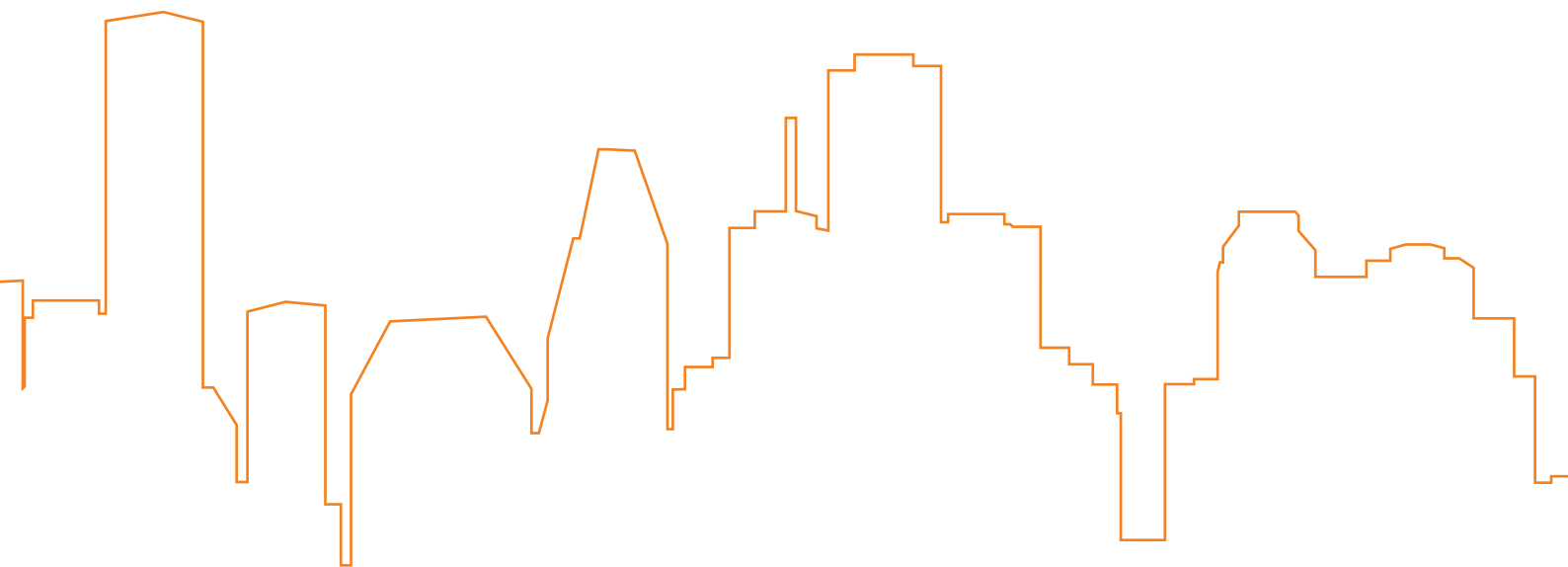


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JOINT STOCK COMPANY

ANNUAL REPORT



ANNUAL REPORT

on the financial results of the year 2010

The present report was prepared in accordance with requirements stipulated by the Decree of the Federal Service on Financial Markets of October 10, 2006 (as amended on June 2, 2009) № 06-117/pz-n “On approval of Provisions for disclosure of information by issuers of issuable securities” and contains necessary information that allows shareholders to evaluate results of activities of the Open Joint Stock Company “The Second Generating Company of the Wholesale Power Market” (JSC OGC-2, hereafter – Company) for the year.

In accordance with requirements of cl.3 art.88 of the Federal Law of December 26, 1995 (as amended on February 7, 2003) № 208-FZ “On Joint Stock Companies”, cl.3.2 of the Resolution of the Federal Commission for the Securities Market of May 31, 2002 (as amended on February 7, 2003) №17/ps “On approval of Provisions for additional requirements as to the procedure of preparation, calling and holding of the general meeting of shareholders” reliability of information appearing in the present report has been Approved by the Company’s Audit Commission in the form of a final statement.

General Director A.A. Mityushov
Deputy General Director on Economics and Finance N.V. Vaytulenis
Chief Accountant L.V. Klisch

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Address to shareholders by the Chairman of the Board of Directors



Dear Shareholders!

In 2010 a number of events that are significant for Russia's entire power industry took place: the Government of the Russian Federation adopted key decisions on parameters of the long-term capacity market, on the list of generating facilities to be launched within Capacity Supply Agreements (CSA) and furthermore these documents were signed by all parties.

As a result of actions by the Board of Directors and support by JSC Gazprom the CSA terms of JSC OGK-2 meet the interests of the Company and its shareholders: they guarantee a payback of investment and provide for the rate of return that is necessary for improvement of economic efficiency and investment prospects of the Company.

In accordance with OGK-2 obligations under the Capacity Supply Agreements, the Company will put into operation five new generating units with 1,860 MW of total capacity by the end of 2016. This includes the Adler TES, which will significantly reduce the deficit for heat and electric energy in the generation system of Sochi, and will become one of the key power facilities of the XXII

Olympic Winter Games of 2014. It needs to be mentioned that in August the Board of Directors adopted a decision on formation of JSC OGK-2 branch – the Adler TES.

At the Troitsk GRES an active phase of work related to implementation of a large investment project on construction of a powerful coal unit began.

Generally the Board's activities were focused on the issues of improvement of the Company's operating efficiency, implementation of the investment programme, technical re-equipment and reconstruction of production facilities.

At the end it needs to be mentioned that the Company secured sustainable output of electricity given one of the highest installed capacity utilisation rates in the industry and achieved fairly good operating and financial results.

Last year fundamental efforts to move all generation companies of the Gazprom Group to common standards and regulations for financial statements were made. Dividend policy decisions aimed at balancing the Company's and shareholders' short-term and long-term interests were developed and currently approved.

Beginning of merger of JSC OGK-2 and JSC OGK-6 became a key event of the year 2010. Achievement of significant synergies, reduction of costs and increase of capitalisation of the merged company are expected to follow the merger. It is important that investment professionals perceived our plans in a positive way.

I am sure that development of the Company within the framework of JSC Gazprom strategy in the power industry is accomplished in the right direction and for the benefit of our shareholders.

Address to shareholders by the General Director of the Company

Dear shareholders!

Last year has become life-changing for JSC OGK-2 – the process of the company merger with JSC OGK-6 has begun. This process coincided with changes in the entire power industry of the Russian Federation – state regulation of electricity tariffs for industrial consumers became a thing of the past. Changes in the capacity market continued. They allowed for some decisions on development of existing generation and construction of new generating facilities.

Last year we discussed goals for improvement of corporate governance standards within JSC OGK-2 at the Annual general meeting of shareholders. In my opinion, the Management succeeded in accomplishment of assigned tasks and it had a noticeable impact on all results of our daily operations.

In the framework of JSC OGK-2 and JSC OGK-6 merger the Management organised and introduced measures directed at centralisation and optimisation of business processes related to procurement, repair and investment activities. Serious measures on reduction of administrative expenses were also taken.

One of the positive results of the Management activities was improvement of operating and financial figures. Electricity output by the power stations increased and amounted to 47,586 mln kWh. Installed capacity utilisation rate reached 62.4%. Revenue of the Company was up by 28.77% in comparison with the corresponding figure of the previous year and amounted to RUR 52,424 mln. This was driven by the increase of electricity and capacity sales in free sectors of the market at higher prices. It's worth noting that last year net income amounted to RUR 3.2 bln, which is almost twice higher than the corresponding figure of the year 2009. The value of JSC OGK-2 assets was equal to RUR 46,998 mln as of December 31, 2010.

Last year we took serious steps towards implementation of the investment programme of JSC OGK-2, which was another important result of competent corporate governance actions. In October, in the framework of capacity supply contracts, JSC OGK-2 signed agent contracts with CJSC Centre for Financial Payments. JSC OGK-2 capacity supply contract included five facilities with 1,860 MW of total capacity: a power unit at the Troitsk GRES, construction and commissioning of the 660 MW steam turbine unit (STU-660); a power unit at the Serov GRES, construction and commissioning of the 420 MW combined cycle gas turbine unit (CCGT-420); a power unit at the Stavropol GRES, construction and commissioning of the 420 MW combined cycle gas turbine unit (CCGT-420); two power units at the Adler TES, construction and commissioning of 360 MW (two CCGT-180).

Last autumn Federal State Institution "State expert evaluation department" issued a positive opinion on design documentation for construction of the 660 MW coal-dust power unit at the site of JSC OGK-2 branch – the Troitsk GRES. Later permission for construction of the new energy facilities was received from the City Administration of Troitsk. It should be noted that the construction is well under way.

Everything that was needed for start of the project implementation at the territory of JSC OGK-2 branch – the Serov GRES – was prepared. Works on preparation of the site for construction of the new combined cycle power unit (CCGT-420) are currently being completed. Relevant documents from the Federal State Institution "State expert evaluation department" and Administration of the city of Serov were also obtained.



Last August the Board of Directors of JSC OGK-2 adopted a decision on establishment of JSC OGK-2 branch – the Adler TES located in the city of Sochi (Krasnodar Territory). The Adler TES is included in the Olympic venues construction programme and programme for development of the city of Sochi as the mountain climate resort. According to the schedule for the Olympic venues construction, commissioning of the Adler TES will occur in 2012.

Therefore I can take a favourable view of the way the Company's Management accomplished the tasks that were set by the Board of Directors in the reporting period. Owing to the decisions adopted by the Board of Directors JSC OGK-2 began to possess everything that is needed for successful implementation of the investment projects, while the Company's management does its best to ensure that advanced technologies directed at energy savings and strong environmental performance are used in the process of construction of new power units.

We have an important task for the nearest future – discussing reorganisation issues with the shareholders and proceeding to the actual merger of JSC OGK-2 and JSC OGK-6.

Priority objectives of JSC OGK-2 for the next two-three years are:

- Reliable and uninterrupted production of electricity and heat;
- Implementation of the investment programme;
- Shaping an efficient management system for the merged generating company;
- Improvement of operational efficiency of JSC OGK-2 branches.

Undoubtedly active support by the shareholders will enable the Company's Management to accomplish these tasks at a highly professional level.

General Director of JSC OGK-2

A.A. Mityushov

1.

- 1.1. General information about the Company, foundation history, structure
- 1.2. Calendar of events
- 1.3. Company position in the industry
- 1.4. Risk management
- 1.5. Business priorities and development prospects

1. General information, Company position in the industry

1.1. General information about the Company, foundation history, structure

The Company was founded in the process of the power industry reformation by decision of the sole founder (OJSC RAO UES of Russia) and registered on March 9, 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.

In 2005 agreements on delegation of authority of the executive bodies of the JSC Serov GRES, the JSC Stavropol GRES, the JSC Pskov GRES, the JSC Troitsk GRES and the JSC Surgut GRES-1 to the Company were concluded.

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

In 2007 for the purpose of attracting investments, the Company conducted an additional share offering, which was made available to all investors including foreign (IPO with a listing of the Company's securities on the Main market of the London Stock Exchange).

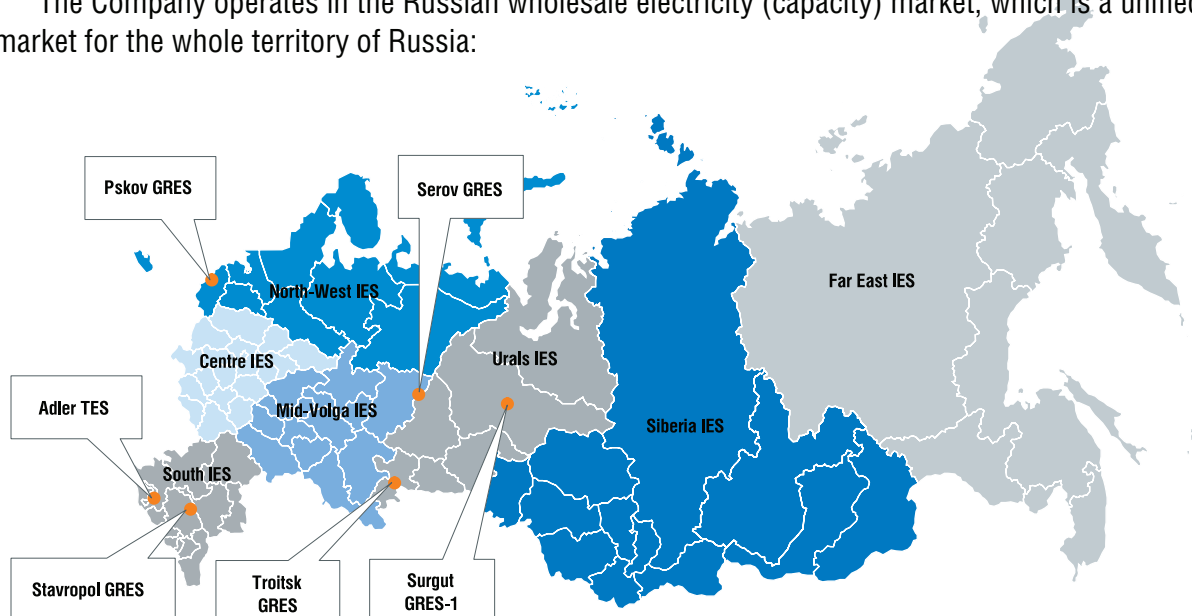
On July 1, 2008 the second reorganisation of the Company took place through affiliation of JSC OGK-2 Holding, which was separated from OJSC RAO UES of Russia.

On September 3, 2010 the sixth branch of JSC OGK-2 - Adler TES – was registered.

Company mission – Leadership in production and sale of electric power among the thermal wholesale generation companies. Application of modern production and management technologies.

The Company's strategic objective – Enhancing business efficiency, forming a stable positive development trend, increasing capitalisation of the Company.

The Company operates in the Russian wholesale electricity (capacity) market, which is a unified market for the whole territory of Russia:



JSC OGK-2 includes six branches.

The Surgut GRES-1 is located in the Urals Integrated Energy System (Khanty-Mansiysk Autonomous district of the Tyumen region, village of Kedrovyy). Area of Khanty-Mansiysk Autonomous district equals 523.1 thousand sq.km. Population of the district – 1,301 thousand people.

Age of the station: 39 years (commissioning years: 1972-1983).

Fuel balance: gas (100%).

Installed capacity utilisation rate equaled 84.9% in 2010.

The Stavropol GRES is located in the South Integrated Energy System (Stavropol territory, village of Solnechnodolsk, Izobilnensky district). It is a highly maneuverable station, which plays a key role in sustaining the system reliability of the South IES. Area of the Stavropol territory – 66.5 thousand sq.km. Population of the territory – 1,491.6 thousand people.

Age of the station: 36 years (commissioning years – 1975-1983).

Fuel balance: gas (99.8%), fuel oil (0.2%).

Installed capacity utilisation rate equaled 51.2% in 2010.

The Troitsk GRES is located in the Urals Integrated Energy System (Chelyabinsk region, city of Troitsk-5), in the power flow zone of Yekaterinburg-Chelyabinsk-Magnitogorsk, and along the direct supply line to the Northern Kazakhstan. Area of the Chelyabinsk region – 87.9 thousand sq.km. Population of the region – 3,634 thousand people.

Age of the station: 51 years (commissioning years: 1960-1976).

Fuel balance: coal (97.5%), fuel oil (2.5%).

Installed capacity utilisation rate equaled 40.4% in 2010.

The Serov GRES is located in the Serovo-Bogoslovsky system, where aluminum and ferroalloy production facilities are concentrated (Sverdlovsk region, city of Serov). Area of the Sverdlovsk region – 195 thousand sq.km. Population of the region – 4,670 thousand people.

Age of the station: 57 years (commissioning years: 1954-1959).

Fuel balance: gas (31.5%), coal (68.5%).

Installed capacity utilisation rate equaled 61.6% in 2010.

The Pskov GRES is located in the North-Western Integrated Energy System (Pskov region, village of Dedovichi). Area of the Pskov region – 55.3 thousand sq.km. Population of the region – 747.3 thousand people.

Age of the station: 18 years (commissioning years: 1993-1996).

Fuel balance: gas (100%).

Installed capacity utilisation rate equaled 59.3% in 2010.

The Adler TES was established on September 3, 2010 and is currently being constructed. It is located in the South IES (Krasnodar territory, city of Sochi).

1.2. Calendar of events

Date	Event
March 30, 2010	Conclusion of an additional agreement (on construction of new generating facilities at the site of JSC OGK-2 branch – the Serov GRES) to the General Contractor Contract № 2-07 ks of December 29, 2007 (for acting as the General contractor during the turnkey construction of two combined cycle power units with 400 MW of capacity per unit at the site of JSC OGK-2 branch – the Stavropol GRES).
March 31, 2010	At JSC OGK-2 branch – the Troitsk GRES a power unit №7 was put into operation after an advanced scheduled repair. The repair of the power unit №7 led to the increased level of reliability, improvement of ecological parameters and economic efficiency of the station. Results of measurements performed after the repair certify about reduction of emissions of Ekibastuz coal ashes by 27 thousand tons per year.
April 1, 2010	Aleksey Aleksandrovich Mityushov was elected as the General Director of the Company
May 20, 2010	Gulyaev Valery Alekseevich and Tatarinov Nikolay Aleksandrovich were elected to the Management Board of the Company
June 10, 2010	Ivanin Sergey Evgenyevich elected to the Management Board of the Company
June 24, 2010	Annual General Meeting of Shareholders took place
July 5, 2010	Coupon income on the sixth bond coupon was paid, and the bond issue was redeemed completely
July 7, 2010	The group of auditors from JSC «Bureau Veritas Certification Rus» performed a re-certification audit of JSC OGK-2 for compliance of the quality management system with standard ISO 9001:2008. Following the results of the audit JSC OGK-2 was recommended for obtainment of a certificate of compliance with standard ISO 9001:2008.
August 13, 2010	Sizev Sergey Anatolyevich was elected to the Management Board of the Company.
September 3, 2010	JSC OGK-2 branch – the Adler TES – was established.
October 25, 2010	An agent contract between JSC OGK-2 and CJSC Centre for Financial Payments was signed within the framework of conclusion of capacity supply contracts (CSC). JSC OGK-2 CSC include five generating units with 1,860 MW total capacity.
November 9, 2010	A contract for maintenance and keeping of register with the Company's registrar OJSC Moscow Central Depository was terminated.
November 10, 2010	CJSC SR-DRAgA was approved as the Company's registrar.
November 11, 2010	New treatment facilities were set into operation at JSC OGK-2 branch – the Serov GRES. The project was implemented with regard to adoption of modern advanced technologies into the processes of waste water treatment and use of new energy facilities that are constructed at the Serov GRES. New treatment facilities comply with all requirements of environmental institutions, they will allow for significant reduction of the negative impact on the environment.

1.3. Company position in the industry

Brief industry description

The principal type of the Company's activity is sale of electric power in the wholesale electricity and capacity market (WECM).

A model of the wholesale electricity market of the transition period began functioning in 2003. A free trade sector was launched, which put in force wholesale trading of a portion of electricity volumes in the form of bilateral sale and purchase agreements and selection of price bids from buyers and sellers at free (non-regulated) prices.

As of September 1, 2006 a New model of the wholesale electricity (capacity) market – NMWEM – was launched by the Government Decree. NMWEM provides for several trade mechanisms: sale of power energy (capacity) at regulated prices (tariffs) based on regulated contracts and sale of power energy at free (non-regulated) prices that are defined:

- based on free bilateral electricity sale and purchase agreements or free bilateral agreements on sale and purchase of deviations;
- through competitive selection of price bids from buyers and suppliers, which is executed 24 hours before the beginning of supply;
- as a result of competitive selection of bids for balancing of the system.

The main aim for the NMWEM is to gradually move from guaranteed consumption of the full volume of electricity at regulated tariffs to the limited volume of electricity purchase based on regulated agreements of limited duration and annually decreasing volumes.

On June 28, 2008 the Decree of the Government of the Russian Federation № 476 introduced changes and additions into the Principles of the wholesale electricity (capacity) market of the transition period. They stipulate the procedure of competitive capacity trading in the wholesale market during the transition period using volumes that had been released from the regulated sale and purchase agreements.

On April 27, 2010 the Decree of the Government of the Russian Federation of April 13, 2010 N238, that defined price parameters of the long-term capacity market, came into force. Together with the Government Decree N89 "On some issues of organization of the long-term competitive power takeoff in the wholesale electricity (capacity) market", it defines functioning principles for the long-term capacity market.

Annual competitive capacity takeoffs for the following four years (i.e. for the year, which is four full years after the competitive takeoff) are the fundamental of the long-term market. The system operator conducts the competitive capacity takeoffs.

According to the Government Decree №238 of April 13, 2010 if during a competitive capacity takeoff an antimonopoly body discovers reasons for introduction and application of a maximum capacity price in the free power transfer zone, the maximum capacity price for 2011 is defined through multiplying the coefficient 1.05 (reflects capacity consumption for balance-of-plant and business needs) by RUR 112.5 thousand/MW per month for the first price zone of the wholesale market (RUR 120.35 thousand/MW per month for the second price zone of the wholesale market).

On January 25, 2011 the Government Decree №1107 of December 24, 2010 took effect. It stipulates changes to the Principles of the wholesale electricity (capacity) market of the transition

period that are necessary for making tariff-balancing decisions. It also stipulates the procedure for conclusion of regulated contracts for electricity supply to the population and equivalent consumer types and wholesale market entities – electricity and capacity consumers that operate in separate parts of the wholesale market price zones, for which the Government of the Russian Federation defines the functioning features.

The Decree is the foundation for organized actions and secures functioning of the wholesale market in 2011 after the transition period of the power industry reformation is over.

Therefore as of January 1, 2011 a competitive wholesale market began functioning, where electricity and capacity sales are exercised at free non-regulated prices, with the exception of the electricity and capacity volumes sold to the population and equivalent consumer types, for which state tariff regulation remains unchanged.

Ultimately formation of a stable legal framework and competitive electricity market is expected, which will allow attracting necessary funds for sustainable development of financial and operating activities.

Company position in the industry

The Company's capacity is in high demand in the market, which is shown by a high utilisation level – in 2010 the average installed capacity utilisation factor for JSC OGK-2 amounted to 62.4%, which is higher than the Company's 2009 utilisation factor by 0.5%.

According to experts, the Company's share of electricity supply levels at 5.9% of the aggregated consumption of the first price zone, while share of capacity supply equals 6.5% of the total capacity supplied to the first price zone.

The Company has no competitors abroad, as all sales are carried out in the domestic wholesale electricity and capacity market. The core competitors of the Company in the wholesale electricity (capacity) market are JSC INTER RAO UES and JSC RusHydro, as well as five OGKs – JSC OGK-1, JSC OGK-3, JSC OGK-4, JSC Enel OGK-5 and JSC OGK-6.

The Surgut GRES-1 is located in Surgut, Tyumen Region (the Urals Integrated Energy System). The station is located in the Tyumen energy system, which is part of the Urals IES. For the last several years the region of the GRES location has demonstrated high level of power consumption growth (about 5% per year) in contrast to decrease in consumption in the Urals IES by 6.3% in 2009. The Tyumen energy system has not recorded a decline in electricity consumption, which provides demand for electricity offered for sale by the station in total volume at present and in the future. One power unit of the station is ready for participation in the market for system services. In the future the number of power units that will be able to participate in the market for system services is expected to increase.

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

The Stavropol GRES is a highly maneuverable station, located in the village of Solnechnodolsk in the Stavropol territory (the South IES). It plays a key role in sustaining system reliability of the South

Integrated Energy System.

The most significant advantages of the Stavropol GRES are still the most optimal economic performance, wide-range capacity regulation capabilities, rate of load increase and load dropping, providing the station with maximum possibilities for coverage of the consumption schedule. The Company certified three of its blocks for the system services market, which will allow the station to participate in system services trading. The market specific features are now being developed; the launch of the system services trading 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 the power flow support in the backbone power network of the South Integrated Energy System.

The Stavropol GRES competitors in the South IES are Nevinomyssk GRES (JSC OGK-5) and the Novocherkassk GRES (JSC OGK-6).

The Novocherkassk GRES uses coal as the primary fuel. Power units of the Nevinomyssk GRES show a considerable rate of equipment wearing, lower regulating range, and lower rates of load increase and load dropping.

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

The Troitsk GRES is located in the power flow zone of Yekaterinburg-Chelyabinsk-Magnitogorsk (the Urals IES), and along the direct supply line to the Northern Kazakhstan. Its competitors are represented by powerful thermoelectric plants that also have a UES status and located in the European part of Russia and in the Urals.

Due to its low fuel component, the plant is in high demand at the wholesale power market. Taking into account the expected increase of gas and coal prices, this situation will remain unchanged. JSC OGK-2 is conducting large-scale works on capital repair of the plant's generation equipment in order to improve reliability and increase the volume of highly profitable electricity sales in the wholesale power market.

The Yuzhno-Uralsk GRES (JSC OGK-3) can be pointed out as the primary competitor. At the same time 87% of the installed capacity of the Troitsk GRES is made up by power units of 300 and 500 MW that have a wider range of power loading control. In addition, the Yuzhno-Uralsk GRES has higher production costs due to the fact that the fuel component of gas-fired power production (gas is the primary fuel used by the Yuzhno-Uralsk GRES power units) is higher than the fuel component of the Troitsk GRES, which uses Ekibastus coal as the primary fuel.

The Serov GRES is located in the Serovo-Bogoslovsky system, where steel, aluminum and ferroalloy production facilities are presented.

The Serov GRES is the only largest station in the system (the Bogoslovsky thermal power plant has installed capacity of only 141 MW, it produces electricity based on heat consumption of the connected consumers), which allows receiving a characteristic of a "System generator" from 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 commissioning of VL 500 kW Severnaya-BAZ (which in fact will only improve power supply reliability of the junction), the demand for the station will remain unchanged, while decrease of gas share in the fuel balance will enhance the plant's efficiency in the wholesale electricity market.

Competitors: The Bogoslovskaya TPP (JSC TGK-9), which is more dependent on consumer heat load and has less installed capacity (as compared to the Serov GRES).

The Pskov GRES is the most modern station of JSC OGK-2. The station is located in the North-Western Integrated Energy System.

The load of the station provides technical feasibility for export supplies to power networks of Belarus and the Baltic states, as a result of location of the Pskov GRES in the power network that ensures parallel operation of energy systems of these countries with the Unified Energy System of Russia.

In accordance with the mentioned factors production of power at the Pskov GRES is unconditionally dependant on demand for power energy, including demand in the Baltic states and Belarus. Along with the forecast of power consumption in the North-Western IES and IES of Russia excluding Siberia, these circumstances guarantee importance of the station in the long run, even given the expected commissioning of new generating equipment at the competitor stations. Both of the Pskov GRES power units are prepared for participation in the market for system services.

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

1.4. Risk management

The power industry is one of the leading industries of the Russian economy; its share in the country's GDP is 10-11%. Furthermore, the power industry is an infrastructural branch of the economy. The majority of end consumers of the industry products are located in the Russian Federation. This is why the condition of the power industry is substantially defined by the condition of other industries. The world financial and economic crisis has had a negative impact on the Russian economy. The general decline in production was the cause for the decrease in energy consumption in the country, and, as a consequence, reason for lower sales volumes and revenues of the energy companies. The problem was aggravated by the fact that the metallurgy industry, which is one of the major industrial consumers of electricity, suffered greatly during the crisis. However, the level of fixed costs of energy companies is traditionally high and hardly dependent on sales volumes.

The situation is aggravated by the fact that the Russian power industry suffers a shortage of investment and experiences problems with credit resources, which results in necessity for 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 performs the following actions:

- timely maintenance, repair, modernisation, reconstruction and technical upgrade;
- construction of new generating facilities;
- improvement of operational efficiency and execution of a considered financial policy (through savings and optimisation of expenses);
- conclusion of long-term contracts for supply of electric and heat energy;
- creating competitive environment in the sphere of procurement of works and services.

Factors that may have a negative impact on sales of products (works, services) and potential actions on reduction of such influence.

Main negative factors that may have a negative impact on JSC OGK-2 sales of its products are:

- Increased competition in the electricity and capacity market of Russia, as well as change of demand (mainly reduction) for electricity from consumers;
- Ageing and wearing of primary generating equipment at JSC OGK-2 stations, scarce investment resources for modernisation of capacity;
- Increase of prices for fuel that is used in the process of electricity and heat generation;
- Growth dynamics of electricity and capacity tariffs established by the Federal Tariff Service of Russia and which are used for supply of electricity and capacity under regulated contracts, relative to dynamics of inflation;
- Deterioration of the payment discipline of consumers at the wholesale and retail markets for electricity and capacity, as well as at the heat market;
- Potential changes in the Wholesale Market Rules and Contract on joining the trade system of the wholesale market, and in other regulatory and legislative documents that regulate activities of consumers and producers of electricity, capacity and heat;
- Potential changes of boundaries of free power transfer zones;
- Transmission constraints;
- Weather factor.

Risks related to changes in legislation*Risks related to changes in tax legislation:*

The Russian tax legislation allows for different interpretations and is subject to rather frequent changes. Interpretation of the legislation relating to the Company's operations and activities by JSC OGK-2 management can be contested by tax authorities. It cannot be ruled out that tax authorities may take a tougher line towards interpretation of the legislation and inspection of tax computations. As a result, significant additional taxes, penalties and fines may be charged. Tax inspections can cover three calendar years of activities, preceding to the inspection year. Under certain conditions earlier periods may become subject to the inspection.

According to the Company, these risks influence the Company in the same way as they influence other market participants.

Risks related to changes in customs regulations and fees:

The Company's activities are entirely related to the internal market. The Company does not run risks of changes in exchange control and customs regulations and fees, as it does not expect to conduct foreign business.

Risks related to changes in regulations on licensing of the issuer's primary activity or licensing of rights to use facilities, circulation of which is limited (including natural resources):

In case of realization of risks related to changes in regulations on licensing of primary activities, the Company will suffer temporary financial losses connected with necessity to take a number of measures to bring their activities into line with new licensing requirements.

Risks related to changes in court rulings on issues related to the issuer's activities (including licensing issues), which may have a negative impact on results of its activities, as well as results of current legal suits that the issuer participates in:

Possibility of changes in court rulings related to the Issuer's activities (including licensing issues) is considered as insignificant and will not have a substantial impact on its activities.

In case changes in court rulings on issues related to the Company's activities are made, the Company intends to plan its financial and operating activities with regard to these changes.

Risks related to current legal suits, in which the Company participates:

1. Substance of the issue: Accounts due from the debtor OJSC Uralenergostroy in the amount of RUR 60,463,944.51 that according to the separation balance sheet was received from OJSC Sverdlovenergo during the period of restructuring of the JSC Serov GRES and transferred to JSC OGK-2 by way of legal succession during affiliation of the Serov GRES to JSC OGK-2. On June 21, 2004 the arbitration court of the Sverdlovsk region resolved that OJSC Uralenergostroy be declared insolvent (bankrupt) and bankruptcy proceedings be started with regards to its property. JSC OGK-2 claims were included into the claim register of OJSC Uralenergostroy creditors.

Status: the bankruptcy proceeding is in process. The creditors' meeting took place on September 28, 2010.

Issue resolution: Achievement of assigned tasks in the process of bankruptcy proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is high.

2. Substance of the issue: Receivables due from CJSC Agrostroysevis under the Contract №324/3A-OM of October 5, 2006 in the amount of RUR 12,089,388.53 were collected under the court decision with regard to case №A43-9905/2008-8-302, as well as court costs that amounted to RUR 71,946.94. On September 17, 2009 CJSC Agrostroysevis was declared bankrupt. JSC OGK-2 was included into the claim register of creditors with the amount equal to RUR 12,161,335.47. JSC OGK-2 claims on inclusion into the claim register of creditors were answered through a court ruling of November 30, 2009, the amount equal to RUR 12,161,335.47 was included into the claim register of creditors of the third priority.

Status: the bankruptcy proceeding is in process. The creditors' meeting took place on August 3, 2010.

Issue resolution: Achievement of assigned tasks in the process of bankruptcy proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is high.

3. Substance of the issue: Notice of claim to Kuzichev M.V. on recovery of damages in the amount equal to RUR 446,545,770.72 in favour of JSC OGK-2. Plaintiff – LLC Mezhtregiongaz, JSC OGK-2 – collitigant.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Status: the claims were dismissed with the resolution of July 30, 2009. The resolution was cancelled with the ruling of the court of appeal of November 13, 2009. The plaintiff's claims were satisfied

completely. The case was returned to the court of appeal for reconsideration by the ruling of the cassational instance. The suit was dismissed by the ruling of the court of appeal of June 3, 2010. However judicial acts were kept in force by the ruling of the cassational instance of October 21, 2010. Case referral to the Presidium of the Supreme Arbitration Court for reconsideration of judicial acts in exercise of supervisory power was denied by the decision of the Supreme Arbitration Court of February 28, 2011.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is high.

4. Substance of the issue: JSC OGK-2 notice of claim to CJSC Troitsk Energy Company on collection of debt in the amount equal to RUR 4,236,696.52 under the water supply contract.

Status: The claim was sustained by the decision of October 18, 2010.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

5. Substance of the issue: JSC OGK-2 notice of claim to OJSC Russian Railways on recovery of the unjustifiable payment for storage of goods in the amount equal to RUR 6,487,949.16 and interest amount – RUR 426,665.16.

Status: The claim was sustained by the decision of September 28, 2010. The decision was affirmed without alteration by the ruling of the court of appeal of December 23, 2010.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

6. Substance of the issue: JSC OGK-2 notice of claim to OJSC Russian Railways on recovery of the unjustifiable payment for storage of goods in the amount equal to RUR 3,689,428.12 and interest amount – RUR 182,940.94.

Status: The claim was sustained by the decision of June 30, 2010. The decision was affirmed without alteration by the ruling of the court of appeal of October 7, 2010.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

7. Substance of the issue: JSC OGK-2 notice of claim to CJSC CNTI on recovery of the unjust enrichment in the amount equal to RUR 6,198,546.01.

Status: The suit was rejected by the decision of June 28, 2010. The decision was affirmed without alteration by the ruling of the court of appeal of September 27, 2010. Judicial acts were kept in force by the ruling of the cassational instance of January 13, 2011.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is high.

8. Substance of the issue: JSC OGK-2 notice of claim to the municipal unitary enterprise Housing and Public Services of the Dedovichi district on debt collection under the power supply contract in

the amount of RUR 8,199,965.67.

Status: The debt amounting to RUR 6,105,672.61 and interest (RUR 158,299.59) were collected following the decision of July 19, 2010. The decision was affirmed without alteration by the ruling of the court of appeal of October 4, 2010.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

9. Substance of the issue: JSC OGC-2 notice of claim to LLC EDS-Engineering on debt collection under the contractor agreement in the amount equal to RUR 70,472,671.89 (debt), RUR 13,758,079.72 (penalty), RUR 815,329.66 (interest). The amount of claim was adjusted by RUR 57,450,749.80 in connection with signing of the Acts of provided services.

Status: Principal amount of the debt (RUR 13,021,922.09), penalty (RUR 6,000,000) and interest (RUR 743,388.81) were collected following the decision of October 20, 2010.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

10. Substance of the issue: JSC OGC-2 notice of claim to OJSC Sevkavkazenergo on debt collection under the restructuring agreement in the amount equal to RUR 6,142,279.36 (debt), RUR 325,284.88 (interest).

Status: Judicial proceedings are terminated by the decision of November 8, 2010 due to abandonment of claims. Assignment agreement has been concluded.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

11. Substance of the issue: JSC OGC-2 claim on inclusion into the claim register of creditors of CJSC Central Energy Supply Company of the debt under energy supply contracts amounting to RUR 20,062,174.23. An additional claim for the amount of RUR 3,534,179.90 has been filed.

Status: The claim on inclusion into the claim register of creditors in the amount of RUR 20,062,174.23 was satisfied by the decision of October 11, 2010. Additional claims for the amount of RUR 3,534,179.9 were included in the register by the decision of February 16, 2011.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is high.

12. Substance of the issue: JSC OGC-2 notice of claim to the municipal unitary enterprise Housing and Public Services of the Dedovichi district on debt collection under the power supply contract in the amount of RUR 4,361,543.56.

Status: a settlement agreement was approved following the decision of October 25, 2010.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

13. Substance of the issue: JSC OGK-2 notice of claim to CJSC Kapstroy on recovery of damages under the contractor agreement in the amount of RUR 19,642,563.2. Statement of counter claim on debt collection under the contractor agreement in the amount of RUR 11,801,761.77.

Status: Judicial proceedings were terminated by the decision of December 23, 2010 due to abandonment of claims by the parties.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is average.

14. Substance of the issue: JSC OGK-2 notice of claim to CJSC NT SMU-333 on recovery of damages under the contractor agreement in the amount of RUR 3, 653,640.

Status: Judicial proceedings were terminated by the decision of November 25, 2010 due to abandonment of claims.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is average.

15. Substance of the issue: JSC OGK-2 notice of claim to CJSC Serovenergo on debt collection under the energy supply contract in the amount equal to RUR 13,527,183.08.

Status: A settlement agreement has been approved by the decision of January 14, 2011.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

16. Substance of the issue: LLC Consulting Agency Business-Partner notice of claim to JSC OGK-2 on debt collection under the assignment agreement (primary creditor LLC StroyEnergoProm) in the amount of RUR 7,348,164.36.

Status: A court hearing has been appointed for March 30, 2011.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

17. Substance of the issue: LLC Consulting Agency Business-Partner notice of claim to JSC OGK-2 on debt collection under the assignment agreement (primary creditor LLC StroyEnergoProm) in the amount of RUR 13,395,652.23.

Status: The court hearing has been postponed to April 2011.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

18. Substance of the issue: LLC Consulting Agency Business-Partner notice of claim to JSC OGK-2 on debt collection under the assignment agreement (primary creditor LLC StroyEnergoProm) in the amount of RUR 30,070,063.65.

Status: : A court hearing has been appointed for March 30, 2011.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

19. Substance of the issue: LLC Consulting Agency Business-Partner notice of claim to JSC OGK-2 on debt collection under the assignment agreement (primary creditor LLC StroyEnergoProm) in the amount of RUR 71,765,715.83.

Status: A court hearing has been appointed for March 30, 2011.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

20. Substance of the issue: LLC Consulting Agency Business-Partner notice of claim to JSC OGK-2 on debt collection under the assignment agreement (primary creditor LLC StroyEnergoProm) in the amount of RUR 98,755,149.17.

Status: The suit has been dismissed by the decision of March 2, 2011.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

21. Substance of the issue: LLC SurgutSlavStroyRemont notice of claim to JSC OGK-2 on debt collection under the contractor agreement in the amount of RUR 39,124,131.82

Status: A court hearing has been appointed for March 30, 2011.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is high.

22. Substance of the issue: LLC StroyEnergoProm notice of claim to JSC OGK-2 on debt collection under the contractor agreement in the amount of RUR 76,693,221.23.

Status: The claim was satisfied by the decision of March 2, 2011.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is high.

23. Substance of the issue: JSC OGK-2 notice of claim on revocation of the Federal Tax Service decision related to the largest tax payers №4 on additional charge of income taxes in the amount equal to RUR 560,651,882.

Status: Claims were satisfied completely by the court decision of September 15, 2009. This decision was cancelled and the claim was dismissed by the ruling of the court of appeal of July 1, 2010. The ruling of the court of appeal was cancelled, the decision was kept in force by the ruling of the cassational instance of September 7, 2010.

Issue resolution: achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

24. Substance of the issue: Receivables due from the debtor Federal State Unitary Enterprise 137th Plant of Concrete Products of the Ministry of Defence of the Russian Federation in the amount equal to RUR 7,936,151.99, that according to the separation balance sheet was received from OJSC Sverdlovenergo during the period of restructuring of the JSC Serov GRES and transferred to JSC OGK-2 by way of legal succession during affiliation of the Serov GRES to JSC OGK-2. On June 5, 2006 the arbitration court of the Sverdlovsk region resolved that FSUE 137th Plant of Concrete Products of the Ministry of Defence of the Russian Federation be declared insolvent (bankrupt) and bankruptcy proceedings be started with regards to its property. JSC OGK-2 claims were included into the claim register of creditors of FSUE 137th Plant of Concrete Products of the Ministry of Defence of the Russian Federation.

Status: the bankruptcy proceeding is in process. The creditors' meeting took place on July 22, 2010. The bankruptcy proceeding was finalised by the decision of October 20, 2010.

Issue resolution: Achievement of assigned tasks in the process of bankruptcy proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is high.

25. Substance of the issue: JSC OGK-2 notice of claim to CJSC Desna on collection of debt in the amount of RUR 25,832,906.69 (return of an advance for incomplete delivery of products) and RUR 15,267,247.85 of penalty.

Status: A settlement agreement has been approved by the decision of November 17, 2010.

Issue resolution: Achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

26. Substance of the issue: Notice of claim from Pisaruk I.I. to JSC OGK-2 on recovery of RUR 6,144,550 that are due to an employee as a severance payment.

Status: Plaintiff's claims were partially satisfied by the court decision of October 26, 2009. JSC OGK-2 was charged RUR 5,500,000. The decision was kept in force by the cassational instance of April 20, 2010. JSC OGK-2 supervisory appeal had been returned as of November 15, 2010.

Issue resolution: Achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is high.

27. Substance of the issue: JSC OGK-2 notice of claim to OJSC NOMOS-BANK on collection of compensatory interest in the amount of RUR 138,637,361 for use or detention of money.

Status: Plaintiff's claims were partially satisfied by the decision of February 14, 2011, the amount of RUR 48,280,000 was recovered.

Issue resolution: Achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is average.

28. Substance of the issue: JSC OGK-2 notice of claim to OJSC Energoaviakosmos on collection of debt in the amount of RUR 4,113,162.82 under the energy supply contract.

Status: The claim was satisfied by the decision of January 28, 2011.

Issue resolution: Achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

29. Substance of the issue: JSC OGK-2 notice of claim to OJSC Energoaviakosmos on collection of debt in the amount of RUR 6,164,510.64 under the energy supply contract.

Status: The claim was satisfied by the decision of February 24, 2011.

Issue resolution: Achievement of assigned tasks in the process of court proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is low.

30. Substance of the issue: Receivables due from CJSC International Industrial Bank (Mezhprombank) in the amount of RUR 1,196,696,624.67 formed due to non repayment of the deposit amount under the deposit agreement № DSR-080325-006 of September 9, 2009 and № DSR-080325-007 of November 11, 2009.

Status: CJSC Mezhprombank was declared insolvent (bankrupt) by the decision of Moscow A.C. (Moscow Court of Appeal) of November 30, 2010. Bankruptcy proceedings were started. JSC OGK-2 claim for inclusion of the amount of RUR 1,196,696,624.67 into the claim register of creditors has been satisfied.

Issue resolution: Achievement of assigned tasks in the process of bankruptcy proceedings.

Probability of unfavourable outcome (including analysis of the size of potential loss or gain): the probability of unfavourable outcome is high.

Risks related to potential responsibility of the Company for liabilities of third parties, including subsidiaries

The risk of default or improper performance of obligations by third parties, including subsidiaries that are related to potential responsibility of the Company is insignificant. Its impact on the Company's activities is evaluated by the Company as minor.

1.5. Business priorities and development prospects

The Company has the following business priorities:

- Assurance of reliability and efficiency of operations of the power stations, development of fuel infrastructure and securing necessary volume of highly efficient working capacity with the aim of maintaining the level of competitiveness;
- Increase in earnings and improvement of other financial indicators that point to reliability, stability and management efficiency of the Company with the aim of increasing the Company's market value;
- Expansion of the Company in the electricity and heat markets.

2.

- 2.1. Company operating results
- 2.2. Results of Company sales activities
- 2.3. Company financial results
- 2.4. Results of investment activities

2. Key results of Company activities

2.1. Company operating results

2.1.1. Key figures and technical characteristics

JSC OGK-2 is one of the largest generating companies in Russia. It includes six branches: the Surgut GRES-1, the Stavropol GRES, the Troitsk GRES, the Serov GRES, the Pskov GRES, and the Adler TES.

The total installed capacity of JSC OGK-2 stations amounted to 8,705.06 MW in 2010.

№	Branch name	Commissioning years	Fuel balance
1	Surgut GRES-1	1972-1983	gas (100%)
2	Stavropol GRES	1975-1983	gas (99.8%), fuel oil (0.2%)
3	Troitsk GRES	1960-1976	coal (97.5%), fuel oil (2.5%)
4	Serov GRES	1954-1959	gas (31.5%), coal (68.5%)
5	Pskov GRES	1993-1996	gas (100%)

Information on the structure and characteristics of the key equipment of JSC OGK-2 stations is given in Appendix 3.

Installed capacity utilisation rate for JSC OGK-2 stations, %

№	Branch name	Installed capacity utilisation rate, %		
		2008	2009	2010
1	Surgut GRES-1	85.19	85.05	84.94
2	Stavropol GRES	52.26	48.57	51.17
3	Troitsk GRES	49.89	43.61	40.44
4	Serov GRES	72.47	60.61	61.61
5	Pskov GRES	50.16	49.38	59.35
Total for JSC OGK-2		65.24	61.92	62.41

Working capacity of JSC OGK-2 stations, MW

№	Branch name	2008	2009	2010
1	Surgut GRES-1	2,900.30	2,935.54	2,862.83
2	Stavropol GRES	2,020.2	2,089.6	2,058.5
3	Troitsk GRES	1,154.30	1,120.40	972.27
4	Serov GRES	445.41	452.60	430.62
5	Pskov GRES	385.70	399.82	393.94
Total for JSC OGK-2		6,040.01	6,028.77	6,718.2

According to the production and distribution plan, aggregated working capacity for all branches of the Company adjusted for the planned equipment repair, reconstruction and technical upgrade comprised 6,718.2 MW in 2010.

2.1.2. Electricity output

Dynamics of electricity output, mln kWh

№	Branch name	2008	2009	2010
1	Surgut GRES-1	24,543.3	24,436.7	24,406
2	Stavropol GRES	11,016.7	10,210.5	10,757
3	Troitsk GRES	9,023.8	7,865.8	7,295
4	Serov GRES	3,348.3	2,792.8	2,893
5	Pskov GRES	1,894.5	1,860.0	2,236
Total for JSC OGK-2		49,826.6	47,165.8	47,586

In real figures, in 2010 the total electricity output amounted to 47,586.1 mln kWh which is 0.9% higher than the volume produced in 2009 (47,165.8 mln kWh) and 4.4% lower than the volume produced in 2008 (49,826.6 mln kWh).

The Surgut GRES-1 output decrease was caused by a long-lasting unscheduled repair of the power unit №9 and prolonged capital repair of the power unit №11;

The Stavropol and Pskov GRES output increase was determined by load of the stations in excess of the plan, which was caused by:

- influence of the temperature factor – significant temperature drop in the European part of Russia and in the Urals in winter months, as well as temperature increase relative to the temperature standard in the third quarter;
- stronger economic recovery in the country after the economic crisis.

The Troitsk GRES output decrease was caused by longer down-time of power units due to unscheduled repairs, as well as decline of the maximum capacity of 500 MW power units.

The Serov GRES output increase occurred as a result of stronger consumption recovery in the Serovo-Bogoslovsky energy centre, as well as unscheduled repairs of VL-220-500 kW that connects the Serovo-Bogoslovsky centre with the Urals IES.

2.1.3. Heat production

Heat production dynamics (collector output), thousand GCal

№	Branch name	Heat production, thousand GCal		
		2008	2009	2010
1	Surgut GRES-1	1,694.48	1,641.97	1,603.75
2	Stavropol GRES	81.29	68.15	66.06
3	Troitsk GRES	492.08	486.39	513.29
4	Serov GRES	112.18	118.55	115.55
5	Pskov GRES	75.64	81.77	82.55
Total for JSC OGK-2		2,455.67	2,396.82	2,381.2

The total heat production amounted to 2,381.2 thousand GCal, which, given the line losses and consumption for production and economic needs, provided for the planned volume of sales of 2,275.9 thousand GCal.

In 2010 heat production was down by 0.7% compared with the result of 2009 that equaled 2,396.82 thousand GCal, and down by 3% vs. the result of 2008 that equaled 2,455.67 thousand GCal.

2.1.4. Fuel balance. Consumption of fuel

Specific consumption of fuel equivalent for electricity produced, gr/kWh

Branch name	Specific consumption of fuel for electricity produced, gr/kWh			Deviation, gr/kWh	
	2010		2009	From standard	From last year's actual
	Actual	Standard	Actual		
Pskov GRES	329,7	330,1	331,9	-0,4	-2,2
Serov GRES	465,6	465,6	464,3	0	1,3
Stavropol GRES	330,0	330,6	328,5	-0,6	1,5
Surgut GRES-1	323,2	325,5	326,0	-2,3	-2,8
Troitsk GRES	422,1	422,5	403,0	-0,4	19,1
JSC OGK-2	348,1	349,5	347,2	-1,4	0,9

In 2010 specific consumption of fuel equivalent for electricity produced by JSC OGK-2 branches amounted to 348.1 gr/kWh, which is by 0.9 gr/kWh above the level of 2009 (2009 actual data – 347.2 gr/kWh) and by 1.4 gr/kWh below the established standard for 2010 (349.5 gr/kWh). The established standard has been accomplished.

Rise of the specific consumption of fuel equivalent occurred in the Serov, Stavropol and Troitsk GRES. In 2010 the biggest rise of the specific consumption of fuel equivalent for electricity produced was recorded at the Troitsk GRES and amounted to 422.1 gr/kWh in contrast to the established standard equal to 422.5 gr/kWh, which is by 19.1 gr/kWh above the level of 2009 (403.0 gr/kWh).

The rise of the specific consumption of fuel equivalent for electricity produced was caused by the change in output volumes, reduction of equipment load, change of shares of equipment with different efficiency levels in output volumes, change of fuel balance at the Company's branches, change of the branches' shares in output volumes, change of the number of equipment starts.

Increase of power units load at the Pskov GRES and Surgut GRES-1 was the main reason for reduction of the specific consumption of fuel equivalent at these stations.

The established standard for specific consumption of fuel equivalent for electricity produced was accomplished by all branches of the Company, no exceeding was recorded.

Specific consumption of fuel equivalent for heat produced, kg/GCal

№	Branch name	2008	2009	2010
1	Surgut GRES-1	142.8	142.7	139.7
2	Stavropol GRES	171.2	171.2	171.8
3	Troitsk GRES	173.9	170.4	171.3
4	Serov GRES	183.9	183.8	182.1
5	Pskov GRES	171.8	170.5	171.3
Total for JSC OGK-2		152.7	152.1	150.6

Specific fuel consumption for heat produced in 2010 by JSC OGK-2 was on average by 1.5 gr/GCal higher than in 2009.

A major decline compared to both last year and the planned figure was achieved at the Surgut GRES-1 as a result of change of the heat output structure at units HPP-130 and 200-T. Another major decline was demonstrated by the Serov GRES as a result of reduction of electricity consumption by the main-line pumps.

Fuel balance

№	Branch name	Gas, mln m ³			Coal, th tons			Fuel oil, th tons		
		2008	2009	2010	2008	2009	2010	2008	2009	2010
1	Surgut GRES-1	6,769.38	6,739.74	6,722.91	0	0	0	0	0	0
2	Stavropol GRES	3,011.23	2,814.20	2,963.95	0	0	0	54.29	2.35	5.02
3	Troitsk GRES	0	0	0	5,964.31	5,213.16	4,978.74	28.25	37.06	51.91
4	Serov GRES	386.90	348.98	350.12	1,743.62	1,434.27	1,506.09	0.44	0.24	0.04
5	Pskov GRES	526.08	517.21	617.49	0	0	0	0	0.49	0.03
Total for JSC OGK-2		10,693.58	10,420.13	10,654.47	7,707.93	6,644.42	6,484.83	82.59	39.48	57.00

Fuel balance structure, %

№	Branch name	2008			2009			2010		
		Gas	Coal	Fuel oil	Gas	Coal	Fuel oil	Gas	Coal	Fuel oil
1	Surgut GRES-1	100	0	0	100	0	0	100	0	0
2	Stavropol GRES	97.95	0	2.05	99.90	0	0.10	99.81	0	0.19
3	Troitsk GRES	0	98.85	1.15	0	98.34	1.69	0	97.55	2.45
4	Serov GRES	30.16	69.84	0	32.58	67.41	0	31.53	68.47	0
5	Pskov GRES	100	0	0	99.99	0	0.01	100.0	0	0
Total for JSC OGK-2		73.51	25.83	0.66	75.94	23.72	0.34	76.52	22.99	0.48

2.1.5. Improvement of reliability of the stations operations

According to the approved schedule eleven capital repairs of JSC OGK-2 equipment were planned for 2010 (two capital repairs at the Surgut GRES-1, one – at the Stavropol GRES, four – at the Serov GRES, four – at the Troitsk GRES), as well as thirteen medium repairs (three medium repairs at the Surgut GRES-1, two – at the Stavropol GRES, four – at the Serov GRES, three – at the Troitsk GRES,

one – at the Pskov GRES) and routine maintenance. In addition to primary equipment repairs, general station equipment repairs have been planned.

Total repair costs of basic production assets, including repair of machinery and equipment, buildings and constructions (factual data) in comparable prices annually (2010 prices)

JSC OGK-2 repair costs	2008	2009	2010
Total basic production assets, including:	4 211 169	3 287 638	2 850 597
machinery and equipment	3,877,682	3,020,533	2,587,739
buildings and constructions	333,488	267,105	262,858

According to the approved schedule twelve capital repairs of JSC OGK-2 equipment are planned for 2011 (two capital repairs at the Surgut GRES-1, two – at the Stavropol GRES, five – at the Serov GRES, two – at the Troitsk GRES, one – at the Pskov GRES), as well as eleven medium repairs (three medium repairs at the Surgut GRES-1, one – at the Stavropol GRES, three – at the Serov GRES, four – at the Troitsk GRES) and routine maintenance.

Key measures directed at improvement of reliability of the stations operations that were adopted in 2010

Surgut GRES-1:

1. Defective areas of furnace tubes around the burners of the boilers st. №№ 4,11 were replaced.
2. Tubes of the starting air compressor VD-III at the power unit st. № 4 were replaced.
3. The gas consumption system of the boiler st. № 4 was modernised.
4. Works on equipping of the automated chemical control at the power units st. №№ 9,16 were finalised.
5. Polymer coating of tube plates of turbine condensers at the power units №№ 4,11 was completed.

Stavropol GRES:

1. Alignment control for turbine and PTN-7 pump shafts was carried out, thrust forces that emerge in the gear coupling were eliminated.
2. Half-phase of phase B of the air switch VV-AT-304 (type VVDM-330B) was replaced.
3. Specific guide blades of blower fans at the power units st. № 1-8 were inspected for cracks.

Troitsk GRES:

1. Secondary rotor wheel of the smoke exhauster DOD-43 was replaced.
2. Feed-water economiser n. A,B heating surfaces of the Boiler 4A were replaced.
3. The state of concrete constructions of the foundation of the turbine unit №7 was inspected for dynamic and static force with the assistance of the specialised organisation.
4. Repair dampers for the primary air ventilator of the power units №№ 8,9 were installed for unobstructed repair of the primary air ventilator during the power unit operations.

5. A working section of the fast-response PRDS -1A,B of the boiler st. №4 was replaced.
6. The heating surface of the third stage platen superheater of the boiler st. №4 was replaced.
7. Capital repair of the electric motor of the smoke exhauster 5A was completed.
8. Stator winding of the impaired electric motor BPN-5A was replaced.

Serov GRES:

1. The lower row of water circulators between main and preswitched drums of the boiler st. № 6 was replaced.
2. Defective areas of furnace tubes of the boiler st. № 6 were replaced.
3. Regulatory system of the turbine № 8 was inspected and a speed controller RS-3000 was replaced.
4. Preventive repair of the shaft seal of the generator TA st. № 5 was carried out.

Pskov GRES:

1. Voltage transformers of type ZOM-1/15 (oil-filled), three of which are installed at the power unit st. №1, were replaced for the type ZNOL.06-15 (moulded).

Key measures directed at improvement of reliability of the stations operations that are planned for 2011

Surgut GRES-1:

1. Modernisation of the gas supply system of the boiler st. № 7.
2. Replacement of gear motors of the regenerative air heater during capital repairs of power units.
3. Replacement of the worn-out electric motors during capital repairs of power units.
4. "Vikor" polymer coating of condenser tube banks using technology of SPA Rokor.

Stavropol GRES:

1. Replacement of support insulators of type OFR-20-750 UHL2 of isolated bus ducts TEN-300 at the power units 1-8 for support insulators of type IOR-20-7,5.
2. Silicone sealing of isolated bus duct TEN-300 holes at the power units 1-8.
3. Inspection of cross and vertical keys with the purpose of removal of TFP leg sticking during capital repairs of the power units №№ 2,5.

Troitsk GRES:

1. Reconstructions at the power unit № 8:
 - most damageable heating surfaces of the boiler P-57;
 - power unit regulating system (including CEM replacement);
 - thermal insulation of equipment and setting;
 - electric equipment including replacement of switches, electric motors, cable routings for reliable advanced equipment;
 - coal-moving equipment.
2. Reconstruction of the lift № 4 in the BTS-2 (boiler-turbine section).
3. Modernisation of the SWC system at the 300 MW power unit st. № 5

Serov GRES:

1. Replacement of porcelain support insulators of the busbar bridge of the 10.5 kW turbine generator st. № 4 for polymeric ones.
2. Defect survey of tubes of the first and second stages of the feed-water economiser of the boiler st. № 10 with issuance of the respective act.
3. Carving of the measuring mechanism diaphragm chamber collets along the injection line of the boiler st. № 4 with subsequent grooving or replacement.

Pskov GRES:

1. Software testing with regard to potential factors of external action in cooperation with LLC Promavtomatika specialists to eliminate causes of simultaneous restart of controllers.

2.2. Results of Company sales activities

In 2010 the major share of the Company revenue came from sales of electricity and capacity – 98.2%, heat sales comprise about 1.7%.

Electricity sales account for the major share of revenue from the wholesale electricity and capacity market (WECM) – 81.8%, while capacity sales account for 18.2% of the revenue accordingly.

In the structure of revenue from electricity sales at WECM the major share belongs to electricity sales at free prices (day-ahead market and balancing market) – 73.5%, sales at regulated prices account for 26.5% accordingly.

In the structure of revenue from capacity sales at WECM the major share belongs to capacity sales at free prices (based on non-regulated electricity and capacity contracts and competitive capacity takeoff) – 65.6%, capacity sales at regulated prices account for 34.4% accordingly.

2.2.1. Electricity and capacity sales

In the last three years the share of electricity and capacity sales in the free sector of WECM has exceeded the share of sales at regulated contracts. The reason for this is a gradual increase of the share of the liberalised electricity and capacity market beginning from 2008. As of January 1, 2011 the share of the liberalised market equals 100%.

In 2010 electricity sales volumes by the Company were up by 7% compared with the crisis year 2009.

Dynamics of electricity sales, mln kWh

№	Branch name	2008				2009				2010			
		Total	by sectors			Total	by sectors			Total	by sectors		
			Regulated contracts	Day-ahead market	Balancing market		Regulated contracts	Day-ahead market	Balancing market		Regulated contracts	Day-ahead market	Balancing market
1	Surgut GRES-1	27,062.1	18,534.8	8,279.1	248.2	25,412.8	14,728.6	10,347.8	336.4	26,283.9	8,585.5	17,422.7	275.7
2	Stavropol GRES	11,788.9	7,316.6	3,997.1	475.2	10,998.1	5,962.4	4,532.1	503.5	12,101.1	3,601.8	7,995.5	503.7
3	Troitsk GRES	12,024.1	5,168.7	6,712.1	143.3	8,362.2	4,066.7	4,065.3	230.2	9,065.0	2,452.1	6,382.9	230.0
4	Serov GRES	3,422.5	2,617.5	595.7	209.3	2,773.3	2,094.8	580.5	97.9	3,044.3	1,217.1	1,704.3	122.9
5	Pskov GRES	2,117.1	1,242.9	775.1	99.0	2,138.7	996.0	1,063.7	79.0	2,690.2	659.3	1,921.0	109.9
TOTAL for JSC OGC-2		56 414.7	34,880.5	20,359.1	1,175.0	49,685.0	27,848.6	20,589.4	1,246.9	53,184.5	16,515.9	35,426.4	1,242.2

Share of electricity purchases in the total sales volume in 2010

№	Branch name	Electricity sales volumes in 2010		
		Total, mln kWh	incl. purchased electricity	
			mln kWh	%
1	Surgut GRES-1	26,283.9	2,815.5	11%
2	Stavropol GRES	12,101.1	1,750.2	14%
3	Troitsk GRES	9,065.0	2,476.6	27%
4	Serov GRES	3,044.3	426.0	14%
5	Pskov GRES	2,690.2	589.0	22%
TOTAL for JSC OGC-2		53,184.5	8,057.3	15%

Dynamics of capacity sales, MW

№	Branch name	2008			2009			2010		
		Total	including		Total	including		Total	including	
			Regulated market	Free market		Regulated market	Free market		Regulated market	Free market
1	Surgut GRES-1	3,231.0	2,861.6	369.4	3,266.4	2,081.7	1,184.6	3,289.0	1,302.2	1,986.8
2	Stavropol GRES	2,361.0	2,102.6	258.3	2,389.0	1,538.9	850.1	2,407.0	1,061.0	1,345.9
3	Troitsk GRES	2,039.3	1,803.8	235.5	2,055.4	1,314.6	740.8	2,064.6	899.7	1,164.9
4	Serov GRES	515.8	462.3	53.5	522.5	339.2	183.3	528.2	278.3	250.0
5	Pskov GRES	425.5	388.7	36.8	429.1	281.9	147.3	433.4	250.4	183.0
TOTAL for JSC OGK-2		8,572.5	7,619.0	953.5	8,662.4	5,556.2	3,106.2	8,722.2	3,791.6	4,930.7

2.2.2. Heat sales

Dynamics of heat sales (productive supply), thousand GCal

№	Branch name	2008	2009	2010
1	Surgut GRES-1	1,676.49	1,621.91	1,584.30
2	Stavropol GRES	66.22	53.84	60.60
3	Troitsk GRES	446.99	449.97	477.48
4	Serov GRES	95.47	101.66	99.46
5	Pskov GRES	50.56	50.97	54.10
TOTAL for JSC OGK-2		2,335.73	2,278.36	2,275.94

In 2010 total reduction in productive supply of heat by JSC OGK-2 resulted from the reduction of productive supply by the Surgut GRES-1. The reduction of productive supply by the Surgut GRES-1 was caused by launch of new boiler plants in the city of Surgut, modernisation of heating units and reconstruction and repair of heating networks.

2.2.3. Tariff information

Electricity and heat tariffs

№	Branch name	Electricity tariff rate, RUR/th kWh				Heat tariff rate, RUR/GCal*			
		2008	2009	2010	Established for 2011	2008	2009	2010	Established for 2011
1	Surgut GRES-1	372.87	456.94	547.81	588.21	218.21	271.8	324.82	311.40
2	Stavropol GRES	666.60	757.29	941.37	1,054.92	514.30	561.21	621.93	684.52
3	Troitsk GRES	442.29	517.58	575.94	630.17	404.66	440.38	456.88	495.23
4	Serov GRES	697.65	812.82	885.48	1,014.32	351.41	403.62	449.28	476.58
5	Pskov GRES	615.36	682.87	855.89	978.68	500.64	542.92	613.60	686.25

* Heat tariff rates do not include tariffs for heat transmission

Capacity tariffs

№	Branch name	Capacity tariff rate, RUR/MW per month			
		2008	2009	2010	Established for 2011
1	Surgut GRES-1	79,320.40	86,615.55	72,198.91	99,383.46
2	Stavropol GRES	69,404.48	83,692.07	63,512.07	78,562.98
3	Troitsk GRES	74,460.31	83,692.07	75,978.06	87,605.78
4	Serov GRES	87,559.95	95,589.98	84,198.78	159,755.59
5	Pskov GRES	115,327.36	125,621.24	109,536.31	176,078.51

Reduction of capacity tariffs in 2010 compared with 2009 was caused by the following reasons:

- Expenses (except for fuel and services of infrastructure organisations) were calculated on the basis of base expenses, included in 2009 tariff, and the index of fixed cost change, which was approved at the level of 0.934.
- Surpluses received in the previous period of regulation in the amount of RUR 640 mln were taken into consideration according to the Letter of the Ministry of Energy of Russia of November 10, 2009 № SV-8653109.

Significant increase of capacity tariffs in 2011 is caused by the following reasons:

- Tariffs for three stations (the Pskov GRES, the Serov GRES, the Surgut GRES-1) were established in accordance with the Procedure for determination of prices for capacity and electricity that are produced by generation facilities that supply capacity and electricity in forced regime. Tariffs for these stations were established as for the stations that operate in forced regime.

Necessary gross revenues increased by the amount of shortfall equal to RUR 640 mln, which was excluded in the previous period of regulation.

2.3. Company financial results

2.3.1. Structure of Company assets

JSC OGK-2 asset structure, 2008-2010

Name of indicator	Balance sheet line code	31.12.2008		31.12.2009		31.12.2010	
		RUR thousand	%	RUR thousand	%	RUR thousand	%
Non-current assets	190	12,316,893	27%	14,901,821	30%	15,558,533	33%
Fixed assets	120	9,403,113	21%	9,006,396	18%	9,567,712	21%
Construction in process	130	1,256,419	3%	1,853,884	4%	3,826,250	8%
Income yielding investments into tangible assets	135	6,561	0%	6,494	0%	6,425	0%
Long-term financial investments	140	46,332	0%	2,548,508	5%	555,548	1%
Deferred tax assets	145	186,887	0%	103,160	0%	109,763	0%
Other non-current assets	150	1,417,581	3%	1,383,379	3%	1,492,835	3%
Current assets	290	33,291,922	73%	34,053,353	70%	31,439,963	67%
Inventory	210	2,727,084	6%	2,443,608	5%	2,525,290	5%
VAT for assets purchased	220	62,702	0%	118,753	0%	32,912	0%
Accounts receivable	230,240	27,272,713	60%	26,534,874	55%	23,163,769	50%
Short-term financial investments	250	1,868,022	4%	3,405,394	7%	2,677,123	6%
Cash assets	260	1,361,401	3%	1,540,660	3%	3,023,447	6%
Other current assets	270	0	0%	10,064	0%	17,422	0%
Total	300	45,608,815	100%	48,955,174	100%	46,998,496	100%

As of December 31, 2010 the biggest share in the structure of the Company's assets belongs to current assets (67%) most of which are accounts receivable. As of December 31, 2010 the share of non-current assets in the structure of the Company's assets amounts to 33% most of which are fixed assets (21%).

JSC OGC-2 accounts receivable structure, 2008-2010

Name of indicator	Due within 12 months, RUR thousand			Due after 12 months, RUR thousand		
	31.12.2008	31.12.2009	31.12.2010	31.12.2008	31.12.2009	31.12.2010
Accounts receivables buyers and customers	1,559,800	3,382,396	2,045,129	192,935	122,035	8,502
Accounts receivable advances made	2,087,671	5,338,025	7,360,327	19,851,547	17,252,061	13,667,044
Other receivables	1,187,666	361,631	75,326	2,393,094	78,726	7,441
Total	4,835,137	9,082,052	9,480,782	22,437,576	17,452,822	13,682,987

In 2010 accounts receivable related to buyers and customers had a positive trend towards reduction compared with the previous year.

Advances made account for the biggest amount in the accounts receivable structure. This situation mostly results from payment of advances to contractors for construction of new power units. A change in the structure of accounts receivable for advances made was mostly caused by reclassification of receivables on general contractor agreements in the context of terms for execution of works.

In 2009 a significant reduction of other accounts receivable resulted from the change of principles for reflecting short-term financial investments in the Company's balance sheet.

JSC OGC-2 fixed assets structure as of 31.12.2010

Fixed asset group name		Historical (replacement) value	Accumulated depreciation
1.	Buildings	4,945,342	358,480
2.	Construction and transfer facilities	2,108,381	543,837
3.	Machinery and equipment	5,254,959	1,937,581
4.	Transport vehicles	92,751	34,375
5.	Production and organizational stock	45,494	27,354
6.	Perennial plantings	1,086	1,006
7.	Other types of fixed assets	4,001	1,070
8.	Land plots and environmental facilities	19,401	0
Total		12,471,415	2,903,703

As of December 31, 2010 accumulated depreciation of fixed assets amounts to RUR 2,903,703 thousand, or 23% of the historical value, that equals RUR 12,471,415 thousand as of December 31, 2010.

2.3.2. Structure of Company liabilities

JSC OGK-2 liabilities structure, 2008-2010

Name of indicator	Balance sheet line code	31.12.2008		31.12.2009		31.12.2010	
		RUR th	%	RUR th	%	RUR th	%
Capital and reserves		33,182,324	73%	34,979,519	71%	38,165,281	81%
Authorised capital	410	11,872,828	27%	11,872,828	24%	11,872,828	25%
Treasury stock	411	0	0%	0	0%	(6,458)	0%
Additional capital	420	24,785,095	54%	24,785,027	51%	24,780,610	52%
Reserve capital	430	177,372	0%	177,372	0%	262,791	1%
Retained profit (uncovered loss)	460	(3,652,971)	-8%	(1,855,708)	-4%	1,255,510	3%
Long-term liabilities		5,911,661	13%	484,415	1%	5,473,835	12%
Loans and credits	510	5,191,950	11%	0	0%	5,000,000	11%
Deferred tax liabilities	515	719,711	2%	476,752	1%	420,030	1%
Other long-term liabilities	520	0	0%	7,663	0%	53,805	0%
Short-term liabilities		6,514,830	14%	13,491,240	28%	3,359,380	7%
Loans and credits	610	2,503,553	5%	9,606,657	20%	0	0%
Accounts payable	620	4,004,859	9%	3,878,557	8%	3,353,593	7%
Debts to the members (founders) related to payment of income	630	150	0%	0	0%	0	0%
Deferred income	640	6,268	0%	6,026	0%	5,787	0%
Total		45,608,815	100%	48,955,174	100%	46,998,496	100%

As of December 31, 2010 the biggest share in the Company's liabilities structure belongs to Capital and reserves (81%). As of December 31, 2010 the share of long-term liabilities in the Company's liabilities structure amounts to 12%, most of which are loans and credits (11%). As of December 31, 2010 the share short-term liabilities in the Company's liabilities structure amounts to 7%, the biggest share of which belongs to accounts payable (7%).

A detailed structure of accounts payable is displayed in the table below.

JSC OGK-2 accounts payable structure, 2008-2010

Name of indicator	31.12.2008, RUR th	31.12.2009, RUR th	31.12.2010, RUR th
Accounts payable to suppliers and contractors	3,035,324	2,630,238	2,610,900
Advances received	16,764	18,891	49,890
Taxes and fees payable	421,822	631,930	321,646
Other accounts payable	530,949	605,161	424,962
Total	4,004,859	3,886,220	3,407,398

Accounts payable to suppliers and contractors account for the biggest amount in the accounts payable structure. Accounts payable show a stable trend towards reduction, which is a positive fact signifying that the Company complies with its obligations.

JSC OGK-2 loans and credits, 2008-2010

Name of indicator	31.12.2008, RUR th	31.12.2009, RUR th	31.12.2010, RUR th
Long-term credits and loans	5,191,950	0	5,000,000
Short-term credits and loans	2,503,553	9,606,657	0
Total	7,695,503	9,606,657	5,000,000

2.3.3. Company net assets

JSC OGK-2 net assets, 2008-2010

Indicators	31.12.2008	31.12.2009	31.12.2010
Authorised capital, RUR th	11,872,828	11,872,828	11,872,828
Total assets, RUR th	45,608,815	48,955,174	46,998,496
Net assets, RUR th	33,188,592	34,985,545	38,171,068

In 2010 positive dynamics in the change of net assets as compared to 2009 is explained by a greater reduction of the Company's liabilities against the reduction of assets.

2.3.4. Revenue structure

The biggest share in the revenue structure belongs to electricity and capacity sales (98%), while heat sales account for 2%. This structure did not show significant changes in 2008-2010.

JSC OGK-2 revenue structure, 2008-2010

Name of indicator	2008		2009		2010	
	RUR th	%	RUR th	%	RUR th	%
Electricity and capacity sales	39,809,889	98%	39,881,726	98%	51,476,086	98%
Heat sales	656,099	2%	758,778	2%	868,872	2%
Sales of other products and services	67,313	0%	71,860	0%	78,665	0%
Total	40,533,301	100%	40,712,364	100%	52,423,623	100%

In 2010 the sales revenue amounted to RUR 52.4 bln. In the last three years revenue from sales of products has demonstrated a positive dynamics. The main reason for the increase is the change of the share of the liberalised electricity and capacity market and the hike in the weighted average prices at the wholesale electricity and capacity market.

2.3.5. Cost structure

JSC OGK-2 cost structure, 2008-2010*

№	Name of indicator	2008		2009		2010	
		RUR th	%	RUR th	%	RUR th	%
I	Variable costs	30,683,446	77.2	28,536,661	79.1	38,039,441	83.0
	including:						
1	Fuel	23,774,658	59.8	24,274,565	67.3	29,866,966	65.2
2	Purchased electricity and capacity	5,879,227	14.8	3,356,038	9.3	7,112,661	15.5
3	Purchased heat energy	929	0.0	1,248	0.0	0	0.0
4	Water tax	769,083	1.9	658,696	1.8	716,621	1.6
5	Charges for negative impact on the environment	221,681	0.6	211,255	0.6	306,659	0.7
6	Services of the market operators (ATS, CFP)	37,868	0.1	34,859	0.1	36,534	0.1

II	Fixed costs	9,055,428	22.8	7,527,593	20.9	7,782,182	17.0
	Including:						
1	Materials and supplies	1,048,562	2.6	774,824	2.1	1,185,535	2.6
2	Works and services related to production	2,417,279	6.1	2,115,656	5.9	1,621,446	3.5
3	Labour costs	2,184,712	5.5	1,789,261	5.0	1,902,527	4.2
4	Unified social tax	376,773	0.9	346,044	1.0	371,325	0.8
5	Non-governmental pension fund expenses	168,716	0.4	325	0.0	21,867	0.0
6	Depreciation and amortisation	724,846	1.8	665,825	1.8	675,717	1.5
7	Other expenses	2,134,539	5.4	1,835,657	5.1	2,003,765	4.4
7.1.	including:	592,837	1.5	376,304	1.0	499,009	1.1
7.2.	Third party services	34,844	0.1	13,070	0.0	19,918	0.0
7.3.	Travel and representation expenses	88,611	0.2	1,822	0.0	12	0.0
7.4.	Segment rent payments	80,803	0.2	26,170	0.1	18,025	0.0
7.5.	Lease payments	58,506	0.1	57,219	0.2	65,779	0.1
7.6.	Insurance	316 366	0,8	220 874	0,6	241 293	0,5
7.7.	Taxes and fees	76 589	0,2	137 893	0,4	110 623	0,2
7.8.	Services of the market operators (excluding variable costs of the services)	171 928	0,4	151 827	0,4	183 310	0,4
7.9.	Services of JSC SO-CDD	571 967	1,4	701 335	1,9	674 677	1,5
7.10.	Other expenses	142 087	0,4	149 144	0,4	191 119	0,4
Total		39,738,873	100.0	36,064,254	100.0	45,821,623	100.0

In 2010 actual costs amounted to RUR 45.8 bln. Variable costs account for the biggest share in the cost structure – RUR 38.0 bln, or 83.0% of the total production and sales expenses.

Expenses for fuel, purchased electricity and capacity are main components of the variable costs, comprising 65.2% and 15.5% accordingly. Therefore the mentioned expense items mainly define the

Company's production costs. In 2010 an increase of the share of variable costs in the cost structure occurred in contrast to previous years. This resulted from the increase of prices on all types of fuel and rise of expenses for purchased electricity.

A significantly lower share in the cost structure belongs to fixed costs, which amounted to RUR 7.8 bln, or 17.0% in 2010.

2.3.6. Key financial and economic indicators

Dynamics of JSC OGK-2 key financial results

Name of indicator	2008	2009	2010
Revenue, RUR th	40,533,301	40,712,364	52,423,623
Cost of production, RUR th	39,738,873	36,064,254	45,821,623
Profit on sales, RUR th	794,428	3,736,769	5,737,992
Net profit (loss), RUR th	(1,364,897)	1,708,392	3,192,220
EBITDA, RUR th	(336,388)	3,550,645	5,167,173

In 2010 revenues from sales amounted to RUR 52.4 bln. In the last three years dynamics of the sales revenue shows a positive trend. The main reason for the growth is the change of the share of electricity and capacity market liberalisation, as well as a hike in weighted average prices at the WECM. In 2010 cost of production increased compared to previous years and amounted to RUR 45.8 bln. However as the revenue growth exceeded the cost growth, key financial and economic indicators were significantly overfulfilled. Profit on sales increased and reached RUR 5.7 bln, EBITDA went up to RUR 5.2 bln, the Company's net profit amounted to RUR 3.2 bln.

Assessment of financial solvency and liquidity

One of the indicators of the financial status of a company is its financial solvency that is its ability to make payments on its obligations in a timely manner.

The main goal of financial solvency and liquidity analysis is to evaluate the Company's ability to generate cash in the volume and within the time-limit required for undertaking estimated expenditures and making payments.

No	Indicator	Value at the end of the reporting period (2008)	Value at the end of the reporting period (2009)	Value at the end of the reporting period (2010)	Comments
1	General index of financial solvency (L1) Normal limitation $L1 \geq 1$	1.8	1.8	3.1	Used in integrated assessment of the company's financial solvency. Has a positive dynamics. Exceeds the recommended value.
2	Absolute liquidity ratio (L2) Normal limitation $L2 \geq 0,2 - 0,7$	0.5	0.4	1.7	Demonstrates which part of short-term liabilities can be redeemed by the organisation in the nearest future using quick assets (cash assets and short-term financial investments). Has a positive dynamics. Exceeds the recommended value.
3	Quick ratio (acid-test ratio, intermediate liquidity ratio) (L3) Acceptable $L3 \approx 0,5 - 0,7$ Advisable $L3 = 1$	1.2	1.0	4.5	Demonstrates which part of short-term liabilities can be repaid immediately using funds deposited the accounts, funds in short-term securities and short-term accounts receivable. Has a positive dynamics. Exceeds the recommended value.
4	Current liquidity ratio (L4) Target value 1,5; Optimal $L4 \geq 2$	4.8	2.5	9.4	Demonstrates which part of short-term liabilities can be repaid by mobilising all current assets. Has a positive dynamics. Exceeds the recommended value.

Analysis of the Company's financial solvency through accounting liquidity shows that financial solvency of the JSC OGC-2 as of December 31, 2009 can be estimated as high. The value of the absolute liquidity ratio exceeds the recommended limits (1.7), i.e. the Company's short-term liabilities can be repaid in the nearest future using highly liquid assets (cash and short-term financial investments).

This is also proved by availability of less liquid assets (inventory, short-term and long-term accounts receivable, and other current assets): acid-test and current liquidity ratios are high and level at 4.5 and 9.4 accordingly, which exceeds the set criteria and ensures a sufficient reserve for JSC OGC-2 to compensate losses 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 stands at 3.1.

Evaluation of financial stability

Analysis of financial stability at the specific date shows how efficiently own and borrowed funds are managed by a company during a reporting period, i.e. this is the ability to make due payments, extensively finance own activities, endure unforeseen shocks and maintain financial solvency in adverse circumstances.

The indicators of financial stability represented in the table characterise the degree of the Company's dependence on external investors and creditors.

No	Indicator	Value at the end of the reporting period (2008)	Value at the end of the reporting period (2009)	Value at the end of the reporting period (2010)	Comments
1	Equity ratio (R_E) Normal limitation $> 0,1$;	0.60	0.59	0.72	Demonstrates which part of current assets is financed using equity capital. Has a positive dynamics. Exceeds the recommended value.
2	Equity to total assets ratio (R_{ETA}) Normal limitation $R_{ETA} \geq 0,5$	0.73	0.71	0.81	Demonstrates the share of equity capital in financing of assets. Has a positive dynamics. Exceeds the recommended value.
3	Financial stability ratio (R_{FS}) Normal limitation $R_{FS} \geq 0,7$	0.86	0.72	0.93	Demonstrates the share of those financing sources that can be used in the company's activities for a long time. Has a positive dynamics. Exceeds the recommended value.
4	Financing ratio (R_F) Normal limitation $R_F \approx 1,5$	2.70	2.50	4.32	Demonstrates, which part of the company's activities is financed using own funds, and which one - borrowed funds. Has a positive dynamics. Exceeds the recommended value.
5	Accounts receivable/accounts payable ratio Normal limitation $R_{ARP} \geq 1$	6.26	6.82	6.80	Demonstrates, that the accounts receivable value is over six times higher than accounts payable at the latest reporting date

Equity ratio equals (RE) 0.72. This means that the Company's current assets can be financed by 72% by using equity capital.

Equity to total assets ratio (RETA) stands at 0.81 – a rather strong value – 81% of the total assets is financed using equity capital.

Financial stability ratio (RFS) also shows a rather high value of 0.93, which exceeds the recommended value.

Financing ratio (RF) is equal to 4.32, which shows that the Company is capable of covering borrowed funds using its own capital given unfavourable circumstances.

Evaluation of business activity

Business activity indicators (indicators of asset and liability turnover) determine how effectively a company uses its assets.

Turnover of all assets of a company shows the rate of their turnover which is measured by the number of turnovers of all the assets during the reporting period. Increase of an asset turnover rate during a reporting period as compared to the previous period indicates asset turnover acceleration, while reduction of an asset turnover rate shows a slower asset turnover.

Nº	Indicator	2008	2009	2010	Comments
1	Return on assets ratio (RRA)	4.32	4.42	5.64	Demonstrates efficiency of the Company's fixed assets utilisation. Has a positive dynamics. Fixed assets are used rather efficiently.
2	Inventory turnover ratio (RI)	16.37	15.75	21.10	The inventory turnover is high, which is a positive factor. Has a positive dynamics.
2a	Inventory turnover rate (TI), days	22	23	17	Characterizes inventory turnover period in the number of days.
3	Receivables turnover ratio (RR)	2.69	1.58	2.11	Receivables turnover ratio, which is equal to 2.11, signifies about a low receivables turnover rate, which was caused by a big amount of advances made according to the capital construction contracts.
3a	Receivables turnover rate (TR), days	135	231	173	Receivables turnover rate is 173 days.
5	Payables turnover ratio (RP)	13.36	10.32	14.38	Payables turnover ratio equals 14.38, which signifies about a normal payables turnover rate. The ratio has a positive dynamics.
5a	Payables turnover rate (TP), days	27	35	25	Demonstrates a payback period on the Company's current liabilities.
6	Ratio of cash and short-term financial investments turnover (RC)	3.25	9.96	9.85	Turnover rate of highly liquid assets is high, which is a positive factor
6a	Turnover of cash and short-term financial investments (TC), days	112	37	37	Characterizes a period of cash and short-term financial investments turnover.

Profitability indicators

Name of indicator	2008	2009	2010	Comments
Return on sales, % ($(I.050 \text{ f.2} / I.010 \text{ f.2}) * 100\%$)	1.96	9.18	10.95	As a result of sales volume increase and higher growth of revenue compared to costs, the return on sales rose to 10.95% in 2010.
Return on assets (ROA), % ($2 * I.190 \text{ f.2} / (I.300 \text{ f.1 at the beginning of the year} + I.300 \text{ f.1 at the end of the year}) * 100\%$)	-3.06	3.61	6.65	A significant increase of this indicator in the last three years resulted from the improvement of efficiency of the Company's main activities. It indicates about a positive trend and efficient utilisation of assets.
Return on equity (ROE), % ($2 * I.190 \text{ f.2} / (I.490 \text{ f.1 at the beginning of the year} + I.490 \text{ f.1 at the end of the year}) * 100\%$)	-4.03	5.01	8.73	Return on equity is a composite indicator of the Company's performance in all types of activities (financing, investing and operating). By the end of 2010 it reached 8.73%.

2.3.7. Fundamentals of the Company accounting policy

Business accounting in the Company is performed on the basis of the following accounting policies.

Basis for preparation

The Company's financial statements are formulated on the basis of accounting and reporting standards that are in effect in the Russian Federation, particularly the Federal Law on Accounting Policies of November 21, 1996 № 129-FZ, Accounting and Reporting Regulations of the Russian Federation, which were approved by the Decree of the Ministry of Finance of the Russian Federation of July 29, 1998 № 34n, as well as other legislative documents that belong to the regulatory system for accounting and reporting of organisations in the Russian Federation.

The Company's accounting policy was developed on the basis of the Accounting Policy Statement of JSC Gazprom, its associated companies and organisations that was approved by the order of JSC Gazprom of December 29, 2009 №415. The Company's accounting policy was approved by the order of JSC OGK-2 of December 30, 2009 №689.

Fixed assets

Assets that comply with requirements of the Accounting Regulation "Accounting for fixed assets" (Accounting Regulations 6/01) that were approved by the Decree of the Ministry of Finance of the Russian Federation of March 30, 2001 №26n, belong to fixed assets.

Assets that comply with conditions of their recognition as fixed assets, with value of no more than RUR 20,000 (inclusive) per unit, are reported as inventories. For the purpose of their maintenance in production and exploitation inventory control has been organised.

Depreciation of fixed assets is accrued by the straight-line method in terms of useful life that is established by the commission at the moment of inclusion of objects for accounting purposes, based on the expected useful life of the object with regard to the Decree of the Government of the Russian Federation of January 1, 2002 №1 "On classification of fixed assets that are subject to inclusion into depreciation groups".

Depreciation is not accrued for land lots and objects that have been depreciated completely, but not written off the balance sheet.

Financial investments

Financial investments are stated at actual costs for their acquisition, except for financial investments for which current market value can be determined in line with established procedures. The latter are revaluated at current market value as of the end of the reporting period. Difference between evaluation of such financial investments as of the current reporting date and their preceding evaluation is posted to other expenses and income.

Debt securities, for which current market value cannot be determined, are valued at historical cost.

Separately identified financial investments (promissory notes and deposits), for which current market value cannot be determined, are stated at cost for each unit on disposal.

Interest-free loans and interest-free promissory notes of third parties are accounted for as financial investments. Such investments are practiced by the Company for the purpose of acceleration

of settlements with counterparties, in this way they provide economic benefits to the Company indirectly.

Expenses and income on operations with financial investments are stated as other expenses and income.

Inventory

In the process of posting to the accounts inventory is valued at actual cost for its acquisition.

Upon release to production or other disposal inventory valuation is performed using average cost of the homogeneous group of inventory at storage locations, which is determined as weighted average for each day. Coal is written off at the average cost for a month. Fuel and lubricants are written off at the average cost for the period that is established for submission of waybills to the accounting department in accordance with the established schedule for document flow. Cost of working clothes with over one year of service time is transferred to expenses by a straight-line method during the established useful service.

Inventory impairment reserve is not formed for raw materials, materials and other inventory that are used in production of final goods, works, rendition of services in case current market value of such final goods, works and services is equal to or exceeds their actual cost at the balance sheet date.

Inventory also includes objects that comply with conditions of their recognition as fixed assets, with acquisition cost that does not exceed RUR 20,000 (inclusive) per unit, as well as items (equipment and maintenance accessories) which are not consumed right away, but serve during up to 12 months upon their release to production.

Cost of goods manufactured

Accounting for cost of main goods manufactured is performed with regard to industry characteristics that are outlined in the Instruction on planning, accounting and calculation of costs for production and supply of electricity and heat by power stations, power and heat networks and energy supply enterprises on the whole, which was approved by the Ruling of the Federal Energy Commission of the Russian Federation of July 3, 1998 №27/4.

The Company's main products are electricity and capacity, heat energy and demineralised water.

Specific nature of the products does not assume existence of work in progress.

General business expenses on support of administrative staff are charged monthly as administrative expenses in full volume to financial and operating results with their allocation among main types of products in proportion to their share in costs.

Final goods are accounted for at reduced manufacturing costs excluding general administrative expenses. Valuation of final goods on their release is performed at cost of each unit.

Deferred expenses

Expenses that were incurred by the Company in the reporting period but related to forthcoming reporting periods are stated as deferred expenses and are to be equally charged to cost of production, capital expenditures and other expenses depending on their use throughout the period to which they are related. Duration of such period is set based on the term of a contract, license or information from departments and divisions, for which these expenses were made. In the course of gradual build-up

of deferred expenses the term of the expense write-off begins from the moment when cost of the object of deferred expenses is finalised. Deferred expenses mainly include payments for a right to use intellectual property (software and information products).

Trade receivables

Trade and other receivables are reported in the Company's accounting statements at values, for which payment documents have been presented (amounts stated in invoices and set in contracts, etc.).

Trade receivables for which payments have not been made within the time limits prescribed by the contracts and for which appropriate assurance, guarantee, security deposits and others have not been provided, are reported net of accrued provisions for bad debts. These provisions represent the Company's conservative estimate of outstanding debts that may never be redeemed. Accrued provisions for bad debts are related to other expenses.

Debts impossible for collection, including debts with expired time allowed for claims, are written off the balance sheet as far as such debts are recognised as unrecoverable, while their off-balance sheet accounting will continue for the following five years.

Share capital, additional paid-in capital and reserve capital

Share capital amounts to nominal value of ordinary shares. The size of share capital is equal to the size that is set in the Company's Charter.

According to the Charter, the Company forms reserve capital, which amounts to 5% of the share capital. The Company's reserve capital is formed through mandatory annual allocations until it reaches the given size. Annual allocations amount to 5% of net income.

Additional paid-in capital includes the amount of share premium, which is obtained through placement of the Company's shares at a price that exceeds their nominal value; it also includes an increase in value of fixed assets following their revaluation.

Borrowings and loans received

With regard to the prudence concept, the Company's liabilities on borrowings and/or loans received from lenders are recognised in the amount of cash that was actually received excluding the amount of liabilities provided for by the agreement.

Interest due for payment to lenders is stated as other expenses on an even basis.

Additional expenses incurred in connection with borrowings and loans are recognised as other expenses as far as these are incurred.

A discount on bonds due for payment is recognised as deferred expenses and included into the Company's other expenses on an even basis monthly.

Revenue recognition

Sales revenues from goods, products and services (works) are recognised as revenues when products have been delivered to customers (services are rendered) and payment documents have been presented by customers. In financial reporting revenue is stated net of the value added tax, excise tax and similar compulsory payments.

The Company's other income includes:

- Proceeds from leasing;

- Proceeds from sales of fixed assets, intangible assets, inventory and other assets of the Company other than cash;
- Fines, penalties, forfeitures for violation of contract terms that the Company is to receive under the court decision or following recognition by the debtor.

2.4. Results of investment activities

2.4.1. Implementation of programmes on modernisation, reconstruction and technical upgrade

Measures on extension and maintenance of operating capacities of production facilities, replacement of outdated equipment, extension of service lives of buildings and constructions, improvement of operational reliability, reduction of production costs, improvement of work conditions for station employees are main directions of the Company's investment activities.

According to the Program on technical re-equipping and reconstruction that was approved by the Board of Directors of JSC OGC-2, out of the planned amount equal to RUR 1,541.8 mln (excl. VAT), the amount of RUR 1,433 mln was practically used, which is 93% of the planned figure. Amortisation, depreciation and net profit were main sources for financing of the Program on technical re-equipping and reconstruction. Out of the planned amount equal to RUR 1,519.5 mln (incl. VAT) the amount of RUR 1,003.1 mln was actually financed. In 2010 RUR 1,411.3 mln were practically used.

Among the most essential projects the following ones can be emphasised: "Reconstruction of the power unit №4 for possible attainment of projected capacity" at the Troitsk GRES, "Reconstruction of the makeup demineraliser" at the Stavropol GRES, and "Development of a design for reconstruction of the ash dump №3 with the use of free space" at the Serov GRES.

№	Measures	Implementation period	Cost, RUR mln (excl. VAT)	Status of programme implementation as of December 31, 2010/ major measures introduced
JSC OGC-2 branch – the Stavropol GRES (village of Solnechnodolsk, Izobilnensky region, Stavropol territory)				
1	Reconstruction of the chemical treatment plant	4Q 2006 – 4Q 2012	248.9	Given the annual plan of RUR 1,511.93 thousand, disbursed investment amounted to RUR 19,736.2 thousand, works were executed by means of additional financing
2	Replacement of voltage transformers at the 330 kW open switchgear (3 units)	3Q 2009 – 2Q 2010	3.0	Replacement of voltage transformers TN-330 (3 units). Given the annual plan of RUR 2,419.09 thousand, disbursed investment amounted to RUR 3,013.11 thousand.
3	Reconstruction of the automatic fire alarm system of cable spaces of the power units № 5-8, electrolytic machine and oil control operating room	4Q 2009 – 4Q 2010	16.5	This is continuation of measures of the year 2009. The final part of the project was completed. Works were executed by LLC MK Teploenergomontazh in accordance with contract № 366 of August 14, 2009. Disbursed investment amounted to RUR 16,296.4 thousand given the plan of RUR 16,030.15 thousand.

№	Measures	Implementation period	Cost, RUR mln (excl. VAT)	Status of programme implementation as of December 31, 2010/ major measures introduced
JSC OGK-2 branch – the Surgut GRES-1 (village of Kedrov, city of Surgut, Khanty-Mansiysk Autonomous District-Yugra, Tyumen region, the Russian Federation)				
1	Modernisation of High Pressure Cylinder seals of a power unit using honeycomb structures, incl. the project at the power unit 4.	2Q2010 – 3Q2010	8.6	Modernisation of High Pressure Cylinder seals of a power unit using honeycomb structures, incl. the project. Plan – RUR 8,637.9 thousand, disbursed investment amounted to RUR 8,065.0 thousand.
2	Introduction of vibrocontrol for the turbine-generator using equipment LMZ-97 at the power unit 11.	3Q2010 – 4Q2010	4.8	Introduction of vibrocontrol for the turbine-generator using equipment LMZ-97 at the power unit 11. Plan – RUR 4,867.8 thousand, disbursed investment amounted to RUR 5,065.7 thousand.
3	Introduction of a generator temperature control system (ISTKG) at the power unit 4.11.	2Q2010 – 4Q2010	5.2	Introduction of a generator temperature control system (ISTKG) at the power unit 4.11. Plan – RUR 5,205.1 thousand, disbursed investment amounted to RUR 6,344.8 thousand.
4	Reconstruction of the gas supply system with replacement of burners at the power unit 4, incl. the project	2Q2010 – 3Q2010	26.6	Reconstruction of the gas supply system with replacement of burners at the power unit 4, incl. the project. Plan – RUR 27,941.5 thousand, disbursed investment amounted to RUR 27,414.4 thousand.
5	Installation of a software and hardware package “Stantsiya”	2Q2010 – 2Q2011	20.0	Installation of a software and hardware package “Stantsiya”. Plan – RUR 3,407.3 thousand, disbursed investment amounted to RUR 3,901.0 thousand.
JSC OGK-2 branch – the Troitsk GRES (city of Troitsk, Chelyabinsk region, the Russian Federation)				
1	Turnkey reconstruction of the pollution abatement system of the power unit №4 with replacement of electric filters.	2Q2010 – 4Q2010	460.4	Turnkey reconstruction of the pollution abatement system of the power unit №4 with replacement of electric filters – disbursed investment amounted to RUR 464,242.3 thousand.
2	Reconstruction of the boiler PK-39 st. №4 with replacement of the feed-water economiser, 3 st. platen superheater, regenerative air heater packing.	2Q2010 – 4Q2010	200.4	Reconstruction of the boiler PK-39 st. №4 with replacement of the feed-water economiser, 3 st. platen superheater, regenerative air heater packing – disbursed investment amounted to RUR 236,150.4 thousand.
3	Boiler-turbine shop-2, power unit №4. Reconstruction with replacement of the lower nuclear island, starting air compressor 4 “A”, “B” with cameras	2Q2010 – 4Q2010r.	125.2	Boiler-turbine shop-2, power unit №4. Reconstruction with replacement of the lower nuclear island, starting air compressor 4 “A”, “B” with cameras – disbursed investment amounted to RUR 111,215.74 thousand.
4	Boiler-turbine shop-2, power unit №4. Reconstruction of coal-pulverisation systems (pulverised fuel pipes, pulverised fuel air pipes, pulverised coal feeders)	2Q2010 – 4Q2010	18	Reconstruction of coal-pulverisation systems (pulverised fuel pipes, pulverised fuel air pipes, pulverised coal feeders). Disbursed investment amounted to RUR 17,110.4 thousand.
5	Boiler-turbine shop-2, power unit №4. Reconstruction of heat insulation and setting of the boiler with installation of metal covering	2Q2010 – 4Q2010	45.8	Reconstruction of heat insulation and setting of the boiler with installation of metal covering. Disbursed investment amounted to RUR 56,058.2 thousand.
6	Reconstruction of the electric motor, open switchgear, other electrical equipment (Reconstruction of the 220 kW open switchgear)	2Q2010 – 4Q2010	14.1	Reconstruction of the electric motor, open switchgear, other electrical equipment (Reconstruction of the 220 kW open switchgear). Disbursed investment amounted to RUR 7,180.5 thousand.

No	Measures	Implementation period	Cost, RUR mln (excl. VAT)	Status of programme implementation as of December 31, 2010/ major measures introduced
JSC OGC-2 branch – the Serov GRES (city of Serov, Sverdlovsk region, the Russian Federation)				
1	Reconstruction of the 110 kW open switchgear with replacement of air switches for sulphur hexafluoride switches.	1Q2009 – 4Q2012	120.0	Reconstruction of the 110/220 kW open switchgear with replacement of air switches for sulphur hexafluoride switches. Plan – RUR 12,880.1 thousand, disbursed amount – RUR 15,160.8 thousand.
2	Design for reconstruction of the ash dump №3 with the use of free space	2Q2010 – 4Q2010	15.0	Design for reconstruction of the ash dump №3 with the use of free space. Plan – RUR 15,184.2 thousand, disbursed amount – RUR 15,102.4 thousand.
JSC OGC-2 branch – the Pskov GRES (village of Dedovichi, Pskov region)				
1	Modernisation of the station access control system	2Q2010 – 3Q2010	0.85	Modernisation of the station access control system – disbursed investment amounted to RUR 872.2 thousand, works were completed in full.
2	Replacement of oil switches KRU-6 kW for vacuum switches at the power units №1,2.	1Q2010 – 4Q2010	7.5	Replacement of oil switches KRU-6 kW for vacuum switches at the power units №1,2 – disbursed investment amounted to RUR 4,758.9 thousand.

2.4.2. Implementation of programmes on construction of new power units

Station/Territory	Facility	Commissioning period	Estimated cost of the facility, RUR mln (excl. VAT)
Troitsk GRES, Chelyabinsk region, Troitsk	«Territory of the Troitsk GRES. Construction of power units 660 MW STU (st. № 10, 11) with emphasis on the first start-up facility – power unit st. №10»	2014	40,203.08

Progress of the investment project implementation:

On August 11, 2010 the Government Decree № 1334-r was released. It provided for construction of the power unit №10 with commissioning on November 30, 2014.

In addition to the general contractor contract with CJSC KVARZ – New Technologies №1-07 ks of December 14, 2007, an agreement №4 of July 14, 2010 was concluded. It stipulated extension of the period for implementation of the project on construction of the power unit №10 with 660 MW capacity from 2011 to 2014. It also stipulated elimination of the power unit №11 with 660 MW capacity from the volumes of the construction contract.

On September 24, 2010 a positive opinion on the approved portion of design documentation was

received after the state expert review. Development of detailed design documentation began. The construction permit was received on December 31, 2010.

Preparatory works have been launched at the construction site: construction of a combined supplementary complex, diesel fuel facilities, a locomotive shop, removal of the existing buildings and constructions.

Station/Territory	Facility	Commissioning period	Estimated cost of the facility, RUR mln (excl. VAT)
Serov GRES, Sverdlovsk region, Serov	«Territory of the Serov GRES. Construction of power units st. №9, 10 (420 MW CCGT unit) with emphasis on the first start-up facility – power unit st. №9»	2014	19,136.16

Progress of the investment project implementation:

On August 11, 2010 the Government Decree № 1334-r was released. It provided for construction of the power unit №9 with commissioning on November 30, 2014.

An agreement №1 of March 30, 2010 with JSC E4 Group was concluded in addition to the general contractor contract №2-07 ks of December 29, 2007 “on performing of general contractor functions on construction of the power unit №9 at the Serov GRES”. A contract with JSC TEK Mosenergo № 30/PIR-26/2010 of April 14, 2010 on performing of general design engineer functions was concluded.

Design documentation that is due for approval has been developed and presented for the state expert review.

According to the document the construction site has been transferred to the General contractor.

Station/Territory	Facility	Commissioning period	Estimated cost of the facility, RUR mln (excl. VAT)
The Stavropol GRES, Stavropol territory, Izobilnensky region, village of Solnechnodolsk	«Territory of the Stavropol GRES. Construction of power unit 420 MW CCGT (st. №9)»	2016	15,869.78

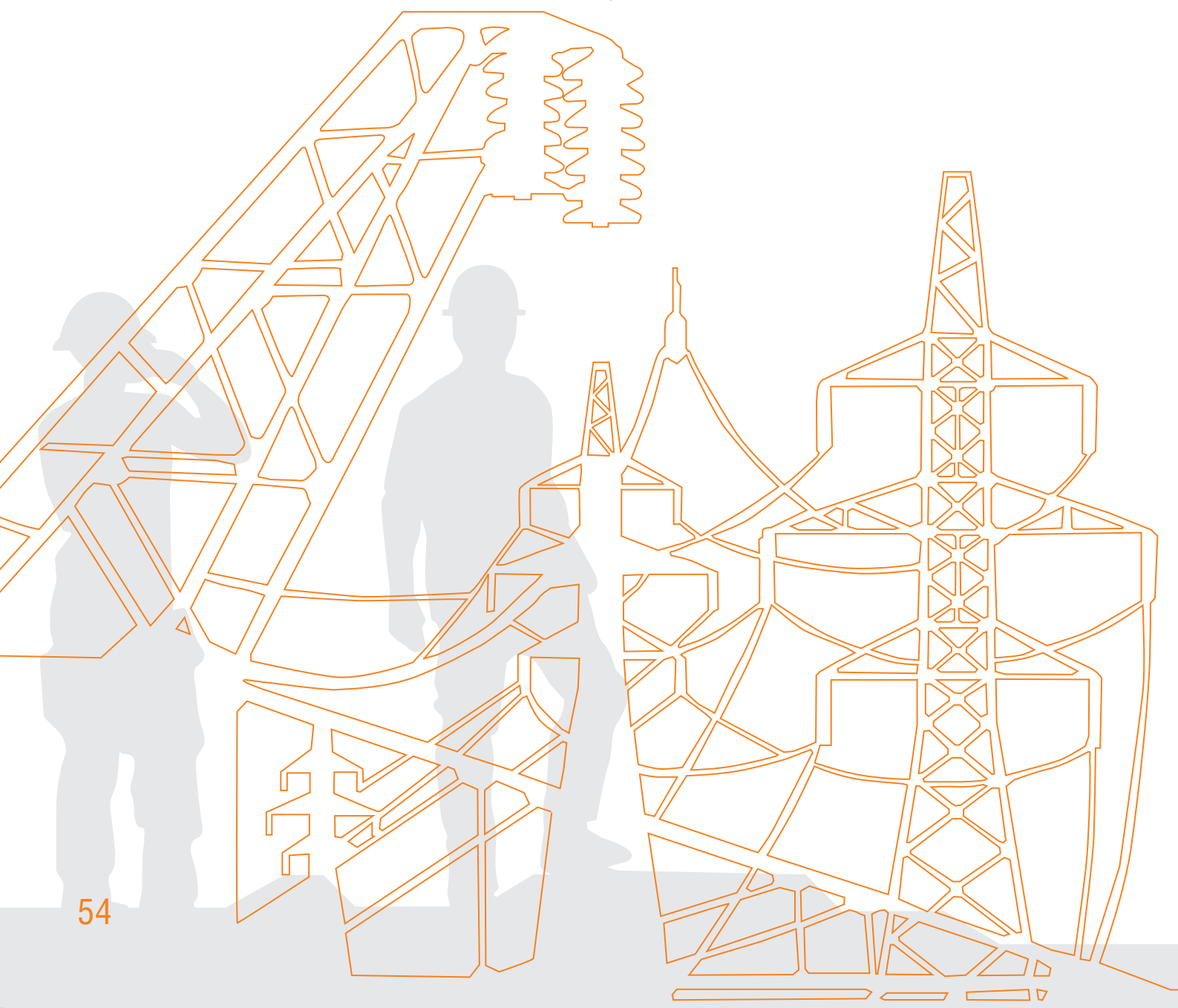
Progress of the investment project implementation:

On August 11, 2010 the Government Decree № 1334-r was released. It provided for construction of the power unit №9 with commissioning on November 30, 2016.

Based on this decision, on September 13, 2010 the Company concluded a contract with JSC E4 Group on design of the 420 MW CCGT st. №9 of the Stavropol GRES with use of the previous design documentation for the power units №9 and №10.

3.

- 3.1. Principles of corporate governance
- 3.2. Information on managing and controlling bodies
- 3.3. Subsidiaries and affiliates of the Company
- 3.4. Auditor and registrar



3. Corporate governance

3.1. Principles of corporate governance

Corporate governance is a system of strategic and tactic business management, through which stock ownership rights are exercised. It represents a complex of relations between management, the Board of Directors, investors and other stakeholders.

Corporate governance mechanisms are called to provide for responsibility of the Board of Directors to shareholders, of management – to the Board of Directors, of major shareholders – to minority shareholders, of a corporation – to employees, customers and company on the whole. Corporate governance aims to ensure that all these groups and institutions perform their functions in the best way while maintaining the balance of interests between them.

Major principles of corporate governance:

- Justice (observance of rights and efficient system of rights protection, equal treatment of shareholders and investors);
- Responsibility (recognition and observance of rights of all interested parties, spreading responsibility to all activities of the Company, cooperation and development of relations, 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 accomplishment of the Board of Directors' assignments, and accountability of the executive body to shareholders;
 - Controllability of the executive body by the Audit Commission and the Auditor;
 - Transparency and disclosure (timely disclosure of reliable information in full volume concerning all substantial facts and events related to the Company's activities). Accessibility of information that is subject to disclosure, on a mandatory and voluntary basis, in accordance with international standards and requirements of stock exchanges at which securities of the Company are represented (RTS, MICEX, LSE).

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

- provisions of the federal legislation and regulatory acts on joint stock companies, securities markets, issue of securities, protection of competition, registration of legal entities, registration of real estate, disclosure, activities on organisation of trade in the securities market;
- rules of the regulators of the Russian Federation (Federal Service on Financial Markets) and of Great Britain (FSA, UKLA);
- listing rules of the Russian trade organisers (Moscow Interbank Currency Exchange, RTS) and the London Stock Exchange;
- Charter and internal documents of the Company.

The Company is also guided by the principles of the 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).

The system of control and quality assessment of corporate governance assumes regular control over execution of financial and economic plans, production plans and indices approved by the Board of Directors and shareholders. Furthermore, the Board of Directors controls activities of executive bodies (the General Director and the Management Board), passes resolutions on approval of major transactions, interested-party transactions, makes decisions on other essential issues of the Company's activities.

The Company provides equal access to information to all investors, does not allow a policy of non-disclosure of information and strives to eliminate any kind of exclusiveness in access to information.

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

Furthermore, for the purpose of timely public disclosure of complete, quality and reliable information on the Company's activities for shareholders, investors and other interested parties the Company's website (www.ogk2.ru) has been publicly available since 2005, where information is available both in the Russian and English languages.

3.2. Information on managing and controlling bodies

According to the Company's Charter (cl. 14.1 art. 14, cl.19.1 art.19, cl. 25.1 art. 25), the Company's managing bodies are:

- General meeting of shareholders;
- Board of Directors;
- Management Board;
- General Director.

The Company's controlling bodies are:

- Audit Commission;
- Internal audit service.

3.2.1. Board of Directors

The Board of Directors is a body performing general management of the Company. There are eleven (11) members in the Company's Board of Directors.

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 from each shareholder is multiplied by the number of persons to be elected to the Board of Directors, and each shareholder has a 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.

Early resignation of Board members is possible on the resolution of the General Shareholders Meeting and only relative to all members of the Board of Directors.

Primary objectives of the Board of Directors are: development of the Company's strategy, which

is directed at the increase of capitalisation and improvement of investment prospects; specification of the Company's asset management principles; implementation of an efficient system to monitor the Company's operating and financial results.

The Company's Board of Directors acts for the benefit of the Company and its shareholders. It reports to the Company's General Meeting of Shareholders.

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 the Regulation on the Board of Directors of JSC OGK-2, which is approved by the resolution of the Shareholders meeting (Minutes No. 3 of June 25, 2010)¹.

Composition of JSC OGK-2 Board of Directors until June 24, 2010

№	Name of the Board member	Position, place of employment
1	Fyodorov Denis Vladimirovich	General Director of LLC Gazprom Energoholding, Head of the Directorate for Development of the Power Industry Sector and Marketing in the Power Industry of JSC Gazprom
2	Vainzikher Boris Feliksovich	General Director of JSC TGK-1
3	Gavrilenko Anatoly Anatolyevich	General Director of CJSC Lider
4	Golenishchev Igor Anatolyevich	Head of the Directorate for Debt and Project Financing of JSC Gazprom
5	Kulikov Denis Viktorovich	Executive Director of Association for Protection of Investor Rights
6	Mityushov Aleksey Aleksandrovich	General Director of LLC Gazpromenergo General Director of JSC OGK-6
7	Neveynitsyn Stanislav Vitalyevich	General Director of JSC OGK-2
8	Opadchiy Fyodor Yurievich	Director for market development and monitoring of JSC SO UES, member of the Supervisory Board of the Market Council
9	Khodursky Mikhail Leonidovich	Chairman of the Management Board of CJSC Gazenergoprombank
10	Shavaleev Damir Akhatovich	General Director of JSC Salavatnefteorgsintez General Director of LLC Salavat Petrochemical Complex
11	Shatsky Pavel Olegovich	First Deputy General Director of LLC Gazprom Energoholding

¹The Regulation can be reviewed at the official website of JSC OGK-2: <http://www.ogk2.ru>

Current Board of Directors of JSC OGK-2 (as of June 24, 2010)

Name: **Vainzikher Boris Feliksovich**Year of birth: **1968**Education: **higher**

Positions during the last five years:

Since 2008	General Director of JSC TGK-1
2002-2005	General Director of JSC Kirishi GRES
2005-2007	Member of the Management Board, Engineering Director of JSC RAO UES
2007-2007	General Director of JSC Power Machines
2007-2008	Member of the Management Board, Engineering Director of JSC RAO UES
Since 2009	Member of the Board of Directors of JSC OGK-2
Since 2010	Member of the Board of Directors of JSC OGK-6
Since 2009	Member of the Board of Directors of JSC Heating Networks of Saint Petersburg

Has no shareholding in JSC OGK-2

Name: **Gavrilenko Anatoly Anatolyevich**Year of birth: **1972**Education: **higher**

Positions during the last five years:

Since 2004	General Director, member of the Board of Directors of CJSC Lider (pension fund asset management company)
Since 2005	Member of the Board of Director of JSC Mosenergo
Since 2005	Member of the Board of Directors of OJSC Moscow United Electric Grid Company (OJSC MOESK)
Since 2007	Member of the Board of Directors of Gazprombank (Open Joint Stock Company)
Since 2007	Member of the Board of Directors of OJSC Sibur Holding
Since 2007	Member of the Board of Directors of OJSC Salavatnefteorgsintez
Since 2008	Member of the Board of Directors of JSC OGK-6
Since 2008	Member of the Board of Directors of OJSC GAZKON
Since 2008	Member of the Board of Directors of OJSC GAZ – service
Since 2007	Member of the Board of Directors of OJSC Glavnaya Doroga
Since 2007	Member of the Board of Directors of OJSC Stolichniy Trakt
Since 2008	Member of the Board of Directors of JSC OGK-2
Since 2005	Member of the Board of Directors of LLC Sochi-Breeze

2006-2007	Member of the Board of Directors of JSC Mosenergosbyt
2005-2008	Member of the Board of Directors of OJSC Moscow Heating Networks Company
2007-2008	Member of the Board of Directors of OJSC Rostelecom
2007-2008	Member of the Board of Directors of OJSC VolgaTelecom
2005-2008	Member of the Board of Directors of OJSC Moscow city Electric Grid Company
2005-2006	Member of the Board of Directors of OJSC Southern Telecommunications Company

Has no shareholding in JSC OGK-2

Name: **Golenishchev Igor Anatolyevich**

Year of birth: **1963**

Education: **higher**

Positions during the last five years:

Since 2004	Head of the Directorate for Debt and Project Financing of JSC Gazprom
Since 2007	Member of the Board of Directors of JSC Gazprom Space Systems
Since 2010	Member of the Board of Directors of OJSC Centrenergoholding
Since 2009	Member of the Board of Directors of JSC OGK-2
Since 2009	General Director of LLC Gazprom Investproekt
Since 2010	Member of the Board of Directors of CJSC Achimgaz
Since 2010	Member of the Board of Directors of LLC SeverEnergia

Has no shareholding in JSC OGK-2

Name: **Kulikov Denis Viktorovich**

Year of birth: **1975**

Education: **higher**

Positions during the last five years:

2002-2005	Member of the Board of Directors of OJSC Bryanskenergo
2004-2005	Member of the Board of Directors of OJSC Vladimir Energy Company
2003-2006	Member of the Board of Directors of OJSC Pechora GRES
2003-2006	Member of the Board of Directors of OJSC Cherepets GRES
2004-2006	Member of the Board of Directors of OJSC Penza Generating Company
2005-2006	Member of the Board of Directors of OJSC VolgaTelecom
Since 2010	Member of the Board of Directors of OJSC VolgaTelecom

2005-2006	Member of the Board of Directors of OJSC TKG-4
2007-2008	Member of the Board of Directors of OJSC Interregional Distribution Grid Company of the South
2006-2008	Member of the Board of Directors of OJSC OGK-5
Since 2007	Member of the Board of Directors of OJSC MOEK
Since 2008	Member of the Board of Directors of OJSC North-West Telecom
Since 2009	Member of the Board of Directors of OJSC Baikalwestcom
Since 2010	Member of the Board of Directors of OJSC Dalsvyaz
Since 2010	Member of the Board of Directors of OJSC Uralsvyazinform
Since 2010	Member of the Board of Directors of OJSC CenterTelecom
Since 2009	Member of the Board of Directors of OJSC United Energy Company (OEK)
Since 2010	Member of the Board of Directors of OJSC IDGC of the North-West
Since 2004	Member of the Board of Directors of OJSC Southern Telecommunications Company (OJSC UTK)
Since 2010	Member of the Board of Directors of OJSC IDGC of Volga
Since 2009	Member of the Board of Directors of OJSC OGK-2
Since 2007	Executive Director of the Association for Protection of Investor Rights

Has no shareholding in JSC OGK-2

Name: **Mityushov Aleksey Aleksandrovich**

Year of birth: **1975**

Education: **higher**

Positions during the last five years:

Since 2008	General Director, Chairman of the Management Board, member of the Board of Directors of JSC OGK-6
Since 2010	Member of the Board of Directors of JSC TKG-1
Since 2010	Member of the Board of Directors of JSC Mosenergo
Since 2010	Member of the Board of Directors of JSC Gazpromregiongaz
Since 2010	Member of the Board of Directors of OJSC Salavatnefteorgsintez
Since 2007	General Director of LLC Gazpromenergo
Since 2010	Member of the Board of Directors of JSC Mezhhregionteploenergo
Since 2010	Member of the Board of Directors of JSC Mezhhregionenergogaz
2003-2007	Head of the Property and Corporate Activity Department of LLC Mezhhregiongaz
Since 2009	Member of the Board of Directors, General Director, Chairman of the Management Board of JSC OGK-2
2003-2007	General Director of JSC Mezhhregionteploenergo

Has no shareholding in JSC OGK-2

Name: **Opadchiy Fyodor Yuryevich**

Year of birth: **1974**

Education: **higher**

Positions during the last five years:

Since 2004	Director for market development and monitoring of JSC SO UES
Since 2008	Member of the Board of Directors of OJSC TGK-2
Since 2008	Member of the Supervisory Board of the Market Council
Since 2009	Member of the Board of Directors of JSC OGK-2

Has no shareholding in JSC OGK-2

Name: **Khodursky Mikhail Leonidovich**

Year of birth: **1971**

Education: **higher**

Positions during the last five years:

2007-2010	Chairman of the Management Board of CJSC Gazenergoprombank
Since 2010	Member of the Board of Directors of JSC OGK-6
2004-2006	Head of Individual Finance Services Department of CJSC Gazprombank
2006-2006	Adviser to Chairman of the Management Board on regional problems, Deputy Chairman of the Management Board of CJSC Gazenergoprombank
2006-2007	Adviser to General Director of LLC Mezhtregiongaz
Since 2010.	Deputy General director for finance of JSC Mosenergo
Since 2010	Deputy General director for economics and finance of LLC Gazprom Energoholding
Since 2010	Member of the Board of Directors of JSC TEK Mosenergo
Since 2009	Member of the Board of Directors of JSC OGK-2

Has no shareholding in JSC OGK-2

Name: **Fyodorov Denis Vladimirovich (Chairman of the Board of Directors)**

Year of birth: **1978**

Education: **higher**

Positions during the last five years:

Since 2010	Member of the Board of Directors of JSC Mosenergo
Since 2010	Member of the Board of Directors of JSC TGK-1
Since 2010	Member of the Board of Directors of OJSC RAO Energy Systems of East
Since 2010	Member of the Management Board of the Fund for Education, Science and Engineering Development "Nadezhda"
Since 2010	Chairman of the Board of Directors of JSC OGK-6
Since 2010	Chairman of the Board of Directors of OJSC Tyumen Power Supply Company
Since 2010	Member of the Board of Directors of JSC Centrenergoholding
Since 2010	Member of the Management Board of CJSC Kaunas Thermal Power Plant
Since 2010	Member of the Board of Directors of JSC TEK Mosenergo
Since 2009	Member of the Management Board of CJSC FortisEnergy
2002-2006	First-rank specialist, Head of a division of LLC "Eurosibenergo-engineering"
2006-2007	Head of the Department for Investment Technologies and Engineering Projects of LLC Corporation Gazenergoprom
2006-2007	Adviser to General Director of LLC Mezhtregiongaz
2006-2008	General Director of JSC Mezhtregionenergosbyt
Since 2007	Head of a Department of JSC Gazprom
Since 2009	General Director of LLC Gazprom Energoholding
Since 2010	Chairman of the Board of Directors of JSC OGK-2
Since 2009	General Director of JSC Centrenergoholding
Since 2010	Member of the Management Board of CJSC Kauno energija
Since 2010	Member of the Supervisory Board of the Council of Energy Producers
Since 2010	Chairman of the Board of Directors of CJSC Mezhtregionenergostroy

Has no shareholding in JSC OGK-2

Name: **Shavaleev Damir Akhatovich**

Year of birth: **1975**

Education: **higher**

Positions during the last five years:

Since 2005	General Director, Chairman of the Management Board, member of the Board of Directors of OJSC Salavatnefteorgsintez
	Member of the Board of Directors of OJSC Sibur – Mineral Fertilizers
	Member of the Board of Directors of JSC OGK-6
Since 2009	Member of the Board of Directors of JSC OGK-2
Since 2008	General Director, member of the Board of Directors of LLC Salavat Petrochemical Complex
2003-2005	Head of the OJSC AK SIBUR

Has no shareholding in JSC OGK-2

Name: **Shatsky Pavel Olegovich**

Year of birth: **1972**

Education: **higher**

Positions during the last five years:

Since 2010	Deputy chairman of the Board of Directors of JSC OGK-2
Since 2010	Deputy chairman of the Board of Directors of JSC OGK-6
Since 2010	Member of the Board of Directors of OJSC Holding IDGC
Since 2010	Chairman of the Board of Directors of LLC Centrenergoholding
Since 2008	First Deputy General Director of LLC Gazprom Energoholding
2005-2008	Director of the Department for the energy complex strategy, Deputy Director for energy, mergers and acquisitions of OJSC SUEK
Since 2009	Member of the Board of Directors of JSC TEK Mosenergo
Since 2010	Member of the Board of Directors of OJSC RAO UES of the Far East

Has no shareholding in JSC OGK-2

Name: **Trinoga Artur Mikhailovich**

Year of birth: **1971**

Education: **higher**

Positions during the last five years:

2003-2008	Deputy Head of the Major Power Engineering Division of LLC Mostransgaz
2008-2009	Head of the Energy Engineering Division of JSC Gazprom
Since 2009	Deputy Head of the Directorate for Development of the Power Industry Sector and Marketing in the Power Industry of the Department of Marketing and Processing of Gas and Liquid Hydrocarbons, Head of the Power Engineering Division of JSC Gazprom
Since 2010	Member of the Board of Directors of JSC OGK-2
Since 2009	Chairman of the Board of Directors of CJSC Energoinvest-ME
Since 2010	Chairman of the Board of Directors of JSC Mezhhregionteplosetenergoemont
Since 2010	Member of the Board of Directors of OJSC Tyumen Energy Supply Company
Since 2010	Member of the Board of Directors of JSC OGK-6
Since 2010	Member of the Management Board of CJSC Kauno energija
Since 2010	Member of the Board of Directors of JSC Centrenergoholding

Has no shareholding in JSC OGK-2

Remuneration and compensation to members of the Board of Directors

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

Members of the Board of Directors are eligible for payments for participation in the Board of Directors' meetings, for additional compensation for achievement of net profit according to the Company's annual accounting report that is approved by the General shareholders' meeting, as well as for compensation of expenses.

The amount of remuneration paid to the Chairman of the Board of Directors increases by 50%.

In 2010 total remuneration to the members of the Board of Directors amounted to RUR 2,666.40 thousand.

3.2.2. Committees of the Board of Directors

Committees of the Board of Directors are established by a resolution of the Board of Directors (art. 19 of the Charter) and take place of a consultative and advisory body that ensures efficient implementation 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, the Regulation related to the order of calling and holding the Board of Directors, regulations on Committees and resolutions

of the Board of Directors.

Committees are not the Company's bodies and may not act on behalf of the Company. Committee decisions are of advisory nature for the Board of Directors. The main objective of a Committee is to ensure effective work of the Board of Directors related to questions within its competence by submitting recommendations (conclusions) to the Board of Directors in accordance with its main lines of activity.

Strategy and Investment Committee of the Board of Directors

The Committee is formed by the Resolutions of the Board of Directors of JSC OGK-2 of July 22, 2010, Minutes № 1, and of February 18, 2011, Minutes №12 of February 21, 2011 and shall consist of eleven members.

1. Composition of the Strategy and Investment Committee of the Board of Directors:

- Shatsky Pavel Olegovich – First Deputy General Director of LLC Gazprom Energoholding;
- Mityushov Aleksey Aleksandrovich – General Director of JSC OGK-2;
- Stasev Oleg Anatolyevich – Deputy General on strategic planning of LLC Gazprom Energoholding;
- Korobkina Irina Yuryevna – Deputy Head of the Division of the Power Sector Reform Support of the Directorate for Development of the Power Industry Sector and Marketing in the Power Industry of the Department of Marketing and Processing of Gas and Liquid Hydrocarbons of JSC Gazprom;
- Zemlyanoy Evgeny Nikolaevich – Deputy Head of the Division for Power Sector Development of the Directorate for Development of the Power Industry Sector and Marketing in the Power Industry of the Department of Marketing and Processing of Gas and Liquid Hydrocarbons of JSC Gazprom;
- Syrovatkin Dmitry Alekseevich – Chief specialist of the Division for Power Sector Development of the Directorate for Development of the Power Industry Sector and Marketing in the Power Industry of the Department of Marketing and Processing of Gas and Liquid Hydrocarbons of JSC Gazprom;
- Vaitulenis Natalya Vasilyevna – Deputy General Director on economics and finance of JSC OGK-2;
- Zavrieva Maria Konstantinovna – Deputy Head of the Directorate of Economic Marketing, Head of the Division for Economic Planning and Cost Analysis of LLC Gazprom Energoholding;
- Sergeeva Lyudmila Anatolyevna – Head of the Department of Investment Planning in the Power Industry of OJSC SO UES;
- Shevchuk Aleksandr Viktorovich – Deputy Executive Director of the Association for Protection of Investor Rights;
- Zlotkina Natalya Aleksandrovna – Chief specialist of the Business Planning Division of LLC Gazprom Energoholding.

2. Chairman of the Strategy and Investment Committee of the Company's Board of Directors – Shatsky Pavel Olegovich.

Committee on Reliability of the Board of Directors

The Committee is formed by the Resolution of the Board of Directors of JSC OGK-2 of July 22, 2010, Minutes №1, and shall consist of six members.

1. Composition of the Committee on Reliability of the Board of Directors:
 - Rozhkov Dmitry Ernstovich – Deputy Head of the Production Directorate, Head of the Production and Technical Division of LLC Gazprom Energoholding;
 - Tatarinov Nikolay Aleksandrovich – Deputy General Director for production and Chief Engineer of JSC OGK-2;
 - Trinoga Artur Mikhailovich – Deputy Head of the Directorate for Development of the Power Industry Sector and Marketing in the Power Industry of the Department of Marketing and Processing of Gas and Liquid Hydrocarbons, Head of the Power Engineering Division of JSC Gazprom;
 - Syrovatkin Dmitry Alekseevich – Chief specialist of the Division for Power Sector Development of the Directorate for Development of the Power Industry Sector and Marketing in the Power Industry of the Department of Marketing and Processing of Gas and Liquid Hydrocarbons of JSC Gazprom;
 - Popov Evgeny Aleksandrovich – Chief specialist of the Power Engineering Division of the Directorate for Development of the Power Industry Sector and Marketing in the Power Industry of the Department of Marketing and Processing of Gas and Liquid Hydrocarbons of JSC Gazprom;
 - Lishudi Andrey Viktorovich – Deputy Head of the General Inspection Department of OJSC SO UES.

2. Chairman of the Committee on Reliability of the Company's Board of Directors – Trinoga Artur Mikhailovich.

Audit Committee of the Board of Directors

The Committee is formed by the Resolution of the Board of Directors of JSC OGK-2 of July 22, 2010, Minutes № 1, and shall consist of three members.

The Committee is formed by the Resolution of the Board of Directors of JSC OGK-2 of July 22, 2010, Minutes № 1, and shall consist of three members.

1. Composition of the Audit Committee of the Board of Directors:
 - Gavrilenko Anatoly Anatolyevich – General Director of CJSC Lider;
 - Golenishchev Igor Anatolyevich – Head of the Directorate for Debt and Project Financing of JSC Gazprom;
 - Fyodorov Denis Vladimirovich – Head of the Directorate for Development of the Power Industry Sector and Marketing in the Power Industry of the Department of Marketing and Processing of Gas and Liquid Hydrocarbons of JSC Gazprom, General Director of LLC Gazprom Energoholding.

2. Chairman of the Audit Committee of the Company's Board of Directors – Golenishchev Igor Anatolyevich.

Personnel and Remuneration Committee of the Board of Directors

The Committee is formed by the Resolution of the Board of Directors of JSC OGK-2 of July 22, 2010, Minutes № 1, and shall consist of three members.

1. Composition of the Personnel and Remuneration Committee of the Board of Directors:
 - Fyodorov Denis Vladimirovich – Head of the Directorate for Development of the Power Industry Sector and Marketing in the Power Industry of the Department of Marketing and Processing of Gas and Liquid Hydrocarbons of JSC Gazprom, General Director of LLC Gazprom Energoholding;
 - Khodursky Mikhail Leonidovich – Deputy General Director on economics and finance of LLC Gazprom Energoholding;
 - Shatsky Pavel Olegovich – First Deputy General Director of LLC Gazprom Energoholding.
2. Chairman of the Personnel and Remuneration Committee of the Company's Board of Directors – Khodursky Mikhail Leonidovich.

3.2.3. Management Board

Management Board is a collegial body of the Company, which manages the Company's current operations together with its sole executive body.

The Management Board acts for the benefit of the Company and reports to the General Meeting of Shareholders and the Board of Directors. The Management Board is formed by the Board of Directors as advised by the Company's General Director. It includes Deputy Directors and managers of the Company's business divisions, as well as other individuals that possess necessary professional skills and managing experience.

The Company's Board of Directors has a right to make a decision on termination of appointment of any of the members of the Management Board in any time. The Company's Management Board members cannot be members of the Company's Audit Commission at a time.

Issues of activity and competence of the Management Board are determined by the Federal Law "On Joint Stock Companies", by the Charter of the Company and by the Regulation on Management Board of JSC OGK-2³, which was approved by the Annual General Meeting of Shareholders of the Company (herein after referred to as AGM) of June 25, 2009 (Minutes No. 2 of June 26, 2009).

³ The Regulation can be reviewed at the official website of JSC OGK-2: <http://www.ogk2.ru>

Composition of JSC OGK-2 Management Board:

Name: **Vaytulenis Natalia Vasilyevna**

Year of birth: **1959**

Education: **higher**

Positions during the last five years:

Since 2008	Deputy General Director on economics and finance, member of the Management Board, member of the Strategy and Investment Committee of the Board of Directors of JSC OGK-2
2007-2008	Chief accountant of OJSC Interregional Distribution Grid Company of Volga, Saratov
2006-2007	Chief accountant of OJSC Volzhskaya Interregional Distribution Company, Saratov
Since 2010	Deputy General Director on economics and finance, member of the Management Board of JSC OGK-6

Has no shareholding in JSC OGK-2

Name: **Svistunov Viktor Viktorovich**

Year of birth: **1970**

Education: **higher**

Positions during the last five years:

Since 2008	Deputy General Director on IT and energy markets, member of the Management Board of JSC OGK-2
2002-2008	Head of Division, Deputy Head of Department, Head of the Trade Department of the Non-profit Organisation Administrator of the Trading System of the Wholesale Electricity Market

Has no shareholding in JSC OGK-2

Name: **Tatarinov Nikolay Aleksandrovich**

Year of birth: **1959**

Education: **higher**

Positions during the last five years:

Since 2010	Deputy General Director on production – Chief engineer, member of the Management Board of JSC OGK-2
Since 2005	Deputy General Director on production – Chief engineer, member of the Management Board of JSC OGK-6

Has no shareholding in JSC OGK-2

Name: **Ivanin Sergey Evgenyevich**

Year of birth: **1979**

Education: **higher**

Positions during the last five years:

Since 2010	Deputy General Director on law and general matters, member of the Management Board of JSC OGK-2
2008-2010	Deputy General Director on law and general matters of JSC Gazpromenergo
2007-2008	Head of Property Management and Corporate Relations of JSC Gazpromenergo
2004-2007	Partner, attorney at Law office "Kazakov and Partners"

Has no shareholding in JSC OGK-2

Name: **Mityushov Aleksey Aleksandrovich**

Year of birth: **1975**

Education: **higher**

Positions during the last five years:

Since 2008	General Director, Chairman of the Management Board, member of the Board of Directors of JSC OGK-6
Since 2010	Member of the Board of Directors of JSC TGK-1
Since 2010	Member of the Board of Directors of JSC Mosenergo
Since 2010	Member of the Board of Directors of JSC Gazpromregiongaz
Since 2010	Member of the Board of Directors of OJSC Salavatnefteorgsintez
Since 2007	General Director of LLC Gazpromenergo
Since 2010	Member of the Board of Directors of JSC Mezhhregionteploenergo
Since 2010	Member of the Board of Directors of JSC Mezhhregionenergogaz
2003-2007	Head of the Directorate for Property Management and Corporate Work of LLC Mezhhregiongaz
Since 2009	Member of the Board of Directors, General Director, Chairman of the Management Board of JSC OGK-2
2003-2007	General Director of JSC Mezhhregionteploenergo

Has no shareholding in JSC OGK-2

Name: **Sizev Sergey Anatolyevich**

Year of birth: **1962**

Education: **higher**

Positions during the last five years:

Since 2010	Deputy General Director on capital development of JSC OGK-2
2010-2010	Adviser to General Director of JSC OGK-2
Since 2008	Deputy General Director on investment activities, member of the Management Board of JSC OGK-6
2005-2008	Deputy Chief Engineer – Head of the Production and Engineering Directorate of JSC OGK-6

Has no shareholding in JSC OGK-2

Name: **Gulyaev Valery Alekseevich**

Year of birth: **1957**

Education: **higher**

Positions during the last five years:

Since 2010	Member of the Management Board, Deputy General Director on resource provision of JSC OGK-2
Since 2005	Member of the Management Board, Deputy General Director on resource provision of JSC OGK-6

Has no shareholding in JSC OGK-2

In 2010 total remuneration paid to the members of the Management Board amounted to RUR 62,367.41 thousand.

3.2.4. General Director

General Director is the sole executive body of JSC OGK-2. General Director reports to the Company's General meeting of shareholders and the Board of Directors. Control over activities of the General Director is exercised by the Company's Board of Directors and Audit Commission.

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 Regulation "On 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.

The Company's General Director is elected by the Board of Directors for the period determined by the Company's Board of Directors and specified in the Contract that is signed with the Company's General Director.

Appointment of the General Director can be terminated by the decision of the Company's Board of Directors.

On the resolution of the General meeting of shareholders General Director responsibilities can be delegated to a commercial organisation (managing organisation) or an individual entrepreneur (manager) by an agreement.

Until March 31, 2010 JSC OGK-2 General Director functions were performed by Neveynitsyn

Stanislav Vitalyevich. As of April 1, 2010 Mityushov Aleksey Aleksandrovich acts as the General Director.

3.2.5. Audit Commission

Audit Commission is elected by the Company's General meeting of shareholders for a one year period (until the next AGM) to take charge of financial and economic activities of the Company. There are 5 (five) members in the Audit Commission of the Company.

Operating procedures of the Audit Commission are determined by the Regulation on the Audit Commission approved by JSC OGC-2 General meeting of shareholders (№ 3 of June 25, 2010).

In accordance with the auditing (inspection) decision the Audit Commission has a right to bring specialists from relevant fields of law, economics, finance, accounting, management, economic security, etc., as well as specialised organisations for this purpose.

Auditing (inspection) of financial and economic activities of the Company can also be performed at the initiative of the Company's Audit Commission, on resolutions of the General meeting of shareholders, of the Company's Board of Directors or at the request from a shareholder (shareholders) of the Company owing not less than 10% of the Company's voting shares in total.

Composition of the Audit Commission of JSC OGC-2:

Name: **Zemlyanoy Evgeny Nikolaevich**

Year of birth: **1985**

Education: **higher**

Positions during the last five years:

Since 2009	Deputy Head of the Division for the Power Sector Development of JSC Gazprom
2007-2009	Senior specialist of the Division for the Power Sector Development of JSC Gazprom

Has no shareholding in JSC OGC-2

Name: **Mironova Margarita Ivanovna (Chairman)**

Year of birth: **1964**

Education: **higher**

Positions during the last five years:

Since 2005	Head of the Internal Audit Directorate of LLC Gazprom Mezhhregiongaz
2005-2009	Senior specialist of the Division for the Power Sector Development of LLC Gazprom Mezhhregiongaz
2000-2005	Deputy Head of the Internal Audit Directorate of JSC Gazprom
Since 2008	Head of the Internal Audit Service of JSC Mosenergo

Has no shareholding in JSC OGC-2

OGK-2

Name: **Korunov Petr Vladimirovich**

Year of birth: 1978

Education: higher

Positions during the last five years:

Since 2007	Chief economist of the Division for Monitoring of Financial and Operating activities of Organisations for Assurance of Gas Supply of the Directorate for Organisations' Performance Monitoring for Assurance of Gas Supply of JSC Gazprom
2005-2007	Second-category engineer of JSC Gazsvyaz

Has no shareholding in JSC OGK-2

Name: **Frolova Olesya Vladimirovna**

Year of birth: **1982**

Education: **higher**

Positions during the last five years:

2005-2006	First-category specialist of Moscow Interdistrict Inspectorate of the Federal Tax Service № 47
Since 2006	Chief economist of the Division for Monitoring of Financial and Operating activities of Organisations for Assurance of Gas Supply of the Directorate for Organisations' Performance Monitoring for Assurance of Gas Supply of JSC Gazprom

Has no shareholding in JSC OGK-2

Name: **Karatonov Mikhail Evgenyevich**

Year of birth: **1979**

Education: **higher**

Positions during the last five years:

Since 2004	Chief economist of the Division for Monitoring of Financial and Operating activities of Organisations for Assurance of Gas Supply of the Directorate for Organisations' Performance Monitoring for Assurance of Gas Supply of JSC Gazprom
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Has no shareholding in JSC OGK-2

Remuneration and compensation to members of the Audit Commission

According to the Regulation on remuneration and compensation to members of the Audit Commission, which was approved by the AGM of June 27, 2008 (Minutes № 1), members of the Audit Commission are eligible for the following payments:

- Compensation of expenses related to participation in the Audit Commission meetings and audit checks, which is performed according to the principles for compensation of travel expenses that are in effect at the moment of the meetings or audit checks;

- Remuneration for participation in audit checks (inspection) of financial and economic activities – in the amount equivalent to five base monthly wage rates of a first-category worker during the period of inspection;
- Additional remuneration for each audit check (inspection) of financial and economic activities of the Company – in the amount not exceeding twenty base monthly wage rates of a first-category worker.

The amount of remuneration paid to the Chairman of the Audit Commission is increased by 50%.

In 2010 total remuneration paid to the members of the Audit Commission amounted to RUR 390.62 thousand.

3.2.6. Internal audit service

The Internal audit service was established in accordance with the organisational structure of JSC OGK-2 executive office that was approved by the resolution of the Company's Board of Directors (Minutes of September 13, 2010 № 4) and came into effect on November 22, 2010. Earlier internal audit functions were performed by the Directorate of internal audit.

Composition of the Internal audit service

Name: **Markelova Anna Vladimirovna**

Year of birth: **1974**

Education: **higher**

Positions held during the last five years:

2005-2006	First-rank specialist of the Division for internal audit of OJSC Saratovenergo
2006-2008	Lead auditor of the Directorate for control and internal audit of OJSC Volzhskaya TGK
2008-2010	Chief expert of the Directorate of internal audit of JSC OGK-2
Since 2010	Head of the Internal audit service of JSC OGK-2

Has no shareholding in JSC OGK-2

Name: **Masterova Marina Valentinovna**

Year of birth: **1962**

Education: **higher**

Positions held during the last five years:

2004-2006	Lead specialist of the Division for internal audit of OJSC Saratovenergo
2006-2008	Lead auditor of the Directorate for control and internal audit of OJSC Volzhskaya TGK
2008-2010	Chief expert of the Control Division of the Directorate of internal control of JSC OGK-2
Since 2010	Chief expert of the Internal audit service of JSC OGK-2

Has no shareholding in JSC OGK-2

3.3. Subsidiaries and affiliates of the Company

OJSC Chaika is a subsidiary of JSC OGK-2. JSC OGK-2 share in the Charter capital of OJSC Chaika comprises 100%. OJSC Chaika is located in the village of Solnechnodolsk, Izobilnensky region, Stavropol territory. Key activities of OJSC Chaika – rendition of therapeutic and prophylactic services.

OJSC Chaika Board of Directors is composed of 5 persons:

1. Blokhin Vladimir Vladimirovich (Chairman of the Board of Directors) – Head of the Directorate for economics of JSC OGK-2;
2. Korshnyakov Denis Anatolyevich (Deputy Chairman of the Board of Directors) – Head of the Division for property management of LLC Gazprom Energoholding;
3. Egorova Elena Nikolayevna – Head of the Directorate for corporate policy and property of JSC OGK-2;
4. Rassmagina Alina Zoriktuyevna – Head of the Corporate governance division of the Directorate for corporate policy and property of JSC OGK-2;
5. Miridonov Oleg Borisovich – Deputy Director of JSC OGK-2 branch – the Stavropol GRES.

Collegial executive body of OJSC Chaika – not applicable.

Functions of the sole executive body of OJSC Chaika are performed by the General Director Ustyuzhanin Vitaly Aleksandrovich.

LLC OGK-2 Finance is an affiliate of JSC OGK-2. JSC OGK-2 share in the charter capital of LLC OGK-2 Finance – 0%. LLC OGK-2 Finance is located in the village of Solnechnodolsk, Izobilnensky region, Stavropol territory. Key activities – consultancy services on commercial activities and management issues.

There is no Board of Directors and collegial executive body in LLC OGK-2 Finance.

Functions of the sole executive body of LLC OGK-2 Finance are performed by the General Director Orlov Eduard Yuryevich.

3.4. Auditor and registrar

According to the resolution of the Annual general meeting of shareholders that took place on June 24, 2010, CJSC KPMG was elected auditor of JSC OGK-2.

Address: 10 Presnenskaya naberezhnaya bloc C, 123317 Moscow, the Russian Federation.

Taxpayer identification number 7702019950, Primary state registration number 1027700125628.

License for performing auditing activities № 003330 of January 17, 2003. License expiration date – January 17, 2013.

Certificate on membership in the self-regulatory organisation of auditors № 255 was issued by the non-commercial partnership “Audit Chamber of Russia” on December 28, 2009.

Contact information: tel. (495) 937-44-77, fax (495) 937-44-99/00, email: moscow@kpmg.ru

In accordance with legislation (cl. 3 article 44 of the Federal Law of December 26, 1995 №208-FZ “On Joint Stock Companies” and article 8 of the Federal Law of April 22, 1996 №39-FZ “On the securities market”) in a company with more than 50 shareholders functions of a keeper of a share register should be performed by a registrar.

Until November 10, 2010 maintenance and keeping of the share register of JSC OGK-2 was executed by OJSC Moscow Central Depository.

Upon a decision of the Company’s Board of Directors adopted on September 10, 2010, as of November 10, 2010 the share register of JSC OGK-2 is maintained by the new registrar – CJSC SR-DRAGa.

Address: 71/32 ul. Novocheryomushkinskaya, 117420 Moscow

Tel. (495) 719-40-44;

Website: <http://www.draga.ru/>

License: № 10-000-1-00291 issued by the Federal Securities Commission of Russia on December 26, 2003.

4.

- 4.1. Equity capital and issuing activity
- 4.2. Securities
- 4.3. Dividend history

4. Shareholders' equity and securities of the Company

4.1. Equity capital and issuing activity

The Company's equity capital amounts to RUR 11,872,827,952.1514 (eleven billion eight hundred and seventy two million eight hundred and twenty seven thousand nine hundred and fifty two point one five one four).

The Company has placed ordinary registered shares of an equal nominal value of RUR 0.3627 (point three six two seven) each, a total of 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.

Date of state registration for issuance of shares	Registration number
April 19, 2007	1-02-65105-D

JSC OGK-2 equity capital structure:

Individuals – owners, including co-owners: 2.0719530% of equity capital

Individuals - custodians: 0.0000046% of equity capital

Legal entities - owners: 0.3320793% of equity capital

Legal entities - custodians: 0.0000002% of equity capital

Legal entities – nominal holders: 97.5749750% of equity capital

Issuer's account: 0.0209879% of equity capital

The Russian Federation share in equity capital of JSC OGK-2 amounts to 0.2691%.

JSC OGK-2 shareholders that own no less than 5% of its ordinary shares:

Nominal holder – LLC Deposit and Corporate Technologies (OOO "DKT")

Number of ordinary shares: 17,196,872,468

Nominal holder – non-banking credit organisation CJSC National Depository (NKO ZAO "NRD")

Number of ordinary shares: 3,559,903,557

Nominal holder – open joint-stock company Joint-Stock Bank Rossiya (OJSC AB Rossiya)

Number of ordinary shares: 2,688,485,113

Nominal holder – closed joint-stock company Depository and Clearing House (ZAO "DKK")

Number of ordinary shares: 4,860,962,673

Nominal holder - closed joint-stock company UBS Nominees (ZAO "UBS Nominees")

Number of ordinary shares: 2,005,235,744

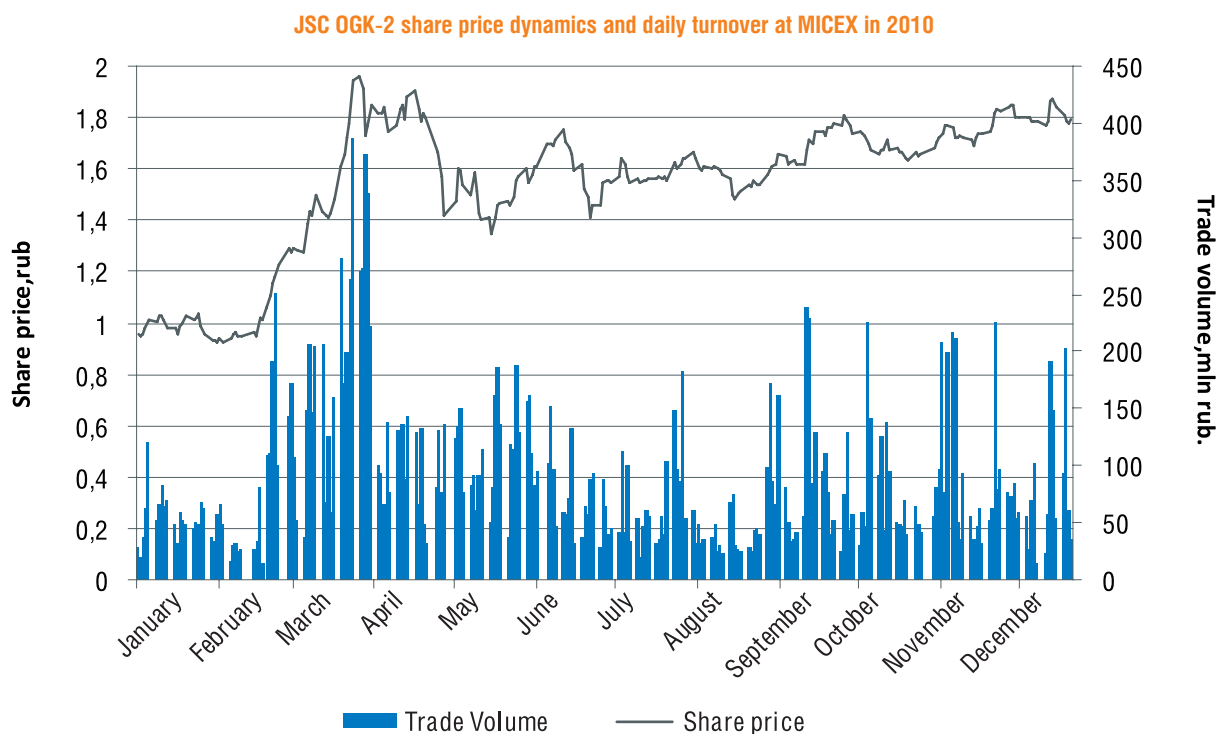
4.2. Securities

The Company's securities have been listed at the Russian organised exchanges (MICEX and RTS) since July 2006. In December 2009 the level of the quotation list at MICEX was raised – JSC OGK-2 shares were included into quotation list A of the 1st level, at RTS JSC OGK-2 shares are part of the quotation list A of the 2nd level.

In the autumn of 2007 global depository receipts (GDRs) for shares of JSC OGK-2 were issued. They are included in the Official list of the Listing Department of Great Britain and traded at the Main market of the London Stock Exchange.

Information on trade institutions of the securities market, at which JSC OGK-2 shares are listed:

1. CJSC MICEX Stock Exchange, 13 Bolshoi Kislovsky pereulok, bld. 1, Moscow;
2. OJSC The Russian Trading System Stock Exchange, 38 ul. Dolgorukovskaya, bld.1, Moscow;
3. Global depository receipts for JSC OGK-2 shares are listed at the London Stock Exchange: The London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS.



Source: Bloomberg, RTS

JSC OGK-2 share price, turnover and number of trades at MICEX and RTS

	2009	2010	2010/2009 change
MICEX			
Closing share price, RUR			
At the year-end	0.917	1.794	96%
Minimum	0.213	0.924	334%
Maximum	1.129	1.962	74%
Turnover for the year, RUR mln	10,891	22,467	106%
Number of trades	285,659	379,925	33%
Average daily volume, mln shares	65.314	58.617	-10%
Average daily value traded, RUR mln	43.741	90.594	107%
Market capitalisation at the year-end, RUR mln	30,018	58,726	96%
RTS classic market			
Closing share price, USD			
At the year-end	0.031	0.061	96%
Minimum	0.007	0.031	350%
Maximum	0.040	0.065	63%
Turnover for the year, USD th	4,854	8,307	71%
Number of trades	192	171	-11%
Average daily volume, th shares	2,352	2,669	13%
Average daily value traded, USD th	57.791	115.369	100%
Market capitalisation at the year-end, USD mln	1,018	1,997	96%
RTS exchange market			
Closing share price, RUR			
At the year-end	0.910	1.874	106%
Minimum	0.215	0.875	307%
Maximum	1.160	1.900	64%
Turnover for the year, RUR mln	173.40	251.35	45%
Number of trades	443	193	-56%
Average daily volume, th shares	2,142	2,289	7%
Average daily value traded, RUR th	1,324	2,992	126%
Market capitalisation at the year-end, RUR mln	29,792	53,194	79%

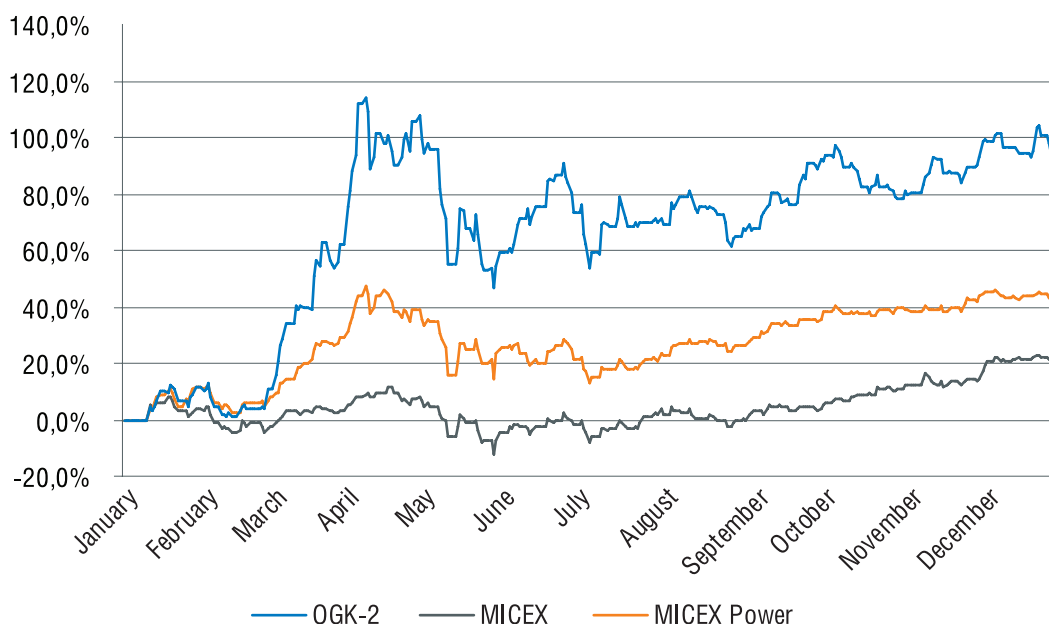
Source: Bloomberg, RTS

In 2010 JSC OGK-2 shares demonstrated growth mainly on the back of industry news that were perceived by the market in a positive way: increase of the share of liberalised wholesale electricity and capacity market and hike in weighted average prices at WECM. The Company's share price

OGK-2

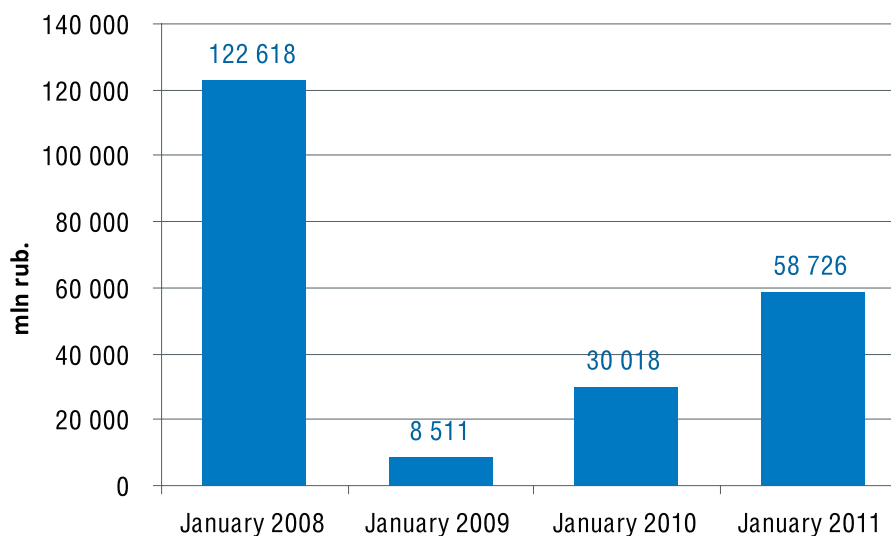
dynamics exceeded growth level of the MICEX (+23.2% in 2010) and MICEX Power (+44.1% in 2010) Indices.

Dynamics of JSC OGK-2 share prices at MICEX vs MICEX and MICEX Power Indices in 2010



Source: Bloomberg

Market capitalisation of JSC OGK-2, RUR mln



Source: Bloomberg

GDR Programme

A 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 shares of the Company. GDRs and shares grant equal rights. Deutsche Bank Trust Company Americas acts as

the depositary bank. The GDRs were included in the Official list of the Listing Department of Great Britain. As of October 4, 2007 unconditional trading under the ticker symbol OGK2 started at the main market of the London Stock Exchange.

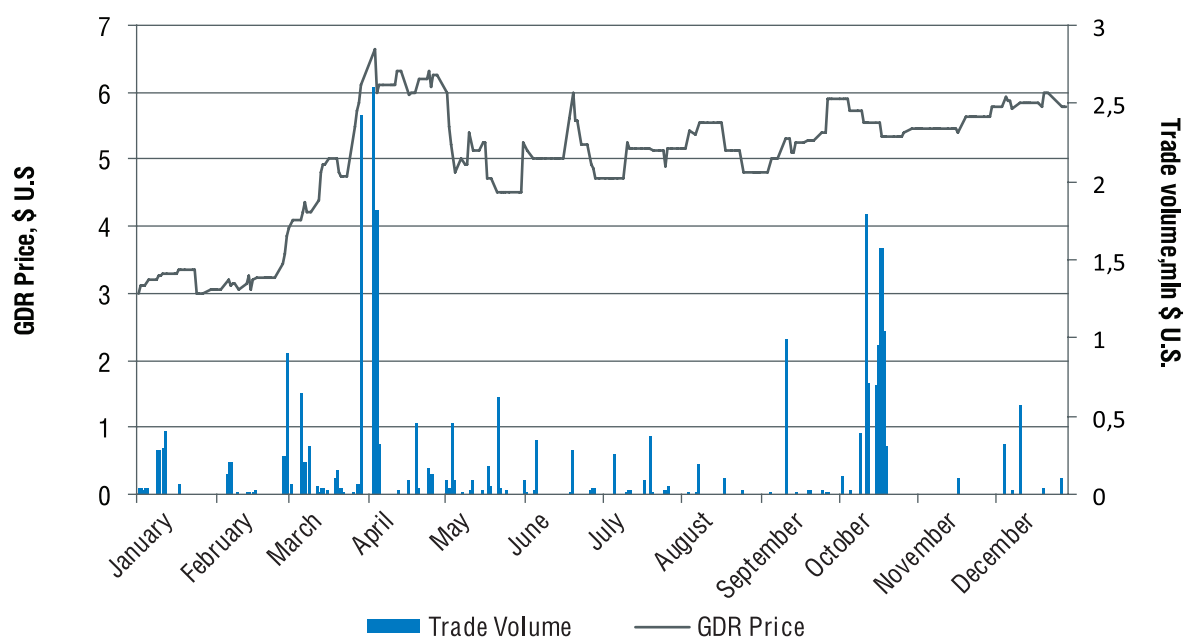
Information on obtaining of a permit from the Federal Commission for circulation of this type of shares outside the Russian Federation: FFMS Decree of August 7, 2007 № 07-1737/pz-n.

Period	Number of GDRs		
	Regulation S	Rule 144A	Total
2010	7,853,266	16,780	7,870,046

In 2010 the total volume of the GDR programme decreased to 7.87 mln units (2.40% of equity capital). Overall, the number of GDRs was declining throughout the reporting year, which is primarily explained by securities sales by foreign investors who were short of liquidity due to the crisis.

In 2010 JSC OGK-2 GDRs turnover at the London Stock Exchange amounted to USD 26.2 mln compared with USD 8.5 mln in 2009.

JSC OGK-2 GDR price dynamics and turnover at London Stock Exchange in 2010



Source: Bloomberg

4.3. Dividend history

Size of a dividend per share is determined by the General meeting of shareholders on the recommendation of the Board of Directors, and cannot exceed the recommended amount.

Dividend history

Period for which dividends are paid	Date of decision on dividend payout	Period assigned for dividend payout	Size of a dividend per share	Total amount of dividends accrued, RUR	Total amount of dividends paid (inclusive of tax), RUR
9 months of 2005	December 23, 2005	Within 60 days from the day of decision on dividend payout	0.006264	67,462,051.85	67,462,051.85
2005	April 21, 2006		0.011836	127,471,399.37	127,471,399.37
6 months of 2006	September 25, 2006		0.003539	89,597,108.95	89,590,484.32
2006	June 22, 2007		0.001873	49,598,717.87	49,463,398.61
3 months of 2007	June 22, 2007		0.0015257	40,401,902.72	40,290,413.06

Absence of complete and valid information on bank details and mailing addresses in the shareholder register was the main reason for non-payment of declared dividends in full amount. In accordance with clause 5, Art. 44 of the Federal Law “On Joint Stock Companies” an individual registered in a shareholder register is responsible for timely informing of the registrar on any change in his details.

The amount of income payable on inconvertible interest-bearing documentary bearer bonds with obligatory centralised custody, series 01, in monetary value, per one bond and in total for all bonds of the issue – 1 through 5th coupon – RUR 38.39 per bond, 6th coupon – RUR 39.24 per bond. Total coupon payments on all bonds of issues 1 through 5 amount to RUR 191,950,000, 6th coupon payout amounts to RUR 196,200,000.

The period of time for payout of coupons on bonds of the issue is the date of a coupon period ending. Cash is the form and other conditions of an income payout on bonds.

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

- 1st coupon period (January 3, 2008) – RUR 191,950,000;
- 2nd coupon period (July 3, 2008) – RUR 191,950,000;
- 3rd coupon period (January 1, 2009) – RUR 191,950,000;
- 4th coupon period (July 2, 2009) – RUR 191,950,000;
- 5th coupon period (December 31, 2009) – RUR 191,950,000;
- 6th coupon period (July 5, 2010) – RUR 196,200,000.

Obligations on payment of bond coupons have been met in full.

5.

5.1. Environmental protection
5.2. Personnel and social policies
Reference information

5. Social responsibility and environmental protection

5.1. Environmental protection

Degree of a negative impact of JSC OGK-2 operating activities on the environment is closely connected with the dynamics of electricity output by the Company's branches, structure and conditions of the production equipment of the power stations and structure of the fuel used: its type (gas/fuel oil/coal) and qualitative characteristics (lower calorific value, ash content, sulphur content, etc.).

Key indicators of environmental impact

№	Branch name	Pollutant emissions, th tons			Waste production, th tons			Water use, mln m3 (water abstraction, total)		
		2008	2009	2010	2008	2009	2010	2008	2009	2010
1	Surgut GRES-1	17.96	19.10	17.57	4.88	4.57	5.51	23.52	23.82	23.62
2	Stavropol GRES	15.28	12.60	12.68	1.00	1.10	1.37	1,632.02	1,388.38	1,523.05
3	Troitsk GRES	282.51	209.87	176.01	2,302.59	2,042.11	1,951.31	14.64	9.74	9.58
4	Serov GRES	43.02	35.90	36.31	658.51	538.43	555.75	180.30	149.99	151.81
5	Pskov GRES	1.05	1.07	1.32	0.14	0.13	0.17	272.75	255.72	275.06
TOTAL for JSC OGK-2		359.82	278.55	243.89	2,967.13	2,586.33	2,514.11	2,123.22	1,827.65	1,983.13

While in 2010 the electricity output volume of JSC OGK-2 remained at last year level (output rose by 0.88%, volume of the used fuel equivalent was down by 1%), the Company's gross emissions decreased by 12.4%.

Operations of the Surgut GRES-1 using associated gas are a positive factor of rational use of natural resources. Gross emissions at the Surgut GRES-1 were down by 8% compared with the previous year while the output volumes remained unchanged. This was achieved as a result of an optimised fuel combustion process.

Electricity output by the Troitsk GRES, which has the most significant negative impact on the environment, decreased by 7.8% in the reporting year, while its gross emissions dropped by 16.1% (33.7 thousand tons), which was caused by:

- Execution of environmental protection measures: in 2010 effective reduction of gross emissions of coal ash stood at 25,786.419 tons as a result of measures taken in 2009 (replacement of dust-extraction plant at boilers st. №№ 1A, 2A, bl. 5).
- Lower fuel combustion volumes (by 220,316 tons) due to reduction of electricity output in the reporting year.

In 2010 surface water abstraction volumes were in line with electricity output dynamics (increase at the Stavropol, Serov and Pskov GRES, reduction at the Troitsk GRES and Surgut GRES-1).

Waste water disposal was in line with water abstraction volumes.

The above-limit pollutants discharge with utility fluids, which was caused by insufficient effluent treatment at waste treatment facilities of the Troitsk GRES, remained at the last year level.

Ashes and slag waste that form as a result of high-ash Ekibastuz coal combustion at the Troitsk and Serov GRES are the prevailing type of production wastes. Ash disposal area of the Serov GRES is located in the territory of the Russian Federation, while the one of the Troitsk GRES is in the territory of the neighbouring country, Republic of Kazakhstan.

Increase of ashes and slag waste volumes at the Serov GRES by 17.040 thousand tons was caused by larger volumes of coal combustion, as well as its higher ash content in 2010 (40.1% in 2010, 38.9% in 2009). The Troitsk GRES recorded a reduction of ashes and slag volumes in the reporting year, which can be explained by lower electricity output volumes compared to the previous year. Total ashes and slag waste production by the Company also declined.

Dynamics of environmental costs, RUR th

№	Branch name	2008	2009	2010
1	Surgut GRES-1	31,116.3	68,233.1	58,888.7
2	Stavropol GRES	39,381.0	33,282.1	27,264.8
3	Troitsk GRES	126,964.5	138,297.9	107,476.9
4	Serov GRES	9,283.5	5,616.2	4,423.3
5	Pskov GRES	2,292.8	2,846.0	2,513.1
TOTAL for JSC OGK-2		209,038.1	248,275.3	200,566.8

Measures aimed at reduction of pollutant emissions

The Troitsk GRES burns high ash coal from the Ekibastuz field. In particular, coal ash emissions account for the largest volume of pollutants, which pose some major damage to the environment. Out of the total volume of pollutants that are discharged into the environment by all the branches, just coal ash from the Troitsk and Serov GRES accounts for 40%.

At all the stations pollutant emissions are within the established environmental emission limits, including the Troitsk GRES, which operated within the temporarily approved emission limits in previous years.

For gradual reduction of the negative environmental impact a long-term Plan on Reduction of pollutant emissions by the Troitsk GRES was developed by JSC OGK-2, approved by the government of the Chelyabinsk region and successfully executed in 2010.

During the reporting period the following measures were implemented at the Troitsk GRES:

1. Replacement of electrostatic precipitators at power unit st.N7. This measure will allow reducing coal ash emissions by 34,594.845 tons annually*.
2. Replacement of scrubbers at boiler unit 3B. Implementation of this measure will allow reducing coal ash emissions by 6,116.298 tons annually*.
3. Replacement of electrostatic precipitators at power unit st.N4. Implementation of this measure will allow reducing coal ash emissions by 23,406.423 tons annually*.

At the Serov GRES reduction of coal ash emissions by 93.7 tons was achieved following capital repairs of dust-extraction facilities of boilers №№ 5, 6 and 7.

At the Surgut GRES-1 reduction of pollutant emissions by 1.54 tons (8%) was achieved through reconstruction of gas supply and installation of direct-injection low-NOx burners of type GMPV-50 with AMAX regulating system.

Measures on reduction of polluted waste water discharge

Water resources are used to cool core 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; a reservoir on the Sosva river – the Serov GRES; a reservoir on the Shelon river falling into Ilmen lake – the Pskov GRES, a reservoir on the Chernaya river – the Surgut GRES-1).

In 2010 annual measures on rehabilitation of biocenosis of the Novotroitskoye reservoir (the Stavropol GRES) and the reservoir on the Shelon river (the Pskov GRES) were taken.

In the reporting year in order to reduce the negative impact on natural bodies of water, in particular to reduce the volume of polluting substances discharged into reservoirs, to meet the respective standards:

- Construction of waste water treatment facilities with biological water purification system (Sewage treatment facility-600) was executed at the Serov GRES. Operational commissioning of the new treatment facilities was planned for January 2011.
- Reconstruction of treatment facilities at the Troitsk GRES was held.

Measures on protection of land from production and consumption waste

A “Plan of JSC OGC-2-Troitsk GRES measures on the reduction of negative environmental impact of the ash dump, which is located at the Shobarkul Lake, and normalisation of its technical conditions according to design parameters” has been negotiated with the authorised bodies of the Republic of Kazakhstan and is being implemented.

In 2010 the following measures were taken according to the Plan:

- Technical recultivation (1st stage - conservation) of 90.85 ha of disturbed lands (Republic of Kazakhstan);
- Reconstruction of dams at the 1st, 2nd and 3rd sections of the ash disposal area;
- Dust suppression in the area of 100 ha through sowing of grass;

Production control and monitoring of ash disposal environmental impact are conducted regularly.

*In case of maximum operating time of power units that was considered in the Project on Environmental Emissions Limit (for 2011).

Main goals for 2011 in the sphere of ecology and environmental protection

In 2011 JSC OGK-2 will continue execution of the above mentioned environmental programmes. The following major measures have been planned:

- Modernisation of gas supply with replacement of burners for the low-toxic ones at the power unit № 7 of the Surgut GRES-1. Expected environmental results – abatement of NO₂ emissions by 50 tons/year;
- Capital repair of dust extraction facilities of the boiler units №№ 2, 4, 8 at the Serov GRES. Expected environmental results – at the level of last year (abatement of ash emissions into the atmosphere by 93.69 tons);
- Continuation of works on reconstruction of the chemical water treatment at the Stavropol GRES. After completion of reconstruction of the chemical water treatment, reduction of expenses for chemicals by 70% is expected;
- Reconstruction of electric filters of the power unit st. №8 at the Troitsk GRES. Expected environmental results – abatement of ash emissions from 47,659.494 t/a до 13,747.931 t/a, that is by 3.5 times. Works on dust suppression through planting of perennial grasses will continue in the ash disposal area of the Troitsk GRES;
- In 2011 repairs of ash dump dikes will be held at the Serov and Troitsk stations for the purpose of preventive control of damage with ecological consequences. Repair of influent and downstream channels will be executed at the Surgut GRES-1.

5.2. Personnel and social policies

Observance of personnel rights is an essential part of the social policy of JSC OGK-2. Though the business strategy of the Company is aimed at increasing commercial profit, personnel relations in the Executive office and in the branches are based on the principle of recognition and guaranteed priority of an employee's life and health against operating results.

The Personnel policy of JSC OGK-2 is based on the principle of system approach to personnel relations, which predefines the interdependence of optimal selection, placement and personnel rotation in the framework of a single technical production complex.

In order to fill vacant positions the Company conducts a professional selection of specialists on a competitive basis.

Each new employee passes an adaptation program upon entering a new role. Employees with a probation period receive an Assignment for the period of probation, at the end of which an Assessment of successful probation period completion is carried out.

According to the data, in 2010 the Company employed 404 persons, out of which managers accounted for 8.91% (36 persons), specialists – 23.76% (96 persons), officers – 0.99% (4 persons), workers – 66.34% (268 persons). During the review period 644 persons were laid off, out of which managers accounted for 10.87% (70 persons), specialists – 17.24% (111 persons), officers – 0.47% (3 persons), workers – 71.43% (460 persons).

JSC OGK-2 personnel structure

№	Branch name	Total	Personnel categories		
			Managers	Specialists and officers	Workers
1	Surgut GRES-1	1,021	150	226	645
2	Stavropol GRES	874	144	188	542
3	Troitsk GRES	1,525	190	206	1,129
4	Serov GRES	569	97	92	380
5	Pskov GRES	394	88	73	233
6	Adler TES	5	5	0	0
7	Executive office	170	69	100	1
TOTAL for JSC OGK-2		4,558	743	885	2,930

JSC OGK-2 personnel age composition

Age	Number of persons
Under 30 y.o.	860
30-50 y.o.	2,450
Over 50 y.o.	1,248
including working retirees	260

According to the data as of the end of 2010 37.6% of the total number of employees have higher education (1,713 persons), 34.7% - vocational secondary (1,582 persons) education (i.e. education received at technical schools specialising in the energy sector), and only 26.7% (1,216 persons) – secondary education and 1.0% (47 persons) – junior secondary education.

In order to maintain high professional level of the employees and to prepare them for performance of difficult operational functions in modern work conditions, JSC OGK-2 takes measures to develop, train and upgrade the personnel's qualifications.

In 2010 the Company spent RUR 19,126 thousand on personnel training and professional development, out of which 41.85% were spent on management trainings, 16.88% - on trainings for specialists and officers, 41.27% - on training for workers.

Reference information

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6.

Execution of the Corporate Code of Conduct
List of transactions made by the Company in 2010
Equipment specifications
Annual Accounting Statements
Auditor's Report

Appendix 1.

Execution of the Corporate Code of Conduct

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

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
General meeting of shareholders			
1.	Notice to shareholders on holding the General meeting of shareholders no less than 30 days before the meeting date regardless of the issues on its agenda, unless regulations stipulate a longer notice period.	Partially compliant	cl. 17.12. of the Company's Charter: "A notice of holding a General meeting of shareholders shall be sent (or delivered) to each person from the shareholder list entitled to participate in the General meeting of shareholders, published by the Company in the "Izvestiya" newspaper and placed on the Company's web site no later than 20 (twenty) days before the meeting date, in case of an Annual General Meeting of shareholders or the General meeting of shareholders, the agenda of which contains an issue on the Company restructuring, – no later than 30 (thirty) days before the meeting date".
2.	An 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 period for voting bulletin acceptance.	Non-compliant	vcl. 4 art. 51 of the Federal Law "On Joint Stock Companies"
3.	An opportunity for shareholders to study information (materials) subject to providing in the process of preparation to the General meeting of shareholders through electronic communication tools, including the Internet.	Compliant	cl. 17.16. of the Company's Charter: "Information (materials) on the agenda of the General meeting of shareholders shall be available to study in the office of the Executive body of the Company and in other places, addresses of which shall be given in the notice of holding 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 before the meeting date, and in case of the Annual General Meeting of shareholders or the General meeting of shareholders, the agenda of which contains an issue on the Company restructuring – 30 (thirty) days before the meeting date. This information (materials) shall also be placed on the Company's web site 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	Code of corporate conduct provisions	Compliant or non-compliant	Comments
4.	An opportunity for shareholders to include issues in the general shareholders' meeting agenda or request for calling of a General meeting of shareholders without a statement from the shareholders' register, if his share rights are recorded in the shareholders' register. In case records on the shareholder's rights are kept on a DEPO account, a statement from the DEPO account is sufficient for exercise of the above mentioned rights.	Compliant	cl. 17.2. of the Company's Charter: "Shareholders (shareholder) that collectively own no less than 2 percent of the Company's voting shares are entitled to include issues in the agenda for the Annual General Meeting of shareholders and to nominate candidates to the Company's Board of Directors and Audit Commission. The number of the nominated candidates cannot exceed the quantitative composition of the respective body. Such proposals shall be submitted to the Company no later than 60 (sixty) days after the end of the financial year."
5.	Provision in the Company's Charter or internal documents requiring obligatory presence of the General Director, members of the Management 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 Company's Corporate Code of Conduct approved by the Company's Board of Directors on September 26, 2006 (Minutes No. 43/43 of October 2, 2006).
6.	Mandatory attendance of the general meeting of shareholders by candidates, when issues on election of members to the Board of Directors, the General Director, members of the Management Board and the Audit Commission, as well as approval of the Company's auditor are considered.	Non compliant	The Company's charter and internal documents do not formulate the mentioned requirements.

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
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 Regulation "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 for the 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 a right to participate in the meeting.</p> <p>In case the Company or the Company's registrar that performs functions of a counting 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>Share purchasers, to whom the shares were transferred after the date of completion of the list of persons entitled to participate in the General meeting of shareholders, shall be registered to participate in the meeting, if a person included in the list of persons entitled to participate in the meeting gives powers of attorney for voting to purchasers of such shares.</p> <p>Cl. 18.4. of the Charter: "At the General meeting of shareholders functions of the Counting Board shall be performed by a professional market player that acts as the register-keeper for the Company (the Company's registrar)".</p>
The Board of Directors			
8.	Stipulation in the Company's Charter of the Board of Directors' authority to approve the Company's financial and economic plan on an annual basis.	Compliant	As per 65. cl.20.1 Art. 20 of the Company's Charter competencies of the Board of Directors include the following matters: "Approval of a business plan (adjusted business plan) including the program of technical upgrade, reconstruction and development, a report on the results of its execution, approval (adjustment) of the list and values of the Company's cash flow benchmarks, consideration of the adjustments to the Company's cash flow movements approved by the Company's Management Board".
9.	Existence of a risk management procedure for the Company approved by the Board of Directors.	Non-compliant	The Company plans to develop a Risk management policy and risk maps for the Company.
10.	Stipulation in the Company's Charter for the right of the Board of Directors to make a decision on suspension of powers of the General Director appointed by the General meeting of shareholders.	Compliant	As per 25 cl. 20.1 Art.20 of the Company's Charter competencies of the Company's Board of Directors include the following matters: "Appointment (election) of the Company's General Director and early termination of his powers".

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
11.	Stipulation in the Company's Charter for the right of the Board of Directors to establish requirements for qualification and size of remuneration to the General Director, members of the Management Board, and heads of the Company's key business units.	Partially compliant	As per 27, 32 cl. 20.1 Art. 20 of the Company's Charter competencies of the Board of Directors include the following matters: "Bringing the General Director and members of the Management Board to disciplinary responsibility, as well as their incentivisation according to labour regulations of the Russian Federation" and "Approval of candidates for certain positions at the Company's executive office, determined by the Board of Directors".
12.	Stipulation in the Company's Charter for the right of the Board of Directors to approve terms of agreements with the General Director and members of the Management Board.	Non-compliant	The Company's Charter does not contain these requirements. cl. 3.1.2 Amendments and additions to the Regulation on the Personnel and Remuneration Committee of the Board of Directors of JSC OGK-2: "Resolution of the following issues that are the exclusive competence (functions) of the Committee: - Generation of proposals on determination of significant terms of agreements with members of the Board of Directors, members of the collegial executive body and the person who acts as the issuer's sole executive body; - definition of criteria for selection of candidates to become members of the Board of Directors, members of the collegial executive body and the issuer's sole executive body, as well as preliminary assessment of these candidates".
13.	Stipulation in the Company's Charter or internal documents of the requirement that during the process of approving terms of agreements with the General Director (managing company or manager) and members of the Management Board, votes of the members of the Board of Directors who also serve as the General Director and the Management Board's members are not taken into consideration.	Non-compliant	The Company's Charter and internal documents do not contain these requirements.
14.	Presence of no less than three independent directors in the Company's Board of Directors that meet the requirements of the Corporate Code of Conduct.	Compliant	The Company's Board of Directors includes 10 independent directors.

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
15.	No members of the Board of Directors are found guilty of economic crimes or crimes against the government, interests of the government services or local authorities, or persons who were administratively liable for crimes related to violations in business, finance, taxes and charges, or securities market.	Compliant	There are no such persons in the Company's Board of Directors.
16.	The Board of Directors does not include persons who are participants, general directors (managing directors), members of a managerial body or employees of the legal entities competing with the 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 competitor (JSC OGC-6).
17.	Stipulation in the Company's Charter of a requirement to elect the Board of Directors by cumulative voting.	Compliant	cl. 18.1 Art. 18 of the Company's Charter: "Decisions at the General meeting of shareholders are made based on the principle "one voting share of the Company – one vote", with the exception of cumulative voting used in the process of making a resolution on the election of members to the Company's Board of Directors. During the cumulative voting the number of votes attributed to each shareholder is multiplied by the number of persons to be elected to the Company's Board of Directors. A shareholder has a right to either cast all the votes for one candidate, or distribute them among two or more candidates. Those candidates with the biggest amount of votes are considered to be elected to the Board of Directors".
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 interests between them and 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).

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
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 act as 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. 6 of the Regulation on insider information of the Company (redrafted) approved by the Board of Directors of the Company on March 29, 2011 (Minutes No. 14 of March 30, 2011).
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 the Regulation on the Board of Directors (approved by the AGM on June 24, 2010) stipulate that meetings of the Board of Directors shall be held at least once in a quarter of a year.
21.	Conducting meetings of the Board of Directors of the Company during the year, for which the Company's annual report is being prepared, at least once every six weeks.	Compliant	During the reporting year 2010 20 meetings of the Company's Board of Directors were held with the frequency of no less than twice 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 the Regulation on the Board of Directors of JSC OGK-2 approved by the AGM on June 24, 2010 (Minutes No. 3 of June 25, 2010).
23.	Stipulation in the Company's internal documents of an obligation for the Board of Directors to approve all Company transactions worth 10% or more of the Company's assets, except for the deals made in the process of standard economic activities.	Compliant	sp. 49. cl. 20.1 art.20 of the Company's Charter: "Preliminary approval of transactions (before their settlement) including several interrelated transactions the subject of which is property, works and/or services and value (estimated monetary value) of which amounts to more than 10 percent of the balance sheet value of the Company's assets determined in accordance with data of the Company's accounting reports for the closing date (unless other percent or transaction price is set by the decision of the Board of Directors) excluding transactions made by the Company during the normal course of business, transactions on placement of ordinary shares of the Company by subscription (sale) and transactions on placement of issuable securities of the Company that are convertible into ordinary shares, except for transactions approval of which is stipulated in sp. 50, 54-57 cl. 20.1 art. 20 of this Charter".

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
24.	Stipulation in the Company's internal documents of the right of members of the Board of Directors to obtain information that is required to assist the Board of Directors in performing its duties, from executive heads of the Company's business divisions, as well as responsibility for failure to submit such information.	Compliant	cl. 4.2.1. of the Regulation on the Board of Directors of JSC OGC-2: "Members of the Board of Directors have a right: 4.2.1. to study regulatory, 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 Management 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 issues related to competence of the Board of Directors, and to request from the Company's officials to provide any information on the Company's activities in accordance with the procedure established by the Regulation.
25.	Existence of the Strategic Planning Committee of the Board of Directors or assignment of this Committee's functions to another Committee (excluding the Audit Committee and the Personnel and Remuneration 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 resolution 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.	Existence of a committee of the Board of Directors (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 4, 2006).
27.	Presence of only independent and non-executive directors in the Audit Committee.	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 for 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 Regulation on the Audit Committee of the Company's Board of Directors approved by resolution of the Company's Board of Directors on November 28, 2006(Minutes No. 49/49 of December 4, 2006).
30.	Establishment of a committee of the Board of Directors (Personnel and Remuneration Committee), functions of which would consist of determination of selection criteria for candidates to the Board of Directors and development of the Company's remuneration policy.	Compliant	The Personnel and Remuneration 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 Remuneration Committee.	Compliant	The Personnel and Remuneration Committee of the Company's Board of Directors is headed by an independent director.

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
32.	No Company executives in the Personnel and Remuneration Committee.	Compliant	There are no Company executives in the Personnel and Remuneration Committee.
33.	Establishment of the Board of Director's Committee on risks or assignment of this Committee's functions to another Committee (except for the Audit Committee and the Personnel and Remuneration Committee).	Non-compliant	cl. 19.9 art. 19 of the Company's Charter empowers the Board of Directors to establish Committees: "The Board of Directors may form permanent and temporary (for resolution of certain issues) committees of the Board of Directors to ensure that reasonable and viable decisions are made". Currently the Company considers a 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 (except for the Audit Committee and the Personnel and Remuneration Committee).	Non-compliant	cl. 19.9 art. 19 of the Company's Charter empowers the Board of Directors to establish Committees: "The Board of Directors may form permanent and temporary (for resolution of certain issues) committees of the Board of Directors to ensure that reasonable and viable decisions are made". Currently the Company considers a possibility to form a Committee of the Board of Directors on corporate conflict settlement.
35.	No Company executives in the Committee on corporate conflict settlement.	Non-compliant	The Committee on settlement of corporate conflicts of Company executives has not been established by the Company.
36.	An independent director's chairmanship of the Committee on corporate conflict settlement.	Non-compliant	The Committee on settlement of corporate conflicts of Company executives has not been established by the Company.
37.	Availability of the Company's internal documents approved by the Board of Directors that provide for the procedure of establishment and functioning of committees of the Board of Directors.	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 Remuneration Committee of the Board of Directors. Procedures for establishment and functioning of the Committees are regulated by: 1. Regulation on the Committee on Reliability of the Company's Board of Directors approved by the Board of Directors on November 30, 2005 (Minutes No. 15/15 of November 30, 2005), 2. Regulation on the Strategy and Investment Committee of the Company's Board of Directors - redrafted (Minutes No.12 of February 21, 2011), 3. Regulation on the Audit Committee of the Company's Board of Directors (Minutes No. 49/49 of November 28, 2006), 4. Regulation on the Assessment Committee of the Company's Board of Directors (Minutes No. 49/49 of November 28, 2006), 5. Regulation on the Personnel and Remuneration Committee of the Company's Board of Directors (Minutes No. 79/79 of August 6, 2007).

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
38.	Stipulation in the Company's Charter of the procedure for designation of the Board of Directors' quorum which is to ensure mandatory participation of independent directors in meetings of the Board of Directors.	Compliant	<p>cl. 22.8. art. 22 of the Company's Charter: "A meeting of the Board of Directors held in the form of joint attendance shall be quorate if attended by no less than half of the number of the elected members of the Company's Board of Directors.</p> <p>A meeting of the Board of Directors held in the form of an absentee vote shall be quorate if it is attended by no less than half of the number of the elected members of the Board of Directors of the Company. Members of the Board of Directors shall be deemed participating in absentee voting if their bulletins are received by the Board of Directors before the end date for filling the bulletins specified in the notice and the bulletin".</p> <p>cl. 22.9 art. 22 "In case the number of 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 hold an extraordinary General meeting to elect the new body of the Board of Directors of the Company. Remaining members of the Board of Directors shall only have the right to decide on calling of such extraordinary General meeting of shareholders".</p>
Executive bodies			
39.	Existence of the Company's collegial executive body (the Management Board).	Compliant	<p>The Management Board of the Company was formed by the Resolution of OJSC RAO UES of Russia of March 4, 2005, No. 35r.</p> <p>In accordance with art. 27 of the Company's Charter "The Management Board of the Company shall be a collegial executive body of the Company and shall function on the basis of this Charter and Regulation on the Management Board of the Company approved by the General meeting of shareholders.</p>
40.	Stipulation in the Company's Charter or internal documents of mandatory approval of real estate transactions and loan agreements by the Management Board if these transactions are not considered as major and do not belong to standard economic activities of the Company.	Compliant	<p>Sp. 7, 9 cl. 27.4 art. 27 of the Company's Charter:</p> <p>"7. [The Management Board] Takes decisions on the Company's transactions (including several interrelated transactions) the subject of which is property, works and/or services, the 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 data of the Company's accounting reports as of the closing date, excluding the transactions the decision on which lies within the competence of the Board of Directors of the Company in accordance with this Charter;</p> <p>9. [The Management Board] Approves transactions with immovable property if the transaction cost defined in accordance with the conclusion of an independent appraiser exceeds 30 million rubles and execution of such transactions does not refer to normal activities of the Company, or holds a preliminary examination of such transactions when the 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 Company's internal documents of the procedure for approval of transactions which are beyond the scope of the Company's financial and economic plan.	Compliant	<p>Sp.65 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, a report on their results, approval (adjustment) of the list and values of the Company's cash flow benchmarks as well as consideration of adjustments to the Company's cash flow approved by the Management Board of the Company".</p>

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
42.	The executive body does not include persons who are partners, general directors (managing directors), members of a managerial body or employees of legal entities competing with the Company.	Partially compliant	Sp. 30 cl. 20.1 art.20 of the Company's charter stipulates that "the Company's Board of Directors shall approve participation of the General Director and members of the Company's Management Board in managerial bodies of other organisations".
43.	Executive bodies of the Company do not include persons, who are found guilty of economic crimes or crimes against the government, interests of the government services or local authorities, or persons who were administratively liable for crimes related to violations in business, finance, taxes and charges, or the securities market. If the functions of a sole executive body are carried out by a managing organisation or a manager, the General Director and members of the Management board of the managing organisation or the managing director conform to requirements specified for the General Director and members of the Management Board of the Company.	Compliant	Internal documents of the Company do not embody regulations which would set the mentioned limitations for the persons who are members of the Company's executive bodies.
44.	Stipulation in the Charter or internal documents of the Company of a regulation against performing similar functions in a competing company by the managing organisation (managing director), and also prohibiting them from any property relations with the Company apart from rendering services of the managing organisation (managing director).	Non-compliant	Functions of the sole executive body have not been delegated to the managing organisation.
45.	Stipulation in the internal documents of the Company of a regulation obliging executive bodies to refrain from acts, which will result in or are potentially capable of leading to a conflict of their interests and interests of the Company, and in case of such conflict, obliging to inform the Board of Directors about it.	Non-compliant	The Company's internal documents do not provide for formulation of such obligations.
46.	Stipulation in the Company's Charter or internal documents of criteria for selection of a managing organisation (managing director).	Non-compliant	No selection criteria are provided for by the Company's Charter and internal documents.
47.	Records of performance by the Company's executive bodies are delivered to the Board of Directors monthly.	Compliant	In accordance with cl. 6.2 art. 6 of the Regulation on the General Director "The General Director shall regularly report to the Board of Directors on fulfilment of investment and other programs and plans of the Company, execution of decisions of the General meeting of shareholders and the Board of Directors of the Company as well as on other results of the Company's activities".

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
48.	Stipulation for responsibility for violation of provisions on use of confidential and insider information in the contracts concluded by the Company with the General Director (managing organisation, managing director) and members of the Management Board.	Compliant	<p>Section 10 of the Regulation on insider information approved by the Board of Directors of JSC OGC-2 on March 29, 2011 (Minutes №14 of March 30, 2011):</p> <p>10.1. For unauthorized distribution and/or use of insider information insiders of the Company may be brought to disciplinary and/or civil liability in accordance with current legislation of the Russian Federation, terms of contracts with the Company and the Company's internal documents, as well as administrative and criminal liability in accordance with current legislation of the Russian Federation.</p> <p>10.2. The Company may request from the insiders guilty of unauthorized use and distribution of insider information to recoup for damages caused to the Company by their wrongful acts.</p> <p>5.3. The Company and the shareholder(s) of the Company holding no less than 1 percent of the Company's placed shares in the aggregate may file a lawsuit in court against a member of the Board of Directors of the Company, the sole executive body of the Company, member of the collegial executive body of the Company to reimburse for damages caused to the Company as a result of unauthorized use or distribution of insider information by the defendant.</p> <p>In accordance with cl. 4.11 of the Regulation on the Management Board of the Company "Members of the Management Board shall bear responsibility before the Company for damages caused to the Company by their wrongful acts/failure to act in case other grounds and amount of liability are not determined by the federal laws".</p> <p>In accordance with cl. 5.2 of the Regulation on the General Director of the Company "The General Director shall bear responsibility before the Company for damages caused to the Company by his wrongful acts/failure to act in accordance with current legislation".</p>
Company Secretary			
49.	Availability of a designated person within the Company (the Company secretary) whose goal is to ensure observance of procedural requirements, which guarantee enforcement of rights and legitimate interests of the Company's shareholders, by bodies and executives of the Company.	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 Regulation on the Board of Directors of the Company "Secretary of the Board of Directors".</p>

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
51.	Stipulation in the Company's Charter of requirements for the Company's secretary candidature.	Non-compliant	These requirements are not determined by the Charter.
Significant 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. 48-52 art. 19, art. 28 of the Company's Charter
53.	Mandatory participation of an independent appraiser to assess market value of property that is subject of a large-scale transaction.	Compliant	sp. 37 cl. 20.1 art. 20 of the Company's Charter: "The process for selection and approval of an independent appraiser (appraisers) for estimation of the value of stock, property and other assets of the Company in the cases provided for by the Federal Law "On Joint Stock Companies" shall be determined by the present Charter as well as by individual resolutions of the Board of Directors of the Company".
54.	Availability of a provision in the Company's Charter which in the process of acquisition of large blocks of shares of the Company (takeover) prohibits any actions aimed at protection of interests of executive bodies (members of these bodies) and members of the Board of Directors, and also infringing shareholders' interests as compared to existing (in particular, prohibiting acceptance of a decision by the Board of Directors concerning issue of new shares, issue of securities convertible to shares, or securities granting a right for acquisition of shares of the Company before expiration of the presumed time-limit for acquisition of shares, even if a right for such decision is granted by the Charter).	Non-compliant	These requirements are not provided for by the Charter
55.	Availability of a provision in the Company's Charter which requires engaging an independent appraiser to evaluate current market value of shares and possible change in their market value as a result of takeover.	Compliant	sp.37 cl. 20.1 art. 20 of the Company's Charter: "The process for selection and approval of an independent appraiser (appraisers) for estimation of the value of stock, property and other assets of the Company in the cases provided for by the Federal Law "On Joint Stock Companies" shall be determined by the present Charter as well as by individual resolutions of the Board of Directors of the Company".
56.	No clause in the Company's Charter releases an acquirer from the responsibility of offering the shareholders to sell their ordinary shares of the Company (issuable securities convertible to ordinary shares) during a takeover.	Compliant	The Charter of the Company does not provide for such right

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
57.	Stipulation in the Company's Charter or internal documents of a requirement for obligatory participation of an independent appraiser to determine conversion ratios for shares in the process of reorganisation.	Compliant	cl. 20 art. 20 of the Company's Charter: "The process for selection and approval of an independent appraiser (appraisers) for estimation of the value of stock, property and other assets of the Company in the cases provided for by the Federal Law "On Joint Stock Companies" shall be determined by the present Charter as well as by individual resolutions of the Board of Directors of the Company".
Disclosure of information			
58.	Availability of a document approved by the Board of Directors which determines rules and approaches of the Company to disclosure of information (Regulation on the information policy).	Compliant	Regulation on the Information policy of the Company was approved by the resolution of the Board of Directors of the Company of September 7, 2009 (Minutes No. 3 of September 10, 2009).
59.	Stipulation in the internal documents of the Company of a requirement for disclosure of information on objectives of share placement, about persons that intend to acquire the shares placed, including a large block of shares, and information on participation of the Company's senior management in acquisition of the shares.	Non-compliant	This is not provided for by the Charter and internal documents of the Company.
60.	Availability in the Company's internal documents of an information list, documents and materials that should be made available to shareholders for the purpose of resolution of issues that are treated at the General meeting of shareholders.	Compliant	cl. 5.6 art. 5 of the Regulation on the General meeting of shareholders of JSC OGC-2 approved at the Annual General Meeting of shareholders of JSC OGC-2 on June 25, 2009 (Minutes No. 2 of June 26, 2009).
61.	The Company has a web-site in the Internet where information on the 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 persons who are members of the Company's senior management according to the Charter and also on transactions of the Company with organisations where the Company's senior management directly or indirectly owns 20 or more percent of the equity capital of the company, or which such persons can substantially influence otherwise.	Compliant	Regulation on Insider Information of the Company was approved by the resolution of the Board of Directors on March 29, 2011 (Minutes №14 of March 30, 2011)
63.	Presence of a provision in the Company's internal documents requiring disclosure of information on all transactions which can influence market value of the Company's shares.	Non-compliant	This is not provided for by the Company's internal documents

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
64.	Availability of an internal document approved by the Board of Directors concerning use of material information on the Company's activities, shares and other securities of the Company and operations with them, which has not been made public and disclosure of which can significantly influence the market value of shares and other securities of the Company.	Compliant	Regulation on Insider Information of the Company was approved by the resolution of the Board of Directors on March 29, 2011 (Minutes №14 of March 30, 2011)
Financial and operating control			
65.	Availability of procedures approved by the Board of Directors concerning internal control of financial and operating activities of the Company.	Compliant	Regulation on procedures of internal control of financial and operating activities of the Company approved by the Board of Directors of the Company on October 5, 2009 (Minutes No. 4 of October 8, 2009).
66.	Availability of a designated subdivision within the Company enforcing procedures of internal control (supervision and auditing service).	Compliant	The Company's structure provides for existence of the Internal Control Service that has the following goals: "- Assessment of efficiency of the Company's organisational structure; - Control of major financial and operating activities of the Company, analysis of results of such activities; - Monitoring of compliance with the Company's financial discipline and implementation of decisions made by the Company's managerial bodies and executives; - Adequate assurance of compliance with requirements for maintenance of accounting records within the Company; - Control of budget execution by the Company and its business units; - Control of correspondence of internal documents and project 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 requirement for determination of the structure and composition of the supervision and auditing service of the Company.	Non-compliant	Internal documents of the Company do not provide for such requirements
68.	No persons in the Company's supervision and auditing service were 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 in business, finance, taxes and duties or the securities market.	Compliant	The recommendations are being observed but the Charter and/or internal documents of the Company do not contain requirements that establish these limitations for employees of the Internal Audit Department.

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
69.	The supervision and auditing service does not include persons who are members of executive bodies of the Company and persons who are participants, General directors (managing directors), members of managerial bodies or employees of legal entities competing with the Company.	Compliant	The recommendations are being observed but the Charter and/or internal documents of the Company do not contain requirements that establish these limitations for employees of the Internal Audit Department.
70.	The Company's internal documents specify the date when documents and materials are presented to the supervision and auditing service for evaluation of financial and operating activities, and also specify responsibility of executives and employees of the Company for non-presentation of these documents within the prescribed period.	Non-compliant	The term is not defined
71.	Stipulation in the internal documents of the Company for responsibility of the supervision and auditing service 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 procedures of internal control of financial and operating activities of JSC OGC-2: "An annual report on results of activities of the Internal Control Department is provided to the Audit Committee of the Board of Directors and to the General Director of the Company".
72.	Stipulation in the Company's Charter of a provision requiring the supervision and auditing service to preliminarily 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 provided for by the Charter of the Company
73.	Stipulation in the Company's internal documents of a procedure for approval of non-standard transactions by the Board of Directors.	Compliant	cl. 45 art. 20. of the Company's Charter: "Resolutions on the Company's participation in other organisations (entry to an existing organisation or establishment of a new organisation, including ratification of constitutive documents), as well as on acquisition, alienation, trusting, hypothecation or other charges over shares and equity shares in charter capitals of companies, in which the Company participates, change of equity shares in charter capital of a respective organisation, as well as termination of the Company participation in other organisations"
74.	Availability of a document approved by the Board of Directors that determines the procedure of inspection of financial and operating activities of the Company by the Audit Commission.	Compliant	The Regulation on the Audit Commission of June 24, 2010 (approved by the General Meeting of Shareholders of June 24, 2010, Minutes №3 of June 25, 2010)

N	Code of corporate conduct provisions	Compliant or non-compliant	Comments
75.	Assessment of the auditor's opinion by the Audit Committee prior to its presentation to shareholders at the general meeting of shareholders.	Compliant	Art. 3 of the Regulation on The Audit Committee of the Board of Directors of the Company
Dividends			
76.	Availability of an internal document approved by the Board of Directors that is used by the Board of Directors in the process of acceptance of recommendations on size of a dividend (Regulation on the dividend policy).	Compliant	The Regulation on the dividend policy was approved by the Board of Directors of the Company on December 24, 2010 (Minutes №10 of December 27, 2010).
77.	Stipulation in the Regulation on the dividend policy of a procedure for determining a minimum amount of the Company's net profits allocated for dividend payout, and conditions under which dividends are not paid or paid partially on preferred shares, for which the size of dividends is specified in the Company's Charter.	Non-compliant	Such procedure is not specified in the Regulation on the dividend policy of the Company
78.	Information on the Company's dividend policy and any changes to it is published in a periodical that according to the Company's Charter is called for publication of messages on holding of general meetings of shareholders; such information is also published on the Company's website in the Internet.	Compliant	The Regulation on the dividend policy of the Company is published on the official website of the Company.

Appendix 2.

List of transactions made by the Company in 2010

№	Date of resolution made by the management body of JSC OGK-2, details of minutes	Parties and subject of transaction	Transaction price, RUR (or procedure for price determination)
Transactions acknowledged as significant in accordance with the Federal Law "On Joint Stock Companies"			
1	Meeting of the Board of Directors of JSC OGK-2, March 25, 2010 (Minutes № 11 of March 29, 2010)	<p>Parties of the transaction (Additional agreement (on construction of new generation facilities at the site of JSC OGK-2 branch – the Serov GRES) to the General Contract № 2-07 ks of December 29, 2007 (for acting as the General Contractor during the turnkey construction of two combined cycle power units with 400 MW capacity per unit at the site of JSC OGK-2 branch – the Stavropol GRES) that is an integral part of the settlement agreement between the Company, OJSC Group E4, CJSC E4-SibKOTES, OJSC E4-CENTRENERGOMONTAZH and CJSC Novosibirskenergospetsremont with regard to case A63-3832/09-C3-18 reviewed in the Sixteenth Arbitration Court of Appeal, and made by the Company and OJSC Group E4); JSC OGK-2 (Client), OJSC Group E4 (General Contractor)</p> <p>Subject of the transaction:</p> <p>OJSC Group E4 shall execute works on construction of the object – combined cycle power unit with capacity of no less than 400 MW at the site of JSC OGK-2 branch – the Serov GRES in accordance with terms and procedures established by the Additional agreement.</p>	<p>RUR 17,834,277,534. 25 Incl. VAT 18% RUR 2,720,483,013. 70</p>
2	Annual General Meeting of Shareholders of JSC OGK-2, June 24, 2010 (Minutes № 3 of June 25, 2010)	<p>Parties of the transaction (Additional agreement №4 (on construction of one 660 MW steam turbine unit (STU-660) at the site of JSC OGK-2 branch – the Troitsk GRES) to the General Contract № 1-07 ks of November 14, 2007 (construction of two 660 MW steam turbine units at the site of JSC OGK-2 branch – the Troitsk GRES)); JSC OGK-2 (Client), CJSC Kvarits-New technologies (General Contractor).</p> <p>Subject of the transaction:</p> <p>1. Implementation of project design works including execution of an engineering survey and development of design documentation for construction of start-up facilities – two coal-dust power units (station No 10 and 11) with 660 MW of installed electric capacity (200 GCal/hr of heat capacity) per unit at the site of JSC OGK-2 branch – the Troitsk GRES.</p> <p>2. Execution of works on construction of the object – a coal-dust power unit (station No 10) with 660 MW of installed electric capacity (200 GCal/hr of heat capacity) per unit at the site of JSC OGK-2 branch – the Troitsk GRES. These include development of design documentation; preparatory works at the construction site and camp; supply of equipment that is necessary for the project construction (delivered on DDP terms), meets the requirements of mandatory technical regulations, which are in effect in the territory of the Russian Federation, and has a certificate of industrial safety compliance, necessary permits for use and licenses obtained from the governmental authorities of the Russian Federation; the construction itself and commissioning of the facility.</p>	<p>RUR 456,447,021.80 incl. VAT (18%) RUR 69,627,511.80; and CNY 135,464,000 (Chinese Renminbi yuan) (hereafter – CNY) incl. VAT (18%) CNY 20,664</p>

№	Date of resolution made by the management body of JSC OGK-2, details of minutes	Parties and subject of transaction	Transaction price, RUR (or procedure for price determination)
Transactions acknowledged as being of interest to a party in accordance with the Federal Law “On Joint Stock Companies”			
3	Meeting of the Board of Directors of JSC OGK-2, February 10, 2010 (Minutes № 8 of February 15, 2010)	Parties of the transaction (Bank Account Agreement): JSC OGK-2 (Client), CJSC Gazenergoprombank (Bank). Subject of the transaction: The Bank opens a current account in Russian Rubles for the Client (hereafter – Account), accepts cash assets and credits the Account, executes the Client's orders on conducting Account transactions, while the Client provides duly completed documents to the Bank and pays for the Bank's services in accordance with the approved rates for settlement and cash services in time.	According to the Contract service fees comprise the amount in rubles, calculated according to the Bank's approved rates for settlement and cash services and shall not exceed 2 (Two) percent of the carrying value.
4	Meeting of the Board of Directors of JSC OGK-2, February 10, 2010 (Minutes № 8 of February 15, 2010)	Parties of the transaction (Additional agreement to the Agreement on payments settlement using the “Client-Bank” system): JSC OGK-2 (Client), CJSC Gazenergoprombank (Bank). Subject of the transaction: The Bank delivers additional services to the Client. These services are connected with use of the automated system of control over the budget implementation, software module “Client's Settlement Centre”.	According to the Additional Agreement service fees comprise the amount in rubles, calculated according to the Bank's approved rates for settlement and cash services and shall not exceed 2 (Two) percent of the carrying value.
5	Meeting of the Board of Directors of JSC OGK-2, March 4, 2010 (Minutes № 10 of March 4, 2010)	Parties of the transaction (agreements on change of a party of the Fee-based Contract of October 19, 2009№ 22-10/09 on support of design periods, construction and operational service of the Adler TES, settled by the Company with LLC Gazprom Energoholding (hereafter – Operational Contract)): Party 1: LLC Gazprom Energoholding, Party 2: LLC Russian Energy Projects, Party 3: JSC OGK-2. Subject of the transaction: 1. Party 1 transfers, while Party 2 accepts full Operating Contract rights (demands) of the Client (this term is defined in the Operating Contract), which belong to Party 1. 2. Party 1 transfers, while Party 2 accepts all and any obligations of the Client under the Operating Contract in full. 3. OGK-2 confirms a due notice of the cession of the Client's rights (demands) under the Operating Contract, as well as unconditionally agrees on the transfer of the Client's obligations under the Operating Contract, to Party 2. 4. Rights (demands), as well as obligations of the Client under the Operating Contract are transferred from Party 1 to Party 2 at the moment the parties sign the Agreement on change of a party under the Operating Contract. From the moment of transfer of the Client's rights and obligations from Party 1 to Party 2, Party 2 shall substitute for Party 1 completely and become a Client in the Operating Contract.	Cost of the Client's rights (demands) and obligations under the Operating Contract that are transferred from Party 1 to Party 2 according to the agreement is not determined for the Company.

№	Date of resolution made by the management body of JSC OGC-2, details of minutes	Parties and subject of transaction	Transaction price, RUR (or procedure for price determination)
Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
6	Meeting of the Board of Directors of JSC OGC-2, March 4, 2010 (Minutes № 10 of March 4, 2010)	<p>Parties of the transaction (agreement on execution of design and survey works for implementation of the investment project "Construction of two combined cycle power units with 400 MW of installed capacity per unit at the site of JSC OGC-2 branch – the Serov GRES"): JSC OGC-2 (Client), JSC TEK Mosenergo (Contractor).</p> <p>Subject of the transaction:</p> <p>1. The Contractor shall perform the assignment of the Client, while the Client shall accept and pay for the design and detail documentation (hereafter – technical documentation) and engineering survey works (hereafter – Works) for implementation of the investment project "Construction of two combined cycle power units with 400 MW of installed capacity per unit at the site of JSC OGC-2 branch – the Serov GRES". The detailed list, volume of works and requirements for their execution are established by the contract Specification.</p> <p>2. According to the Client's assignment, the Contractor shall render, while the Client shall pay for the services (hereafter – Services) on implementation of the investment project "Construction of two combined cycle power units with 400 MW of installed capacity per unit at the site of JSC OGC-2 branch – the Serov GRES".</p>	RUR 560,000,000 Excl. VAT
7	Meeting of the Board of Directors of JSC OGC-2, March 30, 2010 (Minutes № 12 of March 31, 2010)	<p>Parties of the transaction (credit facility agreement): JSC OGC-2 (Borrower), JSC Gazprombank (Bank).</p> <p>Subject of the transaction:</p> <p>The Bank shall open a Line of Credit for the Borrower for the amount of RUR 850,000,000 (eight hundred and fifty million), while the Borrower shall repay the loan obtained through the Line of Credit, make interest payments and fulfill other Obligations under the Agreement.</p>	According to the Agreement between the Company and JSC Gazprombank the price is not determined. Interest rate under the Agreement shall not exceed 10% per annum.
8	Meeting of the Board of Directors of JSC OGC-2, May 20, 2010 (Minutes № 14 of May 24, 2010)	<p>Parties of the transaction (commercial property sublease agreement for property located at: 15th floor, 101 prospect Vernadskogo, building 3, Moscow (commercial premises: offices №11, №12, №14, №15, №20)): JSC OGC-2 (Lessee), LLC Gazprom Energoholding (Sub-lessee).</p> <p>Subject of the transaction:</p> <p>Lessee provides commercial premises to the Sub-lessee. The premises are located at: 15th floor, 101 prospect Vernadskogo, building 3, Moscow (commercial premises: offices №11, №12, №14, №15, №20).</p>	RUR 715,448.08, incl. VAT (18%) RUR 109,136.15

№	Date of resolution made by the management body of JSC OGK-2, details of minutes	Parties and subject of transaction	Transaction price, RUR (or procedure for price determination)
Transactions acknowledged as being of interest to a party in accordance with the Federal Law “On Joint Stock Companies”			
9	Meeting of the Board of Directors of JSC OGK-2, June 21, 2010 (Minutes № 16 of June 23, 2010)	<p>Parties of the transaction (Agreement on issuance of exchange-traded bonds): JSC OGK-2 (Company), JSC Gazprombank (Organizer).</p> <p>Subject of the transaction: The Organizer shall render services to the Company that are directed at issuance and placement of Bonds, while the Company shall accept and pay for such services pursuant to the terms and procedures of the Agreement.</p>	<p>Cost of services under the Agreement:</p> <p>Includes:</p> <ol style="list-style-type: none"> 1. Payment subject to transfer by the Company to the Organizer, in the amount of 0.1% (one tenth of a percent) of the nominal value of the issued exchange-traded bonds (hereafter – Bonds). The amount of payment is increased by the amount of VAT. <p>The payment includes remuneration to the Organizer for the services rendered under the Agreement and the amount of compensation to be paid to legal entities that will enter into a contract with the Organizer on incur-rence of liabilities on partial/complete buy-out of Bonds in the process of their placement.</p> <ol style="list-style-type: none"> 2. Additional remuneration (payment) to the Organizer. Additional remuneration is made only in case the inter-est rate of the first coupon of respective Bond series (determined based on the results of the Bond placement) is set below the maximum level of the first coupon rate agreed upon by the Company and Organizer. Additional remuneration cannot exceed 0.3% (three tenths of a percent) of the nominal value of the Bonds placed. 3. Documented expenses reimbursable by the Company to the Organizer that were incurred by the Organizer in connection with the Agreement, including but not limited to Bond issue advertising costs, printing, travel and representation costs that were agreed upon by the parties in advance. The amount of payment is increased by the amount of VAT.
10	Meeting of the Board of Directors of JSC OGK-2, June 21, 2010 (Minutes № 16 of June 23, 2010)	<p>Parties of the transaction (contract on performing functions of a paying agent): JSC OGK-2 (Company), JSC Gazprombank (Agent).</p> <p>Subject of the transaction: The Agent shall take legal and practical steps on be-half and at the expense of the Company (these steps are connected with calculations and payments on Bonds), while the Company shall accept and pay for such services pursuant to the terms and procedures of the Contract.</p>	<p>Cost of services under the Contract:</p> <p>Includes:</p> <ol style="list-style-type: none"> 1. Remuneration to the Agent for the services covered by the Agreement, in the amount that does not exceed RUR 250,000, including VAT; 2. Valid documented expenses reimbursable by the Company to the Agent that were incurred by the Agent in connection with the Agreement. The amount of expenses is increased by the amount of VAT.

№	Date of resolution made by the management body of JSC OGK-2, details of minutes	Parties and subject of transaction	Transaction price, RUR (or procedure for price determination)
Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
11	Meeting of the Board of Directors of JSC OGK-2, July 22, 2010 (Minutes № 1 of July 26, 2010)	Parties of the transaction (purchase and sale contract): JSC OGK-2 (Seller), OJSC Chaika (Purchaser). Subject of the transaction: The seller shall transfer the ownership of equipment to the Purchaser, while the Purchaser shall accept the used equipment as stated in this resolution and pay for it under the terms of the Contract.	RUR 24,700. 90, incl. VAT (18%) RUR 3,767.93
12	Meeting of the Board of Directors of JSC OGK-2, August 13, 2010 (Minutes № 2 of August 16, 2010)	Parties of the transaction (exchange-listed bilateral agreements of sale and purchase of electricity and capacity in August 2010): JSC OGK-2 (Seller), JSC TGK-1 (Purchaser). Subject of the transaction: The seller shall deliver electricity and capacity to the Purchaser, while the Purchaser shall accept and pay for the electricity and capacity.	RUR 19,007,732. 64, incl. VAT (18%) RUR 2,899,484.64
13	Meeting of the Board of Directors of JSC OGK-2, August 13, 2010 (Minutes № 2 of August 16, 2010)	Parties of the transaction (exchange-listed bilateral agreements of sale and purchase of electricity and capacity in August 2010): JSC OGK-2 (Seller), OJSC Tyumen Energy Supply Company (Purchaser). Subject of the transaction: The seller shall deliver electricity and capacity to the Purchaser, while the Purchaser shall accept and pay for the electricity and capacity.	RUR 248,443,100. 00, incl. VAT (18%) RUR 37,898,100.00
14	Meeting of the Board of Directors of JSC OGK-2, September 7, 2010 (Minutes № 3 of September 10, 2010)	Parties of the transaction (exchange-listed bilateral agreements of sale and purchase of electricity and capacity in September 2010): JSC OGK-2 (Seller), OJSC Tyumen Energy Supply Company (Purchaser). Subject of the transaction: The seller shall deliver electricity and capacity to the Purchaser, while the Purchaser shall accept and pay for the electricity and capacity.	RUR 403,282,086. 40, incl. VAT (18%) RUR 61,517,606.40
15	Meeting of the Board of Directors of JSC OGK-2, September 7, 2010 (Minutes № 3 of September 10, 2010)	Parties of the transaction (exchange-listed bilateral agreements of sale and purchase of electricity and capacity in September 2010): JSC OGK-2 (Seller), JSC TGK-1 (Purchaser). Subject of the transaction: The seller shall deliver electricity and capacity to the Purchaser, while the Purchaser shall accept and pay for the electricity and capacity.	RUR 3,788,139. 84, incl. VAT (18%) RUR 577,851.84

No	Date of resolution made by the management body of JSC OGK-2, details of minutes	Parties and subject of transaction	Transaction price, RUR (or procedure for price determination)
Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
16	Meeting of the Board of Directors of JSC OGK-2, September 10, 2010 (Minutes № 4 of September 13, 2010)	<p>Parties of the transaction (service contract): JSC OGK-2 (Client), LLC Gazprom Energoholding (Executor)</p> <p>Subject of the transaction:</p> <p>The Executor shall render services to the Client in accordance with the terms of the Contract, while the Client shall pay for the following services:</p> <p>Organization and holding of in-presence and in-absentia meeting of the Board of Directors and Committees of the Board of Directors. Organization and holding of the Company's general meetings of shareholders in the form of collective meetings with attendance by the shareholders or absentee voting;</p> <p>Execution of works on internal control of the Company's financial and operational activities;</p> <p>Execution of works related to training and development of the staff;</p> <p>Execution of works related to debt financing;</p> <p>Execution of works on establishment of an integrated system for financial risk management;</p> <p>Execution of works on implementation of insurance coverage of property and financial interests of the Client;</p> <p>Execution of works related to monitoring of credit qualities of financial institutions and the Client's largest debtors;</p> <p>Execution of works on reduction of currency, interest and price risks through entering into hedging contracts.</p>	<p>RUR 14,163,156.46, incl. VAT (18 %)</p> <p>RUR 2,160,481.49 (quarterly).</p>
17	Meeting of the Board of Directors of JSC OGK-2, September 10, 2010 (Minutes № 4 of September 13, 2010)	<p>Parties of the transaction (agent contract): JSC OGK-2 (Principal), LLC Gazprom Energoholding (Agent).</p> <p>Subject of the transaction:</p> <p>The Agent shall perform the following actions for a fee on the instruction of the Principal in its own name, but at the expense of the Principal:</p> <p>1. Conduct a selection of an IR consultant and sign a contract for services related to shareholder and investor relations of the Principal;</p> <p>2. Settle a contract with the IR consultant related to the mentioned services, the amount of remuneration under the contract shall not exceed RUR 10,500,000 (ten million five hundred thousand) per year (excluding VAT).</p>	<p>- quarterly remuneration to the Executor for rendition of services on a permanent basis amounts to RUR 14,163,156.46 including VAT (18%) in the amount of RUR 2,160,481.49</p> <p>- remuneration of the Executor for rendition of non-recurrent services related to financial consulting on debt financing (bond issuance, raising a loan, etc.) shall not exceed RUR 15,000,000.00 per quarter excluding VAT.</p> <p>- reimbursable expenses of the Executor related to rendition of services under the contract,</p> <p>The contract price shall not exceed 2% of the book value of the Company's assets for the date of contract.</p>

№	Date of resolution made by the management body of JSC OGK-2, details of minutes	Parties and subject of transaction	Transaction price, RUR (or procedure for price determination)
Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
18	Meeting of the Board of Directors of JSC OGK-2, October 11, 2010 (Minutes № 6 of October 14, 2010)	<p>Parties of the transaction (exchange-listed bilateral agreements of sale and purchase of electricity and capacity in October 2010): JSC OGK-2 (Seller), OJSC Tyumen Energy Supply Company (Purchaser).</p> <p>Subject of the transaction: The seller shall deliver electricity and capacity to the Purchaser, while the Purchaser shall accept and pay for the electricity and capacity.</p>	RUR 226,795,163.38, incl. VAT (18%) RUR 34,595,872.38
19	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of the transaction (Agent contract with CJSC Centre for Financial Payments): instruction of JSC OGK-2 (Principal) to CJSC Centre for Financial Payments (Agent) for conclusion of Capacity Supply Contracts with capacity purchasers at the wholesale market on behalf and at the expense of the Principal.</p> <p>Parties of the transaction: JSC OGK-2, CJSC Centre for Financial Payments, IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System.</p> <p>In case price of the approved Agent contract acknowledged as being of interest to a party exceeds 2% of JSC OGK-2 book value of assets after the contract conclusion and/or in the process of its execution, further approval of such transaction by the general meeting of JSC OGK-2 shareholders will be necessary, unless otherwise stipulated by the legislation in effect.</p>	Contract price for JSC OGK-2: remuneration subject to quarterly payment to the Agent by the Principal during the term of the Contract, amounting to RUR 100,000 per quarter, incl. VAT.
20	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts that are concluded by the Agent on behalf and for the benefit of JSC OGK-2): sale (supply) of capacity by JSC OGK-2 (Seller) to all capacity purchasers that act as wholesale market entities, participants of electricity and capacity trade in the wholesale market, included into the Registry of the wholesale market participants by the IP Market Council as of the date of the current resolution made by JSC OGK-2 Board of Directors.</p> <p>Parties of the transaction:</p> <ul style="list-style-type: none"> - JSC OGK-2, represented by the agent CJSC Centre for Financial Payments (Seller) - wholesale market entities, participants of electricity and capacity trade in the wholesale market, included into the Registry of the wholesale market participants by the IP Market Council, indicated in the Supplement to the Resolution (Purchasers); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. <p>In case price of the approved Agent contract acknowledged as being of interest to a party exceeds 2% of JSC OGK-2 book value of assets after the contract conclusion and/or in the process of its execution, further approval of such transaction by the general meeting of JSC OGK-2 shareholders will be necessary, unless otherwise stipulated by the legislation in effect.</p> <p>In case price of the approved Capacity Supply Contracts acknowledged as being of interest to a party exceeds 2% of JSC OGK-2 book value of assets after the contract conclusion and/or in the process of its execution, further approval of such transactions by the general meeting of JSC OGK-2 shareholders will be necessary, unless otherwise stipulated by the legislation in effect.</p>	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective supplements to the Capacity Supply Contract.

№	Date of resolution made by the management body of JSC OGK-2, details of minutes	Parties and subject of transaction	Transaction price, RUR (or procedure for price determination)
Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
21	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC Volzhskaya Territory Generation Company, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
22	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC INTER RAO UES, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
23	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC Quadra – generating company, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
24	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - JSC Mosenergo, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.

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Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
25	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC OGK-1, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
26	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - JSC TGK-1, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
27	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC TGK-2, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
28	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC TGK-5, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.

№	Date of resolution made by the management body of JSC OGK-2, details of minutes	Parties and subject of transaction	Transaction price, RUR (or procedure for price determination)
Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
29	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC TKG-6, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
30	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC TKG-9, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
31	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC OGK-3, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
32	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC Forum, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.

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Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
33	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC OGK-4, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
34	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - JSC OGK-6, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
35	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC Enel OGK-5, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
36	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC South Generating Company – TGK-8, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.

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Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
37	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC Volzhskaya Territory Generation Company, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
38	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC INTER RAO UES, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
39	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC Quadra – generating company, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
40	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - JSC Mosenergo, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.

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Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
41	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC OGK-1, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
42	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - JSC TKG-1, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
43	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC TKG-2, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
44	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, which have been commissioned, certified (tested) and for which the capacity seller has obtained the right to sell electricity and capacity at the wholesale market by the moment of the agent contract conclusion.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC Forum, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.

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Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
45	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - OJSC OGK-4, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
46	Meeting of the Board of Directors of JSC OGK-2, October 19, 2010 (Minutes № 7 of October 22, 2010)	<p>Related to power generation facilities, for which any of the following events – commissioning, certification (testing), acquisition of the right to sell electricity and capacity at the wholesale market – occurs after conclusion of agent contracts.</p> <p>Subject of transactions (Capacity Supply Contracts): sale (supply) of capacity;</p> <p>Parties of transactions:</p> <ul style="list-style-type: none"> - JSC OGK-6, represented by the agent CJSC Centre for Financial Payments (Seller); - JSC OGK-2 (Purchaser); - IP Market Council, OJSC System Operator of the UES, OJSC Administrator of the Trading System. 	Price of Capacity Supply Contracts is determined in accordance with the procedure specified by the respective Supplements to the Capacity Supply Contract.
47	Meeting of the Board of Directors of JSC OGK-2, November 2, 2010 (Minutes № 8 of November 8, 2010)	<p>Parties of the transaction (exchange-listed bilateral agreements of sale and purchase of electricity and capacity): JSC OGK-2 (Seller), OJSC Tyumen Energy Supply Company (Purchaser).</p> <p>Subject of the transaction:</p> <p>The seller shall deliver electricity and capacity to the Purchaser, while the Purchaser shall accept and pay for the electricity and capacity.</p>	RUR 315,195,360.20, incl. VAT (18%) RUR 48,080,648.16
48	Meeting of the Board of Directors of JSC OGK-2, November 2, 2010 (Minutes № 8 of November 8, 2010)	<p>Parties of the transaction (contract for maintenance of register of registered security holders): JSC OGK-2 (Issuer), CJSC SR-DRAGa (Registrar).</p> <p>Subject of the transaction:</p> <p>The Issuer authorizes the Registrar, while the Registrar undertakes to provide services on maintaining and keeping the register of registered security holders of the Issuer (hereafter – Register) for a fee in accordance with current legislation of the Russian Federation, regulatory documents of the federal executive authority on the securities market, Charter provisions and other internal documents of the Issuer, Contract terms and "Registrar Rules designed for maintenance and keeping of the register of registered security holders).</p>	RUR 7,118,644.07, as well as VAT (18%) RUR 1,281,355.93 – per year.

No	Date of resolution made by the management body of JSC OGC-2, details of minutes	Parties and subject of transaction	Transaction price, RUR (or procedure for price determination)
Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
49	Meeting of the Board of Directors of JSC OGC-2, November 2, 2010 (Minutes № 8 of November 8, 2010)	<p>Parties of the transaction (additional agreement to Contract №12-07/09 of July 8, 2009 on execution of works and rendition of services on improvement of the management system efficiency and cost reduction (hereafter – Contract), approved by the resolution of the Board of Directors of May 29, 2009, Minutes № 12 of June 3, 2009): JSC OGC-2 (Client), LLC Gazprom Energoholding (Executor).</p> <p>Subject of the transaction (in accordance with the above mentioned Contract):</p> <p>The Client authorizes the Executor, while the Executor undertakes to execute works and render services on improvement of the management system efficiency and reduction of costs in the Client's organization, including organization of complex measures directed at improvement of the management system efficiency and unification of internal corporate documents with the aim of optimizing business processes and reducing costs of the Client.</p>	<p>- In accordance with Specification that is Supplements №№ 8 – 14, 16, 18 – 21 to the Contract, cost of works of the Executor amounts to RUR 64,154,440.00, incl. VAT (18%) RUR 9,786,270.51</p> <p>- In accordance with Specification that is Supplements №№ 23 and 24 to the Contract, cost of works of the Executor amounts to RUR 3,110,000.00, incl. VAT (18%) RUR 474,406.78</p>
50	Meeting of the Board of Directors of JSC OGC-2, November 15, 2010 (Minutes № 9 of November 15, 2010)	<p>Parties of the transaction (agent contract on selection of a legal consultant for rendition of legal services related to reorganization of JSC OGC-2 in the form of merger): JSC OGC-2 (Principal), LLC Gazprom Energoholding (Agent).</p> <p>Subject of the transaction:</p> <p>The Agent shall perform the following actions for a fee in its own name but at the expense of the Principal:</p> <p>1. Selection of a legal consultant with the aim of concluding a Contract on rendition of legal services to the Principal (services are related to reorganization of JSC OGC-2 in the form of merger) and representation of interests and consulting of the Company in the process of reorganization.</p> <p>2. Conclusion of a Contract with the legal consultant on rendition of the above-noted services, the amount of remuneration for which shall not exceed RUR 8,500,000 (eight million five hundred thousand), including VAT.</p> <p>3. Performing other accompanying actions that are related to reorganization of JSC OGC-2 in the form of merger.</p>	RUR 450,000, incl. VAT
51	Meeting of the Board of Directors of JSC OGC-2, December 24, 2010 (Minutes № 10 of December 27, 2010)	<p>Parties of the transaction (contract of financial lease of special equipment): JSC OGC-2 (Lessee), CJSC GazLeasingTek (Lessor).</p> <p>Subject of the transaction:</p> <p>The lessor shall acquire special equipment that is chosen by the Lessee (Appendix 4) and deliver it to the Lessee as the leasing item for temporary use for a fee. The Lessee shall accept and pay for the services of the Lessor under the terms of the present Contract.</p>	RUR 122,165,505.24, including VAT – for the entire leasing period.

N ^o	Date of resolution made by the management body of JSC OGK-2, details of minutes	Parties and subject of transaction	Transaction price, RUR (or procedure for price determination)
Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
52	Meeting of the Board of Directors of JSC OGK-2, December 24, 2010 (Minutes № 10 of December 27, 2010)	Parties of the transaction (contract of financial lease of electrical equipment): JSC OGK-2 (Lessee), CJSC GazLeasingTek (Lessor). Subject of the transaction: The lessor shall acquire electrical equipment that is chosen by the Lessee (respective appendix) and deliver it to the Lessee as the leasing item for temporary use for a fee. The Lessee shall accept and pay for the services of the Lessor under the terms of the Contracts.	RUR 334,522,921.67 including VAT – for the entire leasing period.
53	Meeting of the Board of Directors of JSC OGK-2, December 24, 2010 (Minutes № 10 of December 27, 2010)	Parties of the transaction (exchange-listed bilateral agreements of sale and purchase of electricity and capacity in December 2010): JSC OGK-2 (Seller), OJSC Tyumen Energy Supply Company (Purchaser). Subject of the transaction: The seller shall deliver electricity and capacity to the Purchaser, while the Purchaser shall accept and pay for the electricity and capacity.	RUR 346,592,998.40, incl. VAT (18%) RUR 52,870,118.40
54	Meeting of the Board of Directors of JSC OGK-2, December 24, 2010 (Minutes № 10 of December 27, 2010)	Parties of the transaction (agent contract for selection of an expert organization for execution of examinations of calculations of loss rates in the process of heat energy and materials transmission, as well as examinations that validate calculations of rates of specific consumption of fuel equivalent for electricity and heat produced by the Company's thermal power stations and boilers): JSC OGK-2 (Principal), LLC Gazprom Energoholding (Agent). Subject of the transaction: The Agent shall perform the following actions for a fee on behalf and at the expense of the Principal: - Develop a specification for execution of works on expert evaluation of loss rates in the process of heat energy and materials transmission, as well as works that validate rates of specific consumption of fuel equivalent for electricity and heat produced by the Principal's thermal power stations and boilers; - Prepare and exercise procurement in the form of open request for proposals on the terms approved by the Principal on selection of an expert organization for examinations of calculations of loss rates (LR) in the process of heat energy and materials transmission, as well as examinations that validate calculations of rates of specific consumption of fuel equivalent (RSC) for electricity and heat produced by the Principal's thermal power stations and boilers (by January 30, 2011); - Control that the expert organization presents documents validating calculations of RSC and LR and expert reports on them to the Ministry of Energy of the Russian Federation; - Represent the Company's interests during presentation of the expert opinion to the Ministry of Energy of the Russian Federation together with the expert organization (as circumstances may require)	RUR 236,000.00, incl. VAT (18 %).

№	Date of resolution made by the management body of JSC OGK-2, details of minutes	Parties and subject of transaction	Transaction price, RUR (or procedure for price determination)
Transactions acknowledged as being of interest to a party in accordance with the Federal Law "On Joint Stock Companies"			
55	<p>Meeting of the Board of Directors of JSC OGK-2, December 24, 2010 (Minutes № 10 of December 27, 2010)</p>	<p>Parties of the transaction (agent contract on selection of an expert organization for execution of examinations of material that validates standards for formation of fuel reserves by the Company): JSC OGK-2 (Principal), LLC Gazprom Energoholding (Agent).</p> <p>Subject of the transaction:</p> <p>The Agent shall perform the following actions for a fee, in its own name, but at the expense of the Principal:</p> <ul style="list-style-type: none"> - Develop a specification for execution of examinations of calculations that validate standards for formation of fuel reserves by the Principal; - Prepare and exercise procurement (in the form of closed request for proposals on the terms approved by the Principal) on selection of an expert organization for examinations of the materials that validate standards for formation of fuel reserves by the Principal; - Conclude a contract with the selected expert organization for execution of examinations of the materials that validate standards for formation of fuel reserves by the Principal; - Organize execution of examinations of calculations that validate standards for formation of fuel reserves by the Principal for October 1, 2012; - Represent the Principal's interests on issues related to validation and approval of standards for formation of fuel reserves by the Principal for the first day of each month of the 2nd, 3rd and 4th quarters of 2011 and 1st quarter of 2012 in the Ministry of Energy of the Russian Federation; - Secure obtainment of decrees of the Ministry of Energy of the Russian Federation that establish standards for formation of fuel reserves by the Principal for October 1, 2012, first day of each month of the 2nd, 3rd and 4th quarters of 2011 and 1st quarter of 2012. <p>Agent remuneration is equal to difference between the amount paid to the Agent by the Principal according to the agent contract and the amount spent by the Agent on execution of the agent assignment. Moreover with the purpose of execution of the agent assignment by the Agent, the Principal pays the amount equal to RUR 973,500.00 to the Agent.</p>	

Appendix 3.

Equipment specifications

Boilers					Turbines			Type of fuel
St. No	Boiler type	Generation capacity, t/hr	Pressure, MPa	Temperature, 0C	St. No	Turbine type	Installed capacity, MW	
Surgut GRES-1							3280	gas
KP 1	TGM 104	640	14	570	TP 1	K-200-130-3	210	
KP 2	TGM 104	640	14	570	TP 2	K-200-130-3	210	
KP 3	TG 104	670	14	540	TP 3	K-200-130-3	210	
KP 4	TG 104	670	14	540	TP 4	K-200-130-3	210	
KP 5	TG 104	670	14	540	TP 5	K-200-130-3	210	
KP 6	TG 104	670	14	540	TP 6	K-200-130-3	210	
KP 7	TG 104	670	14	540	TP 7	K-200-130-3	210	
KP 8	TG 104	670	14	540	TP 8	K-200-130-3	210	
KP 9	TG 104	670	14	540	TP 9	K-200-130-3	210	
KP 10	TG 104	670	14	540	TP 10	K-200-130-3	210	
KP 11	TG 104	670	14	540	TP 11	K-200-130-3	210	
KP 12	TG 104	670	14	540	TP 12	T-178(210)-130-3	178	
KP 13	TG 104	670	14	540	TP 13	K-200-130-3	210	
KP 14	TG 104	670	14	540	TP 14	T-180/210-130-3-1	180	
KP 15	TG 104	670	14	540	TP 15	T-180/210-130-3-1	180	
KP 16	TG 104	670	14	540	TP 16	K-200-130-3	210	
KP 1	BKZ-75-39 GM	75	3,9	440	TP 2	PT-12-35/10M	12	
KP 2	BKZ-75-39 GM	75	3,9	440				

Stavropol GRES							2400	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	
Troitsk GRES							2059	coal/ fuel oil
KP 01A	PK-14-2	220	10	540	TP 01	T-85-90-2,5	85	
KP 01B	PK-14-2	190	10	540	TP 02	T-85-90-2,5	85	
KP 02A	PK-14-2	220	10	540	TP 03	T-85-90-2,5	85	
KP 02B	PK-14-2	220	10	540				
KP 03A	PK-14-2	220	10	540	TP 04	K-300-240-2PR-1	278	
KP 03B	PK-14-2	190	10	540				
KPB 04A	PK-39	475	25.5	545	TP 05	K-300-240	278	
KPB 04B	PK-39	475	25.5	545				
KPB 05A	PK-39	475	25.5	545	TP 07	K-300-240	278	
KPB 05B	PK-39	475	25.5	545				
KPB 07A	PK-39	475	25.5	545	TP 08	K-500-240	485	
KPB 07B	PK-39	475	25.5	545				
KPB 08	P-57	1650	25.5	545	TP 09	K-500-240	485	
KPB 09	P-57	1650	25.5	545				

Boilers					Turbines			Type of fuel
St. No	Boiler type	Generation capacity, t/hr	Pressure, MPa	Temperature, 0C	St. No	Turbine type	Installed capacity, MW	
Serov GRES							538	coal/ gas
KP 01	PK-14	230	10	510	TP 01	K-50-90	50	
KP 02	PK-14	230	10	510	TP 02	K-50-90	50	
KP 03	PK-14	230	10	510	TP 04	K-50-90	50	
KP 04	PK-14	230	10	510				
KP 05	PK-14	230	10	510	TP 05	K-100-90M	88	
KP 06	PK-14-R	230	10	510				
KP 07	PK-14-R	230	10	510	TP 06	K-100-90	100*	
KP 08	PK-14-R	230	10	510				
KP 09	PK-14-R	230	10	510	TP 07	K-100-90	100	
KP 10	PK-14-R	230	10	510				
KP 11	PK-14-R	230	10	510	TP 08	K-100-90	100	
KP 12	PK-14-2	230	10	510				
Pskov GRES							430	gas
KP 01a	TPE-208	335	14	545	TG 01	K-215-130	215	
KP 02a	TPE-208	335	14	545				
KP 016	TPE-208	335	14	545	TG 02	K-215-130	215	
KP 026	TPE-208	335	14	545				

Appendix 4.

Annual Accounting Statements

Form №1

BALANCE SHEET

as of the 31st of December 2010

Entity: The Second Generation Company of Wholesale Electricity 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 be crossed out)Location (address): township 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 / 34

384 / ~~385~~

Approved on

Sent (received) on

ASSETS	Code	Opening balance	Closing balance
1	2	3	4
I. NON-CURRENT ASSETS			
Fixed assets	120	9 006 396	9 567 712
including:			
land parcels and nature facilities	121	18 033	19 401
buildings, constructions, machinery and equipment	122	8 916 864	9 468 784
Construction in progress	130	1 853 884	3 826 250
Income yielding investments into tangible assets	135	6 494	6 425
Long-term financial investments	140	2 548 508	555 548
including:			
investments into subsidiaries	141	6 650	6 650
investments into other entities	143	51 334	74 128
Deferred tax assets	145	103 160	109 763
Other non-current assets	150	1 383 379	1 492 835
including:			
input value added tax	151	8 886	8 828
T o t a l for section I	190	14 901 821	15 558 533

ASSETS	Line code	Opening balance	Closing balance
1	2	3	4
II. CURRENT ASSETS			
Stock	210	2 443 608	2 525 290
including:			
raw stock, materials and other similar values	211	2 402 341	2 514 502
finished products and goods for sale	214	-	1 216
deferred expenses	216	41 267	9 572
VAT on acquired inventories	220	118 753	32 912
Accounts receivable (due after 12 months after the balance sheet date)	230	17 452 822	13 682 987
including:			
buyers and customers	231	122 035	8 502
advances made	234	17 252 061	13 667 044
sundry debtors	235	78 726	7 441
Accounts receivable (due within 12 months after the balance sheet date)	240	9 082 052	9 480 782
including:			
buyers and customers	241	3 382 396	2 045 129
advances made	245	5 338 025	7 360 327
sundry debtors	246	361 631	75 326
Short-term financial investments	250	3 405 394	2 677 123
including:			
loans given to organizations and due within 12 months	251	15 376	2 899
Money funds	260	1 540 660	3 023 447
including:			
current accounts	262	1 540 648	3 023 345
foreign currency accounts	263	12	1
other money funds	264	-	101
Other current assets	270	10 064	17 422
T o t a l for section II	290	34 053 353	31 439 963
B A L A N C E	300	48 955 174	46 998 496

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	-	(6 458)
Additional capital	420	24 785 027	24 780 610
Reserve capital	430	177 372	262 791
including:			
reserves formed in accordance with the laws	431	177 372	262 791
Retained profit (uncovered loss)	470	(1 855 708)	1 255 510
T o t a l for section III	490	34 979 519	38 165 281
IV. LONG-TERM LIABILITIES			
Loans and credits	510	-	5 000 000
including:			
loans due after 12 months after the balance sheet date	512	-	5 000 000
Deferred tax liabilities	515	476 752	420 030
Other long-term liabilities	520	7 663	53 805
T o t a l for section IV	590	484 415	5 473 835
V. SHORT-TERM LIABILITIES			
Loans and credits	610	9 606 657	-
including:			
credits of banks due within 12 months after the balance sheet date	611	4 605 602	-
current part of long-term loans and credits	613	5 001 055	-
Accounts payable	620	3 878 557	3 353 593
including:			
suppliers and contractors	621	2 622 575	2 557 095
Accrued payroll	622	125 104	129 884
Debts to governmental off-budget funds	623	34 547	30 054
Arrears in taxes and levies	624	631 930	321 646
other creditors	625	464 401	314 914
including:			
advances received	627	18 891	49 890
other creditors	628	445 510	265 024
Deferred income	640	6 026	5 787
T o t a l for section V	690	13 491 240	3 359 380
BALANCE	700	48 955 174	46 998 496

INFORMATION ON INVENTORY REGISTERED IN OFF-BALANCE ACCOUNTS

Indicator	Line code	Opening balance	Closing balance
1	2	3	4
Fixed assets rented	910	4 347 493	4 420 182
including on lease	911	83 613	52 999
Inventory items taken for safekeeping	920	237 169	207 653
Written-off liability of insolvent debtors	940	785 082	798 943
Received securities for liabilities and payments	950	10 450 869	4 386 128
Issued securities for liabilities and payments	960	3 803 662	1 481 083
Deterioration of housing stock	970	513	472
Intangible assets received for use	990	285	285

Form №2

PROFIT AND LOSS STATEMENT

for 2010
 Entity: The Second Generation Company of Wholesale Electricity 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 be crossed out)

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

Codes
0710002
2009/12/31
76851389
2607018122
40.10.11
47 / 34
384 / 385

Indicator		For the reporting period	For the similar period of the previous year
description	Code		
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	52 423 623	40 712 364
including from sale of:			
electric energy and power	011	51 476 086	39 881 726
other products, goods, works, services	012	947 537	830 638
Net cost of sold goods, products, works, services	020	(45 821 623)	(36 064 254)
including from sale of:			
electric energy and power	021	(44 977 587)	(35 314 870)
other products, goods, works, services	022	(844 036)	(749 384)
Gross profit (loss)	029	6 602 000	4 648 110
Executive expenses	040	(864 008)	(911 341)
Profit (loss) from sales	050	5 737 992	3 736 769
Other income and expenses			
Interest receivable	060	335 851	321 983
Interest payable	070	(534 968)	(829 899)
Other income	105	2 107 941	1 596 435
Other expenses	110	(3 367 711)	(2 472 802)
Pre-tax profit (loss)	140	4 279 105	2 352 486
Deferred tax assets	141	6 603	(54 360)
Deferred tax liabilities	142	56 722	144 400
Current profit tax	150	(1 146 726)	(652 244)
Income tax of the previous periods	153	(3 466)	(60 565)
Other expenses from profit	156	(18)	(21 325)
Net profit (loss) for the reporting period	190	3 192 220	1 708 392
FOR REFERENCE			
Recurrent tax obligations (assets)	200	231 046	152 272
Base profit (loss) per share, roubles	201	0,0975	0,0522

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	49 644	11 728	97 697	11 317
Profit (loss) of previous years	220	51 959	70 161	3 765	39 085
Compensation for losses caused by default or undue performance of obligations	230	-	-	44	-
Exchange rate differences in foreign currency operations	240	13 203	876	2 908	10 752
Allocations to valuation reserves	250	X	1 662 767	X	1 178 999
Writing off receivables and payables with expired period of limitation	260	890	4 494	243	15 735
Recovery of valuation reserves	270	343 318	X	699 786	X

Form №3

STATEMENT OF CHANGES IN THE CAPITAL

Entity: The Second Generation Company of Wholesale Electricity Market, Open Joint Stock Company for 2010
 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 be crossed out)

Form №3 according to OKUD _____
 Date (year, month, day) 2009/12/31
 according to OKPO 76851389
 INN 2607018122
 according to OKVED 40.10.11
 according to OKOPF/OKFS 47 / 34
 according to OKEI 384/385

Codes
0710003
2009/12/31
76851389
2607018122
40.10.11
47 / 34
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	70	11 872 828	24 785 095	177 372	(3 652 971)	33 182 324
Accounting change	71	x	x	x	88 803	88 803
<u>2009</u> previous year						
Balance as of 1 January of the previous year	80	11 872 828	24 785 095	177 372	(3 564 168)	33 271 127
Net profit	82	x	x	x	1 708 392	1 708 392
Increase of the amount of the capital at the expense of:	85	-	-	-	68	68
other	89	-	-	-	68	68
Reducing of the amount of the capital at the expense of:	90	-	(68)	-	-	(68)
other	94	-	(68)	-	-	(68)
Balance as of 31 December of the previous year	95	11 872 828	24 785 027	177 372	(1 855 708)	34 979 519
<u>2010</u> current year						
Accounting change	96	x	x	x	-	-
Balance as of 1 January of the reporting year	100	11 872 828	24 785 027	177 372	(1 855 708)	34 979 519
Net profit	102	x	x	x	3 192 220	3 192 220
Allocations to the reserve fund	110	x	x	85 419	(85 419)	-
Increase of the amount of the capital at the expense of:	120	-	-	-	4 417	4 417
other	125	-	-	-	4 417	4 417
Reducing of the amount of the capital at the expense of:	130	-	(4 417)	-	-	(4 417)
other	135	-	(4 417)	-	-	(4 417)
Balance as of 31 December of the reporting year	140	11 872 828	24 780 610	262 791	1 255 510	38 171 739

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	85 419	-	262 791
Valuation reserves					
Reserve for doubtful debts	163				
Data of the previous year	164	235 704	479 213	(15 092)	699 825
Data of the reporting year	165	699 825	1 319 449	(11 078)	2 008 196

REFERENCES

Indicator		Opening balance	Closing balance
description	Code		
1	2	3	4
Net assets	200	34 985 545	38 171 068

Form №4

CASH FLOW STATEMENT

for 2010

Entity: The Second Generation Company of Wholesale Electricity 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 be crossed out)

Form №4 according to OKUD

Date (year, month, day)

according to OKPO

INN

according to OKVED

according to OKOPF/OKFS

according to OKEI

Codes

0710004

2009/12/31

76851389

2607018122

40.10.11

47 / 34

384 / 385

Indicator		For the reporting	For the similar
description		period	period of the previous year
1	2	3	4
Cash balance at the beginning of the year	100	1 540 660	1 361 406
Cash flow from operating activity			
Total cash received	110	63 445 969	46 365 092
income from sales of goods, products, works and services	111	62 193 211	45 630 447
income from sales of other property	112	130 259	117 121
including from sales of foreign currency	113	402	4 727
advances received from customers (clients)	114	45 459	10 548
other income	117	1 077 040	606 976
Money appropriated for (total):	120	(57 633 338)	(45 256 498)
payment for purchased goods, works, services, raw materials			
and other current assets	150	(49 189 820)	(37 807 387)
remuneration of labour	160	(2 015 801)	(1 905 831)
payment of dividends, interest	170	-	(70)
payment for taxes and duties	180	(4 129 866)	(2 714 092)
payment for customs taxes	183	(2 982)	(6 340)
payments to state non-budgetary funds	190	(380 283)	(340 437)
payments for advances	191	(184 536)	(878 944)
other payments	192	(1 730 050)	(1 603 397)
including sales of foreign currency	193	(404)	(4 464)
Net money funds from operating activities	199	5 812 631	1 108 594
Cash flow from investment activities			
Cash received (total):	200	2 737 629	2 160 402
Income from sales of fixed assets and other non-current assets	210	15 876	2 353
Interest received	240	280 675	291 638
Receipts from repayment of the loans given to other organisations	250	12 500	-
Redemption of securities and other financial investments	257	2 428 547	1 866 373
Other income	260	31	38
Allocated cash (total)	270	(2 459 452)	(5 167 510)
Acquisition of fixed assets, profitable investments in tangible values			
and intangible assets	290	(42 192)	(109 662)
Purchase of securities and other financial investments	300	-	(3 500 000)
Allocated for payments for capital development	325	(2 417 260)	(1 557 848)
Net cash flow from investment activities	340	278 177	(3 007 108)
Cash flow from financial activities			
Cash received (total):	350	23 500 000	7 250 000
Income from loans and credits granted by other entities	352	23 500 000	7 250 000
Allocated cash (total)	360	(28 108 021)	(5 172 232)
Repayment of loans and credits (less interest)	361	(28 100 000)	(5 150 000)
Repayment of finance lease liability	362	(1 563)	(22 232)
Other payments, transfers	364	(6 458)	-
Net cash from financing activities	370	(4 608 021)	2 077 768
Net increase (reduction) of cash and cash equivalent	380	1 482 787	179 254
Cash balance at the end of the reporting period	400	3 023 447	1 540 660
Amount of impact of foreign currency to rouble exchange rate	401	-	5

ANNEX TO THE BALANCE SHEET

Entity: The Second Generation Company of Wholesale Electricity Market, Open Joint Stock Company for 2010
 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 be crossed out)

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

Codes
0710005
2009/12/31
76851389
2607018122
40.10.11
47 / 34
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	4 878 631	90 314	(23 603)	4 945 342
Construction and transfer facilities	061	2 143 210	86 136	(120 965)	2 108 381
Machinery and equipment	062	4 020 036	1 245 387	(10 464)	5 254 959
Transport vehicles	063	79 363	14 211	(823)	92 751
Production and organizational stock	064	38 406	8 860	(1 772)	45 494
Perennial planting	067	1 086	-	-	1 086
Other types of fixed assets	068	2 613	1 445	(57)	4 001
Land plots and environmental facilities	069	18 033	1 368	-	19 401
Total	071	11 181 378	1 447 721	(157 684)	12 471 415
Construction objects not included into the fixed assets	080	78 882	100 322	(56 536)	122 668

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	2 174 982	2 903 703
including:			
Buildings and constructions	141	711 704	902 317
Machinery and equipment, transport vehicles	142	1 438 653	1 971 956
other	143	24 625	29 430
Leased out fixed assets (total)	150	82 765	99 891
including:			
Buildings	151	67 339	92 029
Constructions	152	3 974	5 804
Machinery and equipment	153	10 727	1 595
Other	154	725	463
Laid-up non-current assets	160	2 058	2 058

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	397 575	555 758
Change in the cost of non-current assets due to completion, further equipping, reconstruction, partial dismantlement	180	281 009	1 214 908

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	222	291

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	125	-	(125)	-
including:					
Diagnostics of the technical condition of the air-gas channel of HPC and MPC	311	125	-	(125)	-

FOR REFERENCE

1	Code	As of the beginning of the reporting year	As of the end of the reporting period
2	3	4	5
Total expenses for not completed research and development	320	200	200

FINANCIAL INVESTMENTS

Indicator description	Code	Long-term		Short-term	
		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	57 984	80 778	-	-
including:					
subsidiaries and affiliates	511	6 650	6 650	-	-
Securities of other entities - total	520	2 190 524	474 770	190 018	2 674 224
including:					
debt securities (bonds, bills)	521	2 190 524	474 770	190 018	2 674 224
Loans granted	525	-	-	15 376	2 899
Deposits	530	300 000	-	3 200 000	-
Total	540	2 548 508	555 548	3 405 394	2 677 123
Of the total amount, financial investments of fair market value:					
Investments into charter (share) capitals of other entities - total	550	51 334	74 128	-	-
including:					
subsidiaries and affiliates	551	-	-	-	-
FOR REFERENCE					
For financial investments of fair market value, change in the value due to adjustment	580	24 152	22 794	-	-

GENERAL EXPENSES

Indicator			
description	Code	For the reporting year	For the previous year
1	2	3	4
Tangible costs	710	41 285 611	31 927 763
Labour costs	720	2 268 148	2 142 854
Allocations for social needs	730	394 628	377 203
Amortization	740	688 951	690 243
Other costs	750	2 048 293	1 837 532
Total for costs elements	760	46 685 631	36 975 595
Change in the balance (growth [+], decline [-]):			
of deferred expenses	766	77 944	(81 245)

COLLATERAL

Indicator			
description	Code	Balance for the beginning of the reporting year	Balance for the end of the reporting year
1	2	3	4
Received	810	10 450 869	4 386 128
Made	830	3 803 662	1 481 083
Collateral	840	1 000 000	-
out of which:			
securities and other financial investments	842	1 000 000	-

Appendix 5.

Auditor's Report

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

AUDITOR'S REPORT

ON THE ACCOUNTING STATEMENTS of The Second Generation Company of Wholesale Power Market, Open Joint Stock Company for 2010

THE AUDITOR

“KPMG”, Closed Joint Stock Company

Legal address: 129110, section 3035, Olympiyskiy prospect 18/1, Moscow, Russian Federation

Post address: 123317, block “C”, floor 31, Presnenskaya naberezhnaya 10, Moscow, Russian Federation

Certificate of state registration issued by the Moscow Registration Chamber on May, 25, 1992 №011.585.

Certificate of making an entry to the Uniform State Register of Legal Entities by the Moscow Interdistrict Inspectorate №39 of the Ministry of the Russian Federation for Taxes and Levies 77 No. 005721432 dated August 13, 2002 for the main state registration No.1027700125628.

CJSC “KPMG” 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 10301000804.

THE AUDITED ENTITY:

1. The Second Generation Company of Wholesale Power Market, Open Joint Stock Company.

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

Post address: 119526, bld. 3, Vernadskogo prospect, 101, Moscow, Russian Federation

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. Certificate 26 No 001634873.

AUDITOR'S REPORT

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

We have audited the accounting statements for the year 2010 of The Second Generation Company of Wholesale Power Market, Open Joint Stock Company (hereinafter – the Company)

The accounting statements on 48 sheets consists of:

- Balance sheet as of the 31st of December 2010;
- Profit and loss statement for 2010;

- Attachments to the Balance sheet and Profit and loss statement including:
- Statement of changes in the capital for 2010;
- Cash flow statement for 2010;
- Annex to the balance sheet;
- Notes

The liability of the Company for the accounting statements

The management of the Company is liable for the reliability, organization of preparation and presentation of the accounting statements according to the laws of the Russian Federation regarding preparation of accounting statements.

The liability of the Auditor

Our responsibility is to express our opinion on the truthfulness of the financial statements based on our audit. We have conducted the audit in accordance with the Federal Rules (Standards) of the audit activity. 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.

The opinion

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, 2010 and the results of its financial and economic activity for the period from January 1, 2010 through December 31, 2010 in accordance with the requirements of the laws of the Russian Federation related to preparation of accounting statements.

Other information

The accounting statements for the period from January 1, 2009 till December 31, 2009 was audited by another auditor with the strictly positive opinion on this accounting statement.

Deputy Director
 "KPMG", ZAO
 (Power of attorney No. 88110 as of October, 13 2010)
 March 01, 2011

(signed)

T.E. Titova

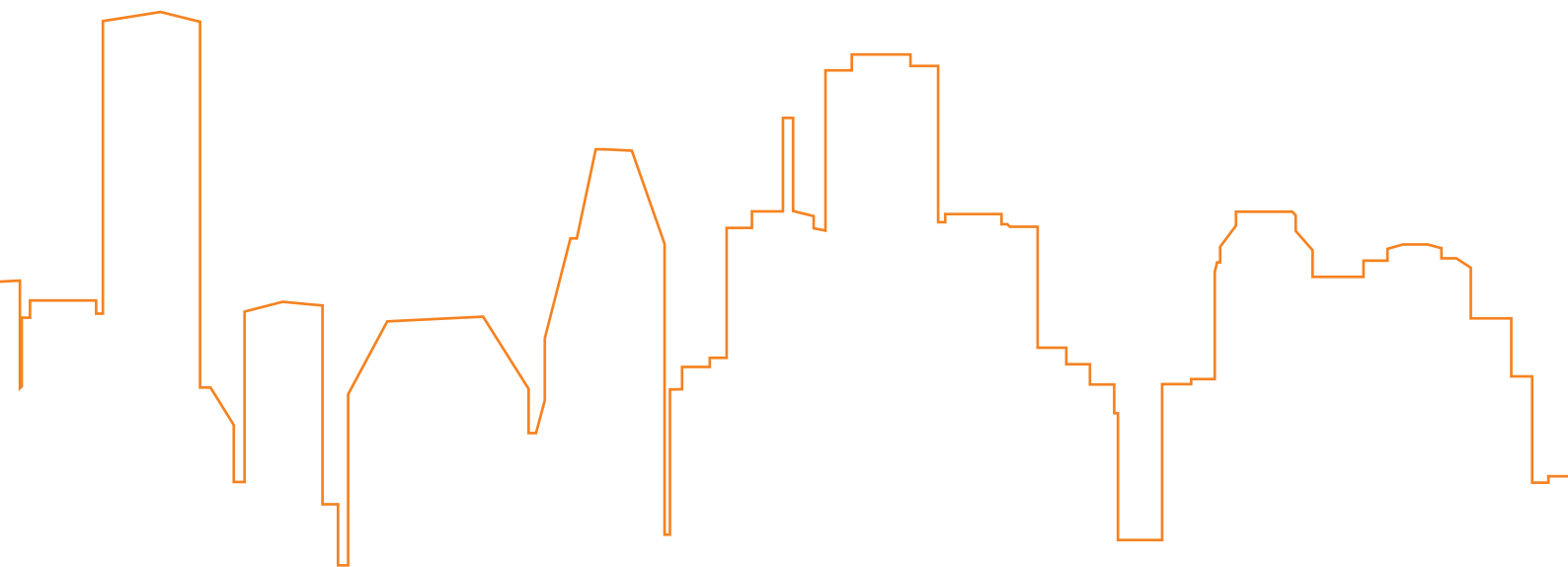
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JOINT STOCK COMPANY «OGK-2»

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