convertible to ordinary shares) on takeover.	Compliant	The Charter of the Company does not include this right.
57.	Stipulation in the Company's Charter or internal documents of a requirement for obligatory engagement of an independent assessor to determine conversion ratio of shares on reorganization.	Compliant	cl.36 art. 20 of the Company's Charter: "the order of selection and approval of an independent assessor(s) to define the price of shares, property and other assets of the Company in cases stipulated by the Federal Law "On Joint Stock Companies" shall be defined by this Charter as well as by separate resolutions of the Board of Directors of the Company".
Substantial corporate actions			
58.	Availability of a document approved by the Board of Directors which determines the rules and approaches of the Company to disclosure of information (Provisions on informational policy).	Compliant	Resolution of the Board of Directors of the Company of September 7, 2009 (Minutes No. 3 of September 10, 2009) approved the Regulation on the Information policy of the Company.

N	Provisions of Code	Compliant or non-compliant	Remarks
59.	Stipulation in the internal documents of the Company of a requirement for disclosure of information on objectives of share placing, on persons intending to buy the shares placed, also including large blocks of shares, and the information on probable participation in acquisition of shares by the top management.	Non-compliant	The Charter and internal documents of the Company do not define this.
60.	Presence in the Company's internal documents of an information list, documents and materials which should be made available to the shareholders for the purpose of resolution of the issues treated at the General meeting of shareholders.	Compliant	cl. 5.6 art. 5 of the Regulation on the General meeting of shareholders of the OJSC "OGK-2" approved at the Annual General Meeting of shareholders of the OJSC "OGK-2" on June 25, 2009 (Minutes No. 2 of June 26, 2009).
61.	The Company owns a web-site in the Internet where information concerning this Company is regularly published.	Compliant	Web site of the Company: http://www.ogk2.ru .
62.	Availability in the internal documents of the Company of a requirement for disclosure of information on the Company's transactions with the persons being according to the Charter the members of the top management of the Company and also on transactions of the Company with organizations where the top management of the Company expressly or by implication owns 20 or more percent of the authorized capital of the Company, or which such persons can substantially influence otherwise.	Compliant	Regulation on Insider Information of the Company approved by the Resolution of the Board of Directors on September 23, 2005 (Minutes No. 10/10 of September 29, 2005).
63.	Presence of a provision in the Company's internal documents requiring disclosure of information on all transactions which can influence the market value of shares of the Company.	Non-compliant	Internal documents of the Company do not define this.
64.	Availability of the internal document approved by the Board of Directors concerning use of substantial information on the Company's activities, shares and other securities of the Company and operation with these securities which is not made publicly available and disclosure of which can essentially influence the market value of shares and other securities of the Company.	Compliant	Regulation on Insider Information of the Company approved by the Resolution of the Board of Directors on September 23, 2005 (Minutes No. 10/10 of September 29, 2005).
Financial and economic control			
65.	Availability of procedures approved by the Board of Directors concerning internal control of financial and economic activities of the Company.	Compliant	Regulation on procedures of internal control of financial and economic activities of the Company approved by the Board of Directors of the Company on October 5, 2009 (Minutes No. 4 of October 8, 2009).

N	Provisions of Code	Compliant or non-compliant	Remarks
66.	Availability of a specialized subdivision of the Company enforcing procedures of internal control (supervision and auditing service).	Compliant	The Company's structure includes the Internal Audit Department that has the following tasks: "- to assess efficiency of the Company's organizational structure; - to control major financial and economic activities of the Company, analyze results of such activities; - to ensure enough certainty with regards to compliance with requirements for accounting records maintenance of the Company; - to control budget execution by the Company and its structural units; - to control compliance of internal documents and projects resolutions of the Company's executive bodies with financial and economic interests of the Company".
67.	Stipulation in the Company's internal documents of a regulation on determination of the structure of the supervision and auditing service of the Company.	Non-compliant	Internal documents of the Company do not define these requirements.
68.	No persons in the Company's supervision and auditing service found guilty of economic crimes or crimes against the government, interests of the government or local authorities, or persons who were administratively liable for crimes related to violations with business, finance, taxes and duties or the securities market.	Compliant	The recommendations are compliant but the Charter and/or the internal documents of the Company do not define requirements that may determine these limitations for the employees of the Internal Audit Department.
69.	The supervision and auditing service does not include persons being members of the executive bodies of the Company and also persons being the participants, General directors (managing directors), members of administration or employees of the legal entities competing with the Company.	Compliant	The recommendations are compliant but the Charter and/or the internal documents of the Company do not define requirements that may determine these limitations for the employees of the Internal Audit Department.
70.	The Company's internal documents shall specify the date the documents and materials were presented to supervision and auditing service for evaluation of financial and economic activities, and also shall specify responsibility of the designated authorities and employees of the Company for non-presentation within the prescribed period.	Non-compliant	This term is not defined.
71.	In the internal documents of the Company the supervision and auditing service shall be responsible for informing the Audit Committee of identified violations, and in the absence of thereof, informing the Board of Directors of the Company.	Compliant	cl.8.7 art. 8 of the Regulation on the Order of the Internal audit of financial and economic activities of the OJSC "OGK-2": "The Internal Audit Department shall provide an annual report to the Audit Committee of the Board of Directors of the Company and to the General Director of the Company on the annual activities results of the Internal Audit Department".
72.	Stipulation in the Company's Charter of the provision requiring the supervision and auditing service to assess advisability for making transactions (non-standard transactions) that are not included in the Company's financial and economic plan.	Non-compliant	This requirement is not defined by the Charter of the Company.

N	Provisions of Code	Compliant or non-compliant	Remarks
73.	Stipulation in the Company's internal documents of the procedure for coordination of non-standard transactions with the Board of Directors.	Compliant	cl. 45 art. 20. of the Company's Charter: "Resolutions on the Company's realization of one or several interrelated transactions on alienation, trusting, hypothecation or other charge over shares and participatory shares in other companies not producing, transmitting, dispatching, distributing or selling heat and electric power, performing maintenance and service activities in case the market value of shares and participatory shares of transaction determined in accordance with the conclusion of the independent assessor exceeds the amount of 30 million rubles as well as in other situations (amounts) determined by separate resolutions of the Board of Directors of the Company.
74.	Availability of the document approved by the Board of Directors and determining the procedure of inspection of financial and economic activities of the Company by the Audit Commission.	Compliant	"Regulation on the Audit Commission" of July 29, 2005.
75.	Review by the Audit Committee of the auditor's opinion prior to presentation thereof to the shareholders at the General meeting of shareholders.	Compliant	Chapter 3. Regulations on The Audit Committee of the Board of Directors of the Company.
Dividends			
76.	Availability of the internal document approved by the Board of Directors and used in acceptance of recommendations on the dividend rate (Provision on dividend policy).	Compliant	Provisions on dividend policy approved by the Board of Directors of the Company on April 11, 2008 (Minutes No. 106/106 of April 14, 2008).
77.	Stipulation in the Dividend policy Regulations of the procedure for determining a minimum amount of the Company's net profits allocated for dividend payout, and conditions under which dividends are not paid fully or partially on preferred shares; the size of dividends on these preferred shares is set in the Company's Charter.	Non-compliant	Provisions on dividend policy of the Company do not define this order.
78.	Information on the Dividend policy and any changes therein shall be published in a periodical stipulated by the Company's Charter for publication of reports on holding General meeting of shareholders; also such information is published at the Company's web site in the Internet.	Compliant	Provisions on dividend policy of the Company are published at the official web site of the Company.

Appendix 2.

List of affiliates of the OJSC «OGK-2» (as of 31.12.2009)

№	Full name of the company (name for a non-profit organization) or name of the affiliated person	Location of the legal entity or place of residence of an individual person (given only upon agreement with the individual person)	Justification(s) for the entity to be recognized as affiliate	Date of this recognition(s)	The affiliate's ownership interest in the authorized capital of the JSC, %	The affiliate's ordinary shares of the JSC, %
-1-	-2-	-3-	-4-	-5-	-6-	-7-
1	Vainzikher Boris Feliksovich	Moscow	Member of the Board of Directors (Supervisory Board) of the Company	25.06.2009	-	-
2	Gavrilenko Anatoly Anatolyevich	Moscow	Member of the Board of Directors (Supervisory Board) of the Company	27.06.2008	-	-
3	Golenishchev Igor Anatolyevich	Moscow	Member of the Board of Directors (Supervisory Board) of the Company	25.06.2009	-	-
4	Neveynitsyn Stanislav Vitalyevich	Moscow	1. Member of the Board of Directors (Supervisory Board) of the Company 2. Member of the Collegial Executive Body of the Company 3. Individual Executive Body of the Company	27.06.2008 12.02.2008 31.05.2008	-	-
5	Mityushov Aleksey Aleksandrovich	Moscow	Member of the Board of Directors (Supervisory Board) of the Company Individual Executive Body of the Company belonging to the Group of entities of the OJSC «OGK-2»	27.06.2008 11.06.2008	-	-
6	Opadchiy Fyodor Yurievich	Moscow	Member of the Board of Directors (Supervisory Board) of the Company	27.06.2008	-	-
7	Fyodorov Denis Vladimirovich	Moscow	Member of the Board of Directors (Supervisory Board) of the Company	27.06.2008	-	-

№	Full name of the company (name for a non-profit organization) or name of the affiliated person	Location of the legal entity or place of residence of an individual person (given only upon agreement with the individual person)	Justification(s) for the entity to be recognized as affiliate	Date of this recognition(s)	The affiliate's ownership interest in the authorized capital of the JSC, %	The affiliate's ordinary shares of the JSC, %
-1-	-2-	-3-	-4-	-5-	-6-	-7-
8	Khodursky Mikhail Leonidovich	Moscow	Member of the Board of Directors (Supervisory Board) of the Company	27.06.2008	-	-
9	Shavaleev Damir Akhatovich	Moscow	Member of the Board of Directors (Supervisory Board) of the Company	25.06.2009	-	-
10	Shatsky Pavel Olegovich	Moscow	Member of the Board of Directors (Supervisory Board) of the Company	25.06.2009	-	-
11	Kulikov Denis Viktorovich	Moscow	Member of the Board of Directors (Supervisory Board) of the Company	27.06.2008	-	-
12	Vaitulenis Natalya Vasilyevna	Moscow	Member of the Collegial Executive Body of the Company	30.07.2008	-	-
13	Merabishvili Teymuraz Petrovich	Moscow	Member of the Collegial Executive Body of the Company	30.07.2008	-	-
14	Svistunov Viktor Viktorovich	Moscow	Member of the Collegial Executive Body of the Company	30.07.2008	-	-

15	Tarasenkov Aleksandr Anatolyevich	Moscow	Member of the Collegial Executive Body of the Company	30.07.2008	-	-
16	Sabetsky Roman Nikolaevich	Moscow	Member of the Collegial Executive Body of the Company	10.10.2008	-	-
17	OJSC "Chaika"	31 A Parkovaya str., village of Solnechnodolsk, Izobilnensky region, Stavropol territory 356128 Russia	The Company is entitled to dispose of more than 50 percent of the total number of votes of voting shares or of the authorized capital of this legal entity	29.09.2006	-	-
18	Ustyuzhanin Vitaliy Aleksandrovich	village of Solnechnodolsk, Izobilnensky region, Stavropol territory	Individual Executive Body of the JSC belonging to the Group of entities of the OJSC "OGK-2"	21.03.2009	-	-
19	LLC "OGK-2 Finans"	31 A Parkovaya str., village of Solnechnodolsk, Izobilnensky region, Stavropol territory 356128 Russia	The Company is entitled to indirectly dispose of more than 50 percent of the authorized capital of this legal entity	09.03.2007	-	-
20	Orlov Eduard Yurievich	village of Solnechnodolsk, Izobilnensky region, Stavropol territory	Individual Executive Body of the JSC belonging to the Group of entities of the OJSC "OGK-2"	09.03.2007	-	-
21	OJSC "Tsentrenergoholding"	Prosp Vernadskogo 101 bld 3 Moscow 119526 Russia	The OJSC is entitled to dispose of more than 20 percent of voting shares of the Company The entity belongs to the same group of entities as the Company	01.07.2008	49,69 %	49,69 %
22	OJSC "OGK-6"	Mytnaya str, 21 Moscow 115162 Russia	The entity belongs to the same group of entities as the Company	25.06.2009	-	-
23	LLC "Gazprom energoholding"	Nemetkina str, 16 Moscow 117997 Russia	The entity belongs to the same group of entities as the Company	07.04.2009	-	-

Appendix 3.

List of transactions effected by the Company in 2009

N	Date of resolution made by the executive party of the OJSC "OGK-2", details of Minutes	Parties and subjects of transaction	Price of transaction, RUR. (or order of price determination)
Transactions acknowledged as major transactions in accordance with the federal law "On Joint Stock Companies"			
1.	-		
Transactions acknowledged as being of interest to a party in accordance with the federal law "On Joint Stock Companies"			
1.	Board of Directors of the OJSC "OGK-2" of 03.04.2009 (Minutes No. 10 of 08.04.2009)	Parties: the OJSC "OGK-2" (Depositor), "the CJSC "Gazenergoprombank"" (Bank) Subject of transaction: The Depositor makes a fixed-term deposit with the Bank in the amount of 300 000 000 (three hundred million) rubles (hereinafter, the Deposit) for the term of 732 days from the moment of the receipt of full amount on the Depositor's account opened by the Bank. The Bank takes the obligation to return the Deposit to the Depositor and pay interest on the Deposit in the amount of 12.25% per annum.	-
2.	Board of Directors of the OJSC "OGK-2" of 03.04.2009 29.05.2009 (Minutes No. 12 of 03.06.2009)	Parties: Client: the OJSC "OGK-2", Contractor: the LLC "Gazprom energoholding" Subject of transaction: The Client requests and the Contractor undertakes performing and providing services on the efficiency improvement of the management system and expenses reduction for the Client's company, including organization of complex measures on the efficiency improvement of the management system and standardization of internal corporate documents in order to optimize business processes and reduce the Client's expenses.	RUR 44 700 000, incl. VAT 18% of RUR 6 818 644
3.	General meeting of shareholders of the OJSC "OGK-2" of 25.06.2010 (Minutes No. 2 of 26.06.2010)	Parties: the OJSC "OGK-2" (Seller), the OJSC "Tyumenskaya energosbytovaya kompaniya" (Buyer). Subject of transaction: Transactions that can be executed by the OJSC "OGK-2" in future realization of its normal course of business on purchase and sale of electricity and capacity (stock exchange non-regulated electricity and capacity contracts).	incl. VAT: RUR 16 076 403 072,00 (incl. VAT)
4.	General meeting of shareholders of the OJSC "OGK-2" of 25.06.2010 (Minutes No. 2 of 26.06.2010)	Parties: the OJSC "OGK-2" (Seller), the OJSC "Tyumenskaya energosbytovaya kompaniya" (Buyer). Subject of transaction: Transactions that can be executed by the OJSC "OGK-2" in future realization of its normal course of business on purchase and sale of electricity and capacity (non-exchange non-regulated electricity and capacity contracts).	incl. VAT: RUR 21 137 045 472,00 (incl. VAT)

5.	Board of Directors of the OJSC "OGK-2" of 03.04.2009 21.08.2009 (Minutes No. 2 of 24.08.2009)	<p>Parties: the OJSC "OGK-2" (Depositor), "the CJSC "Gazenergoprombank"" (Bank)</p> <p>Subject of transaction:</p> <p>The Depositor makes a fixed-term deposit with the Bank in the amount of 650 000 000 (six hundred and fifty million) rubles (hereinafter, the Deposit) for the term of 366 days from the moment of the receipt of full amount on the Depositor's account opened by the Bank. The Bank takes the obligation to return the Deposit to the Depositor and pay interest on the Deposit in the amount of 11,00% per annum.</p> <p>The agreement stipulates the right of acceleration of the Deposit on the following conditions:</p> <ul style="list-style-type: none"> - less than 90 days – interest to the Deposit amount shall be calculated as to the rate of 0,1 % per annum; - from 91 to 366 days – interest to the Deposit amount shall be calculated as to the rate of 11,0 % per annum. 	-
6.	Board of Directors of the OJSC "OGK-2" of 21.08.2009 (Minutes No. 2 of 24.08.2009)	<p>Parties: the OJSC "OGK-2" (Depositor), "the CJSC "Gazenergoprombank"" (Bank)</p> <p>Subject of transaction:</p> <p>The Bank undertakes obligation to provide and install for the Depositor the software system "GEPB-Trade" that allows to place available free cash assets on the Bank's deposits as well as to execute electronic documents received from the Depositor via the "GEPB-Trade" system.</p> <p>The software system "GEPB-Trade" shall be given to the Depositor for an indefinite period.</p>	-
7.	Board of Directors of the OJSC "OGK-2" of 05.10.2009 (Minutes No. 4 of 08.10.2009)	<p>Parties of the contract: Tenant: the OJSC "OGK-2"; Sub-Tenant: the OOO "Gazprom energoholding".</p> <p>Subject of transaction:</p> <p>The Tenant lends to the Sub-Tenant non-residential premises located at: Moscow, pr. Vernadskogo, 101, bld 3, 9th floor, room № 3, № 12.</p>	RUR 803 095,80, incl. VAT 18 % - RUR 122 506, 13
8.	Board of Directors of the OJSC "OGK-2" of 05.10.2009 (Minutes No. 4 of 08.10.2009)	<p>Parties of the contract: Seller: the OJSC "OGK-6", Buyer: the OJSC "OGK-2".</p> <p>Subject of transaction:</p> <p>The Seller undertakes to sell and the Buyer undertakes buying of rotating blades of the 2nd stage of the low-pressure cylinder for turbine K-300-240 in the amount of 151 units and to pay for them.</p>	RUR 1 867 326,40 incl. VAT
9.	Board of Directors of the OJSC "OGK-2" of 23.11.2009 (Minutes No. 6 of 26.11.2009)	<p>Parties: the OJSC "OGK-2" (Depositor), "the CJSC "Gazenergoprombank"" (Bank)</p> <p>Subject of transaction:</p> <p>The Depositor makes a fixed-term deposit with the Bank in the amount of 600 000 000 (six hundred million) rubles (hereinafter, the Deposit) for the term of 364 (three hundred and sixty four) days from the moment of the receipt of full amount on the Depositor's account opened by the Bank. The Bank takes the obligation to return the Deposit to the Depositor and pay interest on the Deposit in the amount of 10,75 % per annum.</p> <p>The agreement stipulates the right of acceleration of the Deposit on the following conditions:</p> <ul style="list-style-type: none"> - less than 90 days – interest to the Deposit amount shall be calculated as to the demand rate; - from 91 to 363 days – interest to the Deposit amount shall be calculated as to the rate of 10,5 % per annum. 	-
10.	Board of Directors of the OJSC "OGK-2" of 23.11.2009 (Minutes No. 7 of 26.11.2009)	<p>Parties of the contract: Client: "Ogk-2", Bank: the OJSC "Gazenergoprombank".</p> <p>Subject of transaction:</p> <p>The Bank offers the Client safe deposit boxes for temporary use to keep securities (promissory notes etc), bank guarantees etc</p>	The price of the services makes up an amount in rubles that is calculated in accordance with the approved tariffs of the Bank for temporary use of safe deposit boxes and does not exceed 2 (two) % of balance sheet assets of the Company

N	Date of resolution made by the executive party of the OJSC "OGK-2", details of Minutes	Parties and subjects of transaction	Price of transaction, RUR. (or order of price determination)
11.	Board of Directors of the OJSC "OGK-2" of 23.11.2009 (Minutes No. 7 of 26.11.2009)	<p>Parties of the contract: Client: the LLC "Gazprom energoholding", Contractor: the OJSC "OGK-2".</p> <p>Subject of transaction:</p> <p>Upon the Client's assignment the Contractor undertakes providing complex services for supervising the stages of design, construction and operation of Energy production and technology complex – the Adler thermal power station with the installed electric power of not less than 360 MW, heating capacity of not less than 227 Gcal/h. The Client undertakes payment for the services provided by the Contractor in order and term stipulated by the Contract.</p>	<p>The total price of services makes up:</p> <p>a) RUR 7 901 730,30, incl. VAT of RUR 1 205 348,70 for the service period 01.11.2009 – 31.12.2010,</p> <p>b) amount in rubles that shall not exceed 2 (two) % of balance sheet assets of the Company.</p>
12.	Board of Directors of the OJSC "OGK-2" of 24.12.2009 (Minutes No. 7 of 26.12.2009)	<p>Parties of the contract: Borrower: the OJSC "OGK-2", Bank: the OJSC "Gazenergo-prombank".</p> <p>Subject of transaction:</p> <p>During the Contract's validity the Bank and the Borrower intend to conclude one or several separate loan agreements within the lending limit set in the amount of 900 000 000 (nine hundred million) rubles with the maximum lending interest rate of 14,5% per annum.</p> <p>This is a frame contract.</p>	-
13.	Board of Directors of the OJSC "OGK-2" of 24.12.2009 (Minutes No. 7 of 30.12.2009)	<p>Parties of the contract: Seller: the OJSC "Mosenergo", Buyer: the OJSC "OGK-2".</p> <p>Subject of transaction:</p> <p>The Seller undertakes selling and the Buyer undertakes to buying a tractor with bulldozing and ripping equipment TM – 25.01 JBR – 1 and paying for it.</p>	<p>RUR 1 888 000,00 py6., incl.</p> <p>VAT – RUR 288 000</p>
14.	Board of Directors of the OJSC "OGK-2" of 24.12.2009 (Minutes No. 7 of 30.12.2009)	<p>Parties of the contract: Client: the OJSC "OGK-2", Contractor: the LLC "Gazprom energoholding".</p> <p>Subject of transaction:</p> <p>The Client requests and the Contractor undertakes doing additional work and providing additional services on the efficiency improvement of the management system and expenses reduction for the Client's company, including organization of complex measures on the efficiency improvement of the management system and standardization of internal corporate documents in order to optimize business processes and reduce the Client's expenses.</p>	<p>Cost of additional work and services stipulated by additional agreement No. 1 to Contract No. 12-07/09 of 08.07.09 concluded between the OJSC "OGK-2" and the LLC "Gazprom energoholding" makes up RUR 75 654 440,00 including VAT – 18% – RUR 11 540 507,80</p>

Appendix 4.

Annual financial statement and Audit report

AUDITOR'S REPORT ON THE ACCOUNTING STATEMENTS

To the shareholders of The Second Generation Company of Wholesale Power Market, Open Joint Stock Company:

THE AUDITOR

“BDO”, Closed Joint Stock Company

Certificate of state registration of joint stock company issued by the Inspectorate № 26 of the Ministry of Taxation of the Russian Federation for Moscow Southern administrative district.

Certificate of making an entry to the Uniform State Register of Legal Entities 77 No. 006870804 dated January 29, 2003 for the main state registration No.1037739271701.

Certificate of making an entry to the Uniform State Register of Legal Entities 77 No. 013340465 dated January 20, 2010 for the main state registration No.1037739271701.

Post address: 117587, section 11, bld. 1, Varshavskoe shosse 125, Moscow, Russian Federation

Tel.: (495) 797 5665

Fax: (495) 797 5660

E-mail: reception@bdo.ru

Web: www.bdo.ru

General Director – Andrey Y. Dubinskiy

CJSC “BDO” - independent national audit company, which is the part of the international BDO net.

CJSC “BDO” is a member of the Professional Auditors Union Non-profit Partnership “Audit Chamber of Russia” (the main registration number in the State Register of Auditors and Audit organization No 10201018307). Non-profit Partnership “Audit Chamber of Russia” was included in State Register of Self-regulatory organization under No 1 according to the Order of Ministry of Finance No 455 from October 01, 2009.

Andrey B. Balaykin is empowered to sign the Audit report.

Galina A. Kolbeneva is the Head of the Audit Inspection of the Company.

THE AUDITED ENTITY:

1. The Second Generation Company of Wholesale Power Market, Open Joint Stock Company (abbreviated name OGC-2 OAO). Certificate of state registration of a legal entity No. 1052600002180 issued by the Inspectorate of the Federal Tax Service for Izobilnensky region, Stavropol territory on March 9, 2005.

Legal address: village of Solnechnodolsk, Izobilnensky region, Stavropol territory, 356128 Russian Federation

We have audited the accounting statements for the year 2009 of The Second Generation Company of

Wholesale Power Market, Open Joint Stock Company

The accounting statements have been prepared by the management of the Company based on the laws of the Russian Federation regarding preparation of accounting statements.

The liability for organization of preparation and presentation of the accounting statements is vested in the executive body of the Company – Stanislav V. Neveynitsyn.

The liability for preparation and presentation of the accounting statements is vested in the Chief Accountant – Larisa V. Klisch.

The accounting statements for the period from January 1, 2008 till December 31, 2008 was audited by PwC Audit ZAO with the strictly positive opinion on this accounting statement.

Our responsibility is to express our opinion on the truthfulness of the financial statements based on our audit.

The target of our inspection was not expression of the opinion on the material respects and compliance of the accounting procedure with the laws of the Russian Federation.

2. We have conducted the audit in accordance with the Federal Law № 307-FL as of 30.12.2008 On Audit Activity, the Federal Rules (Standards) of the audit activity and our internal standards.

We have conducted the audit in accordance with Internal standards of the Professional Auditors Union Non-profit Partnership “Audit Chamber of Russia”.

We have planned our audit so that to obtain reasonable assurance that the accounting statements are free from any material misstatements.

The audit was carried out on a sampling basis and included test-based study of evidences confirming values and disclosures on accounting and business operations, assessment of the accounting principles and methods applied in the course of preparation of the accounting statements, considering the key estimation indicators received by the management of Company and evaluation of presentation of the accounting statements. We believe that the performed audit gives sufficient grounds for expressing our opinion on the truthfulness of the accounting statements.

3. In our opinion the attached accounting statements of Company fairly reflect in all material respects the financial standing of the Company as of December 31, 2009 and the results of its financial and economic activity for the period from January 1, 2009 through December 31, 2009 in accordance with the requirements of the laws of the Russian Federation related to preparation of accounting statements.

February 26, 2010

Partner

(signed)

A.B. Balaykin

Auditor

(signed)

G.A. Kolbeneva

Qualification certificate in the sphere of general audit No. K009018 (unlimited)

Form №1

BALANCE SHEET

as of the 31st of December 2009

Entity: The Second Generation Company of Wholesale Power Market, OpenJoint Stock Company

Taxpayer's identification number

Type of business: electricity production by heat power plants

Legal form / form of ownership

Open joint stock company/private propertyUnit of measure: thousand rubles / ~~million rubles~~ (to cross out irrelevant)Location (address): village of Solnechnodolsk, Izobilnensky region, Stavropol territory, 356128 RussiaPostal address: 101 prospekt Vernadskogo bld.3, Moscow, 119526, Russia

Form №1 according to OKUD

Date (year, month, day)

according to OKPO

INN

according to OKVED

according to OKOPF/OKFS

according to OKEI

Codes
0710001
2009/12/31
76851389
2607018122
40.10.11
47 / 16
384 / 385

Approved on

Sent (received) on

ASSETS	Code	Opening balance	Closing balance
1	2	3	4
I. NON-CURRENT ASSETS			
Capital assets	120	9 403 113	9 006 396
including:			
steading and nature facilities	121	18 033	18 033
buildings, constructions, machinery and equipment	122	9 302 105	8 916 864
Construction in progress	130	1 256 419	1 853 884
Income yielding investments into tangible assets	135	6 561	6 494
Long-term financial investments	140	2 236 856	2 548 508
including:			
investments into subsidiaries	141	6 650	6 650
investments into affiliates	142	-	-
investments into other entities	143	27 182	51 334
loans given to organizations and due after 12 months	144	12 500	-
Deferred tax assets	145	155 739	103 160
Other non-current assets	150	1 426 467	1 383 379
including:			
input value added tax	151	8 886	8 886
T o t a l for section I	190	14 485 155	14 901 821

ASSETS	Line code	Opening balance	Closing balance
1	2	3	4
II. CURRENT ASSETS			
Inventory	210	2 727 084	2 443 608
including:			
raw stock, materials and other similar values	211	2 647 777	2 402 341
final goods and goods for sale	214	8	-
unexpired costs	216	79 299	41 267
VAT on acquired inventories	220	53 816	118 753
Accounts receivable (due after 12 months after the balance sheet date)	230	20 247 052	17 452 822
including:			
buyers and customers	231	192 935	122 035
advances made	234	19 851 547	17 252 061
sundry debtors	235	202 570	78 726
Accounts receivable (due within 12 months after the balance sheet date)	240	4 833 332	9 082 052
including:			
buyers and customers	241	1 559 800	3 382 396
advances made	245	2 087 671	5 338 025
sundry debtors	246	1 185 861	361 631
Short-term financial investments	250	1 869 827	3 405 394
including:			
loans given to organizations and due within 12 months	251	3 454	15 376
Money funds	260	1 361 401	1 540 660
including:			
current accounts	262	1 361 287	1 540 648
foreign currency accounts	263	114	12
other money funds	264	-	-
Other current assets	270	-	10 064
T o t a l f o r s e c t i o n I I	290	31 092 512	34 053 353
B A L A N C E	300	45 577 667	48 955 174

LIABILITIES	Line code	Opening balance	Closing balance
1	2	3	4
III. CAPITAL AND RESERVES			
Authorized capital	410	11 872 828	11 872 828
Treasury stock	411	-	-
Additional capital	420	24 785 095	24 785 027
Reserve capital	430	177 372	177 372
including:			
reserves formed in accordance with the laws	431	177 372	177 372
Retained profit (uncovered loss)	470	(3 564 168)	(1 855 708)
T o t a l for section III	490	33 271 127	34 979 519
IV. LONG-TERM LIABILITIES			
Loans and credits	510	5 191 950	-
including:			
credits of banks due after 12 months after the balance sheet date	511	-	-
loans due after 12 months after the balance sheet date	512	5 191 950	-
Deferred tax liabilities	515	599 760	476 752
Other long-term liabilities	520	-	7 663
T o t a l for section IV	590	5 791 710	484 415
V. SHORT-TERM LIABILITIES			
Loans and credits	610	2 503 553	9 606 657
including:			
credits of banks due within 12 months after the balance sheet date	611	2 503 553	4 605 602
loans due within 12 months after the balance sheet date	612	-	-
current part of long-term loans and credits	613	-	5 001 055
Accounts payable	620	4 004 859	3 878 557
including:			
suppliers and contractors	621	3 035 324	2 622 575
Accrued payroll	622	124 526	125 104
Debts to governmental off-budget funds	623	26 941	34 547
Arrears in taxes and levies	624	421 822	631 930
other creditors	625	396 246	464 401
including:			
bills payable	626	97 384	-
advances received	627	16 764	18 891
other creditors	628	282 098	445 510
Debts to the members (founders) related to payment of income	630	150	-
Deferred income	640	6 268	6 026
T o t a l for section V	690	6 514 830	13 491 240
BALANCE	700	45 577 667	48 955 174
		-	-

INFORMATION ON INVENTORY REGISTERED IN OFF-BALANCE ACCOUNTS

Indicator	Line code	Opening balance	Closing balance
1	2	3	4
Fixed assets rented	910	3 586 915	4 347 493
including on lease	911	190 663	83 613
Inventory items taken for safekeeping	920	183 970	237 169
Written-off liability of insolvent debtors	940	1 231 212	785 082
Received securities for liabilities and payments	950	9 811 853	10 450 869
Issued securities for liabilities and payments	960	3 672 524	3 803 662
Deterioration of housing stock	970	539	513
Intangible assets received for use	990	-	285

Form №2

PROFIT AND LOSS STATEMENT

for 2009
 Entity: The Second Generation Company of Wholesale Power Market, Open Joint Stock Company
 Taxpayer's identification number _____ according to OKPO
 Type of business: *electricity production by heat power plants* _____ according to OKVED
 Legal form / form of ownership _____
Open joint stock company/private property _____ according to OKOPF/OKFS
 Unit of measure: thousand rubles / ~~million rubles~~ (to cross out irrelevant) _____ according to OKEI

Form №2 according to OKUD
 Date (year, month, day)

Codes
0710002
2009/12/31
76851389
2607018122
40.10.11
47 / 16
384 / 385

Indicator		For the reporting period	For the similar period
description	Code	period	of the previous year
1	2	3	4
Income and expenses under ordinary types of activity			
Receipts (net) from sales of goods, products, works, services (less value-added tax, excises and similar obligatory payments)	010	40 712 364	40 533 301
including from sale of:			
electric energy and power	011	39 881 726	39 809 889
other products, goods, works, services	012	830 638	723 412
Net cost of sold goods, products, works, services	020	(36 975 595)	(39 738 873)
including from sale of:			
electric energy and power	021	(36 207 821)	(38 984 722)
other products, goods, works, services	022	(767 774)	(754 151)
Gross profit (loss)	029	3 736 769	794 428
Profit (loss) from sales	050	3 736 769	794 428
Other income and expenses			
Interest receivable	060	321 983	545 504
Interest payable	070	(829 899)	(627 588)
Other income	105	1 694 978	1 107 013
Other expenses	110	(2 571 345)	(2 962 674)
Pre-tax profit (loss)	140	2 352 486	(1 143 317)
Deferred tax assets	141	(54 360)	102 724
Deferred tax liabilities	142	144 400	(600 560)
Current profit tax	150	(652 244)	(187 014)
Income tax of the previous periods	153	(60 565)	464 524
Other expenses from profit	156	(21 325)	(1 254)
Net profit (loss) for the reporting period	190	1 708 392	(1 364 897)
FOR REFERENCE			
Recurrent tax obligations (assets)	200	152 272	494 722
Base profit (loss) per share, roubles	201	0,0522	(0,0417)

BREAKDOWN OF SPECIFIC PROFITS AND LOSSES

Indicator description	Code	Opening balance		Similar period of the previous year	
		profit	loss	profit	loss
1	2	3	4	5	6
Fines, penalties and default interest acknowledged or upon which court (arbitration court) decisions were obtained with regard to their collection	210	97 697	11 317	10 463	9 651
Profit (loss) of previous years	220	3 765	39 085	37 826	134 369
Compensation for losses caused by default or undue performance of obligations	230	44	-	339	-
Exchange rate differences in foreign currency operations	240	2 908	10 752	33 361	2 279
Allocations to valuation reserves	250	X	1 178 999	X	140 951
Writing off receivables and payables with expired period of limitation	260	243	15 735	2 495	1 886
Recovery of valuation reserves	270	699 786	X	73 672	X

Form №3

STATEMENT OF CHANGES IN THE CAPITAL

		Form №3 according to OKUD	Codes
for 2009		Date (year, month, day)	0710003
Entity: The Second Generation Company of Wholesale Power Market, Open Joint Stock Company		according to OKPO	2009/12/31
Taxpayer's identification number		according to OKVED	76851389
Type of business: <i>electricity production by heat power plants</i>		INN	2607018122
Legal form / form of ownership		according to OKPF/OKFS	40.10.11
<i>Open joint stock company/private property</i>		according to OKOEI	47 / 16
Unit of measure: thousand rubles / million rubles (to cross out irrelevant)			384/385

I. Changes in the capital

Indicator		Authorized capital	Additional capital	Reserve capital	Undistributed profit (uncovered loss)	Total
description	Code					
1	2	3	4	5	6	7
Balance as of 31 December of the year preceding the previous year <i>2008</i> <i>previous year</i>	70	11 872 231	24 785 153	177 372	(2 339 097)	34 495 659
Balance as of 1 January of the previous year	80	11 872 231	24 785 153	177 372	(2 339 097)	34 495 659
Net profit	82	x	x	x	(1 364 897)	(1 364 897)
Dividends	83	x	x	x	-	-
Allocations to the reserve fund	84	x	x	-	-	-
Increase of the amount of the capital at the expense of:	85	597	-	-	51 023	51 620
additional share issue	86	-	x	x	x	-
restructuring of the legal entity	88	597	x	x	50 965	51 562
other	89	-	-	-	58	58
Reducing of the amount of the capital at the expense of:	90	-	(58)	-	-	(58)
other	94	-	(58)	-	-	(58)
Balance as of 31 December of the previous year	95	11 872 828	24 785 095	177 372	(3 652 971)	33 182 324
<i>2009</i> <i>current year</i>						
Accounting change	96	x	x	x	88 803	88 803
Balance as of 1 January of the reporting year	100	11 872 828	24 785 095	177 372	(3 564 168)	33 271 127
Net profit	102	x	x	x	1 708 392	1 708 392
Dividends	103	x	x	x	-	-
Allocations to the reserve fund	110	x	x	-	-	-
Increase of the amount of the capital at the expense of:	120	-	-	-	68	68
additional share issue	121	-	x	x	x	-
restructuring of the legal entity	123	-	x	x	-	-
other	125	-	-	-	68	68
Reducing of the amount of the capital at the expense of:	130	-	(68)	-	-	(68)
other	135	-	(68)	-	-	(68)
Balance as of 31 December of the reporting year	140	11 872 828	24 785 027	177 372	(1 855 708)	34 979 519

II. Reserves

Indicator		Balance profit	Received loss	Used profit	Balance loss
description	Code				
1	2	3	4	5	6
Reserves formed in accordance with the laws					
Reserve capital	151				
Data of the previous year	152	177 372	-	-	177 372
Data of the reporting year	153	177 372	-	-	177 372
Valuation reserves					
Reserve for doubtful debts	163				
Data of the previous year	164	168 425	67 279	-	235 704
Data of the reporting year	165	235 704	479 213	(15 092)	699 825
Reserve for decrease in cost of wealth	169				
Data of the previous year	170	-	-	-	-
Data of the reporting year	171	-	-	-	-

REFERENCES

Indicator		Opening balance	Closing balance
description	Code		
1	2	3	4
Net assets	200	33 277 395	34 985 545

Form №4

CASH FLOW STATEMENT

for 2009
Entity: The Second Generation Company of Wholesale Power Market, Open Joint Stock Company
Taxpayer's identification number
Type of business: *electricity production by heat power plants*
Legal form / form of ownership
Open joint stock company/private property
Unit of measure: thousand rubles / ~~million rubles~~ (to cross out irrelevant)

Form №4 according to OKUD
Date (year, month, day)

Codes
0710004
2009/12/31
76851389
2607018122
40.10.11
47 / 16
384 / 385

Indicator description	Code	For the reporting period	For the similar period of the previous year
1	2	3	4
Cash balance at the beginning of the year	100	1 361 406	1 586 114
Cash flow from operating activity			
Total cash received	110	46 365 092	48 503 814
income from sales of goods, products, works and services	111	45 672 711	46 795 656
income from sales of other property	112	74 857	766 674
including from sales of foreign currency	113	4 727	698 277
advances received from customers (clients)	114	10 548	16 632
other income	117	606 976	924 852
Money appropriated for (total):	120	(45 256 498)	(49 389 856)
payment for purchased goods, works, services, raw materials and other current assets	150	(37 807 387)	(39 895 777)
remuneration of labour	160	(1 905 831)	(1 905 735)
payment of dividends, interest	170	(70)	(2)
payment for taxes and duties	180	(2 714 092)	(2 657 860)
payment for customs taxes	183	(6 340)	(2 615)
payments to state non-budgetary funds	190	(340 437)	(348 993)
payments for advances	191	(878 944)	(1 465 481)
other payments	192	(1 603 397)	(3 113 393)
including sales of foreign currency	193	(4 464)	(806 494)
Net money funds from operating activities	199	1 108 594	(886 042)
Cash flow from investment activities			
Cash received (total):	200	2 160 402	22 777 988
Income from sales of fixed assets and other non-current assets	210	2 353	1 545
Income from sales of securities and other financial investments	220	-	11 500
Dividends received	230	-	-
Interest received	240	291 638	600 393
Redemption of securities and other financial investments	257	1 866 373	22 164 550
Other income	260	38	-
Allocated cash (total)	270	(5 167 510)	(22 752 354)
Acquisition of fixed assets, profitable investments in tangible values and intangible assets	290	(109 662)	(137 145)
Purchase of securities and other financial investments	300	(3 500 000)	(1 900 000)
Loans granted to other entities	310	-	(660)
Allocated for payments for capital development	325	(1 557 848)	(20 714 549)
Net cash flow from investment activities	340	(3 007 108)	25 634
Cash flow from financial activities			
Cash received (total):	350	7 250 000	9 562 950
Income from issue of shares and other equity securities	351	-	2 260 950
Income from loans and credits granted by other entities	352	7 250 000	7 302 000
Allocated cash (total)	360	(5 172 232)	(8 927 255)
Repayment of loans and credits (less interest)	361	(5 150 000)	(8 786 968)
Repayment of finance lease liability	362	(22 232)	(92 296)
Other payments, transfers	364	-	(47 991)
Net cash from financing activities	370	2 077 768	635 695
Net increase (reduction) of cash and cash equivalent	380	179 254	(224 713)
Cash balance at the end of the reporting period	400	1 540 660	1 361 401
Amount of impact of foreign currency to rouble exchange rate	401	5	9 282

Form №5

APPENDIX TO THE BALANCE SHEET

for 2009
 Entity: The Second Generation Company of Wholesale Power Market, Open Joint Stock Company
 Taxpayer's identification number _____
 Type of business: electricity production by heat power plants
 Legal form / form of ownership _____
Open joint stock company/private property
 Unit of measure: thousand rubles / million rubles (to cross out irrelevant)

Form №5 according to OKUD
 Date (year, month, day) _____
 according to OKPO _____
 according to OKVED _____
 according to OKOPF/OKFS _____
 according to OKEI _____

Codes
0710005
2009/12/31
76851389
INN 2607018122
40.10.11
47 / 16
384/385

FIXED ASSETS

Indicator description	Code	As of the beginning of the reporting period	Received	Withdrawn	As of the end of the reporting period
1	2	3	4	5	6
Buildings	060	4 891 859	71 811	(85 039)	4 878 631
Construction and transfer facilities	061	2 131 693	11 517	-	2 143 210
Machinery and equipment	062	3 758 713	285 883	(24 560)	4 020 036
Transport vehicles	063	77 213	2 196	(46)	79 363
Production and organizational stock	064	36 799	2 266	(659)	38 406
Perennial planting	067	1 086	-	-	1 086
Other types of fixed assets	068	2 720	-	(107)	2 613
Land plots and environmental facilities	069	18 033	-	-	18 033
Total	071	10 918 116	373 673	(110 411)	11 181 378
Construction objects not included into the fixed assets	080	74 426	5 258	(802)	78 882

Indicator description	Code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	3	4
Depreciation of fixed assets (total)	140	1 515 003	2 174 982
including:			
Buildings and constructions	141	508 957	711 704
Machinery and equipment, transport vehicles	142	988 016	1 438 653
other	143	18 030	24 625
Leased out fixed assets (total)	150	118 875	82 765
including:			
Buildings	151	103 178	67 339
Constructions	152	7 121	3 974
Machinery and equipment	153	4 121	10 727
Other	154	4 455	725
Laid-up non-current assets	160	2 058	2 058
Non-current assets received for lease - total	161	-	-
including:			
Buildings and constructions		330 124	1 554 962
Machinery, equipment, transport vehicles		190 663	87 838
Other		3 066 128	2 704 693
Real estate objects accepted for operation but still in process of state registration	162	-	-

FOR REFERENCE

Indicator description	Code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	3	4
Non-current assets that cannot be repaid	174	127 609	397 575
Change in the cost of non-current assets due to completion, further equipping, reconstruction, partial dismantlement	180	620 633	281 009

INCOME-BEARING INVESTMENTS IN TANGIBLE ASSETS

Indicator description	Code	As of the beginning of the reporting period	Received	Withdrawn	As of the end of the reporting period
1	2	3	4	5	6
Other	192	6 716	-	-	6 716
Total	193	6 716	-	-	6 716

Indicator description	Code	As of the beginning of the reporting period	As of the end of the reporting period
1	2	3	4
Amortization of income-bearing investments in tangible assets	200	155	222

EXPENSES FOR RESEARCH AND DEVELOPMENT

Indicator description	Code	Availability at the beginning of the reporting	Received	Written-off	Availability at the end of the reporting
1	2	3	4	5	6
Total	310	-	500	(375)	125
including: Diagnostics of the technical condition of the air-gas channel of HPC and MPC	311	-	500	(375)	125

FOR REFERENCE

Indicator description	Code	As of the beginning of the reporting year	As of the end of the reporting period
1	2	3	4
Total expenses for not completed research and development	320	700	200

Indicator description	Code	For the reporting period	For the similar period
1	2	3	4
Total expenses for completed research and development that did not show positive results	321	-	1 500

FINANCIAL INVESTMENTS

Indicator		Long-term		Short-term	
description	Code	As of the beginning of the reporting year	As of the end of the reporting period	As of the beginning of the reporting year	As of the end of the reporting period
1	2	3	4	5	6
Investments into charter (share) capitals of other entities - total	510	33 832	57 984	-	-
including:					
subsidiaries and affiliates	511	6 650	6 650	-	-
Securities of other entities - total	520	2 190 524	2 190 524	13 373	190 018
including:					
debt securities (bonds, bills)	521	2 190 524	2 190 524	13 373	190 018
Loans granted	525	12 500	-	3 454	15 376
Deposits	530	-	300 000	1 853 000	3 200 000
Total	540	2 236 856	2 548 508	1 869 827	3 405 394
Of the total amount, financial investments of fair market value:					
Investments into charter (share) capitals of other entities - total	550	27 182	51 334	-	-
including:					
subsidiaries and affiliates	551	-	-	-	-
FOR REFERENCE					
For financial investments of fair market value, change in the value due to adjustment	580	(61 982)	24 152	-	-

RECEIVABLES AND PAYABLES

Indicator		Balance for the beginning	Balance for the end of
description	Code	of the reporting year	the reporting year
1	2	3	4
Receivables:			
short-term - total	600	5 053 392	9 774 055
including:			
settlements with purchases and clients	601	1 770 588	4 033 648
advances made	603	2 087 671	5 338 025
other	604	1 195 133	402 382
long-term - total	610	20 262 696	17 460 644
including:			
settlements with purchases and clients	611	206 823	128 979
advances made	613	19 851 547	17 252 061
other	614	204 326	79 604
Total	620	25 316 088	27 234 699
Payables:			
short-term - total	630	6 508 412	13 485 214
including:			
settlements with suppliers and contractors	631	3 035 324	2 622 575
advances received	632	16 764	18 891
settlements in respect of taxes and levies	633	448 763	666 477
bills payable	634	97 384	-
credits	635	2 503 553	4 605 602
loans	636	-	5 001 055
other	637	406 624	570 614
long-term - total	640	5 191 950	7 663
including:			
credits	641	-	-
loans	642	5 191 950	-
other	643	-	7 663
Total	650	11 700 362	13 492 877

GENERAL EXPENSES

Indicator description 1	Code 2	For the reporting year 3	For the previous year 4
Tangible costs	710	31 927 763	34 192 560
Labour costs	720	2 142 854	2 188 709
Allocations for social needs	730	377 203	376 772
Amortization	740	690 243	724 845
Other costs	750	1 837 532	2 255 987
Total for costs elements	760	36 975 595	39 738 873
Change in the balance (growth [+], decline [-]): of deferred expenses	766	(81 245)	52 074

COLLATERAL

Indicator description 1	Code 2	Balance for the beginning of the reporting year 3	Balance for the end of the reporting year 4
Received	810	9 811 853	10 450 869
Made	830	3 672 524	3 803 662
Collateral	840	1 000 000	1 000 000
out of which: securities and other financial investments	842	1 000 000	1 000 000

Appendix 5.

Specification

Table 4.1.4. Information on configuration and specification of primary equipment at the plants of the OJSC “OGK-2”

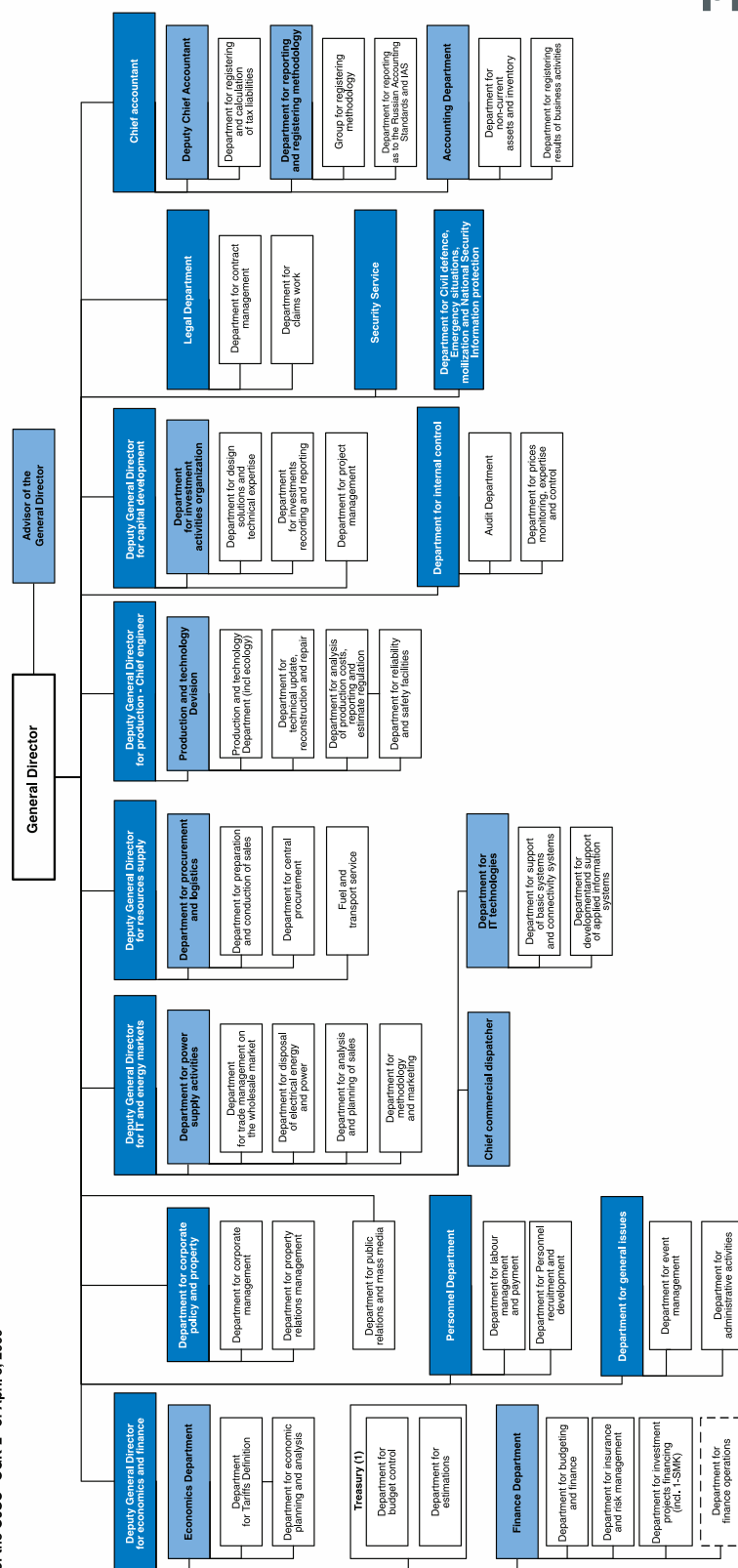
Power station/ Installed capacity	Type of fuel	Boilers					Turbines		
		St. No.	Type of boiler	Steam generat- ing capacity tph	Pressure MPa	t CO	St. No.	Type of turbine	Installed capac- ity, MW
1	2	3	4	5	6	7	8	9	10
Surgut GRES-1/ 3280 MW	gas	KP 1	TGM 104	640	14,0	570	TP 1	K-200-130-3	210
		KP 2	TGM 104	640	14,0	570	TP 2	K-200-130-3	210
		KP 3	TG 104	670	14,0	540	TP 3	K-200-130-3	210
		KP 4	TG 104	670	14,0	540	TP 4	K-200-130-3	210
		KP 5	TG 104	670	14,0	540	TP 5	K-200-130-3	210
		KP 6	TG 104	670	14,0	540	TP 6	K-200-130-3	210
		KP 7	TG 104	670	14,0	540	TP 7	K-200-130-3	210
		KP 8	TG 104	670	14,0	540	TP 8	K-200-130-3	210
		KP 9	TG 104	670	14,0	540	TP 9	K-200-130-3	210
		KP 10	TG 104	670	14,0	540	TP 10	K-200-130-3	210
		KP 11	TG 104	670	14,0	540	TP 11	K-200-130-3	210
		KP 12	TG 104	670	14,0	540	TP 12	T-178(210)-130-3	178
		KP 13	TG 104	670	14,0	540	TP 13	K-200-130-3	210
		KP 14	TG 104	670	14,0	540	TP 14	T-180/210-130-3-1	180
		KP 15	TG 104	670	14,0	540	TP 15	T-180/210-130-3-1	180
		KP 16	TG 104	670	14,0	540	TP 16	K-200-130-3	210
		KP 1	BK3-75-39 GM	75	3,9	440	TP 2	ПТ-12-35/10М	12
		KP 2	BK3-75-39 GM	75	3,9	440			
Stavropol GRES/ 2400 MW	gas/fuel oil	KPB 01	TGMP -314A	1000	25,5	545	TPB 01	K-300-240-2	300
		KPB 02	TGMP -314A	1000	25,5	545	TPB 02	K-300-240-2	300
		KPB 03	TGMP -314A	1000	25,5	545	TPB 03	K-300-240-2	300
		KPB 04	TGMP -314A	1000	25,5	545	TPB 04	K-300-240-2	300
		KPB 05	TGMP -314A	1000	25,5	545	TPB 05	K-300-240-2	300
		KPB 06	TGMP -314A	1000	25,5	545	TPB 06	K-300-240-2	300
		KPB 07	TGMP -314A	1000	25,5	545	TPB 07	K-300-240-2	300
		KPB 08	TGMP -314A	1000	25,5	545	TPB 08	K-300-240-2	300

Power station/ Installed capacity	Type of fuel	Boilers					Turbines		
		St. No.	Type of boiler	Steam generat- ing capacity t/h	Pressure MPa	t CO	St. No.	Type of turbine	Installed capac- ity, MW
1	2	3	4	5	6	7	8	9	10
Troitsk GRES/ 2059 MW	coal/ fuel oil	KP 01A	PK -14-2	220	10,0	540	TP 01	T-85-90-2,5	85
		KP 01B	PK -14-2	190	10,0	540	TP 02	T-85-90-2,5	85
		KP 02A	PK -14-2	220	10,0	540	TP 03	T-85-90-2,5	85
		KP 02B	PK -14-2	220	10,0	540			
		KP 03A	PK -14-2	220	10,0	540			
		KP 03B	PK -14-2	190	10,0	540			
		KPB 04A	PK -39	475	25,5	545	TP 04	K-300-240-2PR-1	278
		KPB 04B	PK -39	475	25,5	545			
		KPB 05A	PK -39	475	25,5	545	TP 05	K-300-240	278
		KPB 05B	PK -39	475	25,5	545			
		KPB 07A	PK -39	475	25,5	545	TP 07	K-300-240	278
		KPB 07B	PK -39	475	25,5	545			
		KPB 08	P -57	1650	25,5	545	TP 08	K-500-240	485
		KPB 09	P -57	1650	25,5	545	TP 09	K-500-240	485
Serov GRES/ 526 MW	coal/gas	KP 01	PK -14	230,0	10,0	510	TP 01	K-50-90	50
		KP 02	PK -14	230,0	10,0	510	TP 02	K-50-90	50
		KP 03	PK -14	230,0	10,0	510	TP 04	K-50-90	50
		KP 04	PK -14	230,0	10,0	510	TP 05	K-100-90M	88
		KP 05	PK -14	230,0	10,0	510	TP 06	T-88/100-90/2,5	88
		KP 06	PK -14-R	230,0	10,0	510	TP 07	K-100-90	100
		KP 07	PK -14-R	230,0	10,0	510	TP 08	K-100-90	100
		KP 08	PK -14-R	230,0	10,0	510			
		KP 09	PK -14-R	230,0	10,0	510			
		KP 10	PK -14-R	230,0	10,0	510			
		KP 11	PK -14-R	230,0	10,0	510			
		KP 12	PK -14-2	230,0	10,0	510			
Pskov GRES/ 430 MW	gas	KP 01a	TPE-208	335,0	14,0	545	TG 01	K-215-130	215
		KP 016	TPE -208	335,0	14,0	545			
		KP 02a	TPE -208	335,0	14,0	545	TG 02	K-215-130	215
		KP 026	TPE -208	335,0	14,0	545			

Appendix 6.

Organization structure of the OJSC "OGK-2"

Approved by resolution of the Board of Directors
of the OJSC "OGK-2" of April 3, 2009



Appendix 7.

Information on arbitration that the Company took part in in 2009
(materiality guideline: 20 mln. rub.)

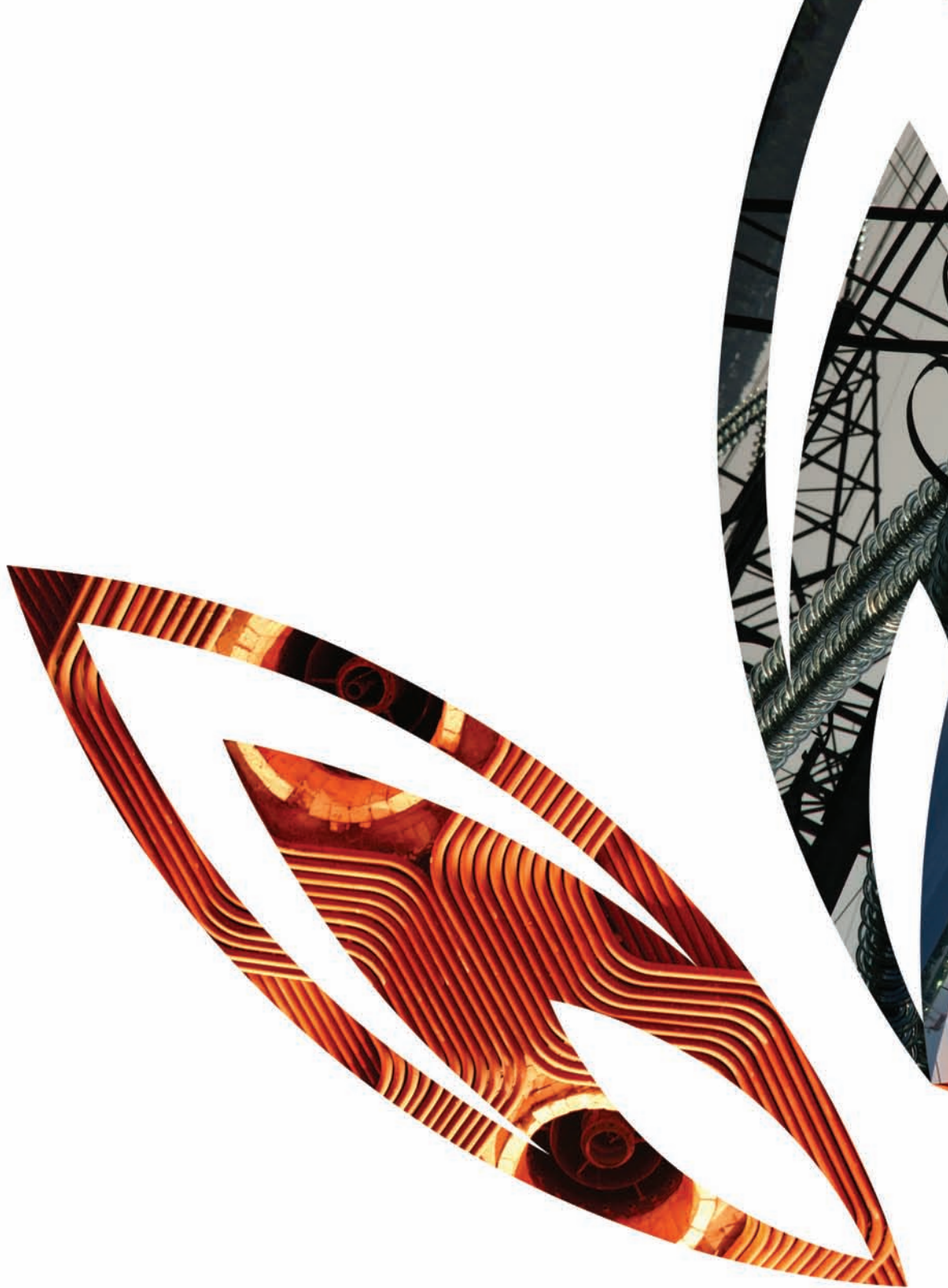
№	Description	Arbitration status as to 31.03.2010
1	Debts of the OJSC "Uralenergostroy" in the amount of RUR 60 463 944,51 that according to the separation balance sheet was received from the OJSC "Sverdlovenergo" during the period of restructuring of the OJSC "the Serov GRES" and that was given over pursuant to legal succession during affiliation of the latter to the OJSC "OGK-2". The Arbitration court of the Sverdlovsk region resolved on 21.06.2004 that the OJSC "Uralenergostroy" be declared bankrupt and bankruptcy proceedings be started with regards to its property. Claims of the OJSC "OGK-2" were put into the claims register of creditors of the OJSC "Uralenergostroy".	Bankruptcy proceeding is in process. Creditors' meeting is scheduled for 01.04.2010.
2	Statement of claim from the CJSC "Gazenergoprom-invest" to the OJSC "NOMOS Bank" and the OJSC "OGK-2" to declare invalid agreement №19783-07 of 01.11.2007 on the servicing of the Employee Stock Option Plan of the OJSC "OGK-2".	The plaintiff's claims were sustained on 23.03.2009. According to the Court's resolution the OJSC "NOMOS Bank" shall return to the OJSC "OGK-2" the amount of RUR 735 960 000. The plaintiff's appeal was refused. The Court of cassation dismissed the appeal, the resolution shall stand. The Presidium of the Supreme Arbitration Court of the Russian Federation resolved on 19.01.2010 to reverse the judgment in part of obliging the OJSC "NOMOS Bank" to return to the OJSC "OGK-2" RUR 25 960 000 in order of restitution. In the other part the judgment shall stand.
3	Statement of claim of the OJSC "OGK-2" on collection of funds in the amount of RUR 38 422 896,33 from the OJSC "Nurenergo" for the delivered electrical energy and power.	The claim was sustained in full by the Court's resolution of 04.09.2009.
4	Statement of claim of the OJSC "Group E4" to the OJSC "Bank Moskvi" on declaring invalid bank guarantee № 27-117/16/50-08-GA of 21.02.2008 in the amount of 138 998 987 (one hundred and thirty eight million nine hundred and ninety eight thousand nine hundred and eighty seven) euro and 27 euro cents given to guarantee the claims of the OJSC "OGK-2" to the OJSC "Group E4", of the OJSC "OGK-2" to a third party.	The claim was sustained in full on 26.06.2009. The appeal was dismissed on 18.08.09. The Court of cassation terminated the proceeding of the cassation appeal on 03.02.2010.
5	Statement of claim of the OJSC "Group E4" to the OJSC "Bank Moskvi" on declaring invalid bank guarantee № 27-117/16/51-08-GA of 21.02.2008 in the amount of 3 063 860 088 (three billion sixty three million eight hundred and sixty thousand eighty eight) rubles 00 kopeck given to guarantee the claims of the OJSC "OGK-2" to the OJSC "Group E4", of the OJSC "OGK-2" to a third party.	The claim was sustained in full on 23.06.2009. The appeal was dismissed on 18.08.09. The Court of cassation terminated the proceeding of the cassation appeal on 03.02.2010.
6	Statement of claim of the OJSC "Group E4" to the OJSC "Bank Moskvi" on declaring invalid bank guarantee № 27-117/16/48-08-GA of 21.02.2008 in the amount of 72 781 732 (seventy two million seven hundred and eighty one thousand seven hundred and thirty two) rubles 68 kopecks given to guarantee the claims of the OJSC "OGK-2" to the OJSC "Group E4", of the OJSC "OGK-2" to a third party.	The claim was sustained in full on 06.07.2009. The appeal was dismissed on 18.08.09. The Court of cassation terminated the proceeding of the cassation appeal on 03.02.2010.

7	Statement of claim of the OJSC "Group E4" to the OJSC "Bank Moskv" on declaring invalid bank guarantee № 27-117/16/49-08-GA of 21.02.2008 in the amount of 647 345 477 (six hundred and forty seven million three hundred and forty five thousand four hundred and seventy seven) rubles 02 kopecks given to guarantee the claims of the OJSC "OGK-2" to the OJSC "Group E4", of the OJSC "OGK-2" to a third party.	The claim was sustained in full on 08.06.2009. The appeal was dismissed on 19.08.09. The Court of cassation resolved to falsify the judgment on 17.12.2009, the bank guarantee was accepted as valid.
8	Statement of claim of the OJSC "OGK-2" to the CJSC "TES" on collection of RUR 38 433 396,40 including the principal debt and interest for the use of money.	The Court resolved on 18.12.2009 to sustain the claim in full.
9	Statement of claim of the OJSC "Group E4" to hold invalid the notifications on termination of contract of work and labour № 2-07 ks of 29.12.2007. Statement of counter claim of the OJSC "OGK-2" on rescission of the contract and repayment of the offset advances in the amount of RUR 9 859 097 780,07.	The Court resolved on 13.10.2009 to sustain the original claim. Termination of the contract initiated by the OJSC "OGK-2" was invalidated; the statement of counter claim was refused. The Court of appeal approved a settlement agreement on 30.03.2010.
10	Statement of claim of the OJSC "OGK-2" on reversal of judgment of the Federal Tax Service for Major Taxpayers №4 on additional charge of profit tax in the amount of RUR 560 651 882.	The Court resolved on 15.09.2009 to sustain the claim in full. Hearing of the appeal is scheduled for 15.04.2010.
11	Statement of claim of the OJSC "OGK-2" to the OJSC "NOMOS Bank" on rescission of contract on pawning of promissory notes in the amount of RUR 1 000 000 000.	The proceedings were suspended until determination of the Supreme Arbitration Court of the Russian Federation on nullity suit of the contract for servicing of the Employee Stock Option Plan. Hearing of the appeal is scheduled for 13.05.2010.
12	Statement of claim of the OJSC "OGK-2" to the OJSC "Nurenergo" on collection of RUR 23 719 237,89.	The claim was sustained by the resolution of 06.11.2009.
13	Statement of claim of the OJSC "OGK-2" to the OJSC "Energobit Rostovenergo" on collection of RUR 155 241 300,45.	The court session is scheduled for 08.06.2010.

№	Description	Arbitration status as to 31.03.2010
14	Statement of claim of the OJSC "OGK-2" to the LLC "Donenergobit" on collection of RUR 30 897 833,87.	The court session is scheduled for 19.04.2010.
15	Statement of claim of the OJSC "OGK-2" to the LLC "Donenergobit" on collection of RUR 44 541 805,76.	The court session is scheduled for 27.05.2010.
16	Statement of claim of the OJSC "OGK-2" to the LLC "Donenergobit" on collection of RUR 28 142 185,28.	The court session is scheduled for 20.04.2010.
17	Statement of claim of the OJSC "OGK-2" to the LLC "Donenergobit" on collection of RUR 27 289 223,93.	The court session is scheduled for 03.02.2009. Proceedings were terminated due to payment.
18	Statement of claim to Mr. Kusichev M.V. on collection of damages in the amount of 446 545 770 rub. 72 kopecks. Plaintiff: "Mezhregiongaz", LLC; co-defendant: the OJSC "OGK-2".	The Court resolved on 30.07.2009 to refuse the claim. The Court of appeal resolved on 13.11.2009 to falsify the judgment; the claim was sustained in full. The Court of cassation returned the claim to the Court of appeal for a new trial. The court session is scheduled for 27.04.2010.
19	Statement of claim of the OJSC "OGK-2" to the LLC "Donenergobit" on collection of RUR 143 510 218,01.	The Court resolved on 08.12.2009 to sustain the claim. The LLC "Donenergobit" shall pay RUR 154 951.960,15
20	Statement claim of the CJSC "Kvartiz-Zapadnaya Sibir" on collection of debt (RUR 74 277 537,64) for the conducted works and penalty (RUR 1 004 774,20) according to contracts of work and labour № 01/09-OGK-2, 02/09-OGK-2, 03/09-OGK-2, 04/09-OGK-2, 81-07/OGK-2.	The court session is scheduled for 04.02.2010. The plaintiff declared renunciation of suit due to payment. Proceedings were terminated.

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