



**MORE
THAN ENERGY**

2015
APPENDIX
INVESTMENT VERSION



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APPENDIX 1

AUDITOR'S OPINION FOR ACCOUNTING STATEMENTS FOR 2015

TO SHAREHOLDERS OF IDGC OF CENTRE, PJSC

AUDITED ENTITY:

Interregional Distribution Grid Company of Centre, Public Joint-Stock Company (abbreviated business name IDGC of Centre, PJSC).

Legal address: 2nd Yamskaya, 4, Moscow, Russia, 127018;

Primary State Registration Number: 1046900099498.

AUDITOR:

RSM RUS.

Legal address: 4 Pudovkina street, Moscow 119285, Russia;

Phone: (495) 363-28-48; Fax: (495) 981-41-21;

Primary State Registration Number – 1027700257540;

RSM RUS is a member of self-regulatory organization Not-for-Profit Partnership «Auditing Association «Sodruzhestvo» (Membership certificate # 6938, Principal Number of Registration Entry 11306030308), location: building 4, Michurinsky prospect, 21, Moscow, 119192.

We have audited the attached accounting statements of IDGC of Centre, PJSC, consisting of the balance sheet as at 31 December 2015, the profit and loss statement, the statement of changes in equity, the cash flow statement for 2015, the explanatory note to the accounting balance sheet and P&L statement for 2015.

RESPONSIBILITY OF THE AUDITED ENTITY FOR THE ACCOUNTING STATEMENTS

The management of IDGC of Centre, PJSC is responsible for the preparation and fair presentation of these accounting statements in accordance with the Russian Federation rules of accounting statements preparation and for the internal control system required for the preparation of accounting statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these accounting statements being true in all material respects, based on our audit performed. We conducted our audit in accordance with the Russian Federation auditing standards. These standards require that we comply with relevant ethical requirements as well as planning and performing of the audit to obtain reasonable assurance that the accounting statements are free of material misstatement.

The audit involved performing audit procedures to obtain audit evidence supporting the values in the accounting statements and the information disclosure that it contains. The choice of audit procedures is the subject of our judgments, which is based on assessment of the risk of material misstatement of the accounting statements, whether due to fraud or error. In assessing this risk, we considered the system of internal control, providing making and reliability of the accounting statements to select appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the internal control system.

The audit also included assessing appropriateness of the accounting policy used and the reasonableness of estimates made by the management of the audited entity, as well as evaluating the accounting statements in general.

We believe that the evidence obtained during the audit provides a sufficient and reasonable basis for expressing our opinion of the reliability of the accounting statements.

Chair of Management Board

Auditor's qualification certificate № 05-000015 issued on the basis of the decision of the self-regulatory organization of Auditors - Non-Commercial Partnership «Russian Collegium of Auditors» dated from November 15, 2011 № 24 for an indefinite period.

Principal Number of Registration Entry in the Register of auditors and audit organizations – 29605011647

Audit leader

Auditor's qualification certificate # 03-000189, issued on the basis of the decision of the self-regulatory organization of Auditors - Non-Commercial Partnership «Moscow Audit Chamber» dated March 13, 2012 № 170 for an indefinite period.

Principal Number of Registration Entry in the Register of auditors and audit organizations – 20903018758

OPINION

In our opinion, the accounting statements present fairly, in all material respects, the financial position of IDGC of Centre, PJSC as at 31 December 2015, the results of its financial and economic performance and cash flow for 2015 in accordance with the Russian Federation accounting statements preparation rules.



N.A. Dantser

N.A. Timofeeva

BALANCE SHEET

as at 31 December 2015

		Codes		
		Form under ARCMD	0710001	
		Date (year, month, day)	31	12
			2015	
Company	IDGC of Centre, PJSC	under ARCBO	75720657	
Id. tax payer number		TIN	6901067107	
Type of activity	Electric power transmission	under ADCEA	40.10.2	
Business legal structure/ Form of ownership	PJSC/hybrid			
		under ARCFI\ARCFI	12247	41
Measurement unit:	thousand RUB	under ARCM	384	
Location (Address)	127018, Moscow, Russia, 2nd Yamskaya, 4			

Note	Indicator	Line code	As at 31 December 2015	As at 31 December 2014	As at 31 December 2013
	ASSETS				
	I. NON-CURRENT ASSETS				
5.1.1.-5.2.2.	Intangible assets	1110	27,142	35,715	41,163
5.2.2.	including pending transactions to acquire intangible assets	1111	-	-	-
5.2.1.-5.2.2.	R&D results	1120	96,233	84,748	77,030
5.2.2.	including expenses for R&D in progress	1121	43,911	19,320	77,030
	Intangible exploratory assets	1130	-	-	-
	Tangible exploratory assets	1140	-	-	-
5.3.1.-5.3.6.	Fixed assets	1150	95,289,473	89,170,794	85,253,111
	land plots and environmental facilities	1151	290,990	201,313	199,909
	buildings, machinery and equipment, constructions	1152	88,991,356	83,820,570	79,171,795
	other types of fixed assets	1153	1,596,766	1,565,862	1,493,079
5.3.5.	construction in progress	1154	3,582,067	3,395,011	4,279,579
5.3.6.	advances made for capital construction and acquisition of fixed assets	1155	2,782	10,090	23,421
	raw materials for use in the creation of fixed assets*	1156	334,349	177,948	85,328
	машины и оборудование, сооружения и передаточные устр-ва по концессионному соглашению	1157	491,163	-	-
5.3.1.	Profitable investments in tangible assets	1160	-	-	-
	property for leasing	1161	-	-	-
	property on tenancy contract basis	1162	-	-	-

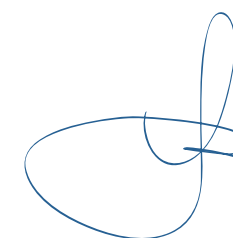
Note	Indicator	Line code	As at 31 December 2015	As at 31 December 2014	As at 31 December 2013
5.4.1.-5.4.3.	Financial investments	1170	254,724	1,377,090	1,611,955
	investments in subsidiaries	1171	15,355	1,117,470	1,117,470
	investments in affiliates	1172	-	-	-
	investments in other companies	1173	234,369	165,620	175,885
	loans granted to companies for more than 12 months period	1174	5,000	94,000	318,600
	other long-term financial investments	1175	-	-	-
5.7.2.	Deferred tax assets	1180	1,196,220	1,014,769	1,015,568
	Other non-current assets	1190	721,798	489,885	530,760
	TOTAL for section I	1100	97,585,590	92,173,001	88,529,587
	II. CURRENT ASSETS	1210			
5.5.1.-5.5.2.	Supplies		2,001,636	1,744,087	1,990,889
	raw material, materials and other analogous values	1211	2,001,636	1,744,087	1,990,889
	construction in progress costs	1212	-	-	-
	finished products and goods for resale	1213	-	-	-
	shipped goods	1214	-	-	-
	other supplies and expenses	1215	-	-	-
	Value added tax according to purchased valuables	1220	36,514	19,389	1,952
5.6.1.-5.6.4.	Accounts receivable	1230	17,748,969	16,713,561	13,024,838
	Payments on which are expected more than 12 months after accounting date	1231	27,359	22,629	23,437
	buyers and customers	123101	20,248	9,081	7,699
	bills receivable	123102	-	-	-
	advances made	123103	3,250	7,319	5,303
	other accounts receivable	123104	3,861	6,229	10,435
	Payments on which are expected within 12 months after accounting date	1232	17,721,610	16,690,932	13,001,401
	buyers and customers	123201	15,375,387	13,892,943	11,065,331
	bills receivable	123202	-	-	-
	debts of subsidiaries and affiliates on dividends	123203	-	-	-
	debts of participators (founders) according to contributions in the authorised capital	123204	-	-	-
	advances made	123205	116,679	424,842	166,283
	other accounts receivable	123206	2,229,544	2,373,147	1,769,787

Note	Indicator	Line code	As at 31 December 2015	As at 31 December 2014	As at 31 December 2013
5.4.1-5.4.3.	Financial investments (excluding money equivalents)	1240	-	-	-
	loans granted to organisations for less than 12 months period	1241	-	-	-
	other short-term financial investments	1242	-	-	-
Ф.4	Monetary funds and money equivalents	1250	105,596	367,344	1,030,417
	cashier's desk	1251	-	-	335
	settlement accounts	1252	67,341	343,147	1,002,718
	foreign exchange accounts	1253	-	-	-
	other monetary funds	1254	38,255	24,197	27,364
	Other currents assets	1260	390,809	374,656	410,405
	TOTAL for section II	1200	20,283,524	19,219,037	16,458,501
	BALANCE	1600	117,869,114	111,392,038	104,988,088
	LIABILITIES				
	III. CAPITAL AND RESERVES				
	Share capital (joint-stock capital, authorised capital, limited partner contributions)	1310	4,221,794	4,221,794	4,221,794
3.1.	Own shares repurchased from shareholders	1320	-	-	-
3.1.	Revaluation of non-current assets	1340	-	-	-
5.3.1.,5.1.1.	Additional capital (without revaluation)	1350	33,269,936	33,269,936	33,269,936
3.1.	Reserve capital	1360	211,090	211,090	211,090
3.1.	Retained profit (uncovered loss)	1370	18,610,139	18,528,776	15,273,047
3.1.	of past years	1371	17,701,152	15,202,837	14,980,149
	of the reporting period	1372	908,987	3,325,939	292,898
	TOTAL for section III	1300	56,312,959	56,231,596	52,975,867
	IV. LONG-TERM LIABILITIES	1410			
	Loans and credits		40,455,000	27,670,000	31,220,000
5.6.7.-5.6.8.	bank credits subject to payment more than within 12 months after the reporting date	1411	25,455,000	27,670,000	27,220,000
	loans subject to payment more than within 12 months after the reporting date	1412	15,000,000	-	4,000,000
	Deferred tax liabilities	1420	7,522,936	6,986,807	6,349,854
5.7.2.	Estimated liabilities	1430	-	-	-
5.7.1.	Other liabilities	1450	380,688	570,490	575,327
5.6.5.-5.6.6.	TOTAL for section IV	1400	48,358,624	35,227,297	38,145,181

Note	Indicator	Line code	As at 31 December 2015	As at 31 December 2014	As at 31 December 2013
	V. SHORT-TERM LIABILITIES	1510			
	Loans and credits		1,676,505	9,530,970	1,831,100
5.6.7.-5.6.8.	bank credits subject to payment within 12 months after the reporting date	1511	1,512,055	5,455,450	1,756,540
	loans subject to payment within 12 months after the reporting date	1512	164,450	4,075,520	74,560
	Accounts payable	1520	9,790,711	8,669,198	10,121,980
5.6.5.-5.6.6.	suppliers and contractors	1521	4,908,287	5,315,569	6,212,616
	bills payable	1522	-	-	-
	debt to personnel relating to labour payment	1523	4,266	48,444	10,806
	debt to governmental extra-budgetary funds	1524	419,797	328,605	312,890
	taxes and levies payable	1525	1,063,095	623,824	786,475
	advances received	1526	2,040,720	1,743,124	2,047,937
	debts to participators (founders) according to income payment	1527	16,880	13,120	18,754
	other accounts payable	1528	1,337,666	596,512	732,502
	Deferred income	1530	150	329	509
	Estimated liabilities	1540	1,730,165	1,732,648	1,913,451
5.7.1.	Other liabilities	1550	-	-	-
	TOTAL for section V	1500	13,197,531	19,933,145	13,867,040
	BALANCE	1700	117,869,114	111,392,038	104,988,088

Head

1 March 2016



O.Y. Isaev

Chief Accountant



L.A. Sklyarova

PROFIT AND LOSS STATEMENT

for January-December 2015

		Codes			
		Form under ARCMD	0710002		
		Date (year, month, day)	31	12	2015
Company	IDGC of Centre, PJSC	under ARCBO	75720657		
Id. tax payer number		TIN	6901067107		
Type of activity	Electric power transmission	under ADCEA	40.10.2		
Business legal structure/ Form of ownership	PJSC/hybrid	under ARCFI\ARCF0	12247	41	
Measurement unit:	thousand RUB	under ARCM	384		
Location (Address)	127018, Moscow, Russia, 2nd Yamskaya, 4				

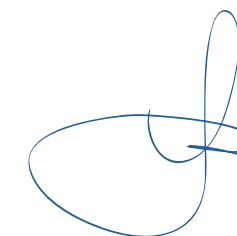
Note	Indicator	Code	For 2015	For 2014
1	2	3	4	5
	Revenue	2110	79,817,205	86,705,172
	including			
	revenue from electricity transmission	2111	77,733,610	69,151,494
	revenue from grid connection	2112	1,159,702	1,495,542
	revenue from functioning organisation and development of UES of Russia in terms of electric distribution grid	2113	-	-
	revenue from resale of electric energy and power	2114	-	15,052,987
	income from participation in other organisations	2115	-	-
	lease income	2116	55,867	66,667
	revenue from sale of other goods, products, works, services of industrial nature	2117	843,206	938,482
	revenue from sale of other goods, products, works, services of non-industrial nature	2118	24,820	-
2.1.	Cost of sales	2120	(68,520,138)	(73,947,573)
	including			
	electricity transmission	2121	(67,619,611)	(65,624,070)
	grid connection	2122	(397,546)	(313,066)
	functioning organisation and development of UES of Russia in terms of electric distribution grid	2123	-	-
	resale of electric energy and power	2124	-	(7,540,440)
	participation in other organisations	2125	-	-
	lease	2126	(7,811)	(9,611)
	other goods, products, works, services of industrial nature	2127	(477,063)	(460,386)
	other goods, products, works, services of non-industrial nature	2128	(18,107)	-

Note	Indicator	Code	For 2015	For 2014
	Gross profit (loss)	2100	11,297,067	12,757,599
2.1.	Commercial expenses	2210	-	(652,624)
2.1.	Management expenses	2220	(2,193,725)	(2,107,480)
	Profit (loss) from sales	2200	9,103,342	9,997,495
	Profit from participation in other organisations	2310	17,704	38,767
	Interest receivable	2320	267,287	106,655
	Interest payable	2330	(4,195,436)	(2,501,600)
5.11.	Other profit	2340	5,211,763	6,668,817
5.11.	Other expenses	2350	(8,440,358)	(9,446,256)
	Profit (loss) before taxation	2300	1,964,302	4,863,878
2.3.	Current profit tax	2410	(894,230)	(971,250)
2.3.	including constant tax liabilities (assets)	2421	774,310	556,932
2.3.	Change in deferred tax liabilities	2430	(545,388)	(644,055)
2.3.	Change in deferred tax assets	2450	272,448	85,597
2.3.	Other	2460	111,855	(8,231)
	Net profit (loss)	2400	908,987	3,325,939

Note	Indicator	Code	For 2015	For 2014
	FOR REFERENCE			
5.1.1. 5.3.1.	Result from the revaluation of fixed assets, not included in net income (loss) for the period	2510	-	-
3.2.	Result from other transactions not included in net income (loss) for the period	2520	-	-
	Aggregate financial result of the period	2500	908,987	3,325,939
2.2.	Basic earnings (loss) per share	2900	0.0215310	0.0787803
2.2.	Diluted earnings (loss) per share	2910	-	-

Head

1 March 2016



O.Y. Isaev

Chief Accountant




L.A. Sklyarova

STATEMENT OF CHANGES IN EQUITY

for 2015

		Codes		
Form under ARCMD		0710001		
Date (year, month, day)	31	12	2015	
Company	IDGC of Centre, PJSC	under ARCBO	75720657	
Id. tax payer number		TIN	6901067107	
Type of activity	Electric power transmission	under ADCEA	40.10.2	
Business legal structure/ Form of ownership	PJSC/hybrid			
		under ARCFI\ARCF0	12247	41
Measurement unit:	thousand RUB	under ARCM	384	
Location (Address)	127018, Moscow, Russia, 2nd Yamskaya, 4			

CAPITAL FLOW

Indicator	Code	Authorised capital	Own stocks repurchased from shareholders	Additional capital	Reserve capital	Retained earnings (uncovered loss)	Total
Capital stock for 31 December 2013 (1)	3100	4,221,794	-	33,269,936	211,090	15,273,047	52,975,867
For 2014 (2)		-	-	-	-	3,325,939	3,325,939
Capital increase - in total	3210						
including:							
net profit	3211	x	x	x	x	3,325,939	3,325,939
property revaluation	3212	x	x	-	x	-	-
income due directly to increase of the capital	3213	x	x	-	x	-	-
additional share issue	3214				x	x	-
increase in face-value of stocks	3215	-	x	x	x	-	x
reorganisation of the legal person	3216	-	-	-	-	-	-
Capital reduction - in total	3220	-	-	-	-	(70,210)	(70,210)
including:	3221	x	x	x	x	-	-
loss							
property revaluation	3222	x	x	-	x	-	-
expenses dut directly to capital reduction	3223	x	x	-	x	-	-
reduction of face-value of stocks	3224	-	-	x	x	-	-
reduction of quantity of stocks	3225	-	-	x	x	-	-
reorganisation of the legal person	3226	-	-	-	-	-	-

Indicator	Code	Authorised capital	Own stocks repurchased from shareholders	Additional capital	Reserve capital	Retained earnings (uncovered loss)	Total
dividends	3227	x	x	x	x	(70,210)	(70,210)
Additional capital change	3230	x	x	-	x	-	x
Reserve capital change	3240	x	x	x	-	-	x
Capital stock for 31 December 2014 (2)	3200	4,221,794	-	33,269,936	211,090	18,528,776	56,231,596
For 2015 (3)	3310	-	-	-	-	908,987	908,987
Capital increase - in total							
including:	3311	x	x	x	x	908,987	908,987
net profit							
property revaluation	3312	x	x	-	x	-	-
income due directly to increase of the capital	3313	x	x	-	x	-	-
additional share issue	3314	-	-	-	x	x	-
increase in face-value of stocks	3315	-	x	x	x	-	x
reorganisation of the legal person	3316	-	-	-	-	-	-
Capital reduction - in total	3320	-	-	-	-	(827,624)	(827,624)
including:	3321	x	x	x	x	-	-
loss							
property revaluation	3322	x	x	-	x	-	-
expenses dut directly to capital reduction	3323	x	x	-	x	-	-
reduction of face-value of stocks	3324	-	x	x	x	-	-
reduction of quantity of stocks	3325	-	-	x	x	-	-
reorganisation of the legal person	3326	-	-	-	-	-	-
dividends	3327	x	x	x	x	(827,624)	(827,624)
Additional capital change	3330	x	x	-	x	-	x
Reserve capital change	3340	x	x	x	-	-	x
Capital stock for 31 December 2015 (3)	3300	4,221,794	-	33,269,936	211,090	18,610,139	56,312,959

ADJUSTMENTS IN CONNECTION WITH CHANGE OF ACCOUNTING POLICY AND CORRECTION OF ERRORS

Indicator	Code	As at 31 December 2013	Capital change for 2014		As at 31 December 2014
			at the expense of net profit	at the expense of other factors	
Capital - total	3400	-	-	-	-
before adjustments					
adjustment in connection with:	3410	-	-	-	-
accounting policy change					
correction of errors	3420	-	-	-	-
after adjustments	3500	-	-	-	-
including:	3401	-	-	-	-
retained earnings (uncovered loss):					
before adjustments					
adjustment in connection with:	3411	-	-	-	-
accounting policy change					
correction of errors	3421	-	-	-	-
after adjustments	3501	-	-	-	-
Other articles of the capital, on which adjustments are performed:	3402	-	-	-	-
(under articles)					
before adjustments					
Authorised capital		-	-	-	-
Own stocks repurchased from shareholders		-	-	-	-
Additional capital		-	-	-	-
Reserve capital		-	-	-	-
adjustment in connection with:	3412	-	-	-	-
accounting policy change					
correction of errors	3422	-	-	-	-
after adjustments	3502	-	-	-	-

NET ASSETS

Indicator	Code	As at 31 December 2015	As at 31 December 2014	As at 31 December 2013
Net assets	3600	56,313,109	56,231,925	52,976,376

CASH FLOW STATEMENT

for January-December 2015

Company	IDGC of Centre, PJSC	Codes		
		Form under ARCMD	0710004	
Date (year, month, day)		31	12	2015
under ARCBO			75720657	
Id. tax payer number		TIN	6901067107	
Type of activity	Electric power transmission	under ADCEA	40.10.2	
Business legal structure/ Form of ownership	PJSC/hybrid			
		under ARCFIVARCF0	12247	41
Measurement unit:	thousand RUB	under ARCM	384	
Location (Address)	127018, Moscow, Russia, 2nd Yamskaya, 4			

Indicator	Code	For 2015	For 2014
Cash flows from current transactions	4110	71,430,906	77,028,360
Receipts – total			
including:	4111	70,541,688	74,819,221
from sale of products, goods, works and services			
including from sale of products, the goods, works and services to the parent, affiliated and dependent companies	411101	1,585	42,076
rent payments, licence fees, royalty, commission fee and other similar payments	4112	52,438	65,465
including from rent payments, licence fees, royalty, commission fee and other similar payments from the parent, affiliated and dependent companies	411201	561	-
from resale of financial investments	4113	-	-
including from resale of financial investments to the parent, affiliated and dependent companies	411301	-	-
other receipts	4119	836,780	2,143,674
including other receipts from the parent, affiliated and dependent companies	411901	71,832	466
Payments - total	4120	(63,785,010)	(69,703,893)
including:	4121	(38,918,923)	(46,497,469)
to suppliers (contractors) for raw, materials, works, services			
including to suppliers (contractors) for raw, materials, works, services of the parent, affiliated and dependent companies	412101	(726,925)	(1,327,682)
in connection with payment for the labour of employees	4122	(13,743,908)	(12,874,054)
debenture interests	4123	(4,149,900)	(2,501,729)
including debenture interests to the parent, affiliated and dependent companies	412301	-	-
profits tax of the organisations	4124	(989,060)	(988,461)
other payments	4129	(5,983,219)	(6,842,180)
including other payments to the parent, affiliated and dependent companies	412901	(8,306)	(747)
Balance of cash flows from current transactions	4100	7,645,896	7,324,467
Cash flows from investment transactions	4210	306,487	190,891

	Indicator	Code	For 2015	For 2014
Receipts - total				
including:	4211		21,641	7,332
from sale of non-current assets (except financial investments)				
including from sale of non-current assets (except financial investments) to the parent, affiliated and dependent companies	421101		-	-
from sale of stocks of other organisations (participation share)	4212		50	79
including from sale of stocks of other organisations (participation share) to the parent, affiliated and dependent companies	421201		-	-
from return of the given loans, from sale of debt securities (the rights of the requirement of money funds to other persons)	4213			65,000
including from return of the given loans, from sale of debt securities (the rights of the requirement of money funds to other persons) of the parent, affiliated and dependent companies	421301			65,000
dividends, percent on debt financial investments and similar receipts from individual share in other organisations	4214		284,796	118,480
including dividends, percent on debt financial investments and similar receipts from individual share in other organisations from the parent, affiliated and dependent companies	421401		8,668	26,628
other receipts	4219		-	-
including other receipts from the parent, affiliated and dependent companies	421901		-	-
Payments - total	4220		(12,196,414)	(11,831,368)
including:	4221		(11,918,604)	(11,603,393)
in connection with acquisition, creation, modernisation, reconstruction and preparation for use of non-current assets				
including payments to the parent, affiliated and dependent companies in connection with acquisition, creation, modernisation, reconstruction and preparation for use of non-current assets	422101			(1,506)
in connection with share acquisition of other organisations (participation shares)	4222		-	-
including payments to the parent, affiliated and dependent companies in connection with share acquisition of other organisations (participation shares)	422201		-	-
in connection with acquisition of debt securities (the rights of the requirement of money funds to other persons), granting of loans to other persons	4223		(3,000)	(2,000)
including payments to the parent, affiliated and dependent companies in connection with acquisition of debt securities (the rights of the requirement of money funds to other persons), granting of loans to other persons	422301		(3,000)	(2,000)
debenture interests, included in cost of investment assets	4224		(274,810)	(225,975)
including the debenture interests, included in cost of investment assets to the parent, affiliated and dependent companies	422401		-	-
other payments	4229		-	-
including other payments to the parent, affiliated and dependent companies	422901		-	-
Balance of cash flows from investment transactions	4200		(11,889,927)	(11,640,477)
Cash flows from financial transactions	4310		26,059,641	11,763,085

	Indicator	Code	For 2015	For 2014
Receipts – total				
including:	4311		11,061,516	11,763,085
receipt of credits and loans				
including reception of credits and loans from the parent, affiliated and dependent companies	431101		-	-
money deposits of proprietors (participants)	4312		-	-
including money deposits of proprietors (participants) of the parent, affiliated and dependent companies	431201		-	-
from a share issue, increase in shares of participation	4313		-	-
including from a share issue, increase in shares of participation of the parent, affiliated and dependent companies	431301		-	-
from bond issue, bills and other debt securities, etc.	4314		14,998,125	-
including from bond issue, bills and other debt securities, etc. of the parent, affiliated and dependent companies	431401		-	-
other receipts	4319		-	-
including other receipts from the parent, affiliated and dependent companies	431901		-	-
Payments - total	4320		(22,077,358)	(8,110,148)
including:	4321		-	-
to proprietors (participants) in connection with the repurchase of stocks from them (participation share) of the organisation or their secession as participants				
including to proprietors (participants) in connection with the repurchase of stocks from them (participation share) of the organisation or their secession as participants of the parent, affiliated and dependent companies	432101		-	-
on payment of dividends and other payments on profit distribution for benefit of proprietors (participants)	4322		(823,864)	(75,844)
including on payment of dividends and other payments on profit distribution for benefit of proprietors (participants) of the parent, affiliated and dependent companies	432201		(417,768)	(38,172)
in connection with repayment (redemption) of bills and other debt securities, return of credits and loans	4323		(21,176,516)	(7,613,085)
including in connection with repayment (redemption) of bills and other debt securities, return of credits and loans to the parent, affiliated and dependent companies	432301		-	-
other payments	4329		(76,978)	(421,219)
including other payments to the parent, affiliated and dependent companies	432901		-	-
Balance of cash flows from financial transactions	4300		3,982,283	3,652,937
Balance of cash flows for the accounting period	4400		(261,748)	(663,073)
Remainder of cash and cash equivalents on the accounting period beginning	4450		367,344	1,030,417
Remainder of cash and cash equivalents on the accounting period end	4500		105,596	367,344
Size of influence of rate changes of foreign exchange to rouble	4490			

COST OF SOLD GOODS, WORKS, SERVICES IN ELEMENTS OF COSTS

Indicator			
Name	Code	For 2015	For 2014
Production costs	6510	68,520,138	73,947,573
including	6511		
materials cost		41,019,343	48,298,549
payroll	6512	11,125,183	10,235,703
deductions on social needs	6513	3,548,222	3,158,828
depreciation	6514	9,044,923	8,359,738
other costs	6515	3,782,467	3,894,755
For reference: Change of stocks and reserves (gain [+], reduction [-]):	6520	-	-
including	6521	-	-
work in progress			
finished goods	6522	-	-
purchased goods	6523	-	-
goods shipped	6524	-	-
auxiliary raw	6525		
Total cost of sold products (goods, works, services)	6500	68,520,138	73,947,573
including:		-	
cost of sold goods	6530	-	7,540,440
management services to third parties	6540	-	-
Commercial expenses	6550	-	652,624
including:			
materials cost	6551	-	28,797
payroll	6552	-	329,946
deductions on social needs	6553	-	99,299
depreciation	6554	-	1,244
other costs	6555	-	193,338
Управленческие расходы	6560	2,193,725	2,107,480
including:			
materials cost	6561	48,309	7,951
payroll	6562	1,185,565	1,194,725
deductions on social needs	6563	259,815	228,407
depreciation	6564	14,551	14,006
other costs	6565	685,485	662,391

PROFIT PER ONE STOCK, DILUTED PROFIT PER STOCK

Indicator			
Name	Code	For 2015	For 2014
Net profit (uncovered loss) of the reporting period	6610	908,987	3,325,939
Dividends on preference stocks ³	6611	-	-
Base profit (loss) of the accounting period	6612	908,987	3,325,939
Average quantity of the ordinary stocks which are in circulation during the accounting year.	6613	42,217,941,468	42,217,941,468
Base profit (loss) per one stock (RUR)	6620	0.0215310	0.0787803
Average market value of one common stock	6621	-	-
Possible gain of profit and average quantities of stocks in circulation	6630	X	X
As a result of converting of the preference stocks into common stocks	6631	X	X
possible gain of profit	66311	-	-
additional quantity of stocks	66312	-	-
As a result of converting bonds into common stocks	6632	X	X
possible gain of profit	66321	-	-
additional quantity of stocks	66322	-	-
As a result of execution of contracts of purchase and sale of stocks at the price below the market	6633	X	X
negotiated price of acquisition	66331	-	-
possible gain of profit	66332	-	-
additional quantity of stocks	66333	-	-
Diluted profit per one stock (RUR)	6640	0.0000	0.0000
adjusted size of base profit	6641		
adjusted size of the average quantity of stocks in circulation	6642		

PROFIT TAXATION

Indicator	Code	For 2015	For 2014
Profit (loss) to the taxation	6710	1,964,302	4,863,878
including assessed under the rate of:	67101	1,964,302	4,863,878
20%			
other rates	67102	-	-
not taxed	67103	-	-
Permanent differences	6711	3,871,548	2,784,661
For reference: permanent differences, corresponding with time differences	67111	(408,691)	(396,469)
Change of time subtracted differences	6712	1,362,241	427,985
Change of time taxable differences	6713	(2,726,939)	(3,220,274)
Tax base	6714	4,471,152	4,856,250
Expense (income) on the profits tax	6720	894,230	971,250
Conditional expense (income) on the profits tax	6721	392,860	972,776
Permanent tax obligation (assets)	6722	774,310	556,932
For reference: the change of the deferred taxes carried on profit and losses	67221	(81,738)	(79,293)
Expense (income) on the deferred taxes	6723	(272,940)	(558,458)
including:	67231	272,448	85,597
Change of the deferred tax asset			
Change of the deferred tax obligation	67232	(545,388)	(644,055)
Current profits tax	6724	(894,230)	(971,250)
Specification of the sums of the profits tax for last tax periods	6725	195,017	81,274
Other fiscal charges and sanctions from profit	6730	(1,424)	(10,212)
including under essential articles	6731	-	-
Profit (loss) on ordinary activity	6740	908,987	3,325,939

CALCULATION OF COST ESTIMATION OF NET ASSETS OF JOINT STOCK COMPANY

Indicator	Line code of the balance sheet	As at 31 December 2015(8)	As at 31 December 2014 (7)	As at 31 December 2013 (6)
I. Assets				
1. Intangible assets	1110	27,142	35,715	41,163
2. Results of researches and developments	1120	96,233	84,748	77,030
3. Intangible exploratory assets	1130	-	-	-
4. Tangible exploratory assets	1140	-	-	-
5. Fixed assets	1150	95,289,473	89,170,794	85,253,111
6. Profitable investments in material assets	1160	-	-	-
7. Long-term and short-term financial investments	1170 + 1240	254,724	1,377,090	1,611,955
8. Other non-current assets ²	1180+1190	1,918,018	1,504,654	1,546,328
9. Supplies	1210	2,001,636	1,744,087	1,990,889
10. The value-added tax on the acquired values	1220	36,514	19,389	1,952
11. Accounts receivable ³	1230	17,748,969	16,713,561	13,024,838
12. Money funds and money equivalents	1250	105,596	367,344	1,030,417
13. Other circulating assets ¹	1260	390,809	374,656	410,405
14. Total the assets accepted to calculation (the sum of points 1 – 13)		117,869,114	111,392,038	104,988,088
II. Liabilities				
15. Long-term borrowed funds	1410	40,455,000	27,670,000	31,220,000
16. Deferred tax liabilities	1420	7,522,936	6,986,807	6,349,854
17. Estimated liabilities	1430+1540	1,730,165	1,732,648	1,913,451
18. Other long-term liabilities	1450	380,688	570,490	575,327
19. Short-term borrowed funds	1510	1,676,505	9,530,970	1,831,100
20. Accounts payable ⁴	1520	9,790,711	8,669,198	10,121,980
21. Other short-term liabilities ⁵	1550	-	-	-
22. Total the liabilities accepted to calculation (the sum of points 15 – 21)		61,556,005	55,160,113	52,011,712
23. Joint stock company net assets value (total assets accepted to calculation (line 14) minus total liabilities accepted to calculation (line 22))		56,313,109	56,231,925	52,976,376

¹ Except for actual costs under the redemption of own stocks from shareholders.

² Including size of the deferred tax assets.

³ Except for indebtedness of participants (founders) on instalments in authorised capital.

⁴ Including size of indebtedness to participants on payment of incomes.

⁵ In the data about size of other long-term and short-term liabilities the sums are shown of the created in the established order reserves in connection with contingent liabilities and with the activity termination.

⁶ Specifies the year prior to the previous one.

⁷ Specifies the previous year.

⁸ Specifies the reporting date of the accounting period.

INTANGIBLE ASSETS

AVAILABILITY AND MOVEMENT OF INTANGIBLE ASSETS

Indicator		At the beginning of year					Change for the period										At the period end			
Name	Code	Period	Initial/		Losses from	Residual value	Accepted	Initial/		Losses from	Accrued	Losses from	Revaluation		Initial/mark-	Accumulated	Losses from	Residual		
			mark-to-	Accumulated				mark-to-	Accumulated				mark-to-	Accumulated					market-	depreciation
Intangible assets – total	5100	for 2015 (1)	73,930	(38,215)	-	35,715	251	-	-	-	(8,824)	-	-	-	74,181	(47,039)	-	27,142		
	5110	for 2014 (2)	70,911	(29,748)	-	41,163	3,019	-	-	-	(8,467)	-	-	-	73,930	(38,215)	-	35,715		
Objects of intellectual property (exclusive rights to results of intellectual property)																				
	5101	for 2015 (1)	73,180	(38,127)	-	35,053	251	-	-	-	(8,749)	-	-	-	73,431	(46,876)	-	26,555		
	5111	for 2014 (2)	70,161	(29,735)	-	40,426	3,019	-	-	-	(8,392)	-	-	-	73,180	(38,127)	-	35,053		
including:																				
at the patentee on inventions, industrial pattern, useful model																				
	51011	for 2015 (1)	27,746	(2,704)	-	25,042	-	-	-	-	(2,983)	-	-	-	27,746	(5,687)	-	22,059		
	51111	for 2014 (2)	24,727	(55)	-	24,672	3,019	-	-	-	(2,649)	-	-	-	27,746	(2,704)	-	25,042		
at the legal owner on computer software programs, databases																				
	51012	for 2015 (1)	45,340	(35,373)	-	9,967	251	-	-	-	(5,755)	-	-	-	45,591	(41,128)	-	4,463		
	51112	for 2014 (2)	45,340	(29,640)	-	15,700	-	-	-	-	(5,733)	-	-	-	45,340	(35,373)	-	9,967		
at the legal owner on topology of integrated microcircuits																				
	51013	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	51113	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
at the owner on a trade mark, a service mark, the name of a place of an origin of the goods																				
	51014	for 2015 (1)	94	(50)	-	44	-	-	-	-	(11)	-	-	-	94	(61)	-	33		
	51114	for 2014 (2)	94	(40)	-	54	-	-	-	-	(10)	-	-	-	94	(50)	-	44		
Business reputation of the Company																				
	5102	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	5112	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other																				
	5103	for 2015 (1)	750	(88)	-	662	-	-	-	-	(75)	-	-	-	750	(163)	-	587		
	5113	for 2014 (2)	750	(13)	-	737	-	-	-	-	(75)	-	-	-	750	(88)	-	662		

RESULTS OF RESEARCH, DEVELOPMENTAL AND TECHNOLOGICAL WORKS AND INTANGIBLE ASSETS

AVAILABILITY AND MOVEMENT OF RESULTS OF RESEARCH AND DEVELOPMENT

Indicator	Code	Period	At the beginning of year		Change for the period			At the period end		
			initial cost	part of the cost which has been written off on expenses	accepted	initial cost	retired part of the cost which has been written off on	part of the cost which has been written off on expenses for the	initial cost	part of the cost which has been written off on expenses
Research and development – total	5140	for 2015 (1)	65,527	(99)	-	-	-	(13,106)	65,527	(13,205)
	5150	for 2014 (2)	-	-	65,527	-	-	(99)	65,527	(99)
from them:										
Expenses on the research and development, which results are used for production needs	5141	for 2015 (1)	65,527	(99)	-	-	-	(13,106)	65,527	(13,205)
	5151	for 2014 (2)	-	-	65,527	-	-	(99)	65,527	(99)
Patent-capable results of the executed researches and development	5142	for 2015 (1)	-	-	-	-	-	-	-	-
	5152	for 2014 (2)	-	-	-	-	-	-	-	-
Expenses on the researches and development executed by own forces	5143	for 2015 (1)	-	-	-	-	-	-	-	-
	5153	for 2014 (2)	-	-	-	-	-	-	-	-
Expenses on the researches and development which are performed by third party organisations	5144	for 2015 (1)	-	-	-	-	-	-	-	-
	5154	for 2014 (2)	-	-	-	-	-	-	-	-

NOT FINISHED AND NOT FINALIZED R&D AND NOT FINISHED TRANSACTIONS ON ACQUISITION OF INTANGIBLE ASSETS

Indicator	Code	Period	At the beginning of year	period expenses	written off costs as not given positive result	Change for the period		At the period end
						accepted to accounting as Intangible Assets or R&D		
Costs of not finished researches and developments - total	5160	for 2015 (1)	19,320	24,591	-	-		43,911
	5170	for 2014 (2)	77,030	10,837	-	(68,547)		19,320
including:								
Research works	5161	for 2015 (1)	5,000	8,475	-	-		13,475
	5171	for 2014 (2)	-	5,000	-	-		5,000
Developmental works	5162	for 2015 (1)	7,900	5,085	-	-		12,985
	5172	for 2014 (2)	33,683	(14,191)	-	(11,592)		7,900
Technological works	5163	for 2015 (1)	6,420	11,031	-	-		17,451
	5173	for 2014 (2)	43,347	20,028	-	(56,955)		6,420
Other	5164	for 2015 (1)	-	-	-	-		-
	5174	for 2014 (2)	-	-	-	-		-
Not finished transactions on acquisition of intangible assets - total	5180	for 2015 (1)	-	251	-	(251)		-
	5190	for 2014 (2)	-	-	-	-		-
including:								
at the patentee on inventions, the industrial pattern, useful model	5181	for 2015 (1)	-	-	-	-		-
	5191	for 2014 (2)	-	-	-	-		-
at the legal owner on computer software programs, databases	5182	for 2015 (1)	-	251	-	(251)		-
	5192	for 2014 (2)	-	-	-	-		-
at the legal owner on topology of integrated microcircuits	5183	for 2015 (1)	-	-	-	-		-
	5193	for 2014 (2)	-	-	-	-		-
at the owner on a trade mark, a service mark, the name of a place of origin of the goods	5184	for 2015 (1)	-	-	-	-		-
	5194	for 2014 (2)	-	-	-	-		-
Other	5185	for 2015 (1)	-	-	-	-		-
	5195	for 2014 (2)	-	-	-	-		-

FIXED ASSETS

AVAILABILITY AND MOVEMENT OF FIXED ASSETS

Indicator	Code	Period	At the beginning of year					Change for the period					At the period end		
			initial cost	accumulated depreciation	residual value	accepted	accumulated depreciation on the accepted objects	initial cost	retired accumulated depreciation	accrued depreciation	revaluation initial cost	revaluation accumulated depreciation	initial cost	accumulated depreciation	accumulated depreciation
Fixed assets (without profitable investments in tangible assets) - total	5200	for 2015	125,539,902	(39,952,157)	85,587,745	14,930,003	-	(255,922)	141,951	(9,033,502)	-	-	140,213,983	(48,843,708)	91,370,275
	5210	for 2014	112,563,734	(31,698,951)	80,864,783	13,206,918	-	(230,750)	113,436	(8,366,642)	-	-	125,539,902	(39,952,157)	85,587,745
including:															
Depreciable fixed assets - in total	5201	for 2015	125,338,589	(39,952,157)	85,386,432	14,840,326	-	(255,922)	141,951	(9,033,502)	-	-	139,922,993	(48,843,708)	91,079,285
	5211	for 2014	112,363,825	(31,698,951)	80,664,874	13,205,485	-	(230,721)	113,436	(8,366,642)	-	-	125,338,589	(39,952,157)	85,386,432
including:															
production buildings	52011	for 2015	8,793,362	(1,733,555)	7,059,807	537,678	-	(22,616)	3,660	(340,544)	-	-	9,308,424	(2,070,439)	7,237,985
	52111	for 2014	8,410,969	(1,415,696)	6,995,273	385,283	-	(2,890)	904	(318,763)	-	-	8,793,362	(1,733,555)	7,059,807
constructions, except Power Lines	52012	for 2015	21,714,256	(5,358,447)	16,355,809	3,472,824	-	(5,929)	3,741	(1,294,679)	-	-	25,181,151	(6,649,385)	18,531,766
	52112	for 2014	19,098,537	(4,201,798)	14,896,739	2,617,936	-	(2,217)	798	(1,157,447)	-	-	21,714,256	(5,358,447)	16,355,809
power lines and devices to them	52013	for 2015	54,071,124	(16,807,503)	37,263,621	5,851,394	-	(20,748)	13,838	(3,927,217)	-	-	59,901,770	(20,720,882)	39,180,888
	52113	for 2014	48,140,634	(13,307,444)	34,833,190	5,942,427	-	(11,937)	6,769	(3,506,828)	-	-	54,071,124	(16,807,503)	37,263,621
machines and equipment for electric power generation, substations, equipment for electric power transformation	52014	for 2015	26,328,730	(8,227,099)	18,101,631	3,837,974	-	(18,061)	14,360	(1,747,284)	-	-	30,148,643	(9,960,023)	20,188,620
	52114	for 2014	23,499,994	(6,654,538)	16,845,456	2,870,154	-	(41,418)	17,035	(1,589,596)	-	-	26,328,730	(8,227,099)	18,101,631
production and economic stock	52015	for 2015	236,597	(176,244)	60,353	14,482	-	(4,968)	4,782	(25,703)	-	-	246,111	(197,165)	48,946
	52115	for 2014	215,958	(153,458)	62,500	22,975	-	(2,336)	2,201	(24,987)	-	-	236,597	(176,244)	60,353
	52016	for 2015	14,194,520	(7,649,309)	6,545,211	1,125,974	-	(183,600)	101,570	(1,698,075)	-	-	15,136,894	(9,245,814)	5,891,080
other	52116	for 2014	12,997,733	(5,966,017)	7,031,716	1,366,710	-	(169,923)	85,729	(1,769,021)	-	-	14,194,520	(7,649,309)	6,545,211

AVAILABILITY AND MOVEMENT OF FIXED ASSETS

Indicator	Code	Period	At the beginning of year					Change for the period					At the period end			
			initial cost	accumulated depreciation	residual value	accepted	accumulated depreciation on the accepted objects	retired	initial cost	accumulated depreciation	accrued depreciation	revaluation	initial cost	accumulated depreciation	accumulated depreciation	
Objects with unlimited term of useful use, not depreciable – total	5202	for 2015	201,313	-	201,313	89,677	-	-	-	-	-	-	-	290,990	-	290,990
	5212	for 2014	199,909	-	199,909	1,433	-	(29)	-	-	-	-	-	201,313	-	201,313
including:																
land lots	52021	for 2015	201,313	-	201,313	89,677	-	-	-	-	-	-	-	290,990	-	290,990
	52121	for 2014	199,909	-	199,909	1,433	-	(29)	-	-	-	-	-	201,313	-	201,313
environmental facilities	52022	for 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	52122	for 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital investments on radical improvement of the land lots	5203	for 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5213	for 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounted as a part of profitable investments in tangible assets – total	5220	for 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5230	for 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
including:																
property for transfer to leasing	5221	for 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5231	for 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
property given under the lease contract	5222	for 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5232	for 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-

TERMS OF USEFUL LIFE AND DEPRECIATION METHOD

Indicator name	Code	Target date of useful use (in months)	Depreciation method
Production buildings	7001	85-600	Straight-line
Constructions, except Power Lines	7002	61-300	Straight-line
Power Lines and devices to them	7003	61-480	Straight-line
Machines and equipment for electric power generation, substations, equipment for electric power transformation	7004	37-240	Straight-line
Production and economic stock	7005	37-180	Straight-line
Other	7006	13-180	Straight-line

VALUE CHANGE OF FIXED ASSETS AS A RESULT OF COMPLETION, ADDITIONAL EQUIPMENT, RECONSTRUCTION AND PARTIAL LIQUIDATION

Indicator	Code	For 2015	For 2014
Value addition of items of fixed assets as a result of completion, additional equipment, reconstruction – total	5260	5,307,771	5,601,990
including:			
production buildings	5261	66,594	108,586
constructions, except Power Lines	5262	1,032,242	1,191,024
power lines and devices to them	5263	2,695,608	3,142,960
machines and equipment for electric power generation, substations, equipment for electric power transformation	5264	1,437,477	1,084,766
production and economic stock	5265		2,949
other	5266	75,850	71,705
Reduction of cost of items of fixed assets as a result of partial liquidation – in total	5270	(14,839)	(32,823)
including:			
production buildings	5271	-	-
constructions, except Power Lines	5272	(38)	(765)
power lines and devices to them	5273	(8,839)	(6,428)
machines and equipment for electric power generation, substations, equipment for electric power transformation	5274	(1,023)	(25,630)
production and economic stock	5275	-	-
other	5276	(4,939)	-

OTHER USE OF FIXED ASSETS

Indicator	Code	As at 31 December 2015 (1)	As at 31 December 2014 (2)	As at 31 December 2013 (3)
Fixed assets transferred in rent which are registered on the balance sheet	5280	128,900	154,628	97,536
Fixed assets transferred in rent which are registered off the balance sheet	5281	33,038	33,116	34,590
Fixed assets received in rent which are registered on the balance sheet	5282	-	-	-
Fixed assets received in rent which are registered off the balance sheet	5283	10,429,218	10,636,456	18,983,675
Items of immovable property accepted in transaction and actually used, in process of the state registration	5284	170,228	650,199	322,697
Fixed assets, transferred for preservation	5285	35,677	64,442	51,262
Other use of fixed assets (pledge, etc.)	5286	555	2,116	4,903

CAPITAL INVESTMENTS IN PROGRESS

Indicator	Code	Period	Change for the period				At the period end
			At the beginning	period expenses	written off	accepted to accounting as fixed assets or cost is increased	
Construction in progress and not complete transactions on acquisition, modernisation, etc. of fixed assets – total	5240	for 2015 (1)	3,572,959	13,982,625	(637,979)	(13,001,189)	3,916,416
	5250	for 2014 (2)	4,364,907	12,147,350	(99,329)	(12,839,969)	3,572,959
including:							
of production use	5241	for 2015 (1)	3,555,535	13,982,469	(636,814)	(13,001,034)	3,900,156
	5251	for 2014 (2)	4,341,705	12,147,292	(93,550)	(12,839,912)	3,555,535
construction in progress	52411	for 2015 (1)	3,098,554	10,778,782	(79,403)	(10,583,801)	3,214,132
	52511	for 2014 (2)	3,844,666	10,131,029	(71,489)	(10,805,652)	3,098,554
acquisition of fixed assets	52412	for 2015 (1)	77	1,046,562	-	(1,035,385)	11,254
	52512	for 2014 (2)	107	713,089	(30)	(713,089)	77
equipment for installation	52413	for 2015 (1)	278,956	1,516,158	(72,845)	(1,381,848)	340,421
	52513	for 2014 (2)	411,604	1,209,470	(20,947)	(1,321,171)	278,956
other	52414	for 2015 (1)	177,948	640,967	(484,566)	-	334,349
	52514	for 2014 (2)	85,328	93,704	(1,084)	-	177,948
of non-production use	5242	for 2015 (1)	17,424	156	(1,165)	(155)	16,260
	5252	for 2014 (2)	23,202	58	(5,779)	(57)	17,424
construction in progress	52421	for 2015 (1)	17,424	1	(1,165)	-	16,260
	52521	for 2014 (2)	23,202	1	(5,779)	-	17,424
acquisition of fixed assets	52422	for 2015 (1)	-	155	-	(155)	-
	52522	for 2014 (2)	-	57	-	(57)	-
equipment for installation	52423	for 2015 (1)	-	-	-	-	-
	52523	for 2014 (2)	-	-	-	-	-
other	52424	for 2015 (1)	-	-	-	-	-
	52524	for 2014 (2)	-	-	-	-	-

(1) – specifies the reporting year
(2) – specifies the previous year

ADVANCES ISSUED UNDER CAPITAL CONSTRUCTION AND ACQUISITION OF FIXED ASSETS

Indicator	Code	Period	At the beginning of year					Change for the period					At the period end	
			accounted under contract provisions	reserve size on doubtful debts	as a result of business transactions (amount of debt under the transaction)	other charges	reserve charge	repayment	write-off for account of the previously accrued reserve	write-off on financial result	reserve restoration	accounted under contract provisions	reserve size on doubtful debts	
														acceptance
Advances issued under capital construction	5291	for 2015 (1)	11,535	(1,445)	700	-	(4,773)	(3,235)	-	-	-	9,000	(6,218)	
	5292	for 2014 (2)	26,013	(2,592)	5,364	-	(1,445)	(17,192)	(2,592)	(58)	-	11,535	(1,445)	
including:														
capital construction	52911	for 2015 (1)	10,488	(505)	700	-	(4,773)	(3,128)	-	-	-	8,060	(5,278)	
	52921	for 2014 (2)	22,893	-	4,332	-	(505)	(16,737)	-	-	-	10,488	(505)	
acquisition of fixed assets	52912	for 2015 (1)	92	-	-	-	-	(92)	-	-	-	-	-	
	52922	for 2014 (2)	3,050	(2,592)	92	-	-	(400)	(2,592)	(58)	-	92	-	
other	52913	for 2015 (1)	955	(940)	-	-	-	(15)	-	-	-	940	(940)	
	52923	for 2014 (2)	70	-	940	-	(940)	(55)	-	-	-	955	(940)	

(1) – specifies the reporting year
(2) – specifies the previous year

FINANCIAL INVESTMENTS

AVAILABILITY AND MOVEMENT OF FINANCIAL INVESTMENTS

Indicator	Code	Period	At the beginning of year		Change for the period					At the period end	
			initial cost	accumulated adjustment	accepted	retired (repaid)		interests accrual (including bringing the initial cost to nominal)	mark-to-market value (losses from depreciation)	initial cost	accumulated adjustment
						initial cost	accumulated adjustment				
Long-term FI - total	5301	for 2015 (1)	1,623,776	(246,686)	3,000	(1,196,048)	-	-	70,682	430,728	(176,004)
	5311	for 2014 (2)	1,686,855	(74,900)	2,000	(65,079)	-	-	(171,786)	1,623,776	(246,686)
Contributions in authorised (share) capital of other companies - total	53021		1,368,176	(85,086)	-	(1,104,048)	-	-	70,682	264,128	(14,404)
	53121	for 2015 (1)	1,368,255	(74,900)	-	(79)	-	-	(10,186)	1,368,176	(85,086)
including:		for 2014 (2)									
affiliated economic companies	530211	for 2015 (1)	1,117,570	(100)	-	(1,102,115)	-	-	-	15,455	(100)
	531211	for 2014 (2)	1,117,570	(100)	-	-	-	-	-	1,117,570	(100)
dependent economic companies	530212	for 2015 (1)	-	-	-	-	-	-	-	-	-
	531212	for 2014 (2)	-	-	-	-	-	-	-	-	-
other	530213	for 2015 (1)	250,606	(84,986)	-	(1,933)	-	-	70,682	248,673	(14,304)
	531213	for 2014 (2)	250,685	(74,800)	-	(79)	-	-	(10,186)	250,606	(84,986)
State and municipal securities	53022	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53122	for 2014 (2)	-	-	-	-	-	-	-	-	-
Securities of other organisations - total	53023	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53123	for 2014 (2)	-	-	-	-	-	-	-	-	-
including:		for 2015 (1)									
debt securities (bonds, bills)	530231	for 2014 (2)	-	-	-	-	-	-	-	-	-
	531231	for 2015 (1)	-	-	-	-	-	-	-	-	-
Loans granted	53024	for 2014 (2)	255,600	(161,600)	3,000	(92,000)	-	-	-	166,600	(161,600)
	53124	for 2015 (1)	318,600	-	2,000	(65,000)	-	-	(161,600)	255,600	(161,600)
Deposits	53025	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53125	for 2014 (2)	-	-	-	-	-	-	-	-	-
Other	53026	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53126	for 2014 (2)	-	-	-	-	-	-	-	-	-
Long-term FI, having mark-to-market value – total	5302	for 2015 (1)	248,635	(85,086)	-	-	-	-	70,683	248,635	(14,303)
	5312	for 2014 (2)	248,635	(74,900)	-	-	-	-	(10,186)	248,635	(85,086)

(1) – specifies the reporting year
(2) – specifies the previous year

AVAILABILITY AND MOVEMENT OF FINANCIAL INVESTMENTS

Indicator	Code	Period	At the beginning of year		Change for the period					At the period end	
			initial cost	accumulated adjustment	accepted	retired (repaid)		interests accrual (including bringing the initial cost to nominal)	mark-to-market value (losses from depreciation)	initial cost	accumulated adjustment
						initial cost	accumulated adjustment				
Contributions in authorised (share) capital of other companies – total	53031	for 2015 (1)	248,635	(85,086)	-	-	-	-	70,783	248,635	(14,303)
	53131	for 2014 (2)	248,635	(74,900)	-	-	-	-	(10,186)	248,635	(85,086)
including:											
affiliated economic companies	530311	for 2015 (1)	-	-	-	-	-	-	-	-	-
	531311	for 2014 (2)	-	-	-	-	-	-	-	-	-
dependent economic companies	530312	for 2015 (1)	-	-	-	-	-	-	-	-	-
	531312	for 2014 (2)	-	-	-	-	-	-	-	-	-
other	530313	for 2015 (1)	248,635	(85,086)	-	-	-	-	70,783	248,635	(14,303)
	531313	for 2014 (2)	248,635	(74,900)	-	-	-	-	(10,186)	248,635	(85,086)
State and municipal securities	53032	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53132	for 2014 (2)	-	-	-	-	-	-	-	-	-
Securities of other organisations - total	53033	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53133	for 2014 (2)	-	-	-	-	-	-	-	-	-
including:											
debt securities (bonds, bills)	530331	for 2015 (1)	-	-	-	-	-	-	-	-	-
	531331	for 2014 (2)	-	-	-	-	-	-	-	-	-
other	53034	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53134	for 2014 (2)	-	-	-	-	-	-	-	-	-
Long-term FI on which the mark-to-market value is not determined - total	5303	for 2015 (1)	1,375,141	(161,600)	3,000	(1,196,048)	-	-	(101)	182,093	(161,701)
	5313	for 2014 (2)	1,438,220	-	2,000	(65,079)	-	-	(161,600)	1,375,141	(161,600)
Short-term FI - total	5305	for 2015 (1)	-	-	-	-	-	-	-	-	-
	5315	for 2014 (2)	-	-	-	-	-	-	-	-	-
Contributions to authorised capital of other companies - total	53061	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53161	for 2014 (2)	-	-	-	-	-	-	-	-	-
State and municipal securities	53062	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53162	for 2014 (2)	-	-	-	-	-	-	-	-	-
Securities of other organisations - total	53063	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53163	for 2014 (2)	-	-	-	-	-	-	-	-	-
including:											
debt securities (bonds, bills)	530631	for 2015 (1)	-	-	-	-	-	-	-	-	-
	531631	for 2014 (2)	-	-	-	-	-	-	-	-	-
Loans granted	53064	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53164	for 2014 (2)	-	-	-	-	-	-	-	-	-
Deposits	53065	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53165	for 2014 (2)	-	-	-	-	-	-	-	-	-

(1) – specifies the reporting year
(2) – specifies the previous year

AVAILABILITY AND MOVEMENT OF FINANCIAL INVESTMENTS

Indicator	Code	Period	At the beginning of year		Change for the period					At the period end	
			initial cost	accumulated adjustment	accepted	retired (repaid)		interests accrual (including bringing the initial cost to nominal)	mark-to-market value (losses from depreciation)	initial cost	accumulated adjustment
						initial cost	accumulated adjustment				
Other	53066	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53166	for 2014 (2)	-	-	-	-	-	-	-	-	-
Short-term FI, having mark-to-market value – total	5306	for 2015 (1)	-	-	-	-	-	-	-	-	-
	5316	for 2014 (2)	-	-	-	-	-	-	-	-	-
Contributions in authorised (share) capital of other companies - total	53071	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53171	for 2014 (2)	-	-	-	-	-	-	-	-	-
State and municipal securities	53072	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53172	for 2014 (2)	-	-	-	-	-	-	-	-	-
Securities of other organisations - total	53073	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53173	for 2014 (2)	-	-	-	-	-	-	-	-	-
including:											
debt securities (bonds, bills)	530731	for 2015 (1)	-	-	-	-	-	-	-	-	-
	531731	for 2014 (2)	-	-	-	-	-	-	-	-	-
Other	53074	for 2015 (1)	-	-	-	-	-	-	-	-	-
	53174	for 2014 (2)	-	-	-	-	-	-	-	-	-
Short-term FI on which the mark-to-market value is not determined – total	5307	for 2015 (1)	-	-	-	-	-	-	-	-	-
	5317	for 2015 (1)	-	-	-	-	-	-	-	-	-
Financial investments -	5300	for 2014 (2)	1,623,776	(246,686)	3,000	(1,196,048)	-	-	70,682	430,728	(176,004)
Total	5310	for 2014 (2)	1,686,855	(74,900)	2,000	(65,079)	-	-	(171,786)	1,623,776	(246,686)

(1) – specifies the reporting year
(2) – specifies the previous year

ADJUSTMENTS OF ESTIMATIONS OF FINANCIAL INVESTMENTS

Indicator	Code	At the beginning of year	Change for the period			At the period end
			Increase	Reduction	Retirement at write-off of FI	
Long-term financial investments	7100	(246,686)	95,712	(25,030)	-	(176,004)
Difference between the current market value of financial investments and their previous estimation	7110	(85,086)	95,813	(25,030)	-	(14,303)
including:						
Contributions in authorised (share) capital of other companies - total	7111	(85,086)	95,813	(25,030)	-	(14,303)
including:						
affiliated economic companies	71111	-	-	-	-	-
dependent economic companies	71112	-	-	-	-	-
other	71113	(85,086)	95,813	(25,030)	-	(14,303)
State and municipal securities	7112	-	-	-	-	-
Securities of other organisations - total	7113	-	-	-	-	-
including:						
debt securities (Bonds, bills)	71131	-	-	-	-	-
other	7114	-	-	-	-	-
Difference between the current value of debt securities and their initial cost	7120	-	-	-	-	-
including:						
Securities of other organisations - total	7121	-	-	-	-	-
including:						
debt securities (Bonds, bills)	71211	-	-	-	-	-
other	7122	-	-	-	-	-
Reserve under depreciation of the financial investments, on which the market value is not determined	7130	(161,600)	(101)	-	-	(161,701)
including:						
Contributions in authorised (share) capital of other companies - total	7131	-	-	-	-	-
including:						
affiliated economic companies	71311	100	(100)	(100)	-	(100)
dependent economic companies	71312	-	-	-	-	-
other	71313	-	(1)	-	-	-
State and municipal securities	7132	-	-	-	-	-
Securities of other organisations - total	7133	75	(75)	-	-	-
including:						
debt securities (Bonds, bills)	71331	-	-	-	-	-
Loans granted	7134	(161,600)	-	-	-	(161,600)
Deposits	7135	-	-	-	-	-
other	7136	-	-	-	-	-
Short-term financial investments	7200	-	-	-	-	-

Indicator	Code	At the beginning of year	Change for the period			At the period end
			Increase	Reduction	Retirement at write-off of FI	
Difference between the current market value of financial investments and their previous estimation, at which it was determined	7210	-	-	-	-	-
including:						
Contributions in authorised (share) capital of other companies - total	7211	-	-	-	-	-
including:						
affiliated economic companies	72111	-	-	-	-	-
dependent economic companies	72112	-	-	-	-	-
other	72113	-	-	-	-	-
Securities of other organisations - total	7212	-	-	-	-	-
including:						
debt securities (Bonds, bills)	72121	-	-	-	-	-
other	7213	-	-	-	-	-
Difference between the current value of debt securities and their initial cost	7220	-	-	-	-	-
including:						
Securities of other organisations - total	7221	-	-	-	-	-
including:						
debt securities (Bonds, bills)	72211	-	-	-	-	-
other	7222	-	-	-	-	-
Reserve under depreciation of the financial investments which do not have the market value	7230	-	-	-	-	-
including:						
Contributions in authorised (share) capital of other companies - total	7231	-	-	-	-	-
including:						
affiliated economic companies	72311	-	-	-	-	-
dependent economic companies	72312	-	-	-	-	-
other	72313	-	-	-	-	-
State and municipal securities	7232	-	-	-	-	-
Securities of other organisations - total	7233	-	-	-	-	-
including:						
debt securities (Bonds, bills)	72331	-	-	-	-	-
Loans granted	7234	-	-	-	-	-
Deposits	7235	-	-	-	-	-
other	7236	-	-	-	-	-

OTHER USE OF FINANCIAL INVESTMENTS

Indicator	Code	As at 31 December 2015 ¹	As at 31 December 2014 ²	As at 31 December 2013 ³
Financial investments, being in pledge - total	5320	-	-	-
including:				
bonds	5321	-	-	-
bills	5322	-	-	-
stocks	5323	-	-	-
Financial investments, transferred to the third parties (except sale) - total	5325	-	-	-
including:				
bonds	5326	-	-	-
bills	5327	-	-	-
stocks	5328	-	-	-
Other use of financial investments	5329	-	-	-

¹ specifies the reporting date of the accounting period

² specifies the previous year

³ specifies the year prior to the previous one

SUPPLIES

AVAILABILITY AND MOVEMENT OF SUPPLIES

Indicator	Code	Period	At the beginning of year			Change for the period				At the period end	
			cost value	reserve size under decrease in value	receipts and expenses	cost value	retired reserve size under decrease in value	losses from decrease in value	turnover of supplies between their groups (kinds)	cost value	reserve size under decrease in value
Supplies - total	5400	for 2015 (1)	1,749,236	(5,149)	13,926,527	(13,672,843)	11,561	(7,696)	x	2,002,920	(1,284)
	5420	for 2014 (2)	1,993,472	(2,583)	19,661,391	(19,905,627)	13,616	(16,182)	x	1,749,236	(5,149)
raw and materials	5401	for 2015 (1)	1,749,236	(5,149)	13,926,289	(13,672,605)	11,561	(7,696)		2,002,920	(1,284)
	5421	for 2014 (2)	1,993,472	(2,583)	10,914,303	(11,158,539)	13,616	(16,182)		1,749,236	(5,149)
work in progress	5402	for 2015 (1)	-	-	-	-	-	-	-	-	-
	5422	for 2014 (2)	-	-	-	-	-	-	-	-	-
goods shipped	5403	for 2015 (1)	-	-	238	(238)	-	-	-	-	-
	5423	for 2014 (2)	-	-	2,329	(2,329)	-	-	-	-	-
finished products and goods	5404	for 2015 (1)	-	-	-	-	-	-	-	-	-
	5424	for 2014 (2)	-	-	8,744,759	(8,744,759)	-	-	-	-	-
other stocks and costs	5405	for 2015 (1)	-	-	-	-	-	-	-	-	-
	5425	for 2014 (2)	-	-	-	-	-	-	-	-	-

(1) – specifies the reporting year

(2) – specifies the previous year

SUPPLIES IN PLEDGE

Indicator	Code	As at 31 December 2015 ¹	As at 31 December 2014 ²	As at 31 December 2013 ³
Supplies, not paid for on the reporting date - total	5440	-	-	-
including:				
raw and materials	5441	-	-	-
work in progress	5442	-	-	-
goods shipped	5443	-	-	-
finished products and goods	54441	-	-	-
other stocks and costs	54442	-	-	-
Supplies, being in pledge under the agreement - total	5445	-	-	-
including:				
raw and materials	5446	-	-	-
goods shipped	5447	-	-	-
finished products and goods	5448	-	-	-
other stocks and costs	5449	-	-	-

¹ specifies the reporting date of the accounting period

² specifies the previous year

³ specifies the year prior to the previous one

ACCOUNTS RECEIVABLE AND PAYABLE

AVAILABILITY AND MOVEMENT OF ACCOUNTS RECEIVABLE

Indicator	Code	Period	At the beginning of year		Change for the period							At the period end		
			accounted under contract provisions	reserve size for doubtful debts	supply	as a result of business transactions (amount of debt under transactions)	interests, penalties and other charges due	reserve accrual	repayment	write-off for account of the previously accrued reserve	write-off on financial result	reserve restoration	transfer from long-term to short-term debt	accounted under contract provisions
Long-term accounts receivable – in total	5501	for 2015 (1)	22,629	-	19,928	-	-	(567)	-	-	-	(14,631)	27,359	-
	5521	for 2014 (2)	23,437	-	11,033	-	-	(7,470)	-	-	-	(4,371)	22,629	-
including:														
Settlements with buyers and customers	5502	for 2015 (1)	9,081	-	18,189	-	-	(334)	-	-	-	(6,688)	20,248	-
	5522	for 2014 (2)	7,699	-	6,180	-	-	(2,250)	-	-	-	(2,548)	9,081	-
including:														
for electric power transmission	55021	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55221	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-
for grid connection	55022	for 2015 (1)	8,997	-	17,533	-	-	(327)	-	-	-	(6,677)	19,526	-
	55222	for 2014 (2)	7,356	-	6,180	-	-	(2,250)	-	-	-	(2,289)	8,997	-
for the organisation of functioning and development of UES of Russia regarding the distribution electric grid complex	55023	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55223	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-
for electric power and capacity resale	55024	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55224	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-
for lease revenues	55025	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55225	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-
for other	55026	for 2015 (1)	84	-	656	-	-	(7)	-	-	-	(11)	722	-
	55226	for 2014 (2)	343	-	-	-	-	-	-	-	-	(259)	84	-
Advances issued	5503	for 2015 (1)	7,319	-	1,281	-	-	-	-	-	-	(5,350)	3,250	-
	5523	for 2014 (2)	5,303	-	4,783	-	-	(2,767)	-	-	-	-	7,319	-
Bills receivable	5504	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5524	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-
Other accounts receivable	5505	for 2015 (1)	6,229	-	458	-	-	(233)	-	-	-	(2,593)	3,861	-
	5525	for 2014 (2)	10,435	-	70	-	-	(2,453)	-	-	-	(1,823)	6,229	-
including:														
non-interest-bearing notes	55051	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55251	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-
other	55052	for 2015 (1)	6,229	-	458	-	-	(233)	-	-	-	(2,593)	3,861	-
	55252	for 2014 (2)	10,435	-	70	-	-	(2,453)	-	-	-	(1,823)	6,229	-
From the total sum of long-term accounts receivable:	5506	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5526	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-
indebtedness of affiliated companies	55061	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55261	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-

AVAILABILITY AND MOVEMENT OF ACCOUNTS RECEIVABLE

Indicator	Code	Period	At the beginning of year			Change for the period						At the period end		
			accounted under contract provisions	reserve size for doubtful debts	supply	repayment	write-off for account of the previously accrued reserve	write-off on financial result	reserve restoration	transfer from long-term to short-term debt	accounted under contract provisions	reserve size for doubtful debts		
													as a result of business transactions (amount of debt under transactions)	interests, penalties and other charges due
indebtedness of dependent companies	55062	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55262	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-
Short-term accounts receivable - in total	5510	for 2015 (1)	27,189,955	(10,499,023)	14,425,677	126,420	(2,306,318)	(11,788,247)	(71,612)	(244,769)	803,284	14,631	29,652,055	(11,930,445)
	5530	for 2014 (2)	23,754,522	(10,753,121)	15,846,793	97,326	(2,020,621)	(12,377,914)	(100,971)	(34,172)	2,173,748	4,371	27,189,955	(10,499,023)
including:														
Settlements with buyers and customers	5511	for 2015 (1)	24,188,247	(10,295,304)	13,446,060	-	(1,863,316)	(10,805,311)	(25,988)	(99,232)	797,555	6,688	26,710,464	(11,335,077)
	5531	for 2014 (2)	21,584,410	(10,519,079)	13,725,449	-	(1,970,847)	(11,094,452)	(27,054)	(2,654)	2,167,568	2,548	24,188,247	(10,295,304)
including:														
for electric power transmission	55111	for 2015 (1)	19,364,532	(8,949,134)	13,185,169	-	(1,354,349)	(9,781,221)	-	(269)	745,307	-	22,768,211	(9,558,176)
	55311	for 2014 (2)	15,878,226	(10,378,464)	9,745,563	-	(672,515)	(6,248,720)	(10,170)	(367)	2,091,675	-	19,364,532	(8,949,134)
for grid connection	55112	for 2015 (1)	267,339	(59,353)	88,822	-	(3,411)	(163,154)	(11,034)	(610)	20,179	6,677	188,040	(31,551)
	55312	for 2014 (2)	157,748	(82,997)	185,441	-	(9,837)	(76,169)	(1,969)	(1)	31,512	2,289	267,339	(59,353)
for the organisation of functioning and development of UES of Russia regarding the distribution electric grid complex	55113	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55313	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-
for electric power and capacity resale	55114	for 2015 (1)	4,397,714	(1,254,306)	16,058	-	(503,007)	(751,777)	(8,397)	(94,940)	27,271	-	3,558,658	(1,721,645)
	55314	for 2014 (2)	5,382,222	-	3,669,969	-	(1,255,810)	(4,654,470)	-	(7)	1,504	-	4,397,714	(1,254,306)
for lease revenues	55115	for 2015 (1)	4,980	(209)	6,495	-	(144)	(4,370)	(112)	-	38	-	6,993	(203)
	55315	for 2014 (2)	4,672	(303)	4,410	-	(31)	(4,092)	(10)	-	115	-	4,980	(209)
for other	55116	for 2015 (1)	153,682	(32,302)	149,516	-	(2,405)	(104,789)	(6,445)	(3,413)	4,760	11	188,562	(23,502)
	55316	for 2014 (2)	161,542	(57,315)	120,066	-	(32,654)	(111,001)	(14,905)	(2,279)	42,762	259	153,682	(32,302)
Advances issued	5512	for 2015 (1)	426,203	(1,361)	93,087	-	(92,700)	(311,842)	(176)	(2,058)	-	5,350	210,564	(93,885)
	5532	for 2014 (2)	201,819	(35,536)	325,612	-	(1,007)	(65,725)	(34,711)	(792)	471	-	426,203	(1,361)
Bills receivable	5513	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5533	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-
Indebtedness of participants (founders) on instalments in authorised capital	5514	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5534	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-
Indebtedness of affiliated and dependent companies on dividends	5515	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	5535	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-
Other accounts receivable	5516	for 2015 (1)	2,575,505	(202,358)	886,530	126,420	(350,302)	(671,094)	(45,448)	(143,479)	5,729	2,593	2,731,027	(501,483)
	5536	for 2014 (2)	1,968,293	(198,506)	1,795,732	97,326	(48,767)	(1,217,737)	(39,206)	(30,726)	5,709	1,823	2,575,505	(202,358)
including:														
non-interest-bearing notes	55161	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55361	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-

AVAILABILITY AND MOVEMENT OF ACCOUNTS RECEIVABLE

Indicator	Code	Period	At the beginning of year		Change for the period							At the period end		
			accounted under contract provisions	reserve size for doubtful debts	supply			repayment	write-off for account of the previously accrued reserve	write-off on financial result	reserve restoration	transfer from long-term to short-term debt	accounted under contract provisions	reserve size for doubtful debts
					as a result of business transactions (amount of debt under transactions)	interests, penalties and other charges due	reserve accrual							
overpayment under taxes and levies	55162	for 2015 (1)	1,194,023	-	395,497	-	-	(158,495)	-	(1,281)	-	-	1,429,744	-
	55362	for 2014 (2)	1,137,396	-	1,067,927	-	-	(1,011,300)	-	-	-	-	1,194,023	-
property sale	55163	for 2015 (1)	-	-	-	-	-	-	-	-	-	-	-	-
	55363	for 2014 (2)	-	-	-	-	-	-	-	-	-	-	-	-
other	55164	for 2015 (1)	1,381,482	(202,358)	491,033	126,420	(350,302)	(512,599)	(45,448)	(142,198)	5,729	2,593	1,301,283	(501,483)
	55364	for 2014 (2)	830,897	(198,506)	727,805	97,326	(48,767)	(206,437)	(39,206)	(30,726)	5,709	1,823	1,381,482	(202,358)
From the total sum of short-term accounts receivable:	5517	for 2015 (1)	36,978	(30,543)	208	-	(5)	(15,684)	-	-	9,254	-	21,502	(21,294)
	5537	for 2014 (2)	32,557	(10,146)	13,226	-	(21,288)	(8,805)	-	-	891	-	36,978	(30,543)
indebtedness of affiliated companies	55171	for 2015 (1)	36,543	(30,543)	51	-	(5)	(15,249)	-	-	9,254	-	21,345	(21,294)
	55371	for 2014 (2)	32,549	(10,146)	12,791	-	(21,288)	(8,797)	-	-	891	-	36,543	(30,543)
indebtedness of dependent companies	55172	for 2015 (1)	435	-	157	-	-	(435)	-	-	-	-	157	-
	55372	for 2014 (2)	8	-	435	-	-	(8)	-	-	-	-	435	-
Total	5500	for 2015 (1)	27,212,584	(10,499,023)	14,445,605	126,420	(2,306,318)	(11,788,814)	(71,612)	(244,769)	803,284	-	29,679,414	(11,930,445)
	5520	for 2014 (2)	23,777,959	(10,753,121)	15,857,826	97,326	(2,020,621)	(12,385,384)	(100,971)	(34,172)	2,173,748	-	27,212,584	(10,499,023)

(1) – specifies the reporting year
(2) – specifies the previous year

RESERVE ON DOUBTFUL DEBTS

Indicator		Change for the period			
Name	Code	At the beginning of year	Reserve creation	Reserve write-off	At the period end
Settlements with buyers and customers	7310	10,295,304	1,863,316	(823,543)	11,335,077
including:					
for electric power transmission	7311	8,949,134	1,354,349	(745,307)	9,558,176
for grid connection	7312	59,353	3,411	(31,213)	31,551
for the organisation of functioning and development of UES of Russia regarding the distribution electric grid complex	7313	-	-	-	-
for electric power and capacity resale	7314	1,254,306	503,006	(35,667)	1,721,645
for lease revenues	7315	209	144	(150)	203
other	7316	32,302	2,406	(11,206)	23,502
Advances issued	7330	2,806	97,474	(177)	100,103
Other accounts receivable	7320	202,358	350,301	(51,176)	501,483
Total	7300	10,500,468	2,311,091	(874,896)	11,936,663

OVERDUE ACCOUNTS RECEIVABLE

		As at 31 December 2015 (1)		As at 31 December 2014 (2)		As at 31 December 2013 (3)	
Indicator	Code	accounted under contract provisions	book value (minus a reserve on doubtful debts)	accounted under contract provisions	book value (minus a reserve on doubtful debts)	accounted under contract provisions	book value (minus a reserve on doubtful debts)
In total	5540	19,351,327	8,053,715	17,104,731	6,820,513	14,604,271	4,141,417
including:	5541						
Settlements with buyers and customers, including		15,535,062	6,013,500	12,529,540	3,591,492	11,944,426	1,607,845
for electric power transmission	55411	152,874	121,323	205,963	146,610	101,247	30,600
for grid connection	55412	-	-	-	-	-	-
for the organisation of functioning and development of UES of Russia regarding the distribution electric grid complex	55413	3,558,658	1,837,013	4,300,039	3,045,733	2,482,597	2,482,597
for electric power and capacity resale	55414	3,330	3,128	1,232	1,023	1,261	958
for lease revenues	55415	101,403	78,751	67,957	35,655	74,740	19,417
other	55416	1,266,356	672,127	1,062,487	859,705	804,788	570,828
Other accounts receivable	5542						

¹ specifies the reporting date of the accounting period

² specifies the previous year

³ specifies the year prior to the previous one

DISAGREEMENTS WITH THE RETAIL COMPANIES

Contractor	Change for the period							
	At the beginning of year		Charged for the period (turnover on debtors, thousand RUB)		Paid for the period (turnover on creditors, thousand RUB)		At the period end	
	Company data	contractor data	Company data	contractor data	Company data	contractor data	Company data	contractor data
JSC "Belgorod retail company"	1,307,339	1,235,184	8,249,335	8,308,956	8,385,936	8,374,328	1,170,738	1,169,812
LLC "TEK Energo", a branch of JSC "Bryanskenergosbyt"	246,506	244,089	2,586,420	2,574,982	2,584,076	2,584,076	248,850	234,995
LLC "Bryanskoblelectro"	165,152	165,134	382,904	382,922	548,056	548,056	-	-
PJSC "TNS energo Voronezh"	996,722	948,146	10,026,847	10,027,883	9,973,075	9,973,075	1,050,494	1,002,954
JSC Geomash	483	480	5,992	5,994	6,051	6,051	424	424
JSC Kostroma retail company	346883	298717	3440416	3388501	3355418	3355418	431,881	331,800
JSC "Kostroma Plant Motordetal" (direct consumer)	78,621	70,839	-	7,782	9,579	9,579	69,042	69,042
JSC "Lipetsk electricity retail company"	1,232,918	934,461	3,690,887	2,166,657	3,222,803	1,802,182	1,701,002	1,298,936
JSC "Smolenskenergosbyt"	1,504,793	1,496,541	-	-	-	-	1,504,793	1,496,541
JSC "Tambov Energy Retail Company"	319,367	226,200	2,237,756	2,281,303	2,106,952	2,107,034	450,171	400,469
JSC "Tambov Regional Retail Company"	239,297	173,002	2,231,359	2,297,654	2,276,882	2,276,882	193,774	193,774
PJSC "TNS energo Yaroslavl"	1,996,571	1,170,765	6,053,276	6,097,605	6,126,324	6,126,324	1,923,523	1,142,046
JSC "Slafneft-Yaroslavnefteorgsintez"	183,778	29,922	751,846	861,100	824,268	824,268	111,356	66,754
JSC "AtomEnergoSbyt"	1,198,277	936,692	18,058,026	17,595,497	15,169,616	15,141,170	4,086,687	3,391,019
"Rusenergoresource" LLC	129,916	7,306	337,477	460,087	451,613	451,613	15,780	15,780
JSC "Mezhregionenergosbyt"	190,171	(1,119)	(179,278)	12,012	11,136	11,136	(243)	(243)
JSC "Oboronenergosbyt"	87,418	83,483	557,851	554,827	445,315	441,379	199,954	196,931
"MagnitEnergo" LLC	3,582	3,550	83,242	83,274	83,857	83,857	2,967	2,967
CJSC "Transservisenergo"	49,584	49,584	565,814	565,814	542,071	542,071	73,327	73,327
JSC "Tverenergosbyt"	147,664	-	3,889,358	3,889,358	-	-	4,037,022	3,889,358
LLC "Tveroblenergosbyt"	27,700	-	191,637	191,637	-	-	219,337	191,637
LLC "Tver electricity retail company"	822	-	100,995	100,995	-	-	101,817	100,995
ZAO "Energsoyuz"	66,508	-	269,453	290,096	125,486	125,486	210,475	164,610
"Energsoyuz" LLC	5,276	-	9,425	9,503	654	654	14,047	8,849
Private JSC "Lion Volochekenersosbyt"	15,643	15,643	43,779	38,625	35,143	35,143	24,279	19,125
LLC "Tver Regional Retail Company"	35,829	35,829	32,196	31,422	-	-	68,025	67,251
LLC "TGC-ENERGO"	-	-	89,147	88,118	67,987	67,987	21,160	20,131
LLC "Transenergoprom"	7,559	7,559	126,893	126,759	135,687	135,687	(1,235)	(1,369)
JSC "Mosgorenergo"	-	-	8,750	7,270	7,270	7,270	1,480	-
LLC "EnergoHolding"	-	-	6,723	3,409	2,253	2,253	4,470	1,156
LLC "Rusenergosbyt Yaroslavl"	2,705	2,569	29,573	29,709	29,921	29,921	2,357	2,357
LLC "Rusenergosbyt"	132,565	124,565	1,229,644	1,234,358	1,328,631	1,328,631	33,578	30,292
Total	10,719,649	8,259,141	65,107,743	63,714,109	57,856,060	56,391,531	17,971,332	15,581,720

AVAILABILITY AND MOVEMENT OF ACCOUNTS PAYABLE

Indicator	Code	Period	Remainder at the beginning of year	as a result of business transactions (amount of debt under transactions)	acceptance accrued interests, penalties and other charges	repayment	write-off on financial result	Change for the period	
								transfer from long-term to short-term debt	Remainder at the period end
Long-term accounts payable - total	5551	for 2015 (1)	570,490	368,023	-	(97,032)	-	(460,793)	380,688
	5571	for 2014 (2)	575,327	559,860	-	(355,870)	-	(208,827)	570,490
including:									
accounts payable of suppliers and contractors	5552	for 2015 (1)	8,404	7,164	-	(553)	-	(131)	14,884
	5572	for 2014 (2)	9,087	-	-	(618)	-	(65)	8,404
including:									
construction	55521	for 2015 (1)	8,404	7,164	-	(553)	-	(131)	14,884
	55721	for 2014 (2)	9,087	-	-	(618)	-	(65)	8,404
other	55522	for 2015 (1)	-	-	-	-	-	-	-
	55722	for 2014 (2)	-	-	-	-	-	-	-
Other accounts payable	5553	for 2015 (1)	562,086	360,859	-	(96,479)	-	(460,662)	365,804
	5573	for 2014 (2)	566,240	559,860	-	(355,252)	-	(208,762)	562,086
From the total sum of long-term indebtedness	5554	for 2015 (1)	39	-	-	(39)	-	-	-
	5574	for 2014 (2)	39	-	-	-	-	-	39
indebtedness to affiliated companies	55541	for 2015 (1)	39	-	-	(39)	-	-	-
	55741	for 2014 (2)	39	-	-	-	-	-	39
indebtedness to dependent companies	55542	for 2015 (1)	-	-	-	-	-	-	-
	55742	for 2014 (2)	-	-	-	-	-	-	-
Short-term accounts payable - total	5560	for 2015 (1)	8,669,198	8,153,051	1,681	(7,473,636)	(20,376)	460,793	9,790,711
	5580	for 2014 (2)	10,121,980	7,044,322	1,064	(8,684,415)	(22,580)	208,827	8,669,198
including:									
Settlements with suppliers and contractors	5561	for 2015 (1)	5,315,569	4,646,325	-	(5,047,838)	(5,900)	131	4,908,287
	5581	for 2014 (2)	6,212,616	5,168,503	9	(6,060,606)	(5,018)	65	5,315,569
including:									
construction	55611	for 2015 (1)	1,035,711	1,002,740	-	(863,118)	(1,637)	131	1,173,827
	55811	for 2014 (2)	1,291,591	938,086	-	(1,191,825)	(2,206)	65	1,035,711
other	55612	for 2015 (1)	4,279,858	3,643,585	-	(4,184,720)	(4,263)	-	3,734,460
	55812	for 2014 (2)	4,921,025	4,230,417	9	(4,868,781)	(2,812)	-	4,279,858
Advances received	5562	for 2015 (1)	1,743,124	904,295	-	(1,054,082)	(13,279)	460,662	2,040,720
	5582	for 2014 (2)	2,047,937	555,865	-	(1,053,212)	(16,228)	208,762	1,743,124
including:									
for electric power transmission	55621	for 2015 (1)	82,939	68,015	-	(75,546)	(6,608)	-	68,800
	55821	for 2014 (2)	109,187	73,691	-	(99,829)	(110)	-	82,939
for grid connection	55622	for 2015 (1)	1,326,542	677,426	-	(700,454)	(5,816)	460,662	1,758,360
	55822	for 2014 (2)	1,379,096	340,773	-	(588,357)	(13,732)	208,762	1,326,542
for the organisation of functioning and development of UES of Russia regarding the distribution electric grid complex	55623	for 2015 (1)	-	-	-	-	-	-	-
	55823	for 2014 (2)	-	-	-	-	-	-	-

AVAILABILITY AND MOVEMENT OF ACCOUNTS PAYABLE

Indicator	Code	Period	Remainder at the beginning of year	as a result of business transactions (amount of debt under transactions)	acceptance accrued interests, penalties and other charges	Change for the period			Remainder at the period end
						repayment	write-off on financial result	transfer from long-term to short-term debt	
for electric power and capacity resale	55624	for 2015 (1)	-	-	-	-	-	-	-
	55824	for 2014 (2)	-	-	-	-	-	-	-
for participation in other organisations	55625	for 2015 (1)	-	-	-	-	-	-	-
	55825	for 2014 (2)	-	-	-	-	-	-	-
for rent services	55626	for 2015 (1)	94	17	-	(16)	(22)	-	73
	55826	for 2014 (2)	143	15	-	(43)	(21)	-	94
for other	55627	for 2015 (1)	333,549	158,837	-	(278,066)	(833)	-	213,487
	55826	for 2014 (2)	559,511	141,386	-	(364,983)	(2,365)	-	333,549
Indebtedness to participants (founders) on payment of incomes	5563	for 2015 (1)	13,120	8,260	-	(4,500)	-	-	16,880
	5583	for 2014 (2)	18,754	814	-	(6,448)	-	-	13,120
Bills payable	5564	for 2015 (1)	-	-	-	-	-	-	-
	5584	for 2014 (2)	-	-	-	-	-	-	-
Indebtedness before the state off-budget funds	5565	for 2015 (1)	328,605	419,797	-	(328,605)	-	-	419,797
	5585	for 2014 (2)	312,890	328,605	-	(312,890)	-	-	328,605
Settlements under taxes and levies	5566	for 2015 (1)	623,824	1,062,343	-	(623,072)	-	-	1,063,095
	5586	for 2014 (2)	786,475	615,057	2	(777,710)	-	-	623,824
Indebtedness before the company personnel	5567	for 2015 (1)	48,444	4,266	-	(48,444)	-	-	4,266
	5587	for 2014 (2)	10,806	48,444	-	(10,806)	-	-	48,444
Other accounts payable	5568	for 2015 (1)	596,512	1,107,765	1,681	(367,095)	(1,197)	-	1,337,666
	5588	for 2014 (2)	732,502	327,034	1,053	(462,743)	(1,334)	-	596,512
From total sum of short-term indebtedness	5569	for 2015 (1)	122,725	29,643	-	(122,725)	-	-	29,643
	5589	for 2014 (2)	79,325	115,988	-	(72,588)	-	-	122,725
indebtedness to affiliated companies	55691	for 2015 (1)	90,933	-	-	(90,933)	-	-	-
	55891	for 2014 (2)	53,418	84,196	-	(46,681)	-	-	90,933
indebtedness to dependent companies	55692	for 2015 (1)	31,792	29,643	-	(31,792)	-	-	29,643
	55892	for 2014 (2)	25,907	31,792	-	(25,907)	-	-	31,792
Total	5550	for 2015 (1)	9,239,688	8,521,074	1,681	(7,570,668)	(20,376)	-	10,171,399
	5570	for 2014 (2)	10,697,307	7,604,182	1,064	(9,040,285)	(22,580)	-	9,239,688

(1) – specifies the reporting year
(2) – specifies the previous year

OVERDUE ACCOUNTS PAYABLE

Indicator	Code	As at 31 December 2015 ¹	As at 31 December 2014 ²	As at 31 December 2013 ³
In total	5590	3,209,088	1,920,435	998,657
including:	5591	1,430,020	1,205,525	567,709
Settlements with suppliers and contractors				
including:				
construction	55911	264,463	369,178	169,553
other	55912	1,165,557	836,347	398,156
Indebtedness to participants (founders) on payment of incomes	5592	-	13,120	9,039
Indebtedness to the state off-budget funds	5593	-	-	-
Settlements under taxes and levies	5594	-	-	-
Indebtedness to the company personnel	5595	-	-	-
Other accounts payable	5596	1,779,068	701,790	421,909

¹ specifies the reporting date of the accounting period

² specifies the previous year

³ specifies the year prior to the previous one

CREDITS AND LOANS

Indicator	Code	Period	At the beginning	Receipt of funds	Interest accrual	Repayment of the principal sum	Repayment of interest	Change for the period	
								Transfer from long-term to short-term debt	At the period end
Long-term borrowed funds - total	7410	for 2015 (1)	27,670,000	25,665,000	-	(11,380,000)	-	(1,500,000)	40,455,000
	7430	for 2014 (2)	31,220,000	6,600,000	-	(750,000)	-	(9,400,000)	27,670,000
including:									
Credits	7411	for 2015 (1)	27,670,000	10,665,000	-	(11,380,000)	-	(1,500,000)	25,455,000
	7431	for 2014 (2)	27,220,000	6,600,000	-	(750,000)	-	(5,400,000)	27,670,000
Loans	7412	for 2015 (1)	-	15,000,000	-	-	-	-	15,000,000
	7432	for 2014 (2)	4,000,000	-	-	-	-	(4,000,000)	-
Short-term borrowed funds - total	7420	for 2015 (1)	9,530,970	396,516	4,470,245	(9,796,516)	(4,424,710)	1,500,000	1,676,505
	7440	for 2014 (2)	1,831,100	5,163,085	2,727,574	(6,863,085)	(2,727,704)	9,400,000	9,530,970
including:									
Credits	7421	for 2015 (1)	5,400,000	396,516	-	(5,796,516)	-	1,500,000	1,500,000
	7441	for 2014 (2)	1,700,000	5,163,085	-	(6,863,085)	-	5,400,000	5,400,000
Interest on credit	74211	for 2015 (1)	55,450	-	3,714,625	-	(3,758,020)	-	12,055
	74411	for 2014 (2)	56,540	-	2,369,574	-	(2,370,664)	-	55,450
Loans	7422	for 2015 (1)	4,075,520	-	755,620	(4,000,000)	(666,690)	-	164,450
	7442	for 2014 (2)	74,560	-	358,000	-	(357,040)	4,000,000	4,075,520

(1) – specifies the reporting year

(2) – specifies the previous year

EXPENSES ON CREDITS AND LOANS

Indicator	Code	For long-term credits and loans	For short-term credits and loans
Expenses on credits in total	7510	3,235,406	479,219
written off on other expenses	7511	2,960,596	479,219
included in cost of assets	7512	274,810	-
Expenses on loans in total	7520	474,100	281,520
written off on other expenses	7521	474,100	281,520
included in cost of assets	7522	-	-
From total expenses on loans and credits:	7530	3,709,506	760,739
accrued %	7531	3,709,506	760,739
other expenses	7532	-	-

ESTIMATED LIABILITIES

Indicator	Code	Remainder at the beginning of year	Recognised	Redeemed	Written off as the excessive sum	Ending balance
Estimated liabilities - total	5700	1,732,648	2,632,059	(1,850,180)	(784,362)	1,730,165
including:	5701	383,348	1,271,807	(1,310,889)	(224)	344,042
Payment of forthcoming holidays						
Annual bonus payment	5702	197,997	286,061	(190,870)	(7,127)	286,061
For repair of fixed assets	5703	-	-	-	-	-
For works in connection with the seasonal character of production	5704	-	-	-	-	-
warranties and claims	5705	-	-	-	-	-
liquidating obligations	5706	-	-	-	-	-
judicial proceedings which have not been settled on the reporting date	5707	1,150,597	1,073,907	(348,122)	(776,510)	1,099,872
claims of taxing authorities by results of the tax checks, not settled on the reporting date	5708	-	-	-	-	-
other estimated liabilities	5709	706	284	(299)	(501)	190
From the total sum of contingent liabilities:						
Created for account of expenses on usual types of activity	5710		1,557,868			
Created for account of other expenses	5720		1,074,191			
Included in assets cost	5730		-			

DEFERRED TAXES

Indicator	Code	Deductible temporary difference	Deferred tax assets	Taxable temporary difference	Deferred tax liabilities
Remainder at the beginning of accounting year	7700	5,073,845	1,014,769	34,934,035	6,986,807
Income	7710	9,381,455	1,876,290	5,186,390	1,037,278
Expense	7720	(8,019,210)	(1,603,842)	(2,459,450)	(491,890)
Result of change of the tax rates	7730	X	-	X	-
Result of correction of errors of past years	7740	-	-	-	-
Permanent differences in cost of assets and liabilities	7750	-	-	-	-
Write-off which does not imply tax consequences	7760	(454,970)	(90,997)	(46,295)	(9,259)
Remainder on the accounting period end	7800	5,981,120	1,196,220	37,614,680	7,522,936

PROVISIONS

Indicator	Code	As at 31 December 2015 ¹	As at 31 December 2014 ²	As at 31 December 2013 ³
Received — total	5800	229,074	2,835	4,903
including:	5801	-	-	-
bills				
property which is in pledge	5802	-	-	-
from it:	58021	-	-	-
items of fixed assets				
securities and other financial investments	58022	-	-	-
other	58023	-	-	-
other received	5803	229,074	2,835	4,903
Issued under own security - total	5810	-	-	-
including:	5811	-	-	-
bills				
property which is in pledge	5812	-	-	-
from it:	58121	-	-	-
items of fixed assets				
securities and other financial investments	58122	-	-	-
other	58123	-	-	-
other issued	5813	35,412	-	-

¹ specifies the reporting date of the accounting period² specifies the previous year³ specifies the year prior to the previous one

GOVERNMENT ASSISTANCE

	Indicator	Code	For 2015 ¹	For 2014 ²
Budgetary funds received - total		5900	7,756	108,647
including:				
for current expenses		5901	-	-
compensation for Chernobyl cleanup veterans		5902	-	-
for accomplishment of tasks on mobilisation preparation		5903	-	-
for liquidation of the interterritorial cross subsidising		5904	-	-
for investments in non-current assets		5905	-	102,906
for other purposes		5906	7,756	5,741

	Indicator	Code	At the year beginning	Received for the year	Returned for the year	At the year end	At the year beginning	Received for the year	Returned for the year	At the year end
Budget credits - total		5910	-	-	-	-	-	-	-	-
including:										
financing of precautionary measures on reducing of industrial injuries and occupational diseases		5911	-	-	-	-	-	-	-	-
financing of profound medical checks of the employees at work with harmful and (or) dangerous production factors		5912	-	-	-	-	-	-	-	-
other		5913	-	-	-	-	-	-	-	-

GOVERNMENT ASSISTANCE ON WHICH THE CONDITIONS OF ITS GRANTING ARE NOT SATISFIED

Indicator		For 2015 ¹	For 2014 ²
Name	Code	Subject to return	Actually returned
Received budgetary funds on which the conditions of their granting are not satisfied			
including			
for current expenses			
compensation for Chernobyl cleanup veterans			
for accomplishment of tasks on mobilisation preparation			
for liquidation of the interterritorial cross subsidising			
other			
Received budget credits on which the conditions of their granting are not satisfied			
including			
financing of precautionary measures on reducing of industrial injuries and occupational diseases			
financing of profound medical checks of the employees at work with harmful and (or) dangerous production factors			
other			

¹ specifies the reporting year
² specifies the previous year

OTHER INCOME AND EXPENSES

	Indicator	Code	For 2015 ¹	For 2014 ²
Other income total		8000	5,211,763	6,668,817
including:				
From sale of fixed assets, except apartments		8001	1,533	5,169
From sale of apartments		8002	-	-
From sale of stocks		8003	83,926	53,343
From sale of currencies		8004	-	-
From sale of intangible assets		8005	-	-
From sale of securities		8006	50	79
From sale of other assets		8007	-	-
From joint activity		8008	-	-
Profit of 2014, revealed in the accounting period		8009	320,032	
Profit of 2013, revealed in the accounting period		8010	113,737	218,662
Profit of 2012, revealed in the accounting period		8011	113,945	582,383
Profit before 01.01.2012, revealed in the accounting period		8012	380	4,066
Penalty fee, fines and liquidated damages recognised or on which judgements of court (arbitration court) are received on their collection		8013	292,113	188,025
Accounts payable, on which term of limitation of actions has expired (more than three years)		8014	20,375	22,580
Exchange rate differences		8015		
Property which has appeared in surplus on results of inventory		8016	708,493	365,373
Gratuitously received assets, except FA and Intangible Assets		8017	-	-
Income from gratuitously received FA, determined in the established order		8018		2,954
Cost of tangible assets remaining from write-off of unsuitable to restoration and further use of assets		8019	126,071	115,259
Revaluation of financial investments on the current market value		8020	95,813	38,338
Income from reduction (write-off) of a reserve on doubtful debts		8021	803,284	2,173,749
Income from reduction (write-off) of a reserve under estimated liabilities		8022	784,362	467,422
Income from reduction (write-off) of a reserve under decrease of supplies value		8023	11,561	13,616
Income under contracts of a concession of the right of the requirement		8024	218,986	2,140,519
Income from revealed non-contract electricity consumption		8025	72,586	80,654
Insurance payments receivable		8026	52,980	41,342
Income connected with participation in AC of other organisations		8027	-	-
Restoration of the before written off accounts receivable		8028	9,446	226
Discount under bills		8029	-	-
Compensation for a difference in tariffs (budgetary financing)		8030	-	-
Income from reduction (write-off) of a reserve under depreciation of financial investments		8031	-	-
Other		8032	1,382,090	155,058
Other income total		8100	(8,440,358)	(9,446,256)
including:				
From sale of fixed assets, except apartments		8101	(142)	(874)
From sale of apartments		8102	-	-
From sale of stocks		8103	(70,824)	(44,344)

	Indicator	Code	For 2015 ¹	For 2014 ²
From sale of currencies		8104	-	-
From sale of intangible assets		8105	-	-
From sale of securities		8106	(1,976)	(270)
From sale of other assets		8107	-	-
From joint activity		8108	-	-
Expenses on bank fees		8109	(33,535)	(30,777)
Expenses on servicing financial investments		8110	(3,547)	(3,252)
Reserve on doubtful debts		8111	(2,311,950)	(2,022,066)
Reserve under depreciation of financial investments		8112		(161,600)
Reserve under decrease in value of tangible assets		8113	(7,696)	(16,182)
Reserve on discontinuing operation		8114	-	-
Reserve under estimated liabilities		8115	(1,073,907)	(837,416)
Asset retirement without income		8116	(131,677)	(228,469)
VAT on gratuitously transferred property		8117	(112)	(14,129)
Loss of 2014, revealed in the accounting period		8118	(562,030)	-
Loss of 2013, revealed in the accounting period		8119	(249,471)	(423,104)
Loss of 2012, revealed in the accounting period		8120	(367,961)	(1,774,967)
Loss of 01.01.2012, revealed in the accounting period		8121	(391)	(34,943)
Penalty fee, fines and liquidated damages recognised or on which judgements of court (arbitration court) are received on their collection		8122	(74,936)	(99,625)
State duties under economic contracts		8123	-	-
Revaluation of financial investments on the current market value		8124	(25,130)	(48,524)
Discount under bills		8125	-	-
Expenses under assignment of receivables contracts		8126	(218,986)	(2,140,519)
Unreimbursable VAT		8127	(70,321)	(69,744)
Expenses on revealed non-contract electricity consumption		8128	-	-
Instalments in associations and funds		8129	(3,106)	-
Debt receivable, on which term of limitation of actions has expired (more than three years)		8130	(10,528)	(29,040)
Exchange rate differences		8131	(72)	(13)
Legal costs		8132	(4,151)	(2,769)
Plunders, shortage		8133	(1,426)	(41)
Expenses for executive production		8134	(628)	(307)
Repayment of cost of apartments of employees		8135	(191)	(32)
Other material (financial) assistance and other payments to employees		8136	(1,201,538)	(778,666)
Material aid to pensioners (including non-recurring payments, compensation of utility bills)		8137	(51,350)	(54,006)
Expenses on holding sports events		8138	(6,270)	(11,902)
Expenses on holding cultural and educational events		8139	(26,468)	(33,185)
Expenses on charity		8140	(98,000)	
Other		8141	(1,832,038)	(585,490)

¹ specifies the reporting date of the accounting period² specifies the period of the previous year, the same accounting period

INQUIRY ON AVAILABILITY OF VALUABLES, BOOKED ON OFF BALANCE SHEET ACCOUNTS

Indicator	Code	As at 31 December 2015 ¹	As at 31 December 2014 ²	As at 31 December 2013 ³
Leased fixed assets	8200	10,429,218	10,636,456	18,983,674
including: under lease	82001	32,663	563,457	1,973,395
Inventory items, accepted for safekeeping	8201	3,649	-	-
Materials accepted in processing	8202	1,010	-	-
Goods accepted on the commission	8203	-	-	-
Equipment accepted for installation	8204	-	-	-
Indebtedness of insolvent debtors written off at a loss	8205	611,458	343,358	269,349
Depreciation of facilities of external improvement and other similar items	8206	6,054	5,683	5,736
Registered high-security forms	8207	232	211	156
Property which is in the federal property	8208	93,572	130,218	137,505
Intangible assets, received for use	8209	800,716	544,325	523,749
Property transferred to authorised capital in payment of acquired shares	8210	-	-	-
Fixed assets, leased out	8211	33,038	33,116	34,590

REPORTABLE SEGMENT INFORMATION

Indicator	Code	Period	Belgorodenergo	Bryanskenergo	Voronezhenergo	Kostromaenergo	Kurskenergo	Lipetskenergo	Orelenergo	Smolenskenergo	Tambovenergo	Tverenergo	Yarenergo	Executive Office	Other segments	Total
Revenue from external buyers	8310	for 2015	13,112,025	4,430,532	11,208,858	4,166,069	6,555,557	8,814,091	3,755,330	6,114,541	4,742,611	8,849,469	8,068,122	-	-	79,817,205
Revenue from external buyers	8310	for 2014	12,615,840	7,566,140	10,740,691	4,027,567	7,751,666	8,791,863	3,803,971	8,317,932	4,489,458	11,106,625	7,493,419	-	-	86,705,172
Inter-segment sales revenue	8320	for 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-segment sales revenue	8320	for 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total segment revenue	8300	for 2015	13,112,025	4,430,532	11,208,858	4,166,069	6,555,557	8,814,091	3,755,330	6,114,541	4,742,611	8,849,469	8,068,122	-	-	79,817,205
Total segment revenue	8300	for 2014	12,615,840	7,566,140	10,740,691	4,027,567	7,751,666	8,791,863	3,803,971	8,317,932	4,489,458	11,106,625	7,493,419	-	-	86,705,172
including																
revenue from transmission	8301	for 2015	12,607,530	4,360,490	10,916,421	4,038,658	6,463,925	8,690,451	3,713,089	5,895,553	4,682,304	8,655,622	7,709,567	-	-	77,733,610
revenue from transmission	8301	for 2014	12,204,685	5,106,101	10,346,290	3,934,141	6,438,951	8,678,176	3,529,061	5,502,236	4,427,750	8,389,922	7,347,061	-	-	75,904,374
revenue from grid connection	8302	for 2015	220,818	6,775	166,922	88,265	47,168	73,751	15,431	121,330	27,497	146,805	244,940	-	-	1,159,702
revenue from grid connection	8302	for 2014	159,611	19,343	285,777	59,930	181,724	77,260	24,882	72,114	31,483	481,640	101,778	-	-	1,495,542
revenue from resale of electric energy and power	8303	for 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ specifies the reporting date of the accounting period

² specifies the previous year

³ specifies the year prior to the previous one

REPORTABLE SEGMENT INFORMATION

Indicator	Code	Period	Belgorodenergo	Bryanskenergo	Voronezhenergo	Kostromaenergo	Kurskenergo	Lipetskenergo	Orelenergo	Smolenskenergo	Tambovenergo	Tverenergo	Yarenergo	Executive Office	Other segments	Total
revenue from resale of electric energy and power	8303	for 2014	-	2,402,744	-	-	1,085,336	-	199,646	2,443,200	-	2,169,181	-	-	-	8,300,107
other revenue	8304	for 2015	283,677	63,267	125,515	39,146	44,464	49,889	26,810	97,658	32,810	47,042	113,615	-	-	923,893
other revenue	8304	for 2014	251,544	37,952	108,624	33,496	45,655	36,427	50,382	300,382	30,225	65,882	44,580	-	-	1,005,149
Interest receivable	8330	for 2015	55,003	18,061	36,767	11,431	25,664	31,921	10,089	16,114	13,413	20,869	27,955	-	-	267,287
Interest receivable	8330	for 2014	18,962	13,317	16,404	5,440	3,070	9,566	3,434	7,235	5,746	8,909	14,572	-	-	106,655
Interest payable	8340	for 2015	(548,929)	(261,246)	(425,134)	(160,177)	(213,442)	(244,505)	(183,424)	(546,161)	(339,300)	(872,337)	(400,781)	-	-	(4,195,436)
Interest payable	8340	for 2014	(446,047)	(120,487)	(124,467)	(121,706)	(141,438)	(198,971)	(129,173)	(285,254)	(253,057)	(420,627)	(260,373)	-	-	(2,501,600)
Income tax expense	8350	for 2015	(255,879)	(2,989)	(209,049)	(92,750)	(11,910)	(182,404)	3,352	(31,276)	(109,323)	32,936	(196,023)	-	-	(1,055,315)
Income tax expense	8350	for 2014	(252,749)	89,258	(304,763)	(138,839)	(58,622)	(399,114)	(61,991)	(69,513)	(90,839)	(70,290)	(180,477)	-	-	(1,537,939)
Segment profit/(loss)	8360	for 2015	758,787	(350,945)	620,722	289,806	(270,671)	99,343	(144,152)	(17,534)	92,155	(806,172)	637,648	-	-	908,987
Segment profit/(loss)	8360	for 2014	808,682	66,265	1,379,618	396,852	66,089	1,227,379	155,326	198,158	152,136	(131,697)	545,070	-	-	4,863,878
Segment assets	8370	for 2015	25,217,202	5,775,222	12,107,095	5,803,309	7,956,006	15,828,331	3,963,374	8,408,157	5,856,921	13,353,323	11,784,898	1,815,276	-	117,869,114
Segment assets	8370	for 2014	24,046,308	6,487,241	11,654,200	5,571,269	8,052,605	15,605,393	3,873,774	7,461,880	4,807,245	11,774,838	9,378,979	2,678,307	-	111,392,038
including non-current assets	8371	for 2015	23,015,236	4,325,397	10,687,083	5,198,036	7,004,102	13,579,258	3,405,420	6,492,762	4,912,395	8,944,516	9,703,538	317,847	-	97,585,590
including non-current assets	8371	for 2014	21,654,953	4,422,038	10,130,359	4,968,252	6,794,083	13,413,666	3,274,458	5,995,960	3,940,803	7,216,175	7,341,990	18,057	-	89,170,794
Segments liabilities	8380	for 2015	3,178,274	778,149	1,810,589	640,100	1,280,912	1,295,351	501,086	1,050,065	718,218	3,452,364	1,488,808	45,362,239	-	61,556,155
Segments liabilities	8380	for 2014	2,887,735	532,660	1,602,265	635,450	996,833	1,304,414	548,177	1,110,442	633,441	3,118,306	1,259,725	40,530,993	-	55,160,442
Depreciation and amortisation of FA and Intangible Assets	8390	for 2015	2,328,771	433,077	888,751	519,230	736,880	1,090,534	354,751	819,981	375,267	641,162	871,070	-	-	9,059,474
Depreciation and amortisation of FA and Intangible Assets	8390	for 2014	2,379,470	406,900	783,229	463,967	688,261	980,669	332,551	745,726	347,287	577,225	669,703	-	-	8,374,988

EXPLANATORY NOTE TO THE ACCOUNTING BALANCE SHEET AND P&L STATEMENT FOR 2015

GENERAL INFORMATION ON THE COMPANY

1.1.	Full name	Interregional Distribution Grid Company of Centre, Public Joint-Stock Company; TIN/CRR 6901067107/997450001
1.2.	Short name	IDGC of Centre, PJSC
1.3.	State registration (PSRN, date)	1046900099498 dated from 17.12.2004
1.4.	Principal place of business (legal address)	2nd Yamskaya, 4, Moscow, Russia, 127018
1.5.	Postal address	2nd Yamskaya, 4, Moscow, 127018
1.6.	Information on the authorised capital	The authorised capital of the Company equals to 4,221,794 thousand rubles
1.7.	Information on the participants	Total number of persons, recorded in the register of issuer's shareholders as of end date of the last reporting quarter: 14,228 Total number of nominees: 9
1.8.	The Company's auditor	Full business name: RSM RUS Ltd. Abbreviated business name: RSM RUS Location: 4 Pudovkina street, Moscow 119285, Russia TIN: 7722020834 PSRN: 1027700257540

The main business activities of IDGC of Centre, PJSC are:

- Electric power transmission and distribution in 0.4-110 kV power grid;
- New connections to 0.4-110 kV power grid;
- Other services.

The main sales markets of the services provided by IDGC of Centre, PJSC and the Company's branches are 11 constituent entities of the Russian Federation, located in Central Federal District of the Russian Federation, in which IDGC of Centre, PJSC operates. These constituent entities include the Belgorod, Bryansk, Voronezh, Kostroma, Kursk, Lipetsk, Orel, Smolensk, Tambov, Tver and Yaroslavl regions.

IDGC of Centre, PJSC renders grid connection services to the following final applicants: individuals (private sector), legal entities (small, medium-sized, large business), territorial co-operating grid companies, budget companies.

DIVISIONS AND REPRESENTATIVE OFFICES OF THE COMPANY

Item №	Division name	Division location
1.	Division of IDGC of Centre, PJSC – «Belgorodenergo»	42 Preobrazhenskaya St., Belgorod, 308000, the Russian Federation
2.	Division of IDGC of Centre, PJSC – «Bryanskenergo»	35 Sovetskaya St., Bryansk, 241000, the Russian Federation
3.	Division of IDGC of Centre, PJSC – «Voronezhenergo»	2 Arzamasskaya St., Voronezh, 394033, the Russian Federation
4.	Division of IDGC of Centre, PJSC – «Kostromaenergo»	53 Mir Avenue, Kostroma, 156961, the Russian Federation
5.	Division of IDGC of Centre, PJSC – «Kurskenergo»	27 K. Marx St., Kursk, 305029, the Russian Federation
6.	Division of IDGC of Centre, PJSC – «Lipetskenergo»	33,50 let NLMK St., Lipetsk, 398001, the Russian Federation
7.	Division of IDGC of Centre, PJSC – «Orelenergo»	2 Mir Square, Orel, 302030, the Russian Federation
8.	Division of IDGC of Centre, PJSC – «Tambovenergo»	23 Morshanskoe shosse, Tambov, 392680, the Russian Federation
9.	Division of IDGC of Centre, PJSC – «Smolenskenergo»	33 Tenisheva St., Smolensk, 214019, the Russian Federation
10.	Division of IDGC of Centre, PJSC – «Tverenergo»	1 Bebel St., Tver, 170006, the Russian Federation
11.	Division of IDGC of Centre, PJSC – «Yarenergo»	12 Voinov St., Yaroslavl, 150003, the Russian Federation

Average staffing number of IDGC of Centre in 2015 was 29,428 people.

Management bodies of the Company:

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

The Company's Board of Directors performs general management of the Company's activity, except for solution of issues referred to the competence of the General Meeting of Shareholders by the Federal Law «On Joint-Stock Companies» and the Company's Articles of Association..

DATA ON THE MEMBERS OF THE MANAGEMENT AND CONTROL BODIES OF IDGC OF CENTRE:

№	Full name	Title
Board of Directors, elected by the General Meeting of Shareholders of 25.06.2015 (Minutes № 01/15 of 26.06.2015)		
1	Yury Nikolayevich Mangarov	Chairman of the Board of Directors of IDGC of Centre, Top Adviser of PJSC «Rosseti»
2	Yury Nikolayevich Pankstyanov	Deputy Chairman of the Board of Directors of IDGC of Centre, Director of Tariff Policy Department of PJSC «Rosseti»
3	Alexander Markovich Branis	Member of the Board of Directors of IDGC of Centre, Director of Representative office of Prosperity Capital Management (Russian Federation) Ltd.
4	Tatiana Petrovna Dronova	Member of the Board of Directors of IDGC of Centre, Deputy General Director for Strategy and Development of ZAO "Investment Holding "Energy Alliance"
5	Oleg Yuryevich Isaev	Member of the Board of Directors of IDGC of Centre, Chairman of the Management Board, General Director of IDGC of Centre
6	Denis Alexandrovich Malkov	Member of the Board of Directors of IDGC of Centre, Director of Electricity Balances and Metering Department of PJSC «Rosseti»
7	Maxim Mikhailovich Saukh	Member of the Board of Directors of IDGC of Centre, Head of Corporate Governance Office of Corporate Governance and Interaction with Shareholders Department of PJSC «Rosseti»
8	Roman Alexeyevich Filkin	Member of the Board of Directors of IDGC of Centre, Director, power engineering, machine building of Representative Office of Prosperity Capital Management (Russian Federation) Ltd.
9	Andrey Nikolayevich Kharin	Member of the Board of Directors of IDGC of Centre, Deputy Director of Corporate Governance, Pricing Environment and Supervisory Work in the Fuel and Energy Industry Department of the Ministry of Energy of Russia
10	Alexander Viktorovich Shevchuk	Member of the Board of Directors of IDGC of Centre, Executive Director of Association of Professional Investors
11	Natalia Ilyinichna Erpsher	Member of the Board of Directors of IDGC of Centre, Head of Organizational Development Office of Personnel Policy and Organizational Development Department of PJSC «Rosseti».
Collegial Executive Body – Management Board from 28.05.2015 (Minutes of the Board of Directors № 12/15 of 29.05.2015)		
1	Oleg Yuryevich Isaev	Chairman of the Management Board, General Director of IDGC of Centre
2	Alexander Viktorovich Pilyugin	Deputy Chairman of the Management Board, First Deputy General Director – Chief Engineer of IDGC of Centre
3	Inna Vitalievna Gromova	Member of the Management Board of IDGC of Centre, Deputy General Director for HR Management and Organizational Design of IDGC of Centre
4	Ivan Petrovich Kleymenov	Member of the Management Board, General Director - Director of the branch of IDGC of Centre - «Voronezhenergo»
5	Konstantin Alexandrovich Mikhailik	Member of the Management Board, First Deputy General Director of IDGC of Centre
6	Sergey Yuryevich Rummyantsev	Member of the Management Board, Deputy General Director for Economy and Finance of IDGC of Centre
7	Lyudmila Alexeevna Sklyarova	Member of the Management Board, Chief Accountant - Head of Financial and Tax Accounting and Reporting Department of IDGC of Centre

№	Full name	Title
Chief Executive Officer – General Director (from 11.12.2012)		
1	Oleg Yuryevich Isaev	Chairman of the Management Board, General Director of IDGC of Centre
Audit Commission, elected by the General Meeting of Shareholders of 25.06.2015 (Minutes № 01/15 of 26.05.2015)		
1	Svetlana Anatolyevna Kim	Chairperson of the Audit Commission of IDGC of Centre, Head of Audit Activities of Control Department of PJSC «Rosseti»
2	Tatiana Viktorovna Zaitseva	Member of the Audit Commission of IDGC of Centre, Deputy Head of Control and Risk Office of Control Department of PJSC «Rosseti»
3	Sergey Vladimirovich Malyshev	Member of the Audit Commission of IDGC of Centre, Leading Expert of Investment Audit Section of Audit Activities Office of Control Department of PJSC «Rosseti»
4	Oxana Alexeevna Medvedeva	Member of the Audit Commission of IDGC of Centre, Chief Expert of Audit Activities Office of Control Department of PJSC «Rosseti»
5	Sergey Ivanovich Ochikov	Member of the Audit Commission of IDGC of Centre, Chief Expert of Internal Audit Directorate of PJSC «Rosseti»

GENERAL RULES OF THE ACCOUNTING REPORTING AND SHORT DESCRIPTION OF THE MAIN PROVISIONS OF THE ACCOUNTING POLICY

Annual accounting statements of the company are prepared according to requirements of the legislation of the Russian Federation.

The business accounting of property, obligations and economic transactions is done on the basis of natural measuring instruments in money terms by the overall, continuous, documentary and interconnected recognition. Indicators of annual accounting records are resulted proceeding from a principle of importance for a financial standing estimation by all interested users.

The accounting statements data are presented in thousand rubles.

The accounting statements of the Company are prepared in accordance with applicable regulations of the Russian Federation on accounting and reporting, in particular, Federal Law dated 06.12.2011 # 402-FZ «About the business accounting», Provisions on conducting the business accounting and accounting reporting in the Russian Federation, approved by Order of the Ministry of Finance of the Russian Federation from 29.07.1998 # 34-n (with amendments and

modifications), Provisions on the business accounting, approved by orders of the Ministry of Finance of Russia.

The Company's accounting policy is generated proceeding from assumptions that:

- assets and obligations of the Company exist separately from assets and obligations of proprietors and assets and obligations of other companies (the economic entity assumption);
- the Company will continue the activity in the foreseeable future and it does not have intentions and necessity of liquidation or essential reducing of activity and, hence, the obligations will be repaid when due hereunder (the accounting continuity assumption);
- the accounting policy adopted by the Company is applied in succession from one accounting year to another (assumption of sequence of application of accounting policy);
- facts of economic activities of the Company concern that accounting period in which they took place, irrespective of actual time of receipt or payment of the money funds connected with these facts (assumption of time definiteness of facts of economic activities).

FIXED ASSETS. Asset accounting is performed in accordance with RAS 6/01, approved by Order of the Ministry of Finance of Russia from 30.03.2001 # 26n (with amendments and modifications).

Items of fixed assets are accounted for at cost. The initial value of fixed assets acquired for a fee is recognized as the amount of actual expenses for acquisition, construction and manufacturing, with the exception of value added tax and other recoverable taxes (except cases provided by the legislation of the Russian Federation). Fixed assets are stated at depreciated cost.

Depreciation is calculated with a straight-line method.

Items of fixed assets are not subject to depreciation, consumer properties of which over time do not change (such as land plots, natural resources sites); items of fixed assets, which are preserved and are not used in production, performance of works or provision of services, for administrative needs of the organization or to be given by the organization for payment for temporary possession and use or for temporary use including those used for implementation of the RF legislation on mobilization training and mobilization).

Intangible Assets Group	Term of useful life (number of years) of items, which transfer of ownership was accepted
Exclusive rights on a trade mark	9 – 10 years
Exclusive rights on computer programs, DB	3 – 10 years
Other Intangible Assets	10 years
R&D deliverables	5 years

The sum of depreciation charges on intangible assets is determined on the rates calculated proceeding from their original cost and term of useful use (straight-line method).

INVENTORIES. Accounting of inventories is performed in accordance with RAS 5/01, approved by Order of the Ministry of Finance of Russia from 09.06.2001 № 44n (with amendments and modifications).

Methods of estimation of inventories:

Inventories are valued at cost of purchase. Write-off of inventories in production was carried out at average cost.

The terms of useful life of items of fixed assets recognized by the company are included in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.3.2.

INTANGIBLE ASSETS. Intangible asset accounting is performed in accordance with RAS 14/2007, approved by Order of the Ministry of Finance of Russia from 27.12.2007 № 153n (with amendments and modifications).

Intangible assets are recorded at the actual (original) value determined at the date of their acceptance to accounting.

Assets are accounted for as intangible assets from the date when it is shown in a condition suitable for use in the manner intended by management.

The actual (historical) cost of intangible assets shall be the amount calculated in terms of money equal to the amount of payment in cash or in another form, or the value of accounts payable, accrued or paid by the Company on acquisition, creation of the asset and providing conditions for use of the asset for intended purposes.

The terms of useful life of intangible assets recognized by the company in 2015:

FINANCIAL INVESTMENTS. Financial investment accounting is performed in accordance with RAS 19/02, approved by Order of the Ministry of Finance of Russia from 10.12.2002 № 126n (with amendments and modifications).

As financial investments the Company recognizes assets which do not have material and physical form and are capable to provide economic benefits (income) in future in form of interest, dividends or increment of their value (in form of difference between selling price (redemption) and purchase value) as the result of their exchange, use at repayments of liabilities, increase of current market value.

Analytical accounting of financial investment is kept in frame of reference of long-term and short-term financial investments.

The financial investments on which the current market value may be determined ordinarily are reflected in the statements for later the reporting year at the current market value by means of adjustment of their appraisal on the previous accounting date. The mentioned adjustment is carried out by the Company quarterly.

The financial investments basing on which the current market value is not determined are reflected in the accounting at the initial value.

REVENUES. The Company divides the revenues into revenues from ordinary activities and other revenues.

Revenues from ordinary activities are the receipts connected with rendering of services, accomplishment of works, from sale of goods and products to third party companies.

All income, which is not connected with realisation of works and services in ordinary activities, is recognized as other income. The revenue is recognized for the business accounting in the sum estimated in money terms, equal size of receipt of money funds and other property and (or) accounts receivable size.

EXPENSES.

Expenses (costs) are recognized in the period in which they occur, regardless of when the actual cash payments and other forms of consumption (the assumption of time definiteness of facts of economic activity).

Costs, depending on the nature of costs and their relationship to the production process, are recorded in the costs structure of:

- main production - manufacture, goods (works, services), which was the purpose of creation of the Company;
- general production costs - costs of maintenance of main and auxiliary facilities of the Company (including administrative expenses of branches of SDCs);
- general running costs - costs for the needs to manage the Company as a whole, not directly related to the production process.

CASH FLOW STATEMENT. CASH EQUIVALENTS AND PRESENTATION OF CASH FLOWS IN THE CASH FLOW STATEMENT. In accordance with RAS 23/2011, approved by Order of the Ministry of Finance of Russia from 02.02.2011 № 11n, the Company defines approaches for separating cash equivalents from other financial investments.

Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. These include bills with maturities of three months or less, short-term government securities and bank deposits with a maturity of 3 months or less.

Data on cash and highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value (hereinafter – the cash equivalents) are summarized in the statement of cash flows.

When generating a statement of cash flows under «Cash flows from operating activities» payments for wages of employees are recognized at cost, which includes, inter alia, subject to deduction from the amount of compensation of employees sums (for example, the amount of taxes on personal income, payments writs).

SEGMENT REPORTING. In accordance with RAS 12/2010, approved by Order of the Ministry of Finance of Russia from 08.11.2010 № 143n (with amendments and modifications), the information of segments is included in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.13. and in Appendix № 1.

The Company identifies its reporting segments based on the analysis of the organizational and management structure, specificity of activity, as well as an internal reporting system by geographical regions in which the activities are performed.

Segment disclosure is aimed to provide interested users of accounting statements of the Company with information, allowing to evaluate the sectoral specificity of its activities, its economic structure, and financial performance in selected areas of activity.

CHANGES IN ACCOUNTING POLICY. No significant changes in accounting policy in 2015 were made.

DISCLOSURE OF ESSENTIAL INDICATORS IN THE STATEMENTS

INFORMATION ON TRANSACTIONS IN FOREIGN CURRENCY

In the accounting period transactions in foreign currency were not performed.

INFORMATION ON INVENTORIES

The information on inventories is included in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.5.1.

In 2015 inventories were not pledged.

As at December 31, 2015 the reserve under decrease in value of tangible assets in the amount of 1,284 thous. RUB was created.

INFORMATION ON FIXED ASSETS

Availability and flow of fixed assets for 2014-2015 are included in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.3.1.

In the statements the fixed assets are recorded at depreciated cost (original/replacement cost less accumulated depreciation).

Changes of the value of fixed assets resulting from completion, retrofit, renovation and partial liquidation are included in 5.3.3 for 2014-2015.

On the off-balance account of the Company as of 31.12.2015 the leased fixed assets are registered, which are included in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.3.4 and.

In accordance with the Company's method of accounting fixed assets no revaluation of fixed assets is performed by the Company.

The Company does not have income yielding investments into tangible assets.

CONCESSION FACILITIES

In 2015 the Company entered into a concession agreement with the Administration of the Tambov region – a subject of the Russian Federation.

Ownership of facilities of the concession agreement belongs to the concession grantor (the Tambov region – a subject of the Russian Federation).

Concession operator (the Company) will perform activities (operate) using the facility of the concession agreement and the grantor undertakes to provide to the concession operator for a 20 year period ownership and use of the facility of the concession agreement for the implementation of such activities.

During 2015 the concession operator (the Company) incurred the costs of creating the facility of the concession agreement in the amount of 875,983 thous. RUB.

In 2015 the facilities of the concession agreement were commissioned in the amount of 491,163 thous. RUB.

INFORMATION ON INTANGIBLE ASSETS

Availability and flow of intangible assets for 2014-2015 are included in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.1.1.

INFORMATION ON RECEIVABLES AND PAYABLES

The structure of receivables is recorded in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.6.1.

The structure of payables is recorded in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.6.5

As of 31.12.2015 a provision for doubtful debts in the amount of 11,937,521 thous. RUB was created.

Of these the reserve was accrued for the following activities:

- 9,558,176 thous. RUB for electric energy transmission;
- 1,721,645 thous. RUB for electric energy sale;
- 31,551 thous. RUB for grid connection.

Information on material disagreements with retail companies is recorded in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.6.4.

INFORMATION ON CREDITS AND LOANS

INFORMATION ON CREDITS AND LOANS IS INCLUDED IN THE EXPLANATORY NOTE TO THE ACCOUNTING BALANCE SHEET AND THE PROFIT AND LOSS STATEMENT IN TABLES 5.6.7, 5.6.8.

DEBT OF IDGC OF CENTRE UNDER CREDITS AND LOANS AS AT 31.12.2015 WILL BE PAID BACK WITHIN THE FOLLOWING TERMS:

In the period from 2016 to 2025 the credits and loans in the amount of 42,131,505 thous. RUB (taking into account accrued interest), will be mature, including:

- in 2016 – 1,676,505 thous. RUB (including % - 176,505 thous. RUB),
- in 2017 – 5,050,000 thous. RUB,
- in 2018 – 22,405,000 thous. RUB,
- in 2019 – 3,000,000 thous. RUB,
- in 2020 – 5,000,000 thous. RUB,
- in 2022 – 5,000,000 thous. RUB.

The sum of free limits under acting credit contracts of the Company as at 31.12.2015 is 12,419,290,73 thous. RUB.

THE COST OF INVESTMENT ASSETS IN 2015 INCLUDED INTEREST PAYABLE TO THE LENDER (CREDITOR) IN THE AMOUNT OF 274,810 THOUS. RUB.

LONG-TERM LOANS INCLUDE BONDED LOANS IN THE AMOUNT OF 15,000,000 THOUS. RUB, WHICH WERE PLACED BY THE COMPANY IN 2015. THEY WILL MATURE: IN 2018 – 5 BLN RUB, IN 2020 – 5 BLN RUB AND IN 2022 – 5 BLN RUB.

INFORMATION ON FINANCIAL INVESTMENTS

FINANCIAL INVESTMENTS ARE INCLUDED IN THE EXPLANATORY NOTE TO THE ACCOUNTING BALANCE SHEET AND THE PROFIT AND LOSS STATEMENT IN TABLES 5.4.1(1), 5.4.1 (2), 5.4.2, 5.4.3.

IDGC of Centre does not have any encumbered securities and other financial investments.

29.05.2015 JSC «YARGORELECTROSET», A DAUGHTER COMPANY OF IDGC OF CENTRE, WAS LIQUIDATED UP. BEFORE THE WINDING UP IDGC OF CENTRE WAS THE SOLE SHAREHOLDER OF JSC «YARGORELECTROSET», OWNING 100% (ONE HUNDRED PERCENT) OF THE TOTAL ISSUED VOTING SHARES OF JSC «YARGORELECTROSET».

JSC «Yargorelectroset» was a natural monopoly in the provision of services for the transmission of electricity to consumers in the city of Yaroslavl, which serves 75% of consumers in Yaroslavl. In 2015 power grid facilities of JSC «Yargorelectroset», involved in electric power transmission and in grid connection activities, and property that provides the performance of functions of the electric power transmission and grid connection, were transferred to the sole shareholder - IDGC of Centre.

INFORMATION ON CONTINGENCIES

CONTINGENCIES OF THE COMPANY ARE REPRESENTED AS THE PROVISION FOR FUTURE EXPENSES, ALLOWANCE FOR FUTURE HOLIDAY PAYMENT AND ALLOWANCE FOR THE PAYMENT OF REMUNERATION FOR THE YEAR, AND ALLOWANCE FOR LITIGATION.

Sum of contingencies, recognized in the reporting period, is recorded in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.7.1.

In the course of its operational activities the Company is a party to litigation. For abortive trials where the Company acts as a defendant with a low degree of foreclosure in favour of the Company a valuation allowance for litigation was created.

Estimated date of execution of contingencies for abortive trials is less than 12 months and estimated liabilities for litigation are recorded in the balance sheet of IDGC of Centre as a current liability.

The Company did not recognize provisions for estimated liabilities at the balance sheet date in respect of claims, the probability of resolution of which is assessed, taking into account the availability of positive jurisprudence in favour of IDGC of Centre, as high.

INFORMATION ON PROVISIONS OF IDGC OF CENTRE GIVEN AND RECEIVED IS INCLUDED IN THE EXPLANATORY NOTE TO THE ACCOUNTING BALANCE SHEET AND THE PROFIT AND LOSS STATEMENT IN TABLE 5.8.

INFORMATION ON INCOME

Income for the accounting year is included in the profit and loss statement separately on ordinary activities and under other income with breakdown by kinds and values.

Other income is included in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.11.

INFORMATION ON EXPENSES

Expenses for the accounting year are included in the profit and loss statement separately on ordinary activities and on miscellaneous costs with breakdown by kinds and values.

Expenses on ordinary activities broken down to elements of costs are included in the explanatory note to the accounting balance sheet and the profit and loss statement in table 2.1.

Other costs are included in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.11.

As at 31 December 2015 the Company recorded deferred expenses in «Other non-current assets» and «Other current assets» in the amount of 684,476 thous. RUB and 25,295 thous. RUB, respectively.

INFORMATION ON RELATED PARTIES

In the explanatory note the Company disclosed the information on the related parties.

Related parties are legal and (or) individuals capable of influencing the activities of the Company, or over which the Company is able to influence.

Related parties of the Company shall be persons possessing 20 percent and more of the votes in the supreme governing body of the Company; legal entities that are subsidiaries of the same company, which is a subsidiary of the Company itself; subsidiaries of the Company; members of the Board of Directors (Supervisory Board) of the Company; persons exercising powers of the chief executive officer, members of the collegial executive body of the Company, as well as other persons who, due to a predominant stake in the authorized capital, or in accordance with the contract are able to define decisions taken by the Company.

List of affiliates is available on the Company's website at:

<http://www.mrsk-1.ru/information/affiliates/2015/>

SETTLEMENTS ON CONTRACTUAL OBLIGATIONS FOR SERVICES PROVIDED BY AFFILIATES TO THE COMPANY IN 2014:

Item №	Name of the organization - an affiliate	Service type	Total accounts payable (+) / receivable (-) as at 31.12.2013, thous. RUB	Amount of charges, thous. RUB	Maturity value, thous. RUB	Total accounts payable (+) / receivable (-) as at 31.12.2014, thous. RUB
1	JSC «Russian Grids» ³	service on the operation and development of the distribution electric grid complex	20,201	404,029	404,029	20,201
2	JSC «Russian Grids» ³	technical supervision of electric grid facilities	-	34,901	34,901	-
3	JSC «IDGC of Volga» ¹	service to hold the Interregional qualifying competition for staff of SDCs of Russian Grids for repair and maintenance of distribution 0.4 - 10 kV networks	-	2,400	2,400	-
4	JSC «IDGC of North-West» ¹	emergency and restoration activities at electric grid facilities	-	1,913	1,912	-
5	JSC «IDGC of North-West» ¹	electric grid facilities lease	-	26	26	-
6	JSC «MOESK» ¹	emergency and restoration activities at electric grid facilities	-	1,662	1,662	-
7	JSC «IDGC of Centre and Volga Region» ¹	grid connection services	(33)	33	36	(36)
8	JSC «IDGC of Centre and Volga Region» ¹	emergency and restoration activities	-	5,795	5,795	-
9	JSC «Lenenergo» ¹	payments to suppliers and contractors for Fixed Assets	6,405	-	553	5,852
10	JSC «FGC UES» ¹	electric energy transmission services	1 087,928	18,120,439	16,816,293	2,392,074
11	JSC «FGC UES» ¹	grid connection services	(32,104)	4,823	(873)	(26,408)

¹ A legal entity which is a subsidiary of the same company, which is a subsidiary of the Company itself

Item №	Name of the organization - an affiliate	Service type	Total accounts payable (+) / receivable (-) as at 31.12.2013, thous. RUB	Amount of charges, thous. RUB	Maturity value, thous. RUB	Total accounts payable (+) / receivable (-) as at 31.12.2014, thous. RUB
12	JSC «FGC UES» ¹	emergency and restoration activities	-	374	374	-
13	JSC «FGC UES» ¹	lease services	(9,127)	4,831	220	(4,516)
14	JSC «FGC UES» ¹	construction and installation work	(1,140)	176	(56)	(907)
15	JSC «FGC UES» ¹	acquisition of immovable property	-	260	260	-
16	JSC «FGC UES» ¹	other settlements	-	37	37	-
17	JSC «NIIC-MRSK» ¹	engineering works	-	4,000	4,000	-
18	JSC «ZRETO» ¹	overhaul	-	47,814	43,492	4,322
19	JSC «Yargorelectroset» ²	electric energy transmission services	43,402	872,189	831,396	84,196
20	JSC «Energy Service Company» ²	construction and installation work	(13,481)	14,987	1,506	-
21	JSC «Energetik» ²	services in lodging and board	-	881	881	-
22	JSC «Mobile GTES» ¹	services under the agency agreement	-	5,432	-	5,432
23	JSC Moscow Communication Center of the Electric Power Industry ¹	communication services	53	1 047	1 053	48
24	JSC «NTC-POWER FGC UES» ¹	developmental and technological work	-	3,422	3,422	-
25	JSC «NTC-POWER FGC UES» ¹	research and development	-	5,900	5,900	-
26	JSC «NTC-POWER FGC UES» ¹	services for the organization to participate in chess tournament	-	90	90	-
27	JSC «ESS-ENES» ¹	emergency and restoration activities	-	259	259	-
28	LLC «IT Energy» ¹	service to maintain reference data	-	2,434	-	2,434
29	LLC «IT Energy» ¹	supply of server hardware	-	4,230	4,230	-
30	LLC «IT Energy» ¹	consulting services	602	-	602	-
31	JSC «YarEGC» ²	electric energy transmission services	25,906	302,225	296,339	31,792

SETTLEMENTS ON CONTRACTUAL OBLIGATIONS FOR SERVICES PROVIDED BY THE COMPANY TO AFFILIATES IN 2014:

Item №	Name of the organization - an affiliate	Service type	Total accounts receivable (+) / payable (-) as at 31.12.2013, thous. RUB	Amount of charges, thous. RUB	Maturity value, thous. RUB	Total accounts receivable (+) / payable (-) as at 31.12.2014, thous. RUB
1	JSC «Russian Grids» ³	provision of workplaces	-	920	920	-
2	JSC «Russian Grids» ³	sale of inventories	-	25,168	-	25,168
3	JSC «IDGC of South» ²	emergency and restoration work in the aftermath of a natural disaster at facilities of IDGC of South - Volgogradenergo	-	1,817	-	1,817
4	JSC «IDGC of Centre and Volga Region» ²	other settlements (shares)	1 057	374	8	1,423
5	JSC «IDGC of Centre and Volga Region» ²	other settlements (dividends)	-	23	23	-
6	JSC «Lenenergo» ²	the right to install fiber-optic lines at power facilities	-	553	553	-
7	JSC «Kubanenergo» ²	work on the technical, operational maintenance and repair of facilities owned by Kubanenergo	-	10,460	-	10,460
8	JSC «FGC UES» ²	property lease	-	2,050	2,050	-
9	JSC «FGC UES» ²	emergency and restoration activities	15,184	-	15,184	-
10	JSC «FGC UES» ²	operational maintenance of electric equipment	-	1 026	1 026	-
11	JSC «FGC UES» ²	grid connection services	-	-	1	(1)
12	JSC «FGC UES» ²	other settlements (shares)	2,793	4,353	654	6,492
13	JSC «FGC UES» ²	other settlements (compensation for breach of property rights)	(167,010)	-	-	(167,010)
14	JSC «FGC UES» ²	other settlements (dividends)	-	6	6	-
15	JSC «FGC UES» ²	electric energy sale	34	558	592	-
16	JSC «FOCL-Conductor Administration» ²	grid connection service	(1)	1	-	-
17	JSC «FOCL-Conductor Administration» ²	metering device installation	(4)	4	-	-
18	JSC «Yargorelectroset» ¹	% on the loan of monetary funds	3,562	11,554	12,917	2,199
19	JSC «Yargorelectroset» ¹	service of providing the loan of monetary funds	157,000	-	65,000	92,000
20	JSC «Yargorelectroset» ¹	dividends on shares	-	13,697	13,697	-

Item №	Name of the organization - an affiliate	Service type	Total accounts receivable (+) / payable (-) as at 31.12.2013, thous. RUB	Amount of charges, thous. RUB	Maturity value, thous. RUB	Total accounts receivable (+) / payable (-) as at 31.12.2014, thous. RUB
21	JSC «Yargorelectroset» ¹	other settlements	2,204,230	-	-	2,204,230
22	JSC «Yargorelectroset» ¹	grid connection services	7,157	327	5,004	2,479
23	JSC «Yargorelectroset» ¹	electric energy transmission services	-	43,753	40,009	3,744
24	JSC «Yargorelectroset» ¹	treasury services	-	600	550	50
25	JSC «Energy Service Company» ¹	% on the loan of monetary funds	14,461	6,611	-	21 072
26	JSC «Energy Service Company» ¹	state duty	-	5	-	5
27	JSC «Energy Service Company» ¹	service of providing the loan of monetary funds	161,600	-	-	161,600
28	JSC «Energy Service Company» ¹	other settlements	100	-	-	100
29	JSC «Energy Service Company» ¹	treasury services	36	180	-	216
30	JSC «Energetik» ¹	% accrued on the loan	-	1	-	1
31	JSC «Energetik» ¹	service of providing the loan of monetary funds	-	2,000	-	2,000
32	JSC «Energetik» ¹	other settlements	30,710	-	-	30,710
33	JSC «Energetik» ¹	dividends on shares	-	14	14	-
34	JSC «YarEGC» ¹	emergency repair of electric equipment	-	6	6	-
35	JSC «YarEGC» ¹	maintenance of equipment	8	945	870	83
36	JSC «YarEGC» ¹	electric energy transmission service	-	4,112	3,761	352

SETTLEMENTS ON CONTRACTUAL OBLIGATIONS FOR SERVICES PROVIDED BY AFFILIATES TO THE COMPANY IN 2015:

Item №	Name of the organization - an affiliate	Service type	Total accounts payable (+) / receivable (-) as at 31.12.2014, thous. RUB	Amount of charges, thous. RUB	Maturity value, thous. RUB	Total accounts payable (+) / receivable (-) as at 31.12.2015, thous. RUB
1	JSC «Russian Grids» ³	service on the operation and development of the distribution electric grid complex	20,201	404,029	404,097	20,133
2	JSC «Russian Grids» ³	technical supervision of electric grid facilities	-	49,854	47,370	2,484
3	JSC «Russian Grids» ³	services under a deed of guarantee and indemnity	-	5,373	-	5,373
4	JSC «IDGC of North-West» ¹	electric grid facilities lease	-	25	21	4
5	JSC «IDGC of Centre and Volga Region» ¹	grid connection services	(36)	-	-	(36)
6	JSC «Lenenergo» ¹	payments to suppliers and contractors for Fixed Assets	5,852	-	553	5,299
7	JSC «FGC UES» ¹	electric energy transmission services	2,392,074	18,010,001	18,553,247	1,848,828
8	JSC «FGC UES» ¹	grid connection services	(26,408)	3,859	11,120	(33,669)
9	JSC «FGC UES» ¹	lease services	(4,516)	9,355	4,168	671
10	JSC «FGC UES» ¹	construction and installation work	(907)	-	(907)	-
11	JSC «FGC UES» ¹	electric energy transmission services under a contract of assignment	-	230,814	-	230,814
12	JSC «ZRETO» ¹	overhaul	4,322	-	4,322	-
13	JSC «ZRETO» ¹	purchase of inventories	-	34	34	-
14	JSC «Yargorelectroset» ²	electric energy transmission services	84,196	-	84,196	-
15	JSC «Energetik» ²	services in lodging and board	-	1,275	1,275	-
16	JSC «Mobile GTES» ¹	services under the agency agreement	5,432	-	5,432	-
17	JSC Moscow Communication Center of the Electric Power Industry ¹	communication services	48	1 033	1 033	48
18	JSC «NTC-POWER FGC UES» ¹	research and development	-	10,000	10,000	-
19	JSC «NTC-POWER FGC UES» ¹	services for the organization to participate in chess tournament	-	90	90	-
20	LLC «IT Energy» ¹	service to maintain reference data	2,434	13,465	14,777	1,122
21	JSC «YarEGC» ²	electric energy transmission services	31,792	320,850	323,028	29,614
22	JSC «Tyumenenergo» ¹	services to organize and hold the Interregional competitions for maintenance and repair staff of PJSC «Rosseti»	-	2,384	2,384	-
23	JSC «Russian Grids» ³	service on the operation and development of the distribution electric grid complex	20,201	404,029	404,097	20,133

¹ A legal entity which is a subsidiary of the same company, which is a subsidiary of the Company itself

² A legal entity which is a subsidiary of the Company

Item №	Name of the organization - an affiliate	Service type	Total accounts payable (+) / receivable (-) as at 31.12.2014, thous. RUB	Amount of charges, thous. RUB	Maturity value, thous. RUB	Total accounts payable (+) / receivable (-) as at 31.12.2015, thous. RUB
24	JSC «Russian Grids» ³	technical supervision of electric grid facilities	-	49,854	47,370	2,484
25	JSC «Russian Grids» ³	services under a deed of guarantee and indemnity	-	5,373	-	5,373
26	JSC «IDGC of North-West» ¹	electric grid facilities lease	-	25	21	4
27	JSC «IDGC of Centre and Volga Region» ¹	grid connection services	(36)	-	-	(36)
28	JSC «Lenenergo» ¹	payments to suppliers and contractors for Fixed Assets	5,852	-	553	5,299
29	JSC «FGC UES» ¹	electric energy transmission services	2,392,074	18,010,001	18,553,247	1,848,828
30	JSC «FGC UES» ¹	grid connection services	(26,408)	3,859	11,120	(33,669)

SETTLEMENTS ON CONTRACTUAL OBLIGATIONS FOR SERVICES PROVIDED BY THE COMPANY TO AFFILIATES IN 2015:

Item №	Name of the organization - an affiliate	Service type	Total accounts payable (+) / receivable (-) as at 31.12.2014, thous. RUB	Amount of charges, thous. RUB	Maturity value, thous. RUB	Total accounts payable (+) / receivable (-) as at 31.12.2015, thous. RUB
1	JSC «Russian Grids» ³	provision of workplaces	-	920	920	-
2	JSC «Russian Grids» ³	sale of inventories	25,168	59,514	84,682	-
3	JSC «IDGC of Volga» ¹	emergency and restoration activities in the aftermath of a natural disaster at facilities of IDGC of Volga - Penzaenergo	-	1,148	1,148	-
4	JSC «IDGC of South» ²	emergency and restoration activities in the aftermath of a natural disaster at facilities of IDGC of South*	1,817	12,181	12,220	1,778
5	JSC «IDGC of Centre and Volga Region» ²	other settlements (shares)	1,423	11	397	1 037
6	JSC «IDGC of Centre and Volga Region» ²	other settlements (dividends)	-	12	12	-
7	JSC «Lenenergo» ²	the right to install fiber-optic lines at power facilities	-	553	553	-
8	JSC «Kubanenergo» ²	work on the technical, operational maintenance and repair of facilities owned by Kubanenergo	10,460	23,389	10,369	23,480
9	JSC «FGC UES» ²	property lease	-	1,989	1,843	146
10	JSC «FGC UES» ²	operational maintenance of electric equipment	-	5,998	5,906	92
11	JSC «FGC UES» ²	grid connection services	(1)	1	-	-

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² A legal entity which is a subsidiary of the Company

³ The parent company of the Company

Item №	Name of the organization - an affiliate	Service type	Total accounts payable (+) / receivable (-) as at 31.12.2014, thous. RUB	Amount of charges, thous. RUB	Maturity value, thous. RUB	Total accounts payable (+) / receivable (-) as at 31.12.2015, thous. RUB
12	JSC «FGC UES» ²	metering device replacement	-	2	2	-
13	JSC «FGC UES» ²	other settlements (shares)	6,492	-	5,343	1,149
14	JSC «FGC UES» ²	other settlements (compensation for breach of property rights)	(167,010)	20,619	20,619	(167,010)
15	JSC «FGC UES» ²	other settlements (dividends)	-	11	11	-
16	JSC «Yargorelectroset» ¹	% on the loan of monetary funds	2,199	1,906	4,105	-
17	JSC «Yargorelectroset» ¹	service of providing the loan of monetary funds	92,000	-	92,000	-
18	JSC «Yargorelectroset» ¹	other settlements	2,204,230	-	2,204,230	-
19	JSC «Yargorelectroset» ¹	grid connection services	2,479	-	2,479	-
20	JSC «Yargorelectroset» ¹	electric energy transmission services	3,744	-	3,744	-
21	JSC «Yargorelectroset» ¹	treasury services	50	30	80	-
22	JSC «Energy Service Company» ¹	% on the loan of monetary funds	21 072	-	-	21 072
23	JSC «Energy Service Company» ¹	state duty	5	-	-	5
24	JSC «Energy Service Company» ¹	service of providing the loan of monetary funds	161,600	-	-	161,600
25	JSC «Energy Service Company» ¹	other settlements	100	-	-	100
26	JSC «Energy Service Company» ¹	treasury services	216	-	-	216
27	JSC «Energetik» ¹	motor vehicles lease services	-	8	8	-
28	JSC «Energetik» ¹	% accrued on the loan	1	428	378	51
29	JSC «Energetik» ¹	service of providing the loan of monetary funds	2,000	3,000	-	5,000
30	JSC «Energetik» ¹	other settlements	30,710	-	15,355	15,355
31	JSC «Energetik» ¹	dividends on shares	-	178	178	-
32	JSC «YarEGC» ¹	maintenance of equipment	83	1,481	1,481	83
33	JSC «YarEGC» ¹	electric energy transmission service	352	-	352	-
34	JSC «YarEGC» ¹	non-residential premises rent	-	735	662	73
35	JSC «YarEGC» ¹	grid connection services	-	-	30	(30)
36	JSC «Nurenergo» ²	contract of assignment	-	2	-	2
37	JSC «Ingushenergo» ²	contract of assignment	-	157	-	157
38	JSC «Kalmenergosbyt» ²	contract of assignment	-	21	-	21
39	PJSC «Dagestan Energy Retail Company» ²	contract of assignment	-	8	-	8

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REMUNERATION (SALARY, BONUSES AND OTHER PAYMENTS) OF KEY MANAGEMENT PERSONNEL OF THE COMPANY FOR 12 MONTHS:

Title	Number of employees	Amount ¹ , thous. RUB	Number of employees	Amount ⁴ , thous. RUB
IDGC of Centre		2015		2014
Employees classified as «Top managers»	32	325,658	37	284,024
Members of the Management Board	10	1 071	9	1 040
Members of the Board of Directors	21	32,254	21	12,990
Members of the Audit Commission	3	558	5	1,350
Members of Committees under the Board of Directors	35	3,598	32	2,983
TOTAL	101	363,139	104	302,387

INFORMATION ON SEGMENTS

The information on segments is included in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.13. and Appendix #1.

For 2015 the Company received the revenue from OJSC «Belgorod Retail Company» (branch «Belgorodenergo») in the amount of 8,249,997 thous. RUB, which accounted for above 10% of the total revenue of the Company, including:

- revenue from electric energy transmission - 8,249,335 thous. RUB (including VAT- 1,258,373 thous. RUB);
- revenue from lease – 645 thous. RUB (including VAT - 98 thous. RUB);
- revenue from other services – 17 thous. RUB (including VAT- 3 thous. RUB).

INFORMATION ON CALCULATION OF PROFIT TAX

Calculation of tax base following the results of 2015 was made on the basis of the tax accounting data. The taxable surplus for the accounting period is 4,471,152 thous. RUB, the profit tax estimated under the rate of 20% is 894,230 thous. RUB.

The transition from accounting income to taxable income for 2014-2015 is included in the explanatory note to the accounting balance sheet and the profit and loss statement in table 2.3.

Item №	Indicator	2014r.	thous. RUB 2015r.
1.	Profit (loss) before tax	4,863,878	1,964,302
2.	Permanent differences	2,784,661	3,871,548
2.1.	Material aid, social privileges, etc. to employees, pensioners etc.	778,666	1,264,719
2.2.	Revaluation of financial investments	(38,338)	(95,812)
2.3.	Reserve reconstitution of doubtful debts	3,439,081	213,999
2.4.	Reserve reconstitution under other contingent liabilities	(398,009)	(476,716)
2.5.	Reserve reconstitution under depreciation of tangible assets	(13,616)	(11,561)
2.6.	Fixed Assets depreciation	843,806	782,029
2.7.	Profit of previous years	(805,111)	(548,094)
2.8.	Expenses of previous tax periods considered in previous tax periods on the basis of the specified declaration	2,233,014	1,179,853
2.9.	Expenses on charity	-	98,000
2.10.	Accounts receivable write-off	29,562	140,054
2.11.	Cultural and sports events	45,087	23,611

¹ The amount is shown, including accrued taxes and mandatory payments to the appropriate budgets and off-budget funds.

Item №	Indicator	2014r.	thous. RUB 2015r.
2.12.	Payments to the Board of Directors and Audit Commission	17,322	36,409
2.13.	Nonreimbursable VAT	69,744	70,321
2.14.	Deductions and payments to employees of trade-union committee	51,605	77,328
2.15.	Penalties, penalty fee, penalties, payments under settlement agreements	63,542	46,474
2.16.	Reserve on doubtful debts	(4,854,998)	(484,128)
2.17.	Reserve under other contingent liabilities	352,348	444,673
2.18.	Reserve under write-down of tangible assets	16,182	7,696
2.19.	Reserve under write-down of financial investments	161,600	-
2.20.	Disposal of assets without income	182,314	106,002
2.21.	Other	610,860	996,691
3.	Deductible temporary differences	427,985	1,362,241
3.1.	Fixed Assets depreciation (the amount of depreciation for tax accounting is less than the sum of depreciation for business accounting)	135,539	130,998
3.2.	Provision for payment of annual compensation and annual leave	(139,598)	57,905
3.3.	Contingencies	472,245	1,173,186
3.4.	Other	(40,201)	152
4.	Taxable temporary differences	3,220,274	2,726,939
4.1.	Fixed Assets depreciation (the amount of depreciation for tax accounting is more than the sum of depreciation for business accounting)	2,976,353	2,400,917
4.2.	Other taxable temporary differences	243,921	326,022
	including interest on debt	225,974	274,810
	Total (sum of line 2 + sum of line 3 – sum of line 4)	36,632	2,506,850
TAX DECLARATION DATA			
5.	Total profit (loss) under line 100 of Sheet 02 of the Tax declaration of current tax period	4,856,251	4,471,152
5.1.	Current profit tax	971,250	894,230
6.	Total full appreciated profit under the Tax declaration of previous tax periods	(406,370)	(975,085)
6.1.	Full appreciated profit tax of previous tax periods	(81,274)	(195,017)

The amount of the written off deferred tax asset was 90,997 thous. RUB, including:

- 1,197 thous. RUB – from liquidation of fixed assets;
- 89,498 thous. RUB – from write off of assessed reserves;
- 302 thous. RUB – other.

The amount of written-off deferred tax liabilities was 9,259 thous. RUB, including:

- 5,156 thous. RUB – recalculation of tax liability for previous tax periods for fixed assets;
- 1,159 thous. RUB – from write-off or sale of protective special gear;
- 2,944 thous. RUB – other.

INFORMATION ON PARTICIPATION IN JOINT ACTIVITY

The Company did not participate in any joint activity.

CAPITAL

As at 31 December 2015 the authorized capital of the Company is completely paid for and consists:

Name	Total quantity (pc.)	Nominal value (thous. RUB)
Common stocks	42,217,941,468	4,221,794
Preferred stocks	-	-
Total	42,217,941,468	4,221,794

The base earnings per share reflect a part of profit of the accounting period, which can be potentially distributed among shareholders – owners of common stocks. It is calculated as the relation of base profit for the accounting year to the weighted average quantity of common stocks in circulation within the accounting year. The base profit is equal to net profit of the accounting year. Earnings per share, diluted earnings per share are included in the explanatory note to the accounting balance sheet and the profit and loss statement in table 2.2.

CASH FLOW STATEMENT

As at 31.12.2015 there are no funds on deposits.

In the Cash Flow Statement, as collapsed, indirect taxes are reflected from buyers and customers, payments to suppliers and contractors and payments to the budget of the Russian Federation or the reimbursement out of it.

VAT is an indirect tax. The collapsed result on VAT in the amount of 82,580 thous. RUB is reflected in line 4129 «Other payments»:

- VAT amount as received from buyers and customers is 12,737,655 thous. RUB (lines 4110,4210)
- - VAT amount as paid to suppliers and contractors and to the budget of the Russian Federation is 12,655,075 thous. RUB (lines 4120, 4220, 4320).

Taxes are reflected in line 4119 «Other receipts».

Information on cash flow from operating, investing and financing activities of each reportable segment is included in Appendix № 1.

PROFIT/LOSS OF PREVIOUS YEARS

In accounting IDGC of Centre for previous reporting periods identified and recorded in 2015 as earnings from previous years income in the amount of 548,094 thous. RUB, including:

ASSESSMENT OF THE FINANCIAL POSITION OF THE COMPANY

Indicator	31.12.2014	31.12.2015
Current liquidity ratio	0,96	1,54
Acid ratio	0,87	1,38
Equity-assets ratio	0,50	0,48

- 434,466 thous. RUB – increase in income in previous periods for electricity transmission, contractual compensation of electricity losses in connection with the settlement of disputes, as well as on the basis of decisions of arbitration courts (out of them the sum of 216,405 thous. RUB refers to JSC «Lipetsk Energy Retail Company», 154,869 thous. RUB refers to JSC «Mezhregionenergosbyt», 47,057 thous. RUB refers to PJSC TNS energo Yaroslavl);

- 11,248 thous. RUB – revenues arising from the reflection of non-contractual acts of consumption;

- 102,380 thous. RUB – other income.

In accounting IDGC of Centre for previous reporting periods identified and recorded in 2015 as losses of previous years the costs in the amount of 1,179,853 thous. RUB, including:

- 1,139,554 thous. RUB – decrease in revenues reflected in accounting of IDGC of Centre for electricity transmission contracts in connection with the settlement of disputes, as well as on the basis of decisions of arbitration courts (out of them the sum of 317,078 thous. RUB refers to JSC «Mezhregionenergosbyt», the sum of 202,502 thous. RUB refers to «Lipetsk Energy Retail Company», the sum of 103,906 thous. RUB refers to LLC «Rusenergoresurs».

- 40,299 thous. RUB – other costs.

OTHER INFORMATION

INFORMATION ON THE RECEIVED PROVISIONS OF THE COMPANY'S OBLIGATIONS AND PAYMENTS.

The information on the received provisions of obligations of IDGC of Centre is included in the explanatory note to the accounting balance sheet and the profit and loss statement in table 5.8.

One of the indicators of the company's financial standing is its solvency and liquidity, i.e. its ability to pay back its obligations.

Following the results of 2015 the value of the current liquidity ratio was 1,54. Normative value of the ratio is considered equal to or greater than 1.

Acid ratio reflects the company's ability to pay back its current obligations in the shortest period of time. Normal value of the ratio is more than 0,8. Following the results of 2015 this ratio is within normal values and is 1,38.

Liquidity ratios are within normal values, indicating the ability of the company to pay back its current liabilities from current assets.

Equity-assets ratio determines the share of the company's assets financed by equity. The higher the ratio is, the more financially stable and independent from external creditors the enterprise is. The generally accepted standard value for this indicator is 0,5. Following the results of financial and economic activity of IDGC of Centre for 2015 the equity-assets ratio varies within the regulatory limits.

POLICY CONCERNING MANAGEMENT OF RISKS

In case of appearance of one or several of the above mentioned risks IDGC of Centre will take all possible measures on minimisation of negative consequences. Possible events for Company actions are developed for neutralisation of a part of risks when this or that risk occurs. However, it is necessary to note that preliminary development of measures adequate to corresponding events is complicated by uncertainty of development of a situation, and parameters of conducted events will depend in a greater degree on features of the created situation in each specific case. IDGC of Centre cannot warrant that the actions directed on overcoming of arisen negative changes, can lead to the situation correction as the described factors are beyond the Company's control.

In the Company's estimation, now deterioration of the situation in the industry can be attributed to:

RISKS CONNECTED WITH STATE REGULATION OF TARIFFS FOR SERVICES RENDERED

Transmission of electric energy through distribution grids and also grid connection to electric networks are regulated by the State.

The State realizes the policy of containment of increase of tariffs on product and services of natural monopolies. Increase of tariffs for electricity transmission is limited with a rate, established by the forecast of socio-economic development of the Russian Federation for the relevant year (hereinafter - the Forecast) or specific scenario conditions of the economy of the Russian Federation functioning, approved by the Government of the Russian Federation.

Limiting the growth of tariffs for 2015 according to the Forecast is 7,5% from July 2015, or 3,8% on an annualized basis (tariffs for 2014 were «frozen»). In order to minimize «shortfall in income» from the implementation of Federal Law dated 06.11.2013 № 308-FZ, which provides for prolongation of the lease of the Unified National Power Grid facilities until 01.07.2017 with a phased reduction in payment for services on electric energy transmission of large industrial consumers connected to such facilities («last mile» contracts), the tariffs for electricity transmission services for the Belgorod and Kursk regions were approved in excess of the Forecast of 2%.

From the second half of 2015 in the framework of implementation of the Governmental Resolution dated 11.05.2015 № 458 tariffs for electric power transmission to residential customers and similar consumers were revised upwards, as a result of which the Company's own revenues from the provision of electric energy transmission services grew up by 0,7 bln RUB. Limitation of the growth of tariffs for electric power transmission services for 2016 according to the Forecast is 7,5%.

In order to minimize «shortfall in income» from the reduced payment for HV-1 the tariffs for electricity transmission services in the Kursk region in 2016 were approved in excess of the limit at 5,5% (13% from 01.07.2016), in the Belgorod region - in excess of 4,9% under the maintenance rate (12,4% from 01.07.2016).

Implementation of Federal Law № 308-FZ in the subsequent years may result in deterioration of the financial position and reduction of the investment program of the Company.

The following measures are applied to minimize the risks:

1. Work with tariffs regulatory authorities of RF subjects, the Ministry of Energy of the Russian Federation to ensure compensation «shortfall in income» of grid companies, arising from the implementation of Federal Law № 308-FZ, by providing additionally to the Forecast of the Ministry of Economic Development the increase of tariffs for other customers and provision of subsidies from the federal budget.
2. On an ongoing basis, the work is done on the economic justification of costs included in rates, as well as on the inclusion of economically justified costs incurred in excess of recorded in rates and not received income for reasons beyond the Company's control prior periods in tariffs.
3. Regular work on reduction of costs and investment program optimization is conducted.
4. Implementation together PJSC «Rosseti» of activities to amend the existing legislation of the Russian Federation in pricing for natural monopolies to take the interests of distribution grid companies in setting tariffs for electricity at the retail market into account.

RISKS OF RECEIVING LESS INCOME THAN ONE IS DUE, CONNECTED WITH PAYMENT FROM RETAILERS OR DECREASE IN THE LEVEL OF POWER CONSUMPTION

The main buyers of the issuer's services are retail companies, which carry out delivery of electric energy to end users. The main risk connected with buyers is the probability of increase in the debt receivable in connection with:

- infringement of payment discipline by end users of electric energy and occurrence of necessity of attraction of additional credit resources. In the given situation there is risk of insufficiency of money resources on the Company's accounts in connection with presence of time cash breaks between receipt of money resources from retailers and necessity of financing of current operations;
- infringement of payment discipline by retailers, due to «off-target» use of funds, that is, despite the fact that end-users fulfilled their payment obligations to the retailers, and funds do not come to the Company's accounts from retailers.

The probability of this risk occurrence is medium.

For minimization of the probability of the given risk and its consequences, the management conducts work on the well-thought credit policy, on management of debt receivable directed to optimization of its amount and collection of debt. The Company also performs active claim-related work on debt collection, implements policy of conclusion of direct contracts with electric power consumers.

As the proceeds of the issuer are influenced by dynamics of power consumption of regions of the Company's service area, there is a risk of receiving less income than one is due in connection with decrease in electric power consumption by separate large consumers in relation to the target level. At present this risk probability is estimated as medium, with consequences for the Company's activity from medium to critical.

RISK OF UNCERTAINTY OF LIMITING VOLUMES OF RENDERING SERVICES ON TRANSMISSION OF ELECTRIC ENERGY

The risk of uncertainty of the limiting volumes of rendering services consists in:

- absence in some RF entities and municipal formations of actual economic development plans with indication of the behaviour of growth of power consumption for a certain period;
- probability of reduction of electric power consumption of the Russian economy in whole in connection with the adoption of Federal Law «On energy saving and on raising energy efficiency and on alteration of certain legislative acts of the Russian Federation» dated 23.11.2009 No. 261-FZ and implementation of social norm of consumption;
- reduction of electric power consumption of the Russian economy in case of start of economic recession/crisis;

- reduction in electric energy consumption due to the downturn of markets for the largest industrial consumers;
- decline in new connections or late execution of contracts concluded;
- reduction of the actual power of consumers due to changes in the load curve of consumption per day (load transfer to the night hours with no reduction in consumption).

The specified circumstances make it impossible to perform exact forecasting of volumes of investments into the sector capable to satisfy demand for electric energy in medium-term and long-term prospect. Also these circumstances can result in fall of profitable component of the issuer's budget within the long-term perspective. Basically, the given risk influences performance of obligations on rendering services on transmission of electric power. This risk probability is estimated as medium with medium consequences for the Company's activity. Minimization of the given risk is carried out by means of the following actions: работа с государственными органами субъектов Российской Федерации и органами местного самоуправления по формированию планов экономического развития региона в средне- и долгосрочной перспективе;

- work with the state bodies of the Russian Federation entities and institutions of local government on formation of plans of economic development of the region in the medium-term and long-term prospect;
- diversification of the Company's services portfolio.

Risks connected with shortage of qualified specialists in the industry

At present inflow of qualified production personnel in the industry is reducing. Keeping the current reduction rates the Company may confront with shortage of qualified production personnel in the regions of the service area. This risk is estimated as average within the long-term period with consequences for the Company's activity varying from insignificant up to medium. For the purposes of minimization of this risk probability the Company performs the following measures:

- support of industry secondary special and higher industrial institutions in the regions of the service area, creation of financial support of implementation of the program on training of specialists in the field of electric power with subsequent guaranteed employment of trained specialists;
- implementation of programs intended to increase motivation and reduction of volumes of staff turnover, implementation of non-material motivation methods.

COUNTRY AND REGIONAL RISKS

COUNTRY RISKS

At the moment the sovereign rating of the Russian Federation has been downgraded due to the current economic situation and is at the level «BBB-» (in sovereign currency, Standard & Poor's) – outlook «Negative», «BBB-» (Fitch) –

outlook «Negative», and «Ba1» (Moody's) – outlook «Negative». Financial problems or aggravated perception of risks of investment in the countries with a developing economy lowered the volume of foreign investments into Russia, caused an outflow of foreign capital, and rendered negative influence on the Russian economy.

Besides, the Russian economy is especially vulnerable to changes of the world prices for natural gas and oil. The transit of Russian gas to Europe through Ukraine also remains a problem. Dynamics of growth of prices for consumer products in the country remains to be a problem as well. The high key rate of the Central Bank of Russia significantly raised the cost of borrowing. All these events can limit access of the issuer to the capital and render adverse influence on purchasing capacity of consumers of products. At present the Government of the Russian Federation is implementing its policy of containment of growth of tariffs for products and services of natural monopolies, this can result in shortage of financing of the Company's investment program.

Furthermore, in the medium term the legal basis of a set of measures to tackle the problem of cross-subsidization in the electric power industry is expected to change. Probability of these risks is estimated as high with consequences for the Company's activity varying from significant to severe. Within the framework of minimization of the foregoing risks the issuer performs work on reduction of internal costs and optimization of the investment program as well as implements its well-thought-out policy in the field of taking out borrowed funds. Political risks are beyond the control of the Company because of their scale, but within the framework of their minimization the Company conducts active work with superior and regulating organizations in common interests of the industry development.

REGIONAL RISKS

The Company carries out its activities in the Central Federal District of the Russian Federation being an economically developed region of the country, the centre of financial and political activity. According to the Investment Rating of Regions of Russia 2015, prepared by the «Expert RA» Rating Agency, 6 out of 11 regions, which the Company's activity is connected with, are referred to the territories with moderate investment risks and various investment potential, five of the regions (Belgorod, Voronezh, Kursk, Lipetsk and Tambov regions) – to the regions with minimal investment risks.

The regional risks in the activity of the Company are as follows:

- disagreement of the authorized state tariff making bodies in part of economically proved costs declared by the Company for inclusion in the tariff;
- reduction of electric power consumption by large industrial enterprises of the regions.

The given circumstances can have essential influence on realization of the large scale investment program of the

Company, and their probability remains high. In order to decrease influence of regional risks on realization of the investment program, the Company on a constant basis cooperates with the state bodies and other stakeholders for the purpose of the control and management of the choice of stakeholders concerning their actions in connection with investment projects of the Company. The Company also performs activities on optimization of the investment program financing for the account of reduction of internal costs.

The main political risk of the Company's activity at the regional level is possible change of the government of regions with subsequent change of the then current model of relations. The main consequences for the Company's activity under these risks are: establishing a level of regional tariff lower than the economically grounded level, absence of support on the part of regional authorities for integration of municipal electric grid assets with IDGC of Centre.

At present probability of these risks is estimated as minimal with the consequences for the Company's activity from insignificant up to medium.

Within the framework of minimizing these risks the Company conducts constant work on compliance of the long-term programs of development of regions in the service area of activity of the Company's divisions with regional and local authorities as well as interacts actively with superior organizations on questions of activity in the regions.

FINANCIAL RISKS

In the course of business, the Company is faced with factors that may lead to a shortage of funds for investment and operations. The most significant financial risk factors are associated with imperfect mechanisms of functioning of the retail electricity market and explained in the section «Industry risks». However, there are a number of risk factors potentially affecting the financial and economic activity as well.

INFLATION RISKS

The negative impact of inflation on the financial and economic activity of the Company may be due to loss of real value of receivables, an increase in interest expense on borrowed capital, an increase in the cost of construction of items of the investment program, cost of materials, outsourced services necessary for operating activities that may have a negative impact on payment for shares of the Company.

According to the forecast of socio-economic development of the Russian Federation for 2016 and the planned period of 2017 and 2018 dated 26.10.2015 CPI average for 2015 was 115,4, which is 7,6 percentage points above the level of 2014. The increase in inflation can lead to an unplanned increase in operating expenses of the Company.

In order to reduce the inflation risk, the Company conducts a policy aimed at optimizing operating costs in accordance

with the Program of performance management and conclusion of long-term agreements with suppliers and contractors.

CURRENCY RISKS

Adverse changes in foreign currency exchange rates against the ruble may affect the operating and investment performance of the Company. Foreign exchange risk does not have any significant effect on the Company due to the fact that settlements are carried out exclusively with counterparties in the currency of the Russian Federation. However, given that the range of goods and equipment purchased by the Company contains imported components, a significant increase in the exchange rate may lead to higher prices for purchased products. In this connection, the Company has a policy aimed at import substitution and signing long-term agreements that do not provide for the growth of prices for purchased products.

INTEREST RATE RISKS

Dynamics of changes in the refinancing rate of the Central Bank of Russia reflects the state of the macroeconomic situation in the economy and has impact on the cost of raising loans. Raising rates on loans can lead to an unplanned increase in the cost of servicing the debt of the Company.

In order to mitigate interest rate risk, the Company pursues a balanced credit policy aimed at optimizing the structure of the loan portfolio and minimizing the cost of servicing the debt.

LIQUIDITY RISKS

The Company's operations are subject to risks that may result in reduced liquidity and financial stability of the Company. The most important factors are cross-subsidies between consumer groups and a low payment discipline in the retail electricity market.

As a result of the implemented tariff policy by the state aimed at curbing the growth of tariffs for the population, the amount of cross-subsidization increases. The most significant proportion of cross-subsidies accounts for large consumers, with which «last mile» contracts have been signed. Moving large industrial customers to direct contracts with PJSC «FGC UES» contributes to the formation of «shortfall in income» of the Company.

Low payment discipline of contractors of the Company results in creation of a large amount of accounts receivable, including overdue. The main factors that contributed to the low payment discipline were disagreements over the customer contract demand in settlements with retail companies, and misuse of funds for electricity supplied by retail companies, deprived of the status of suppliers of last resort.

As a result of implementation of these risk factors the Company may be unable to meet the financial and other restrictive conditions specified in the loan agreements. In

order to minimize this risk factor the Company monitors the capital structure and determines the optimal parameters of borrowing, as well as taking steps to optimize the structure of working capital.

INFLUENCE OF THE FINANCIAL RISKS ON FINANCIAL STATEMENTS

Changes in prices for electricity transmission in the first place will affect the total revenue of the Company and will have a significant impact on the net profit of the Company.

Inflationary processes, resulting in appreciation of materials and raw materials used in production could have a material impact on the balance sheet total, with the increase in accounts payable and receivable impairment.

Also, inflation in the economy of the Russian Federation may have a material impact on the net profit of the Company in connection with the fact that the Company's ability to raise prices for electricity transmission is limited with the annual state regulation, that is, the Company cannot vary according to changes in the rate of inflation and at the same time costs of the Company, which are mainly denominated in rubles, vary according to the rate of inflation.

In the case of risks, the following financial statements indicators are subject to the greatest changes: revenue, net income, the amount of accounts receivable and accounts payable.

LEGAL RISKS

Legal risks, in particular, connected with ambiguous treatment of norms of the legislation, can lead to incorrect calculation and payment of taxes, resulting in fines from the tax authorities. For their decrease the work is constantly performed on legitimate improvement of methods of calculation of tax base under various taxes and the control over their conformity with the current legislation.

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

The Company is subject to risks of the appeal by shareholders of large transactions and related-party transactions (at fulfillment of such transactions without appropriate preliminary approval by the Board of Directors or the General Shareholders Meeting, and also approved with infringement of the established order). For minimization of the given risks at realization of contractual work, the preliminary legal analysis of concluded transactions for presence of the bases of carrying out of the preliminary corporate procedures stipulated by the current legislation of the Russian Federation and/or the Articles of Association of the Company is performed without fail. In case of need the corresponding transactions are submitted for consideration by the competent governance bodies of the Company.

For minimization of the risks connected with relations with shareholders (in particular, the risk of «corporate blackmail» by the shareholders; the risk of unfriendly shareholders' actions aimed at disrupting general meetings of shareholders in the future), keeping the register of shareholders is performed by the professional registrar – Reestr RN LLC. The Company carries out a complex of measures directed to information interaction with shareholders and full observance of legitimate rights and interests of the latter (disclosing of the information in accordance with the procedure stipulated by normative legal acts, and carrying out of regular meetings of the companies' management with the shareholders, the main purpose of which is clarification of pressing issues of the current activity, observance of corporate procedures and internal documents). Given the issuer does not carry out and does not plan to carry out the activity outside the Russian Federation, there are no legal risks connected with the activity on the foreign markets.

RISKS, CONNECTED WITH CHANGE OF THE FOREIGN CURRENCY LEGISLATION

The Company's exposure to risks associated with changes in the currency legislation is actually minimal as the Company does not plan to carry out the activity outside the Russian Federation, and volume of foreign currency transactions is insignificant and is not able essentially to influence the activity.

RISKS, CONNECTED WITH CHANGE OF TAX LAWS

Statutory acts quite often contain indistinct formulations, or operate with the terms which do not having specific legal definition. Also official explanations of the Tax Code of Ministry of Finance of the Russian Federation and Federal Tax Service of the Russian Federation are not always available in the necessary volume.

The formation of rules and mechanisms of preparation and provision of the tax reporting are in the competence of the tax bodies having the right to make additional tax charges and tax collections charges, to charge the sums of fines, to impose significant penalties resulting in significant increase of tax risks. The Company in full observes the tax laws concerning its activity. In connection with the foregoing, the risk is assessed as insignificant.

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

INFORMATION DISCLOSURE ON THE ENVIRONMENTAL ACTIVITIES OF THE COMPANY

The costs of environmental protection of IDGC of Centre for 2015 were 6,957,93 thous. RUB. The fee for a negative impact on the environment in 2015 was 7469,86 thous. RUB. In 2015, in order to reduce negative impact on the environment and compliance with SanPiN 2.1.7.1322-03 «Hygienic requirements for the placement and disposal of production and consumption waste» in IDGC of Centre's branches specialized containers for waste collection were purchased, the arrangement of sites for temporary storage (stockpiling) of waste and improvement of surrounding area was performed. Constant monitoring of the accumulation of extremely hazardous waste was performed - used mercury lamps.

Based on SanPiN 2.2.1/2.1.1.1200-03 «Sanitary protection zones and sanitary classification of enterprises, buildings and other facilities» an instrumental control of emissions at the boundary of the sanitary-protection zones was performed. Based on the studies of air at the boundary of the sanitary-protection zones no excess of allowable concentration levels was detected.

Pursuant to Federal Law № 7-FZ of 10.01.2002 instrumental monitoring of compliance with established standards of maximum permissible emissions was arranged.

To comply with Federal Law № 89-FZ of 24.06.1998 «On the Production and Consumption Waste» and creating an analytical framework based on instrumental measurements and laboratory studies for monitoring of compliance with established MPE, MPD and monitoring in temporary storage (accumulation) waste was organized and performed within:

- air control of working zone in the temporary storage of waste;
- monitoring the level of soil contamination;
- laboratory analysis of microbiological, radiological and chemical parameters of groundwater and effluent.

As part of the implementation of its environmental policy in 2015 substation equipment was maintained and repaired, including replacement of oil switches with vacuum and overhaul of oil circuit breakers. Oil receivers of transformers, drainage devices were also repaired and gravel bedding under them was replaced.

Work on decommissioning and disposal of equipment containing PCBs was performed.

Polychlorinated biphenyls (PCBs) are a group of high-risk to humans and the environment compounds for which in recent years considerable efforts to control both at the national and international level have been made. PCBs are included in the list of twelve priority POPs, which under the Stockholm Convention «should be banned for use, their production should be stopped, and all stocks must be destroyed».

EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting date.

LITIGATION

There are no decisions on litigation, which entered into force in 2016, before signing the Company's accounting statements.

General Director

O.Y. Isaev

1 March 2016

Chief Accountant



L.A. Sklyarova



APPENDIX 2

AUDITOR'S REPORT ON THE 2015 CONSOLIDATED FINANCIAL STATEMENTS

THE SHAREHOLDERS OF PJSC «IDGC OF CENTRE»

AUDITED ENTITY:

Interregional Distribution Grid Company of Centre, Public Joint-Stock Company (abbreviated business name IDGC of Centre, PJSC).

Legal address: 2nd Yamskaya, 4, Moscow, Russia, 127018;

Primary State Registration Number: 1046900099498.

AUDITOR:

RSM RUS.

Legal address: 4 Pudovkina street, Moscow 119285, Russia;

Phone: (495) 363-28-48; Fax: (495) 981-41-21;

Primary State Registration Number – 1027700257540;

RSM RUS is a member of self-regulatory organization Not-for-Profit Partnership «Auditing Association «Sodruzhestvo» (Membership certificate # 6938, Principal Number of Registration Entry 11306030308), location: building 4, Michurinsky prospect, 21, Moscow, 119192.

We have audited the accompanying consolidated financial statements of PJSC «IDGC of Centre», which comprise consolidated statement of financial position as at 31 December 2015, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity for the year ended 31 December 2015, notes to the consolidated financial statements.

AUDITED ENTITY'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The management of PJSC «IDGC of Centre» is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for the system of internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the fairness of these consolidated financial statements based on our audit. We conducted our audit in accordance with Federal Auditing Standards and International Standards on Auditing. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit included performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on our judgment, which is based on the assessment of the risk of material misstatement, whether due to fraud or error. In making those risk assessments, we considered the system of internal control which ensures the preparation and fair presentation of the consolidated financial statements in order to select appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

An audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management of the audited entity, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the fairness of these consolidated financial statements.

Chair of Management Board

Auditor's qualification certificate № 05-000015 issued on the basis of the decision of the self-regulatory organization of Auditors - Non-Commercial Partnership «Russian Collegium of Auditors» dated from November 15, 2011 № 24 for an indefinite period.

Principal Number of Registration Entry in the Register of auditors and audit organizations – 29605011647

Audit Manager

Audit Certificate No. 05-000086. Issued following Resolution of self-regulatory organization Not-for-Profit Partnership «Russian Collegium of Auditors» dated 14 February 2012 No. 4. Permanent award.

ORNZ – 21005006455

AUDIT OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of PJSC «IDGC of Centre» and its subsidiaries as at 31 December 2015, the results of their financial performance and cash flows for 2015 in accordance with International Financial Reporting Standards.



N.A. Dantser

E.A. Gareeva

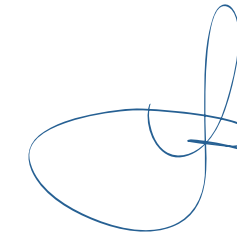
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

Thousands of Russian Roubles, unless otherwise stated

	Note	Year ended 31 December 2015	Year ended 31 December 2014
Revenue	7	80,830,287	86,991,622
Operating expenses	8	(75,204,444)	(88,958,841)
Other income	7	1,448,480	1,199,392
Results from operating activities		7,074,323	(767,827)
Finance income	10	308,245	143,028
Finance costs	10	(4,581,801)	(2,773,539)
Net finance costs		(4,273,556)	(2,630,511)
(Loss) / profit before income tax		2,800,767	(3,398,338)
Income tax benefit / (expense)	11	(1,919,820)	113,817
(Loss) / profit for the year		880,947	(3,284,521)
Other comprehensive income / (expense)			
Net change in fair value of available-for-sale financial assets	15	70,683	(11,533)
Income tax on other comprehensive income		(14,137)	2,307
Total items that are or may be reclassified to profit or loss		56,546	(9,226)
Remeasurements of the net defined benefit liability	24	(181,439)	585,257
Income tax on other comprehensive income		27,476	(43,617)
Total items that will never be reclassified to profit or loss		(153,963)	541,640
Other comprehensive income / (expense) for the year, net of income tax		(97,417)	532,414
Total comprehensive (expense) / income for the year		783,530	(2,752,107)
(Loss) / profit attributable to:			
Owners of the Company		852,807	(3,318,288)
Non-controlling interests		28,140	33,767
		880,947	(3,284,521)

	Note	Year ended 31 December 2015	Year ended 31 December 2014
Total comprehensive (expense) / income attributable to:			
Owners of the Company		755,390	(2,785,874)
Non-controlling interests		28,140	33,767
		783,530	(2,752,107)
(Loss) / earnings per share – basic and diluted (in Russian Roubles)	21	0,020	(0,079)

General Director



1 March 2016

O.Y. Isaev

Chief Accountant




L.A. Sklyarova

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

Thousands of Russian Roubles, unless otherwise stated

	Note	31 December 2015	31 December 2014
ASSETS			
Non-current assets			
Property, plant and equipment	12	77,639,154	73,086,442
Intangible assets	13	1,797,450	590,998
Investments and financial assets	15	673,062	550,639
Other non-current assets	16	65,768	86,794
Total non-current assets		80,175,434	74,314,873
Current assets			
Cash and cash equivalents	17	123,220	395,836
Trade and other receivables	18	16,762,252	16,271,633
Income tax prepayment		1,375,661	1 003,113
Inventories	19	2,012,403	1,808,539
Total current assets		20,273,536	19,479,121
Total assets		100,448,970	93,793,994
EQUITY AND LIABILITIES			
Equity			
Share capital	20	4,221,794	4,221,794
Reserves		(134,911)	(37,494)
Retained earnings		34,672,186	34,647,003
Total equity attributable to equity holders of the Company		38,759,069	38,831,303
Non-controlling interests		127,274	100,359
Total equity		38,886,343	38,931,662
Non-current liabilities			
Loans and borrowings	22	40,435,180	27,670,000
Finance lease liabilities	23	-	1,503
Employee benefits	24	2,344,882	2,051,491
Deferred tax liabilities	14	5,177,990	4,019,997
Trade and other payables	26	380,688	580,143
Total non-current liabilities		48,338,740	34,323,134

	Note	31 December 2015	31 December 2014
Current liabilities			
Loans and borrowings	22	1,676,505	9,609,936
Finance lease liability	23	1,503	82,485
Trade and other payables	26	8,311,537	8,039,441
Provisions	26	1 099,872	1,162,928
Employee payables	25	640,000	641,845
Income tax payable		71	9,369
Other taxes payable	27	1,494,399	993,194
Total current liabilities		13,223,887	20,539,198
Total liabilities		61,562,627	54,862,332
Total equity and liabilities		100,448,970	93,793,994

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

Thousands of Russian Rubles, unless otherwise stated

	Equity attributable to shareholders of the Company				Equity attributable to shareholders of the Company		
	Share capital (Note 20)	Fair value reserve for available-for-sale financial assets	Reserve for remeasurements of defined benefit plans	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2014	4,221,794	59,211	(629,119)	38,035,501	41,687,387	66,592	41,753,979
(Loss)/profit for the year	-	-	-	(3,318,288)	(3,318,288)	33,767	(3,284,521)
Net change in fair value of available-for-sale financial assets (Note 15)	-	(11,533)	-	-	(11,533)	-	(11,533)
Remeasurements of the net defined benefit liability (Note 24)	-	-	585,257	-	585,257	-	585,257
Income tax on other comprehensive income	-	2,307	(43,617)	-	(41,310)	-	(41,310)
Total comprehensive (expense) / income for the year	-	(9,226)	541,640	(3,318,288)	(2,785,874)	33,767	(2,752,107)
Transactions with owners, recorded directly in equity							
Dividends (Note 20)	-	-	-	(70,210)	(70,210)	-	(70,210)
Total transactions with owners, recorded directly in equity	-	-	-	(70,210)	(70,210)	-	(70,210)
Balance at 31 December 2014	4,221,794	49,985	(87,479)	34,647,003	38,831,303	100,359	38,931,662
Balance at 1 January 2015	4,221,794	49,985	(87,479)	34,647,003	38,831,303	100,359	38,931,662
(Loss) / profit for the year	-	-	-	852,807	852,807	28,140	880,947
Net change in fair value of available-for-sale financial assets (Note 15)	-	-	-	-	-	-	-
Remeasurements of the net defined benefit liability (Note 24)	70,683	-	-	70,683	-	70,683	-
Income tax on other comprehensive income	-	-	(181,439)	-	(181,439)	-	(181,439)
Total comprehensive (expense) / income for the year	(14,137)	27,476	-	13,339	-	13,339	-
Transactions with owners, recorded directly in equity	-	56,546	(153,963)	852,807	755,390	28,140	783,530
Dividends (Note 20)	-	-	-	(827,624)	(827,624)	(1,225)	(828,849)
Other	-	-	-	-	-	-	-
Total transactions with owners, recorded directly in equity	-	-	-	(827,624)	(827,624)	(1,225)	(828,849)
Balance at 31 December 2015	4,221,794	106,531	(241,442)	34,672,186	38,759,069	127,274	38,886,343

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

Thousands of Russian Roubles, unless otherwise stated

	Note	Year ended 31 December 2015	Year ended 31 December 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit for the year		880,947	(3,284,521)
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of intangible assets	8,12, 13	7,812,923	8,572,361
Loss on impairment of property, plant and equipment	8, 12	728,846	9,056,722
Allowance for impairment of accounts receivable	7, 8	1,504,937	(179,551)
Net finance costs	10	4,273,556	2,630,511
Provision for inventory obsolescence		(3,700)	1,810
Loss on disposal of property, plant and equipment and intangible assets		160,011	342,581
Bad debts written-off	8	245,118	34,951
Income tax expense	11	1,919,820	(113,817)
Adjustment for other non-cash transactions		(796,974)	(353,716)
Cash flows from operating activities before changes in working capital		16,725,484	16,707,331
Change in trade and other receivables		(2,375,811)	(3,495,348)
Change in inventories		(123,830)	261,587
Change in investments, financial assets and other non-current and current assets		(53,674)	5,327
Change in trade and other payables		68,722	(1,330,697)
Change in employee payables		(50,034)	(137,273)
Change in employee benefits		(111,927)	(78,856)
Change in other liabilities		(14,867)	3,962
Change in other taxes payable		501,205	(137,827)
Cash flows from operations before income taxes and interest paid		14,565,268	11,798,206
Interest paid		(4,427,615)	(2,800,649)
Income tax paid		(1 047,863)	(1 038,010)
Cash flows from operating activities		9,089,790	7,959,547

	Note	Year ended 31 December 2015	Year ended 31 December 2014
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets		(13,579,085)	(12,476,557)
Proceeds from disposal of property, plant and equipment and intangible assets		25,684	7,332
Dividends received	10	17,526	25,056
Interest received	10	290,719	117,972
Proceeds from sale of investments		1,934	79
Cash flows used in investing activities		(13,243,222)	(12,326,118)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and borrowings		26,099,722	11,839,393
Repayment of loans and borrowings		(21,311,491)	(7,689,675)
Dividends paid		(824,930)	(75,666)
Repayment of finance lease liabilities		(82,485)	(426,587)
Cash flows from financing activities		3,880,816	3,647,465
Net (decrease) / increase in cash and cash equivalents		(272,616)	(719,106)
Cash and cash equivalents at beginning of the year		395,836	1,114,942
Cash and cash equivalents at end of the year	17	123,220	395,836

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Thousands of Russian Roubles, unless otherwise stated

1 BACKGROUND

(A) THE GROUP AND ITS OPERATIONS

Public Joint-Stock Company «IDGC of Centre» (hereinafter - the «Company») and its subsidiaries (hereinafter together referred to as the «Group») comprise Russian public and joint stock companies as defined in the Civil Code of the Russian Federation. The Company was set up on 17 December 2004 based on Resolution no. 154p of 9 December 2004 and pursuant to the Board of Directors' decision (board of directors' meeting minutes no. 178 of 1 October 2004) and Management Board decision (Management Board minute no. 1102 of 15 November 2004) of Open Joint-Stock Company RAO «United Energy Systems of Russia» (hereinafter - «RAO UES»). From 07 July 2015, OJSC «IDGC of Centre» is renamed as PJSC «IDGC of Centre» based on the Decision of the Annual General Meeting of Shareholders of OJSC «IDGC of Centre» dated 25.06.2015 (minutes No. 01/15 of 26.06.2015), in order to bring it in line with the legal requirements.

The Company's registered office is 2nd, Yamskaya, 4, Moscow, 127018, Russia.

The Company's de facto address is 2nd, Yamskaya, 4, Moscow, 127018, Russia.

The Group's principal activity is the transmission of electricity and the connection of customers to the electricity grid. In 2013 and 2014 pursuant to orders of the Russian Ministry of Energy, «On the transfer of the functions of electricity supplier» the Group was performing power distribution services in several regions it operates (Note 7).

The Group consists of PJSC «IDGC of Centre» and its subsidiaries, presented in Note 5.

As at 31 December 2015 and 31 December 2014, the Government of the Russian Federation owned 85.31% of the shares of PJSC «Russian Grids» (formerly OJSC «IDGC Holding»), which in turn owned 50.23% of the shares of the Company. OJSC «IDGC Holding» was renamed OJSC «Russian Grids» following the decision made on 23 March 2013 at an Extraordinary General Meeting of Shareholders of

OJSC «IDGC Holding». OJSC «Russian Grids» was renamed PJSC «Russian Grids» following the decision made on 30 June 2015 at an Extraordinary General Meeting of Shareholders of OJSC «Russian Grids», in order to bring it in line with the legal requirements.

The Government of the Russian Federation influences the Group's activities through setting transmission tariffs.

(B) RUSSIAN BUSINESS ENVIRONMENT

The Group's operations are located in the Russian Federation, consequently, the Group is exposed to the economic and financial markets of the Russian Federation. Russia continues economic reforms and development of its legal, tax and regulatory frameworks. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the Government.

In 2014, the Russian economy was negatively impacted by macroeconomic factors, including devaluation of the Russian Rouble. In December 2014, the Rouble interest rates increased significantly after the Central Bank of Russia raised its key rate. The combination of the above resulted in reduced access to capital, a higher cost of capital, increased inflation and uncertainty regarding economic growth. In 2015, the situation has leveled off. The Central Bank of Russia has repeatedly reduced the key interest rate; exchange rate fluctuations and inflation have been smoothed. However, risks remain that the combination of economic factors could negatively affect the Group's future financial position, results of operations and business prospects.

Management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances.

The consolidated financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

2 BASIS OF PREPARATION

(A) STATEMENT OF COMPLIANCE

These consolidated financial statements (hereinafter «Financial Statements») have been prepared in accordance with International Financial Reporting Standards («IFRSs», «IASs»).

(B) BASIS OF MEASUREMENT

The Financial Statements are prepared on the historical cost basis except for available-for-sale financial assets measured at fair value; and property, plant and equipment which was revalued to determine deemed cost as part of the adoption of IFRS as at 1 January 2007.

(C) FUNCTIONAL AND PRESENTATION CURRENCY

The national currency of the Russian Federation is the Russian Rouble («RUB»), which is the functional currency of the Company and all its subsidiaries, and the currency in which these Financial Statements are presented.

All financial information presented in RUB has been rounded to the nearest thousand.

(D) USE OF ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Note 28 – allowances for impairment of trade and other receivables;
- Note 29 – lease classification.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following note:

- Note 12 – determining the recoverable amount of property, plant and equipment;
- Note 24 – employee benefits
- Note 31 – contingencies.

(E) CHANGES IN ACCOUNTING POLICIES AND DATA PRESENTATION

The Group has consistently applied the accounting policies set out in Note 3 to all periods presented in these consolidated financial statements.

The following new or amended standards are not expected to have a significant impact of the Group's consolidated financial statements.

- IFRS 14 «Regulatory Deferral Accounts».
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38).
- Equity Method in Separate Financial Statements (Amendments to IAS 27).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).
- Annual Improvements to IFRSs 2012–2014 Cycle – various standards.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).
- Disclosure Initiative (Amendments to IAS 1).

Certain amounts of the previous year have been adjusted to conform with the current year disclosures.

When necessary, comparative information for the prior periods has been reclassified due to the application of the extended data presentation. The quantitative impact of this reclassification on the comparative information specified in the statement for the 12 months of 2015 is set out below.

Consolidated Statement of Profit or Loss and Other Comprehensive Income:

31 December 2014	As previously reported	Effect of change	As restated
Revenue	86,991,622	-	86,991,622
Operating expenses	(88,940,055)	(18,786)	(88,958,841)
Other operating income	1,199,392	-	1,199,392
Results from operating activities	(749,041)	(18,786)	(767,827)
Finance income	124,242	18,786	143,028
Finance costs	(2,773,539)	-	(2,773,539)
Net finance costs	(2,649,297)	18,786	(2,630,511)
Profit before income tax	(3,398,338)	-	(3,398,338)
Income tax expense	113,817	-	113,817
Profit for the period	(3,284,521)	-	(3,284,521)

Consolidated Statement of Cash Flows

31 December 2014	As previously reported	Effect of change	As restated
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit for the year	(3,284,521)	-	(3,284,521)
Adjustments for:			
Depreciation and amortisation	8,572,361	-	8,572,361
Loss on impairment of property, plant and equipment	9,056,722	-	9,056,722
Allowance for impairment of accounts receivable	(179,551)	-	(179,551)
Net finance costs	2,649,297	(18,786)	2,630,511
Provision for inventory obsolescence	1,810	-	1,810
Loss on disposal of property, plant and equipment	342,581	-	342,581
Loss on bad debts written-off	34,951	-	34,951
Income tax expense	(113,817)	-	(113,817)
Adjustments for other non-cash transactions	(353,716)	-	(353,716)
Cash flows from operating activities before changes in working capital	16,726,117	(18,786)	16,707,331

31 December 2014	As previously reported	Effect of change	As restated
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets	(12,476,557)	-	(12,476,557)
Proceeds from disposal of property, plant and equipment	7,332	-	7,332
Dividends received	25,056	-	25,056
Interest received	99,186	18,786	117,972
Proceeds from sale of investments	79	-	79
Cash flows used in investing activities	(12,344,904)	18,786	(12,326,118)

In Note 8 «Operating expenses» information of expenditure items «Communication services» and «Other expenses» was updated:

31 December 2014	As previously reported	Effect of change	As restated
Communication services	44,847	239,719	284,566
Other expenses	2,847,065	(239,719)	2,607,346

3 SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF CONSOLIDATION

(I) SUBSIDIARIES

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(II) TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(III) BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assess-

ing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus,
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(IV) NON-CONTROLLING INTERESTS

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(V) BUSINESS COMBINATIONS INVOLVING ENTITIES UNDER COMMON CONTROL

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the acquired entity's IFRS consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognised as part of retained earnings. Any cash paid for the acquisition is recognised directly in equity.

(B) FINANCIAL INSTRUMENTS**(I) NON-DERIVATIVE FINANCIAL ASSETS**

Non-derivative financial assets comprise investments in equity, trade and other receivables, cash and cash equivalents.

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are a category of financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables category comprise the following classes of financial assets: trade and other receivables as presented in Note 16 and Note 18, and cash and cash equivalents as presented in Note 17.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and highly liquid investments with maturities at initial recognition of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the above categories of financial assets. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3(f)(i)), are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised or impaired, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Investments in equity securities that are not quoted on a stock exchange and where fair value cannot be reliably measured are stated at cost less impairment losses.

Available-for-sale financial assets comprise equity securities.

(II) NON-DERIVATIVE FINANCIAL LIABILITIES

All financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liability category.

Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, and trade and other payables.

(C) PROPERTY, PLANT AND EQUIPMENT**(I) RECOGNITION AND MEASUREMENT**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost of property, plant and equipment at 1 January 2007, the date of transition to IFRSs, was determined by reference to its fair value at that date.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing of assets and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/ other expenses in profit or loss.

(II) SUBSEQUENT EXPENDITURE

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(III) DEPRECIATION

Depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment by type of facility are as follows:

Buildings	7 – 50 years;
Transmission networks	5 – 40 years;

Equipment for electricity transformation	3 – 20 years;
Other	1 – 25 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(IV) LEASED ASSETS

Assets held by the Group under leases that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Other leases are operating leases and the leased assets are not recognised in the Group's statement of financial position. Operating lease payments (net of benefits granted by the lessor) are recognised in profit or loss on a straight line basis over the lease term.

(V) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

(D) INTANGIBLE ASSETS**(I) INTANGIBLE ASSETS OTHER THAN GOODWILL**

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(II) SUBSEQUENT EXPENDITURE

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(III) AMORTISATION

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Computer software	1 – 10 years;
Other intangible assets	1 – 20 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(E) INVENTORIES

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The cost of inventories is determined using the weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(F) IMPAIRMENT

(I) NON-DERIVATIVE FINANCIAL ASSETS

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and

reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale equity securities are recognised by reclassifying the losses accumulated in the fair value reserve in equity, to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, and the current fair value, less any impairment loss previously recognised in profit or loss. Any subsequent recovery in fair value of an impaired available-for-sale equity securities is recognised in other comprehensive income.

(II) NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amount of the assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would

have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(G) PROVISIONS

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(H) REVENUE

Revenue from electricity transmission is recognised based on acts of services rendered. The act is prepared in respect of each counterparty in accordance with the concluded contract on the provision of services based on the meter readings and the «boiler» tariffs approved by the Regional Energy Commission of each region of the Group's operations.

Revenue from the sale of electricity is recognized based on:

- monthly acts of acceptance of electricity under the electricity supply agreements (electricity sale agreements) of legal entities based on the meter readings and unregulated prices formed on the retail market in the settlement period;
- monthly documents (receipts) on the consumption of utilities services by individuals based on the meter readings and tariffs approved by the Regional Energy Commission.

Revenue from connection services represents a non-refundable fee for connecting the customer to the electricity grid network. The tariffs for connection services are approved by the Federal Tariff Agency and Regional Energy Commission of each region of the Group's operations. The terms, conditions and amounts of these fees are negotiated separately and are independent from fees generated by electricity transmission services. Revenue is recognised when electricity is activated and the customer is connected to the grid network or, for contracts where connection services are performed in stages, revenue is recognised in proportion to the stage of completion when an act of acceptance is signed by the customer.

Revenue from installation, repair and maintenance services and other sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer or when the services are provided.

(I) FINANCE INCOME AND COSTS

Finance income comprises interest income on cash balances and bank deposits and dividend income. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or

loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, employee benefits and finance leases. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualified asset are recognised in profit or loss using the effective interest method.

(J) INCOME TAX

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities;

such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In accordance with the tax legislation of the Russian Federation, tax losses and current tax assets of a company in the Group may not be set off against taxable profits and current tax liabilities of other Group companies. In addition, the tax base is determined separately for each of the Group's main activities and, therefore, tax losses and taxable profits related to different activities cannot be offset.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(K) EMPLOYEE BENEFITS

(I) DEFINED CONTRIBUTION PLANS

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans, including Russia's State pension fund, are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(II) DEFINED BENEFITS PLAN

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognised past service costs and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(III) OTHER LONG-TERM EMPLOYEE BENEFITS

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations as at reporting date and that are denominated in the same currency in which the benefits are expected to be paid.

The Group calculates obligation in respect of other long-term employee benefits using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

(IV) SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and if the obligation can be estimated reliably.

(L) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(M) EARNINGS PER SHARE

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(N) SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Management Board, the Group's operating decision making body, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Management Board, the Group's operating decision making body, include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(O) SERVICE CONCESSION ARRANGEMENTS

The Group applies IFRIC Interpretation 12 «Service Concession Arrangements» (IFRIC 12) to public-to-private service concession arrangements if:

- the grantor controls or regulates what services the Group must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the infrastructure at the end of the term of the arrangement.

The Group accounts for revenue and costs relating to construction services in accordance with IAS 11 and accounts for revenue and costs relating to electricity transmission in accordance with IAS 18.

The consideration for construction or upgrade services received or receivable by the Group is recognised at its fair value.

The Group recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law.

The Group recognizes an intangible asset to the extent that it receives a right to charge users of the public service.

As to the financial asset - the amount receivable from the grantor or by his orders, is accounted for in accordance with IAS 39:

- a loan or account receivable;
- financial asset, available-for-sale; or
- financial asset measured at fair value through profit or loss if on initial recognition the criteria for such classification are met.

The Group recognizes an intangible asset in accordance with IAS 38. Paragraphs 45–47 of IAS 38 provide guidance on measuring intangible assets acquired in exchange for a non-monetary asset or assets or a combination of monetary and non-monetary assets. Amortization period is defined as a duration of the Service Concession Arrangements. The Group tests the intangible asset for impairment in accordance with IAS 36.

The Group capitalizes the borrowing costs attributable to the construction stage of the Service Concession Agreement as part of an intangible asset, in accordance with IAS 23. The Group recognizes other borrowing costs attributable to the Service Concession Agreement as an expense in the period in which they are incurred.

(P) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new Standards, amendments to Standards and Interpretations are not yet effective as at 31 December 2015, and have not been applied in preparing Consolidated Financial Statements. Of these pronouncements, potentially the following will have an impact on the Group's operations. The Group plans to adopt these pronouncements when they become effective.

- In July 2014, the IASB issued the final version of IFRS 9 «Financial Instruments». The final version of IFRS 9 replaces IAS 39 «Financial Instruments: Recognition and Measurement», and all previous versions of IFRS 9. IFRS 9 brings together the requirements for the classification and measurement, impairment and hedge accounting of financial instruments. The standard is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Company is currently assessing the impact of the standard on the consolidated financial statements.
- IFRS 14 «Regulatory Deferral Accounts» will come into effect for annual periods beginning on or after 1 January 2016. The new standard specifies the financial reporting requirements for regulatory deferral account balances that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. The Group has not yet analysed the likely impact of the standard on its financial position or performance.
- IFRS 15 «Revenue from Contracts with Customers» will come into effect for annual periods beginning on or after 1 January 2018. The new standard establishes

the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The Group has not yet analysed the likely impact of the standard on its financial position or performance.

- Amendments to IAS 16 «Property, Plant and Equipment» and IAS 38 «Intangible assets» - Clarification of Acceptable Methods of Depreciation and Amortisation. The amendments clarify that a revenue-based method is not considered to be an appropriate manifestation of consumption. The amendments are applicable to annual periods beginning on or after 1 January 2016, early application permitted. The Group does not expect the amendments to have material impact on its financial position and performance.
- IFRS 16 «Leases» is effective for annual reporting periods beginning on or after 1 January 2019, earlier application is permitted if IFRS 15 «Revenue from Contracts with Customers» is also adopted. IFRS 16 replaces the existing lease accounting guidance in IAS 17 «Leases», IFRIC 4 «Determining whether an Arrangement contains a lease», SIC-15 «Operating Leases – Incentives» and SIC-27 «Evaluating the Substance of Transactions Involving the Legal Form of a Lease». It eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice – i.e. lessors continue to classify leases as finance and operating leases.
- Various Improvements to IFRSs have been dealt with on a standard-by-standard basis. All amendments, which result in accounting changes for presentation, recognition or measurement purposes, will come into effect for annual periods beginning after 1 January 2016. The Group has not yet analysed the likely impact of the improvements on its financial position or performance.

4 MEASUREMENT OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the Note 28.

5 SUBSIDIARIES

List of subsidiaries

	Country of incorporation	31 December 2015 Ownership/voting, %	31 December 2014 Ownership/voting, %
JSC «Sanatorium «Energetic»	Russian Federation	100	100
JSC "Yaroslavl Electric Grid Company"	Russian Federation	51	51
OJSC «Yargorelectroset»	Russian Federation	-	100
OJSC «Energy Service Company»	Russian Federation	-	100
CJSC «Innovation and energy efficiency center»	Russian Federation	51	51

In September 2014, the Company as the sole shareholder of OJSC «Yargorelectroset» took the decision to liquidate OJSC «Yargorelectroset» on a voluntary basis. On 15 April 2015 OJSC «Yargorelectroset» was liquidated. Power grid facilities and other property of OJSC «Yargorelectroset» providing transmission of electricity and the connection of customers to the electricity grid were transferred to the Company, as the sole shareholder.

On 8 July 2015, OJSC «Yaroslavl Electric Grid Company» was renamed JSC «Yaroslavl Electric Grid Company» following the decision made on 26 June 2015 at the Annual General Meeting of Shareholders of OJSC «Yaroslavl Electric Grid Company» (Minutes of 26.06.2015 №01/15) in order to bring it in line with the legal requirements.

On 7 October 2015, OJSC «Energetic» was renamed JSC «Sanatorium «Energetic» following the decision of the sole shareholder of OJSC «Energetic» made on 07.09.2015 (Minutes of 07.09.2015 №30/15) in order to bring it in line with the legal requirements.

6 OPERATING SEGMENTS

The Group has eleven reportable segments representing branches of the Company, as described below. These are the Group's strategic business units and are the Company's branches. The strategic business units offer similar services representing transmission of electric power and connection services and are managed separately. In addition in 2013 and 2014 five divisions (Bryanskenergo, Kurskenergo, Oryolenergo, Tverenergo and Smolenskenergo) were performing electricity supplier functions (see Note 7). For each of the strategic business units, the Management Board, the Group's operating decision making body, reviews internal management reports on at least a quarterly basis.

«Others» include operations of subsidiaries and the head office branch. None of them meets any of the quantitative thresholds for determining reportable segments in 2015 or 2014.

In August 2014, OJSC «Energy Service Company» in court has been declared bankrupt. Bankruptcy administration procedure started in the Company, bankruptcy trustee was appointed. The Group believes that as at 31.12.2015, there are no signs of control in accordance with IFRS 10 «Consolidated financial statements» including the ability to obtain information necessary for the exercise of their powers (including financial and other information required to determine the value of assets and liabilities under IFRS), the ability to use their powers over the company to affect the amount of returns, as well as the opportunity to participate in decisions regarding the financial and operating policies of the company, and other signs.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment earnings before interest expense, income tax and depreciation and amortisation – EBITDA, as included in the internal management reports that are reviewed by the Management Board.

Segment reports are based on the information reported in statutory accounts, which differ significantly from the consolidated financial statements prepared under IFRS. The reconciliation of items measured as reported to the Management Board with similar items in these Financial Statements includes those reclassifications and adjustments that are necessary for financial statements to be presented in accordance with IFRS.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

(I) INFORMATION ABOUT REPORTABLE SEGMENTS

As at and for the year ended 31 December 2015:

	Belgorodenergo	Bryanskenergo	Voronezhenergo	Kostroma-energo	Kurskenergo	Lipetsk-energo	Orelenergo	Smolenskenergo	Tambovenergo	Tverenergo	Yarenergo	Others	Total
Revenue from electricity transmission	12,607,530	4,360,490	10,916,421	4,038,658	6,463,925	8,690,451	3,713,089	5,895,553	4,682,304	8,655,622	7,709,567	-	77,733,610
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	271,907	271,907
Revenue from connection services	220,818	6,775	166,922	88,265	47,168	73,751	15,431	121,330	27,497	146,805	244,940	9,877	1,169,579
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from the resale of electricity and capacity	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	283,677	63,267	125,515	39,146	44,464	49,889	26,810	97,658	32,803	47,042	111,736	57,494	979,501
Inter-segment revenue	-	-	-	-	-	-	-	-	7	-	1,879	1 080	2,966
Total revenues	13,112,025	4,430,532	11,208,858	4,166,069	6,555,557	8,814,091	3,755,330	6,114,541	4,742,611	8,849,469	8,068,122	340,358	80,157,563
Results from operating activities *	1,508,592	(104,771)	1,218,138	531,302	(70,983)	494,331	25,831	543,789	527,365	12,360	1,206,497	68,569	5,961 020
Finance income	55,003	18,061	36,767	11,431	25,664	31,921	10,089	16,114	13,413	20,869	27,955	383	267,670
Finance costs	(548,929)	(261,246)	(425,134)	(160,177)	(213,442)	(244,505)	(183,424)	(546,161)	(339,300)	(872,337)	(400,781)	(617)	(4,196,053)
Reportable segment profit/(loss) before income tax	1 014,666	(347,956)	829,771	382,556	(258,761)	281,747	(147,504)	13,742	201,478	(839,108)	833,671	68,335	2,032,637
Depreciation and amortisation	2,328,771	433,077	888,751	519,230	736,880	1 090,534	354,751	819,981	375,267	641,162	871 070	23,590	9,083,064
EBITDA	3,892,366	346,367	2,143,656	1 061,963	691,561	1,616,786	390,671	1,379,884	916,045	674,391	2,105,522	92,542	15,311,754
Reportable segment assets	25,217,202	5,775,222	12,107,095	5,803,309	7,956,006	15,828,331	3,963,374	8,408,157	5,856,921	13,353,323	11,784,898	2,162,169	118,216,007
Property, plant and equipment	22,822,085	4,216,036	10,547,947	5,109,597	6,812,465	13,413,772	3,332,402	6,373,143	4,840,169	8,421,744	9,393,616	266,383	95,549,359
Reportable segment liabilities	3,178,274	778,149	1,810,589	640,100	1,280,912	1,295,351	501 086	1 050,065	718,218	3,452,364	1,488,808	45,480,069	61,673,985
Capital expenditure	3,485,441	247,608	1,264,008	667,243	498,737	1 055,919	376,231	1,113,232	1,268,320	1,586,389	1,371,434	56,725	12,991,287

* Results from operating activities include other income and expense of reportable segment

As at and for the year ended 31 December 2014:

	Belgorodenergo	Bryanskenergo	Voronezhenergo	Kostroma-energo	Kurskenergo	Lipetsk-energo	Orelenergo	Smolenskenergo	Tambovenergo	Tverenergo	Yarenergo	Others	Total
Revenue from electricity transmission	12,204,685	5,106,101	10,346,290	3,934,141	6,438,951	8,678,176	3,529,061	5,502,236	4,427,750	8,389,922	7,306,497	-	75,863,810
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	40,564	995,265	1,035,829
Revenue from connection services	159,611	19,343	285,777	59,930	181,724	77,260	24,882	72,114	31,483	481,640	101,501	150,783	1,646,048
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	277	-	277
Revenue from the resale of electricity and capacity	-	2,402,744	-	-	1,085,336	-	199,646	2,443,200	-	2,169,181	-	-	8,300,107
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	251,544	37,952	108,624	33,496	45,655	36,427	50,382	300,382	30,225	65,882	43,774	140,821	1,145,164
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	806	14,109	14,915
Total revenues	12,615,840	7,566,140	10,740,691	4,027,567	7,751,666	8,791,863	3,803,971	8,317,932	4,489,458	11,106,625	7,493,419	1,300,978	88,006,150
Results from operating activities *	1,235,767	173,435	1,487,681	513,118	204,457	1,416,784	281,065	476,177	399,447	280,021	790,871	213,131	7,471,954
Finance income	18,962	13,317	16,404	5,440	3,070	9,566	3,434	7,235	5,746	8,909	14,572	5,914	112,569
Finance costs	(446,047)	(120,487)	(124,467)	(121,706)	(141,438)	(198,971)	(129,173)	(285,254)	(253,057)	(420,627)	(260,373)	(26,491)	(2,528,091)
Reportable segment profit/(loss) before income tax	808,682	66,265	1,379,618	396,852	66,089	1,227,379	155,326	198,158	152,136	(131,697)	545,070	192,554	5,056,432
Depreciation and amortisation	2,379,470	406,900	783,229	463,967	688,261	980,669	332,551	745,726	347,287	577,225	669,703	152,113	8,527,101
EBITDA	3,634,199	593,652	2,287,314	982,525	895,788	2,407,019	617,050	1,229,138	752,480	866,155	1,475,146	371,158	16,111,624
Reportable segment assets	24,046,307	6,487,241	11,654,200	5,571,269	8,052,605	15,605,393	3,873,774	7,461,880	4,807,245	11,774,838	9,378,979	5,150,768	113,864,499
Property, plant and equipment	21,654,953	4,422,038	10,130,359	4,968,252	6,794,083	13,413,666	3,274,458	5,995,960	3,940,803	7,216,175	7,341,990	2,015,541	91,168,278
Reportable segment liabilities	2,887,735	532,660	1,602,265	635,450	996,833	1,304,414	548,178	1,110,442	633,441	3,118,306	1,259,725	41,568,123	56,197,572
Capital expenditure	2,456,658	515,098	1,399,971	681,720	905,219	1,812,887	605,753	1,086,722	521,280	1,118,648	1,071,982	205,298	12,381,236

* Results from operating activities include other income and expense of reportable segment

(II) MAJOR CUSTOMER

In 2015 revenue from one customer of the Group's segment (Belgorodenergo) represented approximately 9% (RUB 6,991,523 thousand) of the Group's total revenue (in 2014 - RUB 8,581,739 thousand or 10% of the Group's total revenue).

(III) RECONCILIATIONS OF REPORTABLE SEGMENT REVENUES, PROFIT OR LOSS AND ASSETS AND LIABILITIES

Reconciliation of key segment items measured as reported to the Management Board with similar items in these Consolidated Financial Statements is presented in the tables below.

Revenues	Year ended 31 December 2015	Year ended 31 December 2014
Total revenue for reportable segments	80,157,563	88,006,150
Elimination of inter-segment revenue	(274,873)	(1 051 021)
Reclassification	947,597	36,493
Consolidated revenue	80,830,287	86,991,622

	Year ended 31 December 2015	Year ended 31 December 2014
EBITDA for the reportable segments	15,311,754	16,111,624
Loss on impairment of property, plant and equipment	(728,846)	(9,056,722)
Adjustments for property, plant and equipment	(109,966)	(125,416)
Recognition of assets related to employee benefit fund	53,674	30,016
Recognition of employee benefit obligations	111,927	78,856
Adjustment for finance lease	82,858	429,014
Adjustment for allowance for impairment of account receivables	(29,880)	20,564
Provision for inventory obsolescence	(165)	756
Amortisation of intangible assets	202,065	287,973
Adjustment for litigation provision	-	-
Other adjustments	302,070	170,897
Consolidated earnings before interest, tax and depreciation and amortisation (EBITDA)	15,195,491	7,947,562
Depreciation and amortization	(7,812,923)	(8,572,361)
Interest expenses	(4,352,520)	(2,512,823)
Interest on finance lease liabilities	(5,402)	(72,463)
Interest expense on employee benefit obligations	(223,879)	(188,253)
Interest income	-	-
Income tax expense	(1,919,820)	113,817
(Loss) / profit for the year per Consolidated Statement of Profit or Loss and Other Comprehensive Income	880,947	(3,284,521)

Активы	31 December 2015	31 December 2014
Total assets for reportable segments	118,216,007	113,864,499
Loss on impairment of property, plant and equipment	(728,846)	(9,056,722)
Elimination of cost of investments in subsidiaries	(17,295)	(1,117,395)
Elimination of other inter-segment assets	(33,025)	(418,391)
Adjustments for net book value of property, plant and equipment	(17,181,359)	(9,023,891)
Recognition of assets related to employee benefit fund	438,693	385,019
Adjustment for allowance for impairment of account receivables	-	29,880
Provision for inventory obsolescence	(1,717)	(1,495)
Adjustment for deferred tax	(1,203,808)	(1 022,384)
Other adjustments	960,320	154,874
Consolidated total assets	100,448,970	93,793,994

Liabilities	31 December 2015	31 December 2014
Total liabilities for reportable segments	61,673,985	56,197,572
Elimination of inter-segment liabilities	(34,852)	(417,168)
Adjustment for finance lease	1,503	83,988
Recognition of employee benefit obligations	2,344,882	2,051,491
Adjustment for deferred tax	(2,346,030)	(2,999,413)
Other adjustments	(76,861)	(54,138)
Consolidated total liabilities	61,562,627	54,862,332

7 REVENUE AND OTHER INCOME

For the year ended 31 December, revenue includes:

	Year ended 31 December 2015	Year ended 31 December 2014
Electricity transmission	77,733,610	69,110,930
Revenue from the resale of electricity and capacity	-	15,052,987
Connection services	1,169,579	1,646,048
Repairs and maintenance	311,300	476,209
Rent	55,313	66,953
Service Concession Arrangements	972,341	-
Other	588,144	638,495
	80,830,287	86,991,622

Revenue from connection services represents a non-refundable fee for connecting the customer to the electricity grid network.

In 2013 pursuant to orders of the Russian Ministry of Energy, «On the transfer of the functions of electricity supplier» the Company started to perform the functions of electricity supplier in Bryansk, Oryol, Kursk, Tver and Smolensk regions. Hence, in addition to performing power transmission services, some divisions of the Company commenced performing power distribution services, including purchasing electricity on the wholesale market and selling it on the retail market, and entering into power purchase agreements with all customers, including householders. The period within which the functions of electricity supplier are to be performed was established prior to the effective date of the decision to provide the tender winner with the electricity supplier status in the abovementioned operating areas, but not more than 12 months. In the first half of 2014 following the decision of the Russian Ministry of Energy function of electricity supplier in Bryansk, Orel, Kursk, Tver and Smolensk regions was transferred from the

Company to OJSC «AtomEnergobyt», LLC «TEK-Energo» and the subsidiary of OJSC «Inter RAO UES». Since February 2014 the Company started performing the function of electricity supplier in the area of LLC «Tveroblenergosbyt» in Tver region.

There is no revenue from the resale of electricity and capacity in 2015 (in 2014, revenue from the resale of electricity and capacity includes the part of revenue of RUB 6,752,880 thousand related to transmission of electricity which is sold under power supply contracts). Tariff for sale of electricity under power supply contracts is calculated taking into account the transmission fee.

Revenue under the Service Concession Arrangement is the consideration for the services related to the construction of objects of the Service Concession Arrangement, subject to receipt by the Group, and represented the rights to the intangible asset. The consideration payable is recognised at its fair value (Note 13).

For the years ended 31 December, other income includes:

	Year ended 31 December 2015	Year ended 31 December 2014
Income from gratuitously received property, plant and equipment (including excess inventory)	714,565	413,156
Income in the form of fines and penalties	292,346	188,383
Net income from reversal of allowance for impairment of accounts receivable	-	179,551
Income in the form of the cost of inventories obtained by disposal of property, plant and equipment	126,071	115,378
Income from reimbursement of costs and damages	82,240	94,298
Income from the identified non-contractual electricity consumption	72,959	90,127
Compensation of insurance claims	52,980	41,342
Write-off of accounts payable	20,871	26,017
Revenues from gratuitously received inventories (including excess inventory)	127	-
Other	86,321	51,140
	1,448,480	1,199,392

8 OPERATING EXPENSES

	Year ended 31 December 2015	Year ended 31 December 2014
Electricity transmission	26,435,032	26,530,346
Personnel costs (Note 9)	17,798,496	16,684,669
Purchased electricity to compensate for losses	10,640,307	10,056,845
Depreciation and amortisation	7,812,923	8,572,361
Raw materials and supplies	2,666,635	2,600,372
Allowance for impairment of accounts receivable	1,504,937	-
Taxes other than income tax	1,074,812	882,910
Costs of Service Concession Arrangements	875,983	-
Loss on impairment of property, plant and equipment	728,846	9,056,722
Losses of previous years	630,319	1,430,683
Rent	549,588	524,064
Repairs, maintenance and installation services	510,017	512,312
Information services	338,715	271,969
Electricity for own needs	323,364	380,473
Security	298,700	307,732
Provisions	277,947	378,272
Communication services	274,352	284,566
Bad debt written-off	245,118	34,951
Insurance	144,460	124,945
Consulting, legal and audit services	41,734	162,532
Transportation costs	8,184	5,921
Target contributions and membership fee	3,106	8,410
Electricity for resale	-	7,540,440
Other expenses	2,020,869	2,607,346
	75,204,444	88,958,841

Allowance for impairment of accounts receivable recognized in the reporting period relates to impairment of trade receivables from the companies with which there is disagreement on electricity transmission, as well as companies with outstanding resale of electricity and capacity.

Costs under Service Concession Arrangements represent the Group's construction costs of objects of the Service Concession Arrangement (Note 13).

Loss on impairment of fixed assets recognized during the period is determined as a result of testing of the Group's assets for economic impairment (Note 12).

9 PERSONNEL COSTS

	Year ended 31 December 2015	Year ended 31 December 2014
Salaries and wages	11,544,584	11 035,870
Contribution to the state pension fund	2,757,467	2,610,454
Compulsory social security contributions	1 075,075	941,900
Unused vacation provision	997,806	790,065
Finance aid	615,511	574,821
Remuneration to management provision	247,672	148,988
Current service cost (Note 24)	73,905	107,212
Past service cost (Note 24)	6,680	24,002
Remeasurements of other long term benefits (Note 24)	-	(34)
Other personnel costs	479,796	451,391
	17,798,496	16,684,669

The average number of employees (including production and non-production staff) in 2015 was 29,677 (in 2014: 30,337 employees).

10 FINANCE INCOME AND COSTS

	Year ended 31 December 2015	Year ended 31 December 2014
Finance income		
Interest income	290,719	117,972
Dividends	17,526	25,056
	308,245	143,028
Finance costs		
Interest expense	4,352,520	2,512,823
Interest on finance lease liabilities	5,402	72,463
Interest expense on employee benefits obligation (Note 24 b)	223,879	188,253
	4,581,801	2,773,539

11 INCOME TAX BENEFIT/EXPENSE

The Group's applicable tax rate is the income tax rate of 20%. For the years ended 31 December income tax benefit / (expense) is as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
Current tax expense		
Current year	(943,326)	(1 022,131)
Adjustment for prior years	194,838	81,889
	(748,488)	(940,242)
Deferred tax expense		
Origination and reversal of temporary differences	(1,171,424)	1 056,727
Change in tax base of property, plant and equipment	92	(2,668)
	(1,171,332)	1 054,059
	(1,919,820)	113,817

In 2015, the Group recalculated the profit tax for prior periods (2013-2014), as a result of resolving differences with contractors in the trial and the pre-trial order. As a result, income tax overprovided in prior periods, in accordance with the adjusted tax declarations submitted to the tax authorities, amounted to RUB 194,838 thousand.

Income tax recognised in other comprehensive income

	Year ended 31 December 2015			Year ended 31 December 2014		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
Remeasurements of available-for-sale financial assets	70,683	(14,137)	56,546	(11,533)	2,307	(9,226)
Reserve for remeasurements of defined benefit plans	(181,439)	27,476	(153,963)	585,257	(43,617)	541,640
	(110,756)	13,339	(97,417)	573,724	(41,310)	532,414

Reconciliation of profit before income tax is as follows:

	Year ended 31 December 2015	%	Year ended 31 December 2014	%
(Loss) / profit before income tax	2,800,767	100	(3,398,338)	100
Income tax expense at applicable tax rate	(560,153)	(20)	679,668	(20)
Adjustment for prior periods	194,838	7	81,889	(2)
Change in the tax base of property, plant and equipment	92	-	(2,668)	-
Net tax effect of expenses not deductible/not taxable for taxation purposes	(1,554,597)	(56)	(645,072)	19
	(1,919,820)	(69)	113,817	(3)

12 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Transmission networks	Equipment for electricity transformation	Other	Construction in progress	Total
Deemed cost						
Balance at 1 January 2014	24,509,284	44,507,969	25,253,138	14,698,795	4,358,006	113,327,192
Reclassification between groups	(4,672)	38,966	80,233	(114,527)	-	-
Additions	60,265	268,223	83,550	5,056	12,359,461	12,776,555
Transfers	2,970,784	5,816,856	2,850,649	1,409,831	(13,048,120)	-
Disposals	(5,129)	(50,631)	(237,311)	(333,399)	(90,137)	(716,607)
Balance at 31 December 2014	27,530,532	50,581,383	28,030,259	15,665,756	3,579,210	125,387,140
Balance at 1 January 2015	27,530,532	50,581,383	28,030,259	15,665,756	3,579,210	125,387,140
Reclassification between groups	1 093,197	(1,120,604)	30,133	(2,726)	-	-
Additions	83,849	526,143	151,900	179	12,343,409	13,105,480
Transfers	2,890,902	4,808,431	3,503,354	1 088,507	(12,291,194)	-
Disposals	(9,096)	(35,932)	(25,340)	(214,672)	(152,644)	(437,684)
Balance at 31 December 2015	31,589,384	54,759,421	31,690,306	16,537,044	3,478,781	138,054,936

	Land and buildings	Transmission networks	Equipment for electricity transformation	Other	Construction in progress	Total
Accumulated depreciation and impairment						
Balance at 1 January 2014	(5,280,452)	(16,443,278)	(6,843,569)	(6,686,151)	-	(35,253,450)
Reclassification between groups	(1,892)	(20,044)	(18,408)	40,344	-	-
Depreciation for the period	(1,499,176)	(3,148,426)	(1,631,712)	(1,996,508)	-	(8,275,822)
Disposals	2,190	28,318	87,148	167,640	-	285,296
Impairment	(1,804,219)	(4,080,386)	(1,969,657)	(626,627)	(575,833)	(9,056,722)
Balance at 31 December 2014	(8,583,549)	(23,663,816)	(10,376,198)	(9,101,302)	(575,833)	(52,300,698)
Balance at 1 January 2015	(8,583,549)	(23,663,816)	(10,376,198)	(9,101,302)	(575,833)	(52,300,698)
Reclassification between groups	(316,050)	147,860	(165,737)	108,575	225,352	-
Depreciation for the period	(1,302,092)	(2,923,034)	(1,599,690)	(1,764,112)	-	(7,588,928)
Disposals	3,538	30,694	18,459	123,038	26,961	202,690
Impairment	(12,210)	(364,282)	(217,028)	10,780	(146,106)	(728,846)
Balance at 31 December 2015	(10,210,363)	(26,772,578)	(12,340,194)	(10,623,021)	(469,626)	(60,415,782)
Net book value						
At 1 January 2014	19,228,832	28,064,691	18,409,569	8,012,644	4,358,006	78,073,742
At 31 December 2014	18,946,983	26,917,567	17,654,061	6,564,454	3,003,377	73,086,442
At 31 December 2015	21,379,021	27,986,843	19,350,112	5,914,023	3,009,155	77,639,154

As at 31 December 2015 construction in progress includes prepayments for property, plant and equipment of RUB 2,782 thousand (as at 31 December 2014: RUB 10,090 thousand) and inventories for the construction of property, plant and equipment of RUB 334,349 thousand (as at 31 December 2014: RUB 177,948 thousand).

Borrowing costs totalling RUB 274,810 thousand with a capitalisation rate of 8.75-18% during 2015 (2014: RUB 225,974 thousand with a capitalization rate of 7.25-11.4%) were included in the cost of property, plant and equipment and represent interest on loans.

LEASED PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2015, the Group leases transportation vehicles (as at 31 December 2014 - transportation vehicles and equipment for electricity transformation) under a finance lease agreements. Title to the leased assets transfers to the Group at the end of lease.

As at 31 December 2015 and 31 December 2014 the net book value of leased property, plant and equipment, accounted for as part of the Group's property, plant and equipment, was as follows:

	Equipment for electricity transformation	Other	Total
Cost	8,188	552,062	560,250
Accumulated depreciation	(2,877)	(130,748)	(133,625)
Net book value at 31 December 2014	5,311	421,314	426,625
Cost	-	32,663	32,663
Accumulated depreciation	-	(14,247)	(14,247)
Net book value at 31 December 2015	-	18,416	18,416

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Due to the negative impact of macroeconomic factors on Russian economy the Group performed a test for impairment of property, plant and equipment as at 31 December 2015 and 31 December 2014.

As a result of the impairment test as at 31 December 2015 loss on impairment of property, plant and equipment was recognized in the amount of RUB 1,970,041 thousand for

«Lipetskenergo» (as at 31 December 2014 in the amount of RUB 9,056,722 thousand, including RUB 1,242,721 thousand for «Kurskenergo», RUB 7,682,624 thousand for «Lipetskenergo», RUB 131,377 thousand for «Yarenergo» with OJSC «Yargorelectroset»), thus loss recognized as at 31 December 2014 and partially amortized was reversed in the amount of RUB 1,241,195 thousand, including RUB 1,107,744 thousand for «Kurskenergo», RUB 119,101 thousand for «Yarenergo».

Division	Impairment at 31 December 2014	Depreciation and disposals during 2015	Recognized impairment at 31 December 2015	Reversal of impairment at 31 December 2015	Impairment at 31 December 2015
Kurskenergo	1,242,721	(134,977)	-	(1,107,744)	-
Lipetskenergo	7,682,624	(635,213)	1,970,041	(14,350)	9,003,102
Yarenergo	131,377	(12,276)	-	(119,101)	-
Total	9,056,722	(782,466)	1,970,041	(1,241,195)	9,003,102

The majority of the Group's property, plant and equipment is specialized in nature and is rarely sold on the open market other than as part of a continuing business. The market for similar property, plant and equipment is not active in the Russian Federation and does not provide a sufficient number of sales transactions for use of a market-based approach for determination of the fair value.

Therefore, the values in use for property, plant and equipment as at 31 December 2015 and as at 31 December 2014 were determined using projected cash flows. This method

considers the future net cash flows expected to be generated through the usage of property, plant and equipment in the process of operating activities up to its ultimate disposal to determine the recoverable amount of the assets.

Each cash-generating unit (CGU) is determined by the Group based on the geographical location of the Company's branches and subsidiaries which is the smallest identifiable group of assets that generates cash inflows that are independent of the cash inflows from other groups of assets.

The following key assumptions were used in determining the recoverable amounts of each of the cash-generating units:

- cash flows were predicted on the basis of the provisions of the guidelines for the testing of power grid assets for impairment (approved by the Order of PJSC «Russian Grids» No. 583p of 15.12.2015 and forecast data for the period up to 2020);
- forecast cash flows were prepared for the period 2016-2020 for all the CGUs and were based on the best estimate of the Group's Management in respect of the transmission volumes, operating and capital expenditures and tariffs approved by regulatory bodies for 2016;
- distribution tariffs for forecasted period were estimated using business plans, amended and approved by PJSC «Russian Grids» which were based on the tariff models prepared taking into account annual average growth of tariffs for electricity transmission services (in accordance with «The socio-economic development of the Russian Federation for 2016 and the planning period of 2017-

2018»). Tariffs growth rates in 2019-2020 are restricted by inflation rates according to Ministry of Economic Development of the Russian Federation (till 2030);

- forecasted transmission volumes for all CGUs were determined based on the Company's business plans for 2016-2020;
- the cash flow forecasts were discounted to their present value at the nominal weighted average cost of capital of 11.31% (2014: 11,16%);
- growth rate of the net cash flows amounted to 2.6% in the post-forecasted period.

Quantitative information on significant unobservable inputs used in assessing value in use, are disclosed below:

	2016	2017	2018	2019	2020
Growth rate of necessary gross revenue to the previous year	7,74%	4,56%	5,10%	6,91%	6,56%
Productive supply («boiler»), million KWh	56,847	52,788	48,394	48,741	49,066
Inflation forecast of the MED	8,28%	6,68%	5,50%	4,00%	3,50%
The level of capital investment, millions of Russian Roubles	6,718	7,503	9,357	9,147	10,478

Sensitivity analysis for key assumptions for PJSC «IDGC of Centre» is presented below:

- increase of discount rate by 1% increases impairment loss by RUB 213,017 thousand;
- reduction of necessary gross revenue to the base value in each period by 3% increases impairment loss by RUB 3,243,817 thousand;

- increase of operating expenses level to the base value in each period by 5% increases impairment loss by RUB 4,322,170 thousand;
- increase of capital investment level in the forecasted and post-forecasted period by 10% increases impairment loss by RUB 265,234 thousand.

13 INTANGIBLE ASSETS

	Software	Research and development	Other intangible assets	Total
Cost				
Balance at 1 January 2014	380,981	77,030	966,705	1,424,716
Reclassification between groups	-	(68,547)	68,547	-
Additions	174,136	31,673	86,735	292,544
Disposals	(140,621)	(20,836)	(462,081)	(623,538)
Balance at 31 December 2014	414,496	19,320	659,906	1 093,722
Balance at 1 January 2015	414,496	19,320	659,906	1 093,722
Reclassification between groups	513,937	-	(513,937)	-
Additions	433,264	24,591	972,592	1,430,447
Disposals	(400,545)	-	-	(400,545)
Balance at 31 December 2015	961,152	43,911	1,118,561	2,123,624
Accumulated amortisation				
Balance at 1 January 2014	(164,754)	-	(644,041)	(808,795)
Amortisation for the period	(146,100)	-	(150,439)	(296,539)
Disposals	140,606	-	462,004	602,610
Balance at 31 December 2014	(170,248)	-	(332,476)	(502,724)
Balance at 1 January 2015	(170,248)	-	(332,476)	(502,724)
Reclassification between groups	(287,650)	-	287,650	-
Amortisation for the period	(202,065)	-	(21,930)	(223,995)
Disposals	400,545	-	-	400,545
Balance at 31 December 2015	(259,418)	-	(66,756)	(326,174)
Net book value				
At 1 January 2014	216,227	77,030	322,664	615,921
At 31 December 2014	244,248	19,320	327,430	590,998
At 31 December 2015	701,734	43,911	1 051,805	1,797,450

In 2015, the intangible assets of the Group (subgroup «Other intangible assets») include a right to charge fee from users of services on electricity transmission in accordance with «Service Concession Arrangement concerning the financing, establishment and operation of facilities for the transmission and distribution of electric energy on the territory of the Tambov region». This agreement provides for the construction by a Group of objects for the purposes of transmission and distribution of electricity in the Tambov region and the provision of transmission services, electricity distribution and connection services with the use of objects of the Service Concession Arrangement. Ownership of the constructed objects belongs to the Tambov region, and the Group receives the right of possession and use of objects

for the Group activities. The Service Concession Arrangement is concluded for 20 years. The calculation of long-term gross revenue from transmission of electricity produced by the parties taking into account the planned change of tariffs provided by the Forecast «The socio-economic development of the Russian Federation for 2016 and the planning period of 2017-2018» and should be reviewed annually. Thus during the term of the Service Concession Arrangement the administration of Tambov region can provide the Group with subsidies in terms of payment of the consideration for construction of objects, and in part compensation for lost revenue from electricity transmission. The group is obliged to support the objects of the agreement in good condition, produce for own account current and capital

repairs, to cover the costs for facility maintenance. At the end of the term of the agreement the Group has the right to redeem the objects of the agreement pursuant to the Federal Law of 21 December 2001 № 178-FZ «On privatization of state and municipal property».

The intangible asset is recognized at fair value of the consideration receivable by the Group for the construction

of objects of the Service Concession Arrangement in the amount of RUB 972,341 thousand (Note 7). The construction costs amounted to RUB 875,983 thousand (Note 8). Profit from construction of objects of the Service Concession Arrangement was recognized by the Group in the amount of RUB 96,358 thousand.

14 DEFERRED TAX ASSETS AND LIABILITIES

A) RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following items:

	Assets		Liabilities		Net	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Property, plant and equipment	-	11,288	(6,669,266)	(5,232,829)	(6,669,266)	(5,221,541)
Intangible assets	-	-	(19,271)	-	(19,271)	-
Investments and financial assets	-	-	(87,739)	(77,004)	(87,739)	(77,004)
Inventories	600	1,340	-	-	600	1,340
Trade and other receivables	833,035	604,998	-	-	833,035	604,998
Finance lease liabilities	301	16,798	-	-	301	16,798
Loans and borrowings	-	-	(3,964)	(758)	(3,964)	(758)
Post-employment benefit liability	247,613	210,119	-	-	247,613	210,119
Provision for employee payables	126,216	116,578	-	-	126,216	116,578
Trade and other payables	393,352	329,034	-	-	393,352	329,034
Other	1,272	439	(139)	-	1,133	439
Deferred tax assets/ (liabilities)	1,602,389	1,290,594	(6,780,379)	(5,310,591)	(5,177,990)	(4,019,997)

B) MOVEMENTS IN TEMPORARY DIFFERENCES DURING THE PERIOD

	1 January 2015	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2015
Property, plant and equipment	(5,221,541)	(1,447,725)	-	(6,669,266)
Intangible assets	-	(19,271)	-	(19,271)
Investments and financial assets	(77,004)	3,402	(14,137)	(87,739)
Inventories	1,340	(740)	-	600
Trade and other receivables	604,998	228,037	-	833,035
Finance lease liabilities	16,798	(16,497)	-	301
Loans and borrowings	(758)	(3,206)	-	(3,964)
Post-employment benefit liability	210,119	10,018	27,476	247,613
Provision for employee payables	116,578	9,638	-	126,216
Trade and other payables	329,034	64,318	-	393,352
Other	439	694	-	1,133
	(4,019,997)	(1,171,332)	13,339	(5,177,990)

	1 January 2014	Recognised in profit or loss	Recognised in other comprehensive income	31 December 2014
Property, plant and equipment	(6,583,546)	1,362,005	-	(5,221,541)
Investments and financial assets	(71,001)	(8,310)	2,307	(77,004)
Inventories	978	362	-	1,340
Trade and other receivables	864,367	(259,369)	-	604,998
Finance lease liabilities	115,471	(98,673)	-	16,798
Loans and borrowings	(1,644)	886	-	(758)
Post-employment benefit liability	248,057	5,679	(43,617)	210,119
Provision for employee payables	151,970	(35,392)	-	116,578
Trade and other payables	247,172	81,862	-	329,034
Other	(4,570)	5,009	-	439
	(5,032,746)	1,054,059	(41,310)	(4,019,997)

15 INVESTMENTS AND FINANCIAL ASSETS

	31 December 2015	31 December 2014
Assets related to the employee benefit fund	438,693	385,019
Available-for-sale financial assets	234,369	165,620
	673,062	550,639

Financial assets related to the employee benefit fund relate to the Group's contributions accumulated in the solidary and employees' individual pension accounts with the Non-State Pension Fund of Electric Power Industry (employee benefit fund). These assets are not assets of the plan, because under the terms of existing agreements with the Fund the Group is able to use the above contributions to reduce future contributions, or for compensation through the funding of other plans, or transfer to another fund on its own initiative (recoverable amount is 80%).

Available-for-sale financial assets represent investments in shares of JSC E.ON Russia and other securities, which are listed on CJSC «MICEX Stock Exchange», recorded at fair market value (belong to Level 1 in the fair value hierarchy). In 2015 the Group recognized gain on revaluation of available-for-sale financial assets in the amount of RUB 70,683 thousand as a component of other comprehensive income (2014: impairment loss RUB 11,533 thousand).

The Group's exposure related to credit risks and impairment losses related to financial assets is disclosed in Note 28.

16 OTHER NON-CURRENT ASSETS

	31 December 2015	31 December 2014
Trade accounts receivable	21,825	36,944
Trade accounts receivable impairment allowance	(489)	-
Non-current prepayments	3,250	7,319
Other accounts receivable	41,182	6,229
Other accounts receivable impairment allowance	-	(382)
Other assets	-	36,684
	65,768	86,794

17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent cash in bank accounts in the amount of RUB 123,220 thousand (as at 31 December 2014: RUB 395,836 thousand).

18 TRADE AND OTHER RECEIVABLES

	31 December 2015	31 December 2014
Trade receivables	26,718,559	24,358,108
Trade receivables impairment allowance	(11,335,201)	(10,323,204)
Other receivables	1,299,127	1,357,777
Other receivables impairment allowance	(501,482)	(181,567)
Total financial assets	16,181,003	15,211,114
Prepayments	212,160	445,028
Prepayments impairment allowance	(93,886)	(1,383)
VAT recoverable	405,315	416,952
Prepaid taxes other than income tax	57,660	199,922
	16,762,252	16,271,633

For more detailed information concerning the Group's exposure to credit risks and impairment losses related to trade and other receivables refer to Note 28.

19 INVENTORIES

	31 December 2015	31 December 2014
Materials and supplies	1,182,517	1,810,693
Other inventories	832,887	4,547
Total inventories	2,015,404	1,815,240
Less: provision for inventory obsolescence	(3,001)	(6,701)
Total	2,012,403	1,808,539

20 EQUITY

(A) SHARE CAPITAL

	Ordinary shares	
	31 December 2015	31 December 2014
Issued shares, fully paid, number	42,217,941,468	42,217,941,468
Par value of one share (in RUB)	0,10	0,10

(B) DIVIDENDS

In accordance with Russian legislation the Company's distributable reserves are limited to the balance of accumulated retained earnings as recorded in the Company's statutory financial statements prepared in accordance with Russian Accounting Principles.

At the annual shareholders meeting held on 26 June 2014 the decision was made to distribute the Company's profit for the year 2013 to dividends in the amount of RUB 75,992 thousand and to pay dividends for the year 2013 in the amount of RUB 0.0018 per ordinary share of the Company in cash.

At the annual shareholders meeting held on 26 June 2015 the decision was made to distribute the Company's profit for the year 2014 to dividends in the amount of RUB 831,693 thousand and to pay dividends for the year 2014 in the amount of RUB 0.0197 per ordinary share of the Company in cash.

In 2015, the Company recovered unclaimed dividends for 2011 in the amount of RUB 4,069 thousand (in 2014 – in the amount of RUB 5,782 thousand for 2010).

21 LOSS / EARNINGS PER SHARE

The calculation of earnings per share was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period. The Company has no dilutive potential ordinary shares.

	Ordinary shares 31 December 2015	Ordinary shares 31 December 2014
Authorised (ordinary) shares (number)	42,217,941,468	42,217,941,468
Par value of one share (in RUB)	0,10	0,10
Weighted average number of shares	42,217,941,468	42,217,941,468
(Loss) / profit for the year attributable to shareholders	852,807	(3,318,288)
(Loss) / earning per share (in RUB): basic and diluted	0,020	(0,079)

22 LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's loans and borrowings. For more information about the Group's exposure to interest rate risk, refer to Note 28.

Long-term loans and borrowings

Name of lender		Effective interest rate 31 December 2015	Effective interest rate 31 December 2014	Maturity	Par value		Carrying value	
					31 December 2015	31 December 2014	31 December 2015	31 December 2014
JSC «Alfa-Bank»	Unsecured	13,25%	8,25%	2017	-	2,002,712	-	2,002,712
PJSC «Bank VTB»	Unsecured	8,75-13,98%	8,1175-23%	2017-2018	10,670,000	11,720,000	10,670,000	11,720,000
PJSC «Rosbank»	Unsecured	12,90%	7,85%	2016-2018	1,500,000	3,800,000	1,500,000	3,800,000
PJSC «Sberbank»	Unsecured	10,524-14,06%	7,524-8,4%	2016-2025	12,797,055	13,152,738	12,797,055	13,152,738
PJSC «Transcapitalbank»	Unsecured	13,50%	13,50%	2015	-	82,717	-	82,717
Unsecured bond issues	Unsecured	11,58-12,42%	9,044%	2015-2018	15,475,454	4,075,520	15,144,630	4,071,729
OJSC «Severny Morskoy Put»	Unsecured	13,00-18,00%	11,4%	2017	-	2,450,000	-	2,450,000
PJSC «Sovcombank»	Unsecured	11,90%	-	2018-2022	2,000,000	-	2,000,000	-
					42,442,509	37,283,687	42,111,685	37,279,896
Less: current portion								
JSC «Alfa-Bank»	Unsecured	13,25%	8,25%	2017	-	2,712	-	2,712
PJSC «Rosbank»	Unsecured	12,90%	7,85%	2016-2018	-	3,800,000	-	3,800,000
OJSC «Sberbank»	Unsecured	10,524-14,06%	7,524-8,4%	2016-2025	1,512,055	1,652,738	1,512,055	1,652,738
CJSC «Transcapitalbank»	Unsecured	13,50%	13,50%	2015	-	82,717	-	82,717
Unsecured bond issues	Unsecured	11,58-12,42%	9,044%	2015-2018	475,454	4,075,520	164,450	4,071,729
					1,987,509	9,613,687	1,676,505	9,609,896
Total long-term borrowings					40,455,000	27,670,000	40,435,180	27,670,000

Current loans and borrowings and current portion of long-term loans and borrowings

Наименование кредитора		Effective interest rate 31 December 2015	Effective interest rate 31 December 2014	Par value		Carrying value	
				31 December 2015	31 December 2014	31 December 2015	31 December 2014
JSC «Alfa-Bank»	Unsecured	13,25%	8,25%	-	2,712	-	2,712
PJSC «Rosbank»	Unsecured	12,90%	7,85%	-	3,800,000	-	3,800,000
PJSC «Sberbank»	Unsecured	10,524-14,096%	7,524-8,4%	1,512,055	1,652,738	1,512,055	1,652,738
OJSC «SGB»	Unsecured	10,00%	10,00%	-	40	-	40
PJSC «Transcapitalbank»	Unsecured	13,50%	13,50%	-	82,717	-	82,717
Unsecured bond issues	Unsecured	11,58-12,42%	9,044%	475,454	4,075,520	164,450	4,071,729
				1,987,509	9,613,727	1,676,505	9,609,936

All the Group's borrowings are denominated in RUB and bear a fixed interest rate. The effective interest rate is the market interest rate applicable to the loan on the date of its receipt.

The carrying value of loans and borrowings approximates their fair value.

As at 31 December 2015 and 31 December 2014 no bank loans are secured over bank guarantees received.

During 2015, the Group made three issues of non-convertible documentary interest - bearing bonds with a total nominal value of RUB 15,000,000 thousand with a nominal interest rate of 11.58-12.42% per annum. The maturity of the bonds is 3-7 years. Two issues of the interest - bearing bonds have been purchased by PJSC «Russian Grids» (Note 32d).

At 31 December 2015	Future minimum lease payments	Present value of minimum lease payments	Interest
Less than one year	1,629	1,503	126
Between one and five years	-	-	-
	1,629	1,503	126

At 31 December 2014	Future minimum lease payments	Present value of minimum lease payments	Interest
Less than one year	87,761	82,485	5,276
Between one and five years	1,629	1,503	126
	89,390	83,988	5,402

24 EMPLOYEE BENEFITS

The tables below provide information about the employee benefit obligations and actuarial assumptions used for the years ended 31 December 2015 and 31 December 2014.

(A) NET LIABILITY IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2015	31 December 2014
Recognised post-employment benefit	2,344,882	2,051,491
Recognised other long term liability	-	-
Total recognised liability	2,344,882	2,051,491

23 FINANCE LEASE LIABILITIES

The finance lease liabilities are secured by the leased assets.

In 2015 the Group leases transportation vehicles (in 2014 - transportation vehicles and equipment for electricity transformation) under finance lease agreements. Finance lease liabilities are payable as follows:

(B) MOVEMENTS IN THE DEFINED BENEFIT LIABILITY

	Post-employment benefit		Other long-term liability		Total liability	
	2015	2014	2015	2014	2015	2014
Balance at 1 January	2,051,491	2,524,679	-	2,672	2,051,491	2,527,351
Included in profit or loss						
Current service cost	73,905	107,212	-	-	73,905	107,212
Past service cost	6,680	25,863	-	(1,861)	6,680	24,002
Interest cost	223,879	188,113	-	140	223,879	188,253
Remeasurements of other long term benefits	-	-	-	(34)	-	(34)
	304,464	321,188	-	(1,755)	304,464	319,433
Included in OCI						
Remeasurements loss (gain):						
- Actuarial loss (gain) arising from:						
- demographic assumptions	(46,392)	(186,012)	-	-	(46,392)	(186,012)
- financial assumptions	230,324	(263,716)	-	-	230,324	(263,716)
- experience adjustment	(2,493)	(135,529)	-	-	(2,493)	(135,529)
	181,439	(585,257)	-	-	181,439	(585,257)
Other						
Benefits paid	(192,512)	(209,119)	-	(917)	(192,512)	(210,036)
Balance at 31 December	2,344,882	2,051,491	-	-	2,344,882	2,051,491

(C) ACTUARIAL ASSUMPTIONS

Principal actuarial assumptions used are as follows:

	31 December 2015	31 December 2014
Discount rate, annual	9,50%	12,00%
Future salary increase, per year	6,00%	7,00%
Inflation rate, per year	6,00%	7,00%
Average staff turnover	6,00%	7,00%

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows.

	2015	2014
Longevity at age 60 for current pensioners		
Males	19	19
Females	25	25
Longevity at age 60 for current members aged 45		
Males	22	22
Females	27	27

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 7.1 years (2014: 6.6 years).

The amount of expected payments under defined benefit plans for 2016 is RUB 226,586 thousand.

(D) SENSITIVITY ANALYSIS

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

31 December 2015	Impact of movement in actuarial assumptions on Defined benefit plan obligation	
	Increase	Decrease
Actuarial assumptions		
Discount rate (0.5% movement)	-3,65%	3,65%
Future salary growth (0.5% movement)	0,90%	-0,90%
Future pension growth (0.5% movement)	2,88%	-2,88%
Staff turnover (10% movement)	-0,93%	0,93%
Future mortality (10% movement)	-1,23%	1,23%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

25 EMPLOYEE PAYABLES

	31 December 2015	31 December 2014
Salaries and wages payable	8,922	58,956
Unused vacation provision	344,827	384,271
Annual bonus provision	286,061	197,997
Provision for termination benefits	190	621
	640,000	641,845

Provision for annual bonuses includes bonuses and other similar payments accrued (including compulsory social security contributions) based on employees' performance.

26 TRADE AND OTHER PAYABLES, PROVISIONS

Current trade and other payables include:

	31 December 2015	31 December 2014
Trade accounts payable	4,907,108	5,348,193
Other payables	1,355,955	693,763
Advances from customers	2,048,474	1,997,485
	8,311,537	8,039,441

As a part of current liabilities, there is litigation provision, which includes:

	31 December 2015	31 December 2014
Balance at 1 January	1,162,928	1,187,124
Provision increase during the year	1 074,233	840,472
Decrease due to the use of provision	(348,168)	(402,468)
Decrease due to reversal	(789,121)	(462,200)
Balance at 31 December	1 099,872	1,162,928

Non-current trade and other payables include:

	31 December 2015	31 December 2014
Advances from customers	365,804	571,740
Other trade payables	14,884	8,403
	380,688	580,143

Advances from customers are mainly represented by prepayments received from customers under contracts of technical connection to the power grid.

27 OTHER TAXES PAYABLE

	31 December 2015	31 December 2014
Value added tax	910,038	586,325
Compulsory social security contributions	421,964	343,005
Property tax	145,911	41,690
Other taxes	16,486	22,174
	1,494,399	993,194

28 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(A) OVERVIEW

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk.

The Group does not have any significant exposure to currency risk on sales, purchases and borrowings, because no significant sales, purchases, or borrowings are denominated in a currency other than the functional currency of the Company, which is the Russian Rouble.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Group's principal objective when managing capital risk is to sustain its creditworthiness and a normal level of capital adequacy for doing business as a going concern, in order to ensure returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of borrowed capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

(B) CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

	31 December 2015	31 December 2014
Trade and other receivables	16,243,521	15,253,905
Cash and cash equivalents	123,220	395,836
	16,366,741	15,649,741

The Group's two most significant customers, regional distribution entities, account for RUB 5,239,024 thousand of the trade receivables carrying amount at 31 December 2015 (at 31 December 2014: RUB 3,233,035 thousand).

(I) TRADE AND OTHER RECEIVABLES

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

To manage credit risk the Group attempts, to the fullest extent possible, to demand prepayments from customers. As a rule, prepayment for connection services is set in a contract and depends on the amount of capacity to be connected.

The customer base for electricity transmission services is limited to several distribution companies and a small number of large manufacturing/extraction enterprises. Payments are tracked regularly and electricity transmission customers are advised of any failures to submit timely payments. For quick collection and complete control of accounts receivable collection activities are performed to reduce the Company's finance losses, caused by non-fulfilment or insufficient fulfilment by some contractors of their contractual obligations.

The Group does not require collateral in respect of trade and other receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables that relate to individually significant exposures.

(II) EXPOSURE TO CREDIT RISK

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

The maximum exposure to credit risk for trade receivables (excluding other receivables) at the reporting date by type of customer was:

	Carrying amount at 31 December 2015	Carrying amount at 31 December 2014
Electricity transmission customers	13,210,035	10,411,303
Consumers of electricity and capacity	1,837,013	3,143,350
Connection services customers	176,016	232,297
Other customers	181,630	284,898
	15,404,694	14,071,848

IMPAIRMENT LOSSES

The tables below analyse the Group's trade and other receivables into relevant groups based on the past due periods:

	At 31 December 2015		At 31 December 2014	
	Carrying amount	Allowance	Carrying amount	Allowance
Not past due	7,602,048	(39,217)	7,726,324	(12,687)
Past due 0-3 months	3,472,186	(155,276)	2,778,359	(174,349)
Past due 3-6 months	713,945	(100,480)	1,342,147	(25,102)
Past due 6-12 months	2,216,021	(424,166)	4,522,617	(1,179,890)
Past due more than 12 months	14,076,493	(11,118,033)	9,389,611	(9,113,125)
	28,080,693	(11,837,172)	25,759,058	(10,505,153)

The movements in the allowance for impairment in respect of trade and other receivables during the period were as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
Balance at 1 January	10,505,153	10,758,120
Increase during the period	2,214,226	2,001,797
Amounts written-off against trade and other receivables	(74,803)	(71,635)
Decrease due to reversal of amounts written off	(807,404)	(2,183,129)
Balance at 31 December	11,837,172	10,505,153

(C) LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group monitors the risk of cash shortfalls by means of current liquidity planning. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This approach is used to analyse payment dates associated with financial assets, and also to forecast cash flows from operating activities.

To manage the liquidity risk, the Group has negotiated long-term and short-term credit lines with a pool of banks.

As at 31 December 2014 the Group's unused portion of long-term and short-term credit line facilities amounted to RUB 10,150,000 thousand (as at 31 December 2013: RUB 8,800,000 thousand).

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	12 months or less	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years
Liabilities as at 31 December 2015								
Short-term and long-term bank loans including current portion	26,967,055	34,993,800	4,528,331	7,874,198	19,408,394	3,182,877	-	-
Unsecured bond issues	15,144,630	23,532,050	1,785,100	1,785,100	6,475,450	1,165,800	6,165,800	6,154,800
Finance lease liabilities	1,503	1,629	1,629	-	-	-	-	-
Trade and other payables	6,277,947	6,277,947	6,263,063	859	1 035	1 035	1 035	10,920
	48,391,135	64,805,426	12,578,123	9,660,157	25,884,879	4,349,712	6,166,835	6,165,720

	Carrying amount	Contractual cash flows	12 months or less	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years
Liabilities as at 31 December 2014								
Short-term and long-term bank loans including current portion	33,208,207	44,562,072	8,713,122	4,330,904	14,543,595	12,213,903	252,000	4,508,548
Unsecured bond issues	4,071,729	4,357,040	4,357,040	-	-	-	-	-
Finance lease liabilities	83,988	89,390	87,761	1,629	-	-	-	-
Trade and other payables	6,037,239	6,037,239	6,028,836	131	131	131	131	7,879
	43,401,163	55,045,741	19,186,759	4,332,664	14,543,726	12,214,034	252,131	4,516,427

(D) MARKET RISK

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(I) INTEREST RATE RISK

Substantially all the operations of the Group are denominated in Russian Roubles, hence the Group is not exposed to significant currency risk.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk only through market value fluctuations of loans and borrowings. The interest

rates on most long- and short-term loans and borrowings are fixed. Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt).

The Group Management does not have a formal policy of determining how much of the Group's exposure should be to fixed or variable rates. However, at the time of raising new loans or borrowings management uses its judgment to decide whether it believes that a fixed or variable rate would be more favourable to the Group over the expected period until maturity.

PROFILE

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount 31 December 2015	Carrying amount 31 December 2014
Fixed rate instruments		
Loans and borrowings, finance lease liability	42,113,188	37,363,924

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

(E) ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The fair values of the Group's financial assets and liabilities approximate their carrying amounts as at 31 December 2015.

The Group measures at fair value available-for-sale financial assets represented by equity securities (Note 15).

(F) CAPITAL MANAGEMENT

Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence

and to sustain future development of the business. Management monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity.

Management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the period.

The Company and its subsidiaries are subject to external capital requirements that require that their net assets as determined in accordance with Russian Accounting Principles must exceed their charter capital at all times.

As at the end of the reporting year the debt-to-equity ratio for the Group was as follows:

	Carrying value	
	31 December 2015	31 December 2014
Aggregate liabilities	61,562,627	54,862,332
Less: cash and cash equivalents	(123,220)	(395,836)
Net debt	61,439,407	54,466,496
Shareholders' equity	38,886,343	38,931,662
Gearing ratio	158%	140%

29 OPERATING LEASES

The Group leases a number of land plots owned by local governments under operating leases. In addition, the Group leases non-residential premises and vehicles.

Land leases were entered in prior periods and represented land plots on which power lines, equipment for electricity transformation and other assets are located. The land leases typically run for an initial period of 1 to 49 years, with

an option to renew the lease after that date. Lease payments are reviewed regularly to reflect market rentals.

The land title does not pass and the landlord retains control over land usage. The Group determined that substantially all the risks and rewards of the land plots are with the landlord, therefore the leases are considered as operating leases.

Operating lease rentals under non-cancellable leases are payable as follows:

	31 December 2015	31 December 2014
Less than one year	535,471	529,490
Between one year and five years	663,997	925,366
More than five years	4,320,503	4,266,724
	5,519,971	5,721,580

The amount of lease expense under operating leases recognised in profit or loss in 2015 was RUB 549,588 thousand (in 2014: RUB 524,064 thousand).

30 COMMITMENTS

The Group has outstanding commitments under the contracts for the purchase and construction of the items of property, plant and equipment for RUB 6,462,396 thousand as at 31 December 2015 (as at 31 December 2014: RUB 4,590,346 thousand).

31 CONTINGENCIES**(A) INSURANCE**

The insurance industry in the Russian Federation is in a developing state and many forms of insurance protection common in other parts of the world are not yet generally available. The Group has reliable insurance coverage for its property: industrial buildings, structures and premises, air and cable transmission lines, energy (power) machines and others. In addition, insurance covers risks that could lead to losses in the event of damage to third parties (health, property) arising from operation of dangerous production

units. The Group has no insurance coverage against losses caused by business interruption.

(B) LITIGATION

The Group is a party to certain legal proceedings arising in the ordinary course of business. Management does not believe that these matters will have a material adverse effect on the Group's financial position and operating results. Changes in litigation provisions are presented in Note 26.

(C) TAXATION CONTINGENCIES

The taxation system in the Russian Federation continues to evolve and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are sometimes, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which

have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

These circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these Consolidated Financial Statements, if the authorities were successful in enforcing their interpretations, could be significant.

(D) ENVIRONMENTAL MATTERS

The Company and its predecessors have operated in the electric transmission industry in the Russian Federation for many years. The enforcement of environmental regulations in the Russian Federation is evolving and the enforcement posture of Government authorities is continually being reconsidered. Management periodically evaluates its obligations under environmental regulations.

Potential liabilities might arise as a result of changes in legislation and regulation or civil litigation. The impact of these potential changes cannot be estimated, but could be material. In the current enforcement climate under existing legislation, management believes that there are no significant liabilities for environmental damage.

(E) OTHER CONTINGENCIES

The Group believes that the electricity services provided are in compliance with the Russian legislation regulating electric power transmission. Other contingencies to disclose as at 31 December 2015 and 31 December 2014 are absent.

(F) GUARANTEES

As at 31 December 2015, the Group has no issued financial guarantees for loans and borrowings.

32 RELATED PARTY TRANSACTIONS

(A) CONTROL RELATIONSHIPS

The Company's parent as at 31 December 2015 and 31 December 2014 was PJSC «Russian Grids». The party with the ultimate control over the Company is the Government of the Russian Federation, which held the majority of the voting rights of PJSC «Russian Grids». The economic, social and other policies of the Government of the Russian Federation could have a significant impact on the Group's activities.

(B) TRANSACTIONS WITH PARENT COMPANY AND ENTITIES UNDER CONTROL OF PARENT COMPANY

(C) MANAGEMENT COMPENSATION

There are no transactions or balances with key management and their close family members except for remuneration in the form of salary and bonuses.

Total remuneration to key management, Board of Directors and Management Board members for the reporting year, included into personnel costs (Note 9) was:

	Transaction value for the year ended 31 December		Balance as at 31 December	
	2015	2014	2015	2014
Sale of goods and services:				
Parent company	-	22,108	-	25,169
Fellow subsidiaries	313,050	13,957	55,745	17,199
Purchase of goods and services:				
Parent company	384,647	371,975	22,617	20,201
Fellow subsidiaries	16,983,720	15,423,405	2,122,176	2,491,156
Advances given:				
Fellow subsidiaries	-	-	33,881	108,375
Advances received:				
Fellow subsidiaries	-	-	167,040	167,011

	Year ended 31 December 2015	Year ended 31 December 2014
Salary and bonuses (including contributions to state insurance funds)	258,442	306,280
Pensions and post-employment benefits	397	265

The amount of commitments to key management personnel included in employee benefit obligations (Note 25) was as follows:

	Year ended 31 December 2015	Year ended 31 December 2014
Present value of defined benefit and defined contribution plans, as well as other payments for post-employment benefits	3,994	2,465

(D) TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

The Group applies the exemption in IAS 24 Related party disclosures that allows to present reduced related party disclosures regarding transactions with government-related entities.

In the course of business, the Group makes a significant number of transactions with companies that are government-related. These operations are carried out under the regulated tariffs, or in accordance with market prices.

Revenues from government-related entities accounts for 20% of the Group's total revenue for the year ended 31 December 2015, (for the year ended 31 December 2014: 24%) including 21% of the proceeds from the transmission of electricity (for the year ended 31 December 2014: 23%).

Costs of electricity transmission for government-related entities account for 44% of the total cost of the electricity transmission for the year ended 31 December 2015 (for the year ended 31 December 2014: 15%).

During 2015, the Group made three issues of non-convertible documentary interest - bearing bonds with a total nominal value of RUB 15,000,000 thousand with a nominal interest rate of 11.58-12.42% per annum. The maturity of the bonds is 3-7 years. Two issues of the interest - bearing bonds with a total nominal value of RUB 10,000,000 thousand with a nominal interest rate of 11.58-12.42% per annum have been purchased by PJSC «Russian Grids».

(E) LOANS AND BORROWINGS RECEIVED FROM GOVERNMENT-RELATED ENTITIES

	Addition of loans and borrowings	The balance of transactions	Addition of loans and borrowings	The balance of transactions
	2015	31 December 2015	2014	31 December 2014
Loans and borrowings received	5,792,342	23,467,055	6,650,000	24,872,738
	5,792,342	23,467,055	6,650,000	24,872,738

Loans and borrowings are drawn at the market interest rate (Note 28).

(F) PRICING POLICY

Transactions with related parties for the transmission of electricity are carried out at the tariffs set by the state.

33 EVENTS AFTER THE REPORTING PERIOD

Events after the balance sheet date, which should be reflected in the consolidated financial statements for the reporting period, have not been identified.

APPENDIX 3.1 TO THE ANNUAL REPORT OF IDGC OF CENTRE, PJSC FOR 2015

Implementation of the Program to consolidate electric grid assets of IDGC of Centre in 2013-2015

Branch	2013			2014			2015		
	Scope of consolidation of electric grid assets in the period			Scope of consolidation of electric grid assets in the period			Scope of consolidation of electric grid assets in the period		
	MVA	km	UoM	MVA	km	UoM	MVA	km	UoM
Total for IDGC	527	5779	19983	720	5504	27658	638	4982	25068
Purchase of electric grid assets	7	22	145	10	25	199	49	369	2096
Lease of electric grid assets	457	5198	18132	644	4829	25225	526	3667	19796
Other (permanent rights of ownership and use)	63	559	1703	66	650	2232	64	940	3163
Other (temporary rights of ownership and use)	0	0	2	0	0	2	0	6	13
branch «Belgorodenergo»	12	148	372	0	49	104	0	47	93
Purchase of electric grid assets	2	2	14	0	0	0			
Lease of electric grid assets	0	22	36	0	22	36	0	22	36
Other (permanent rights of ownership and use)	10	125	322	0	27	68	0	25	57
Other (temporary rights of ownership and use)	0	0	0	0	0	0			
branch «Bryanskenergo»	4	31	120	95	12	424	94	9	419
Purchase of electric grid assets	0	0	0	3	7	32			
Lease of electric grid assets	0	0	0	92	0	373	93	3	386
Other (permanent rights of ownership and use)	4	31	120	1	5	19	1	5	33
Other (temporary rights of ownership and use)	0	0	0	0	0	0			
branch «Voronezhenergo»	10	90	269	9	60	192	10	69	191
Purchase of electric grid assets				4	0	39			
Lease of electric grid assets	3	26	64	3	26	64	3	26	67
Other (permanent rights of ownership and use)	8	64	205	3	34	90	6	42	125
Other (temporary rights of ownership and use)									
branch «Kostromaenergo»	0	0	0	2	42	390	3	18	78
Purchase of electric grid assets	0	0	0	0	0	0	0	0	0

Branch	2013			2014			2015		
	Scope of consolidation of electric grid assets in the period			Scope of consolidation of electric grid assets in the period			Scope of consolidation of electric grid assets in the period		
	MVA	km	UoM	MVA	km	UoM	MVA	km	UoM
Lease of electric grid assets	0	0	0	1	16	61	2	16	61
Other (permanent rights of ownership and use)	0	0	0	1	26	328	1	2	16
Other (temporary rights of ownership and use)	0	0	0	0	0	0	0	0	0
branch «Kurskenergo»	179	767	2532	209	754	2905	200	1098	5213
Purchase of electric grid assets	0	0	0	0	0	0	16	119	569
Lease of electric grid assets	177	752	2468	177	752	2468	168	617	3393
Other (permanent rights of ownership and use)	3	15	64	32	2	437	16	362	1252
Other (temporary rights of ownership and use)	0	0	0	0	0	0	0	0	0
branch «Lipetskenergo»	93	2889	6938	82	2077	11009	86	2117	11349
Purchase of electric grid assets	4	19	117	3	18	129			
Lease of electric grid assets	76	2842	6616	76	2040	10795	76	2041	10797
Other (permanent rights of ownership and use)	13	29	203	3	19	83	11	75	549
Other (temporary rights of ownership and use)	0		2	0	0	2	0		2
branch «Oreleenergo»	60	326	2146	65	355	2259	46	97	527
Purchase of electric grid assets	0	0	0						
Lease of electric grid assets	59	323	2127	59	323	2127	39	33	374
Other (permanent rights of ownership and use)	1	3	19	6	31	132	7	57	141
Other (temporary rights of ownership and use)	0	0	0	0	0	0	0	6	11
branch «Smolenskenergo»	3	35	103	6	21	80	5	63	220
Purchase of electric grid assets	0	0	0	0	0	0			
Lease of electric grid assets	0	0	0	0	0	0	2	23	107

Implementation of the Program to consolidate electric grid assets of IDGC of Centre in 2013-2015

Branch	2013			2014			2015		
	Scope of consolidation of electric grid assets in the period			Scope of consolidation of electric grid assets in the period			Scope of consolidation of electric grid assets in the period		
	MVA	km	UoM	MVA	km	UoM	MVA	km	UoM
Other (permanent rights of ownership and use)	3	35	103	6	21	80	3	41	112
Other (temporary rights of ownership and use)	0	0	0	0	0	0			
branch «Tambovenergo»	14	124	258	54	321	975	51	312	921
Purchase of electric grid assets	1	2	7	0	0	0			
Lease of electric grid assets	13	122	251	51	314	927	51	306	900
Other (permanent rights of ownership and use)	0	0	0	3	7	47	1	6	20
Other (temporary rights of ownership and use)	0	0	0	0	0	0			
branch «Tverenergo»	125	977	4575	185	1503	6941	107	865	4407
Purchase of electric grid assets	0	0	0	0	0	0			
Lease of electric grid assets	122	821	4321	177	1037	6104	92	569	3655
Other (permanent rights of ownership and use)	3	156	254	7	466	837	14	296	752
Other (temporary rights of ownership and use)									
branch «Yarenergo»	28	391	2670	13	312	2378	35	289	1651
Purchase of electric grid assets	0	0	7	0	0	0	32	250	1527
Lease of electric grid assets	8	290	2250	8	300	2268	0	10	19
Other (permanent rights of ownership and use)	19	101	414	5	12	110	2	29	105

Note:

purchased - all the actual amount of purchased electric grid assets during the calendar period;

leased - all actually leased electric grid assets at the end of the period (i.e. all existing contracts, including the previously concluded, the number of active transactions at the end of the period);

other (permanent rights of ownership and use) - all the actual acquisition of the property during the calendar period;

other (temporary rights of ownership and use) - all existing contracts at the end of the period, including the previously concluded.

APPENDIX 3.2 TO THE ANNUAL REPORT OF IDGC OF CENTRE, PJSC FOR 2015

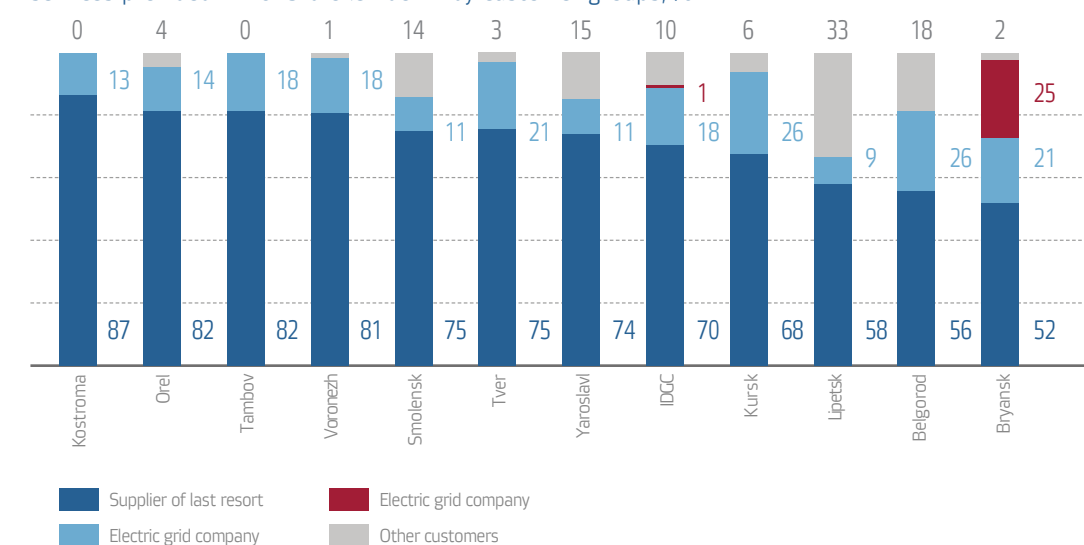
ADDITIONAL INFORMATION ON ELECTRIC ENERGY TRANSMISSION SERVICES PROVIDED.

ELECTRIC ENERGY LOSSES

Amount of electric energy transmission services provided broken down by the branches in 2015 (in the service area of IDGC of Centre)

Branch	Supply to the grid	Amount of services provided		Losses	
		mln kWh	mln kWh	mln kWh	%
Belgorodenergo	12,168.9	11,343.32	825.6	6.78%	
Bryanskenergo	3,855.3	3,636.86	218.5	5.67%	
Voronezhenergo	8,809.7	8,028.58	781.1	8.87%	
Kostromaenergo	2,691.3	2,338.09	353.2	13.12%	
Kurskenergo	5,967.2	5,472.96	494.3	8.28%	
Lipetskenergo	7,448.4	6,784.61	663.8	8.91%	
Orelenergo	2,442.6	2,181.43	261.2	10.69%	
Smolenskenergo	3,834.1	3,312.32	521.8	13.61%	
Tambovenergo	3,104.5	2,881.14	223.3	7.19%	
Tverenergo	5,435.2	4,635.94	799.3	14.71%	
Yarenergo	6,799.1	6,090.74	708.4	10.42%	
Total	62,556.3	56,706.0	5,850.3	9.35%	

Structure of revenues for electric energy transmission services provided in 2015 broken down by customer groups, %



Actual losses of electric energy in 2014-2015 broken down by the branches

Branch name	Electric energy losses						
	Actual for 2014			Actual for 2015		Change	
	mln kWh	% reported	% (under comparable conditions 2015)	mln kWh	% reported	mln kWh	%
Belgorodenergo	834,8	6,86%	6,86%	825,6	6,78%	-9,2	-0,08%
Bryanskenergo	218,3	5,46%	5,62%	218,5	5,67%	0,1	0,05%
Voronezhenergo	786,2	8,92%	8,92%	781,1	8,87%	-5,1	-0,06%
Kostromaenergo	365,0	13,36%	13,36%	353,2	13,12%	-11,8	-0,23%
Kurskenergo	477,7	8,10%	8,10%	494,3	8,28%	16,5	0,18%
Lipetskenergo	676,5	8,97%	8,97%	663,8	8,91%	-12,7	-0,06%
Orelenergo	277,8	11,33%	11,35%	261,2	10,69%	-16,6	-0,65%
Smolenskenergo	539,3	13,96%	13,98%	521,8	13,61%	-17,5	-0,37%
Tambovenergo	231,0	7,39%	7,39%	223,3	7,19%	-7,6	-0,19%
Tverenergo	836,8	15,20%	15,20%	799,3	14,71%	-37,6	-0,50%
Yarenergo	705,8	7,65%	10,51%	708,4	10,42%	2,6	-0,09%
Total	5,949,2	9,17%	9,49%	5,850,3	9,35%	-98,9	-0,14%

Information about the volume of each type of energy resources used by the Company in 2015

Indicator	UoM	Actual
electric energy	mln kWh	130,95
	mln RUB	262,23
heat energy	Gcal	49,704
	mln RUB	67,7
gas	thous. m3	1,131,9
	mln RUB	5,93
Petrol	thous. l	16,374,5
	mln RUB	456,9
Diesel fuel	thous. l	8,892,7
	mln RUB	256,3

Other types of resources (nuclear, electromagnetic energy, oil, fuel oil, coal, oil shale, peat, etc.) were not used in 2015.

¹ Indicator of electric energy losses in 2014 under comparable conditions in 2015.

² Losses taking into account JSC «Yargorelectroset».

³ Losses taking into account JSC «Yargorelectroset».

APPENDIX 3 TO THE ANNUAL REPORT OF IDGC OF CENTRE, PJSC FOR 2015.

Actual values of the quality of services indicator for 2015 broken down by the branches

Branch	Information content		Duty performance		Feedback effectiveness		Quality of services rendered indicator		
	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	A/P-1
Belgorodenergo	1.583	2	0.407	0.586	1.967	2	0.8366	1.0102	-0.1718
Bryanskenergo	1.667	2	0.402	0.586	2	2	0.8481	1.0102	-0.1605
Voronezhenergo	1.833	2	0.423	0.586	2	2	0.8794	1.0102	-0.1295
Kostromaenergo	1.5	2	0.38	0.586	1.875	2	0.791	1.0102	-0.2170
Kurskenergo	1.75	2	0.419	0.586	1.958	2	0.86	1.0102	-0.1487
Lipetskenergo	1.583	2	0.394	0.425	2.083	2	0.8508	0.8975	-0.0520
Orelenergo	1.75	2	0.413	0.586	1.667	2	0.7974	1.0102	-0.2107
Smolenskenergo	1.833	2	0.433	0.586	1.958	2	0.8781	1.0102	-0.1308
Tambovenergo	1.75	2	0.437	0.586	1.875	2	0.8559	1.0102	-0.1527
Tverenergo	1.722	2	0.31	0.586	2.083	2	0.8059	1.0102	-0.2022
Yarenergo	1.583	2	0.401	0.586	1.833	2	0.8057	1.0102	-0.2024

Results of customer satisfaction surveys (G4-PR5)

Branch of IDGC of Centre	Method	Survey item	Survey period	Those surveyed	Survey objective
Belgorodenergo	written questionnaire (including interactive polls)	customers of services of the branch	01.01.2015-31.12.2015	715	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Belgorodenergo	phone interview	customers of services of the branch	01.01.2015-31.12.2015	369	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Belgorodenergo	phone interview	customers, whom a grid connection contract was concluded with	13.02.2015-25.02.2015	358	Clarification of information on the implementation of Technical Conditions by the applicant
Belgorodenergo	phone interview	customers, whom a grid connection contract was concluded with	12.01.2015-16.01.2015	573	Clarification of information about the customer's readiness to implement grid connection
Bryanskenergo	written questionnaire (including interactive polls)	customers of services of the branch	01.01.2015-31.12.2015	677	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care

Results of customer satisfaction surveys (G4-PR5)

Branch of IDGC of Centre	Method	Survey item	Survey period	Those surveyed	Survey objective
Bryanskenergo	phone interview	customers of services of the branch	01.01.2015-31.12.2015	4	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Bryanskenergo	phone interview	customers, whom a grid connection contract was concluded with	23.11.2015-27.11.2015	95	Identifying the needs and intentions of customers in the conclusion of the service contract «Grid connection support»
Bryanskenergo	phone interview	customers, whom a grid connection contract was concluded with	18.08.2015-24.08.2015	110	Identifying the needs and intentions of customers in the conclusion of the service contract «Grid connection support»
Bryanskenergo	phone interview	customers, whom a grid connection contract was concluded with	19.05.2015-25.05.2015	80	Identifying the needs and intentions of customers in the conclusion of the service contract «Grid connection support»
Voronezhenergo	written questionnaire (including interactive polls)	customers of services of the branch	01.01.2015-31.12.2015	6,956	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Voronezhenergo	phone interview	customers of services of the branch	01.01.2015-31.12.2015	9	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Voronezhenergo	phone interview	customers, who submitted their grid connection request in the customer service centres	02.11.2015-30.11.2015	197	Assessment of quality of care and offer by employees of the customer service centres of the service «Grid connection support»
Voronezhenergo	phone interview	customers, who submitted their grid connection request in the customer service centres	02.10.2015-30.10.2015	119	Assessment of quality of care and offer by employees of the customer service centres of the service «Grid connection support»
Voronezhenergo	phone interview	customers, who submitted their grid connection request in the customer service centres	01.07.2015-17.07.2015	51	Assessment of quality of care and offer by employees of the customer service centres of the service «Grid connection support»
Voronezhenergo	phone interview	customers, who submitted their grid connection request in the customer service centres	01.06.2015-30.06.2015	235	Assessment of quality of care and offer by employees of the customer service centres of the service «Grid connection support»

Branch of IDGC of Centre	Method	Survey item	Survey period	Those surveyed	Survey objective
Voronezhenergo	phone interview	customers, who submitted their grid connection request in the customer service centres	05.05.2015-29.05.2015	187	Assessment of quality of care and offer by employees of the customer service centres of the service «Grid connection support»
Voronezhenergo	phone interview	customers, who submitted their grid connection request in the customer service centres	31.03.2015-30.04.2015	205	Assessment of quality of care and offer by employees of the customer service centres of the service «Grid connection support»
Kostromaenergo	written questionnaire (including interactive polls)	customers of services of the branch	01.01.2015-31.12.2015	89	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Kostromaenergo	phone interview	customers of services of the branch	01.01.2015-31.12.2015	1	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Kurskenergo	written questionnaire (including interactive polls)	customers of services of the branch	01.01.2015-31.12.2015	2,068	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Kurskenergo	phone interview	customers of services of the branch	01.01.2015-31.12.2015	7	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Kurskenergo	phone interview	customers, who submitted their grid connection request in the customer service centres	02.11.2015-30.11.2015	87	Assessment of quality of care and offer by employees of the customer service centres of the service «Grid connection support»
Kurskenergo	phone interview	customers, who submitted their grid connection request in the customer service centres	02.10.2015-30.10.2015	96	Assessment of quality of care and offer by employees of the customer service centres of the service «Grid connection support»
Kurskenergo	phone interview	customers, who submitted their grid connection request in the customer service centres	01.07.2015-17.07.2015	49	Assessment of quality of care and offer by employees of the customer service centres of the service «Grid connection support»

Results of customer satisfaction surveys (G4-PR5)

Branch of IDGC of Centre	Method	Survey item	Survey period	Those surveyed	Survey objective
Kurskenergo	phone interview	customers, who submitted their grid connection request in the customer service centres	02.10.2015-30.10.2015	96	Assessment of quality of care and offer by employees of the customer service centres of the service «Grid connection support»
Kurskenergo	phone interview	customers, who submitted their grid connection request in the customer service centres	01.07.2015-17.07.2015	49	Assessment of quality of care and offer by employees of the customer service centres of the service «Grid connection support»
Kurskenergo	phone interview	customers, who submitted their grid connection request in the customer service centres	31.03.2015-30.04.2015	138	Assessment of quality of care and offer by employees of the customer service centres of the service «Grid connection support»
Lipetskenergo	written questionnaire (including interactive polls)	customers of services of the branch	01.01.2015-31.12.2015	670	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Lipetskenergo	phone interview	customers of services of the branch	01.01.2015-31.12.2015	11	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Orelenergo	written questionnaire (including interactive polls)	customers of services of the branch	01.01.2015-31.12.2015	459	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Orelenergo	phone interview	customers of services of the branch	01.01.2015-31.12.2015	11	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Smolenskenergo	written questionnaire (including interactive polls)	customers of services of the branch	01.01.2015-31.12.2015	21	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Smolenskenergo	phone interview	customers of services of the branch	01.01.2015-31.12.2015	4	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care

Branch of IDGC of Centre	Method	Survey item	Survey period	Those surveyed	Survey objective
Tambovenergo	written questionnaire (including interactive polls)	customers of services of the branch	01.01.2015-31.12.2015	1 091	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Tambovenergo	phone interview	customers of services of the branch	01.01.2015-31.12.2015	4	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Tverenergo	written questionnaire (including interactive polls)	customers of services of the branch	01.01.2015-31.12.2015	904	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Tverenergo	phone interview	customers of services of the branch	01.01.2015-31.12.2015	14	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Tverenergo	phone interview	customers, whom a grid connection contract was concluded with	07.02.2015-09.02.2015	136	Evaluation of satisfaction of the work quality performed on grid connection
Yarenergo	written questionnaire (including interactive polls)	customers of services of the branch	01.01.2015-31.12.2015	1,184	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Yarenergo	phone interview	customers of services of the branch	01.01.2015-31.12.2015	8	Determination of customer satisfaction level of quality of the service on electric energy transmission, grid connection, value-added services, quality of customer care
Yarenergo	phone interview	customers, whom a grid connection contract was concluded with	09.06.2015-20.07.2015	3,009	Clarification of information about the customer's readiness to implement grid connection

APPENDIX 3.4 TO THE ANNUAL REPORT OF IDGC OF CENTRE, PJSC FOR 2015

ADDITIONAL INFORMATION ON INNOVATION DEVELOPMENT AND R&D

The technical results delivered within the R&D implementation in the reporting period, developed equipment, technology, materials with visualization of the most significant results:

R&D «Development of anti-icing coatings and methods of their application to bare wires of Conductors based on ferromagnetic materials with Curie temperature close to 0°C». The project deliverables:

- Regional climatic zone maps for wind, ice and wind load at ice storm for 11 regions of IDGC of Centre (approved by Order of IDGC of Centre dated 20.01.2016 №12 TSA).

The purpose of the development of the maps is to increase the accuracy of the design calculations and loads on wires and poles of Conductors with the wind and the ice and as a consequence – the reliability of the line itself, which is especially important in regions with significant icing and wind loads. The maps are based on an analysis of long-term climate observations of weather stations located on the territory where the Company operates, the maps were reviewed by regional divisions of Hydrometeorological Centre of Russia, their application is planned in the design of new construction and reconstruction of Conductors from 2016.

- Experimental ferromagnetic coating composition coated on a bare conductor AS-120/19, as well as samples of aluminum rods having a cross section of 118 mm².

- Programs and Guidelines of preliminary environmental tests of the ferromagnetic coating.
- Scientific and technical report «Calculation of coating thickness range, ensuring the necessary level of heat sufficient to prevent icing».
- Scientific and technical report «Calculation of range to increase power losses and electric energy of wires coated with ferromagnetic coating in the working temperature, depending on the current load and the thickness of the coating».
- Scientific and technical Report «The results of calculation of the total annual average specific losses of Conductors coated with anti-icing-coated wires for the selected regions of IDGC of Centre».
- Technical and economic analysis of application of the ferromagnetic surface coating technology of Conductor wires used to prevent icing.
- The report on research patentability of the decisions taken on the composition and methods of forming the ferromagnetic coating on bare wires of used Conductors.

The list of received copyright protection (patents, certificates) on R&D results:

R&D name, protected with documents of the exclusive right	Details of documents of the exclusive right	Details of the agreement, under which developed	Status of obtaining exclusive rights documents (copyright protection / application submitted)
Certificate of state registration of the computer program "Organization of the production activity of a company of the electric power industry" ("Modular industry solution: Production asset management system")	№ 2015617601 dated 15.07.2015	7700/00153/12 dated 15.08.2012	Copyright protection
Certificate of state registration of the computer program "Software for the analysis of performance of energy-efficient outdoor lighting systems"	№ 2015614715 dated 11.03.2015	7700/000169/12 dated 20.09.2012	Copyright protection

Facilities at which the innovative solutions were implemented or transferred into trial operation in the reporting period:

Item №	Branch of IDGC of Centre	Facility name	Key specifications
1	Belgorodenergo	Facilities of retrofitting and reconstruction, individual housing construction and grid connection in grids 0,4-10 kV	Power transformers 10 kV with reduced no-load and short-circuit losses: Oil-filled waterproofed transformer-10/0,4,40 kVA – 4 pcs. (P no load=150 W, Psc=880 W); Oil-filled waterproofed transformer-10/0,4,63 kVA – 35 pcs. (P no load=184 W, Psc=1460 W); Oil-filled waterproofed transformer-10/0,4,100 kVA – 28 pcs. (P no load=280 W, Psc=2210 W); Oil-filled waterproofed transformer-10/0,4,160 kVA – 32 pcs. (P no load=164 W, Psc=1822 W); Oil-filled waterproofed transformer-10/0,4,250 kVA – 12 pcs. (P no load=425 W, Psc=3250 W); Oil-filled waterproofed transformer-10/0,4,400 kVA – 6 pcs. (P no load=610 W, Psc=4600 W); Oil-filled waterproofed transformer-10/0,4,630 kVA – 3 pcs. (P no load=800 W, Psc=6750 W)
2	Bryanskenergo	SS 35/6 kV Tembr	Vacuum recloser SMART 35 kV with auxiliary transformer – 5 pcs. Vn, kV - 35 Current rating, A - 1250 Current interrupting rating, kA - 20 Mechanical durability, CO - 20000 Commutation life: - at Vn, cycles «CO» - 20000 - at Vn breaking, cycles «CO» - 25 Opening time, ms - 45 Total break time, ms - 55 Closing time, ms - 60 Resistance to lightning impulse - 190 kV Reclosing cycle 0 - 0,3 s – CO – 20 s – CO – 20 s – CO... Degree of protection provided by enclosures, GOST 14254-96 - IP55 Climatic category and placement category under GOST 15150 - temperate and cold climate1
		Feeder №305 SS 110/6 kV «Soviet»	- Recloser installation 10 kV PBA/TEL-10-12,5/630 U1 - 1 pcs. - Vn, kV - 10; - maximum voltage, kV - 12; - current rating, A - 630 - current interrupting rating, kA - 12,5 - short time electrodynamic current, kA - 32 - short-time thermal current, three seconds, kA - 12,5; - mechanical durability, cycles «CO» - 30000 - commutation life at current rating, cycles «CO» - 30000 - commutation life at current interrupting rating, cycles «CO» - 100 - climatic category and placement category under GOST 15150 - temperate and cold climate1

Facilities at which the innovative solutions were implemented or transferred into trial operation in the reporting period:

Item №	Branch of IDGC of Centre	Facility name	Key specifications
		SS 110/35/6 kV «Dormash»	<p>Power transformer monitoring system 63 MVA</p> <ul style="list-style-type: none"> - Power transformer monitoring system functions: - thermal monitoring of transformer condition; - control of currents and voltages HV, MV, LV; - oil level control; - control of moisture content and gas in the oil; - control of the current number of the tap of the tap changer; - bushing condition control; - control of degree of insulation aging and remaining life of the transformer; - cooling system control. <p>Main unit (control of other modules, data acquisition, communication with the operator):</p> <ul style="list-style-type: none"> - Vibration sensors - 4 pcs. - Pressure sensors - 6 pcs. - Current transducers - 3 pcs. - Voltage sensors - 3 pcs. - Humidity sensor - 1 pcs. - Temperature sensors - 7 pcs. <p>Control unit of transformer bushings condition:</p> <ul style="list-style-type: none"> - Set of control sensors of conduction currents and partial discharge. <p>Control unit of insulation condition by partial discharge:</p> <ul style="list-style-type: none"> - Partial discharge sensors – 15 pcs. <p>Control unit of tap changer status:</p> <ul style="list-style-type: none"> - Tap position sensor. - Current transducer «IFCT-5A». - Integrated sensor (temperature sensor, vibration sensor). <p>In addition, a hydrogen and combustible gases analyzer «InteGaz» of the company INTERA is installed at the transformer</p> <p>Communication of the monitoring system with the computer is via RS-485 interface</p>
3	Voronezhenergo	Construction of facilities of 10/0,4 kV within grid connection	<p>Pole-mounted transformer SS 6(10)/0,4 kV</p> <ul style="list-style-type: none"> S = 25 kVA (8 pcs.) S = 63 kVA (12 pcs.) Vn HV/LV, kV - 10/0,4; Maximum voltage of HV, kV - 12; Type – waterproofed; Cooling system - ONAN (oil); HV voltage regulation - $\pm 2 \times 2,5\%$ (Rail NLTC); Short-time thermal current within 1s on HV, kA – 6,3; Type of low-voltage and high-voltage bushings – air (insulated), Sound pressure level, max, dBA – 40; Mounting of the power transformer on the pole of 10 kV Conductor - without additional supports (mounted version); HV surge protection - surge arrester as a part of the transformer (on the corrugated transformer tank cover)

Item №	Branch of IDGC of Centre	Facility name	Key specifications
4	Kostromaenergo	Construction of Conductor-0,4 kV to perform Grid connection contract № 41036336 with LLC CC "Volga-Stroy"	<p>Steel multi-faceted pole UMz04-7-90:</p> <ul style="list-style-type: none"> - quantity – 2 pcs. - height – 7 m; - wall thickness – 4 mm; - bending moment – 11,128 tfm - galvanized; - single circuit. <p>Foundation for the pole: FT325x8x4000</p> <ul style="list-style-type: none"> - quantity – 2 pcs.; - pipe foundation; - pipe diameter – 325 mm; - pipe length – 4000 mm
5	Kurskenergo	Reconstruction of Conductor 110 kV «CHP-1 – Sadovaya»	<p>Steel multi-faceted poles 110 kV:</p> <p>PM 110-4ph, (6 pcs.)</p> <ul style="list-style-type: none"> - height 31,13 m; - bending moment 853,2 kNm <p>PPM 110-2ph (30 pcs.)</p> <ul style="list-style-type: none"> - height 30,418 m; - bending moment 853,2 kNm
6	Lipetskenergo	SS 35/10 kV «Black Sloboda»	<p>Switchgear HV – Switchgear and control gear D 40P, Switchgear LV Switchgear and control gear D12P</p> <p>Relay protection and automation: TOP 300 terminals</p> <p>Automatic system for commercial metering of power consumption: ARIS – EM</p> <p>Supervisory control system: ARIS – CS</p> <p>Equipment of Relay protection and automation and telemetry with the standard support IEC 61850</p> <ul style="list-style-type: none"> - cabinet of primary and backup protections T1 and T2 (2 pcs.). (Breakers Control Automation 35 kV implemented in the terminal of the transformer backup protection) - cabinet with automatic regulation of the transformation ratio (with mimic diagram) – 1 pcs. <p>Process bus according to IEC 61850-8-1</p> <p>Station bus according to IEC 61850-9-2LE</p> <p>Collection of digital signals of outgoing connections on the controller ARIS C 304 (25 pcs., including the integration of tap changers of transformers)</p> <p>Collection of measurement signals of CTs and VTs (for integration of analog circuits measuring differential transformer protection) – man-machine device (4 pcs.)</p> <p>Terminals of protection of outgoing connections (16 pcs.)</p> <p>Remote control server ARIS-SCADA</p> <p>NTP «Metronome» Server 600</p> <p>Telecommunications cabinet</p> <p>Reservation of signals LAN Ethernet network – PRP technology</p> <p>Main communication channels with fiber optics using line link equipment «Polycom-300U-IGTR»</p> <p>Redundant communication channel – a small earth station VSAT satellite communications with an integrated Ethernet interface 100 Base-T</p>

Facilities at which the innovative solutions were implemented or transferred into trial operation in the reporting period:

Item №	Branch of IDGC of Centre	Facility name	Key specifications
7	Smolenskenergo	Facilities of retrofitting and reconstruction, individual housing construction and grid connection in grids 0,4-10 kV	Pole-mounted transformer SS 6(10)/0,4 kV S = 63 kVA (11 pcs.) Vn HV/LV, kV - 10/0,4; Maximum voltage on HV, kV - 12; Type – waterproofed; Cooling system - ONAN (oil); HV voltage regulation - $\pm 2 \times 2,5\%$ (Rail NLTC); Short-time thermal current within 1s on HV, kA – 6,3; Type of low-voltage and high-voltage bushings – air (insulated), Sound pressure level, max, dBA – 40; Mounting of the power transformer on the pole of 10 kV Conductor - without additional supports (mounted version); HV surge protection - surge arrester as a part of the transformer (on the corrugated transformer tank cover)
		Reconstruction of SS 35 kV «Uspenskoye»	Vacuum recloser SMART 35 kV with auxiliary transformer – 1 pcs. Vn, kV - 35 Current rating, A - 1250 Current interrupting rating, kA - 20 Mechanical durability, CO - 20000 Commutation life: – at Vn, cycles «CO» - 20000 – at Vn breaking, cycles «CO» - 25 Opening time, ms - 45 Total break time, ms - 55 Closing time, ms - 60 Resistance to lightning impulse - 190 kV Reclosing cycle 0 - 0,3 s – CO – 20 s – CO – 20 s - CO... Degree of protection provided by enclosures, GOST 14254-96 - IP55 Climatic category and placement category under GOST 15150 - temperate and cold climate1
		Conductor-10 kV №1001/1002 SS «Zavodskaya»	Recloser installation 10 kV PBA/TEL-10-12,5/630 U1 - 1 pcs. – Vn, kV - 10; – maximum voltage, kV - 12; – current rating, A - 630 – current interrupting rating, kA - 12,5 – short time electrodynamic current, kA - 32 – short-time thermal current, three seconds, kA - 12,5; – mechanical durability, cycles «CO» - 30000 – commutation life at current rating, cycles «CO» - 30000 – commutation life at current interrupting rating, cycles «CO» - 100 – climatic category and placement category under GOST 15150 - temperate and cold climate1

Item №	Branch of IDGC of Centre	Facility name	Key specifications
		SS 110 /10 kV «Yartsevo-2»	Equipment of Relay protection and automation and information acquisition & transmission system with the support IEC 61850 (integration into a single station bus IEC 61850-8-1) composed of: Cabinet of main and back-up protection of power transformers and 10 kV bushing – 2 pcs. Cabinet of control and automation of circuit breaker 110 kV, sectionalizers 10 kV and tap changers of transformers – 1 pcs. Cabinet of central alarm equipment of the information acquisition & transmission system – 1 pcs. Terminals of protection of outgoing connections – 19 pcs. Additionally: – Computer workstation of a relay protection engineer; – digital data transmission channel to the top level supervisor – Functionality of the information acquisition & transmission system: – collection and primary processing of analog and digital signals with input-output modules; – collection of information from microprocessor devices for digital communication channels; – transfer of information to the upper levels of supervisory control; – display of information directly on the substation on the Computer workstation of the relay protection engineer; – warning and alarm system; – registration and display of events; – continuous automatic monitoring of the status and functioning of hardware and software of both the information acquisition & transmission system, and the lower-level devices (Microprocessor relay protection and automation, communications, measurement); – setting microprocessor relay protection and automation devices and collection of waveforms, saving recorded waveforms in the archives; – support of staff to analyze waveforms; – information capacity of up to 5,000 signals; – capability to transmit information to the upper levels of control - up to 16 lines; – integration of up to 200 low-level devices. Functionality of relay protection and automation: – authorization of users (access levels and passwords) – emergency oscilloscope can record up to 12 analog channels and 64 digital signals – a complete set of relay protection for lines and inputs (standard configuration) – automatic re-closing modes and measurement for selected class of CTs and VTs – possibility of use of arc protection systems for cubicles (up to 3 sensors) and the GOOSE exchange between arc protection systems of different cubicles, which reduces the breaking time up to 10-15 ms – monitoring of the switching device Reservation: PRP with one Ethernet LAN ring

Facilities at which the innovative solutions were implemented or transferred into trial operation in the reporting period:

Item №	Branch of IDGC of Centre	Facility name	Key specifications
8	Tambovenergo	35 kV SS 35/10 «Gorelskoye»	Vacuum recloser SMART 35 kV with auxiliary transformer – 1 pcs. Vn, kV - 35 Current rating, A - 1250 Current interrupting rating, kA - 20 Mechanical durability, CO - 20000 Commutation life: - at Vn, cycles «CO» - 20000 - at Vn breaking, cycles «CO» - 25 Opening time, ms - 45 Total break time, ms - 55 Closing time, ms - 60 Resistance to lightning impulse - 190 kV Reclosing cycle 0 - 0,3 s – CO – 20 s – CO – 20 s - CO... Degree of protection provided by enclosures, GOST 14254-96 - IP55 Climatic category and placement category under GOST 15150 - temperate and cold climate1
		SS 35/10 kV «Ekaterininskaya»	Resistive neutral grounding 10 kV Low resistor RZ-10 kV – 2 pcs. Resistance rating - 50 Ohm Power rating - 667 kW
		Closed transforming substation-10/0,4 kV №4 F № 5(7) CDS-1	Power transformer of amorphous steel core – 1 pcs. Unom – 10 kV, Transformer type – Oil-filled waterproofed transformer- SESCH-630/10-17, Power rating - 630 kVA, Nominal voltage of windings – 10/0,4 kV, Scheme and group of windings connection - D/Yn-11, No-load losses – 264 W, Short-circuit losses - 6555 W
9	Tverenergo	Facilities of retrofitting and reconstruction, individual housing construction and grid connection in grids 0,4-10 kV	Recloser installation 10 kV PBA/TEL-10-12,5/630 U1 - 9 pcs. – Vn, kV - 10; – maximum voltage, kV - 12; – current rating, A - 630 – current interrupting rating, kA - 12,5 – short time electrodynamic current, kA - 32 – short-time thermal current, three seconds, kA - 12,5; – mechanical durability, cycles «CO» - 30000 – commutation life at current rating, cycles «CO» - 30000 – commutation life at current interrupting rating, cycles «CO» - 100 climatic category and placement category under GOST 15150 - temperate and cold climate1
		Conductor 110 kV «Bezborodovo-Redkino» (EAD stage)	Use of steel multifaceted poles 110 kV PM110-4PH (11902.00.000 MC) – 11 pcs. Type of pole: multifaceted intermediate double circuit with flange connection with structurally separate foundation Height: 31,13 m Weight: 3648 kg

Item №	Branch of IDGC of Centre	Facility name	Key specifications
10	Yarenergo	Conductor 110 kV «Lazurnaya-Back Field» to SS Lebedevo (EAD stage)	Use of steel multifaceted poles 110 kV PM110-4PH (11902.00.000 MC). Unom of the line – 110 kV. Number of installed equipment – 48 pcs. Type of pole: multifaceted intermediate double circuit with flange connection with structurally separate foundation Height:31,13 m Weight: 3648 kg Construction length of the reconstructed section – 12,552 km
		Facilities of retrofitting and reconstruction, individual housing construction and grid connection in grids 0,4-10 kV (Nekrasovsky Distribution Zone)	Recloser installation 10 kV PBA/TEL-10-12,5/630 U1 - 1 pcs. – Vn, kV - 10; – maximum voltage, kV - 12; – current rating, A - 630 – current interrupting rating, kA - 12,5 – short time electrodynamic current, kA - 32 – short-time thermal current, three seconds, kA - 12,5; – mechanical durability, cycles «CO» - 30000 – commutation life at current rating, cycles «CO» - 30000 – commutation life at current interrupting rating, cycles «CO» - 100 climatic category and placement category under GOST 15150 - temperate and cold climate1
		Conductor 35 kV «Velikaya», Conductor 10 kV № 2 «Volkovsky»	Set of short-circuit indicators Fault Recorder-33 MP (including: three short-circuit indicators Fault Recorder-3 and main unit BSPI-3P) Conductor 10kV №2 «Volkovsky» SS Levoberezhnaya (Rybinsky Distribution Zone) – 3 pcs., Conductor 35kV Velikaya – 2 pcs.
			<p>Functions:</p> <p>Types of faults:</p> <ul style="list-style-type: none"> – interphase short-circuit detection, single phase-to-ground fault protection (metal); – separation of type of faults; – indication of fault phase <p>Operations control:</p> <ul style="list-style-type: none"> – visual (target, visibility 300 m); – radio unit; <p>Current sensor – 3 pcs.;</p> <p>Voltage sensor – 3 pcs.;</p> <p>Response time to inrush current – 0,04 s;</p> <p>Fault analysis time - 0,1+30 s</p> <p>Limits of threshold current - 10+1000 A</p> <p>Limits of threshold voltage - 1+35 kV</p> <p>Limits of threshold current at metal single phase-to-ground fault - 4+40 A</p> <p>Additionally:</p> <ul style="list-style-type: none"> – change of settings; – event log; – software update <p>Power: Lithium storage battery – 16 Ah</p> <p>Fault Recorder weight - 0,8 kg</p> <p>Main unit BSPI-3P weight - 3 kg</p>

Facilities at which the innovative solutions were implemented or transferred into trial operation in the reporting period:

Item №	Branch of IDGC of Centre	Facility name	Key specifications
		Yargorelectroset	<p>Universal charging station for electric vehicles - 5 pcs. Connector type: sockets Mennekes, Schuko, Type2 Vn 230 ... 400 V Degree of protection IP44 Current rating 16/32 A</p> <p>Electric vehicle «Mitsubishi Outlander PHEV» - 1 pcs. Driving distance up to 880 km Consumption of 1,9 l/100 km when driving in the combined mode Plug - JEVS G105, CHAdeMO</p>
		Facilities of retrofitting and reconstruction, individual housing construction and grid connection in grids 0,4-10 kV	<p>Pole-mounted transformer SS 6(10)/0,4 kV S = 63 kVA (3 pcs.) Vn HV/LV, kV - 10/0,4; Maximum voltage on HV, kV - 12; Type – waterproofed; Cooling system - ONAN (oil); HV voltage regulation - $\pm 2 \times 2,5\%$ (Rail NLTC); Short-time thermal current within 1s on HV, kA – 6,3; Type of low-voltage and high-voltage bushings – air (insulated), Sound pressure level, max, dBA – 40; Mounting of the power transformer on the pole of 10 kV Conductor - without additional supports (mounted version); HV surge protection - surge arrester as a part of the transformer (on the corrugated transformer tank cover)</p>

The results of commercialization of the rights to intellectual property obtained as a result of R&D:

Development name, protected with exclusive rights documents	Details the exclusive rights documents	Details of the contract, under which developed	Details of the license agreement / other information on use of the exclusive rights documents	Received payments, mln RUB, without VAT
Patent for utility model of the pole mounted transformer substation	№ 99905 dated 31.08.2010, № 101278 dated 31.08.2010, № 133982 dated 30.04.2013, № 146463 dated 27.01.2014	7700/00051/12 dated 11.04.2012	№ 7700/00074/15 dated 16.06.2015, № 7700/00150/15 dated 21.09.2015, № 7700/00158/15 dated 07.10.2015	Planned receipt of payment in 2016
Patent for utility model of the Power line pole (steel, multifaceted)	№ 138695 dated 27.01.2014	7700/00193/13 dated 04.04.2013	№ 7700/00049/15 dated 15.04.2015, № 7700/00068/15 dated 02.06.2015	Planned receipt of payment in 2016

The list of issues, reviewed by the Scientific and Technical Council of PJSC «Rosseti» in 2015:

Item №	Meeting	Reviewed issues
Presidium of the Scientific and Technical Council of PJSC «Rosseti»		
1	13.03.2015	<ol style="list-style-type: none"> 1. Report on work of sections of the Scientific and Technical Council of PJSC «Rosseti» for 2014 2. On the concept of establishing a R&D fund 3. Approval of the work plan of the Scientific and Technical Council of PJSC «Rosseti» for 2015
Section «Technologies and equipment of power lines»		
2	09.04.2015	<ol style="list-style-type: none"> 1. Advantages of use of plastically pressed steel-aluminum wire and ground wire in the reconstruction and new construction of Conductors 2. Application at electric grid facilities of self-supporting non-insulated wire of flame-retardant grade SIPn 3. Consideration of the technical specifications for the R&D implementation «Development of the standard design of the transition point of 110 kV on the pole for connection of Conductor and Cable» 4. Consideration of the work plan of the section «Technologies and equipment of power lines» for 2015
3	20.05.2015	<ol style="list-style-type: none"> 1. Creation of high-temperature superconductor of AC Cable with its length of 200 m at the voltage 20 kV with the current of 1500 Ai, installation in trial operation at the selected facility 2. Lead-in wires, terminals and couplings for high-temperature superconductor power lines 3. Compact, flexible high-current high-temperature superconductor cables and conductors for power transmission over short distances
Section «Technologies and equipment of substations»		
4	18.03.2015	<ol style="list-style-type: none"> 1. Development and manufacturing of a commercial prototype of a phase-shifting device for the selected facility of the UNPG 2. Development of common technical requirements and standard technical solutions to the typical system of monitoring and diagnostics 3. On the work plan of the section «Technologies and equipment of substations»
5	29.04.2015	<ol style="list-style-type: none"> 1. Control of insulation of power transformers in the field on the basis of the PD monitoring system 2. Development of regulations of operation of power transformers with expired normative lifetime 3. Development and manufacturing of a developmental prototype of a SF6 power transformer 220 kV 63 MVA 4. Development of a methodology for assessing the technical condition of phase-insulated cast conductors on the basis of measurement and isolation of partial discharge, the study of magnetic fields and development of recommendations for laying and maintenance multiampere cast conductors 5. Technical requirements of PJSC «Rosseti» for controlled single-phase oil reactors of RUOM series of 6 - 10 kV
6	10.06.2015	<ol style="list-style-type: none"> 1. Resistive superconducting fault current limiters 2. Development and manufacture of a developmental prototype of transformer-resonance current-limiting device with a semiconductor switch (TOU-TRT) for 110 kV power line 3. Modular prefabricated substations based on SF6 Switchgear and control gear – technical solutions and performance evaluation
7	24.07.2015	Consideration of technical requirements of PJSC «Rosseti» for controlled single-phase oil reactors of RUOM series of 6 - 10 kV
8	12.08.2015	Federal testing centre. Main technical solutions
9	23.09.2015	<ol style="list-style-type: none"> 1. Development of fire protection of transformers using water mist technology 2. A comprehensive approach to improve the reliability of power transformers at short-circuit 3. Consideration of the implementation of technologies of processing the results of electrical contact surfaces with the use of gallium alloy

The list of issues, reviewed by the Scientific and Technical Council of PJSC «Rosseti» in 2015:

Section «Mode control, automation and use of automatic control in electric grids»

- | | | |
|----|------------|--|
| 10 | 02.07.2015 | 1. Development of a controller for connections of a digital substation with the support IEC 61850 in the domestic software and hardware platform
2. Development of a bus switch of a digital substation with the support IEC 61850 in the domestic software and hardware platform |
|----|------------|--|

Section «Strategic and system-wide issues and problems of functioning and development of electricity grids»

- | | | |
|----|------------|--|
| 11 | 28.04.2015 | 1. On the concept of use of new methods of spatial analysis of network systems for planning and spatial development of comparative analysis of power grids
2. Consideration of research results «Development of monitoring methodology of power consumption of regional electric power facilities»
3. Consideration of R&D topics «Use of synchronized vector measurement for the UNEG management», «Development of methods and software for calculation of modes of power distribution and location of commercial electricity losses» |
|----|------------|--|

APPENDIX 3.5 TO THE ANNUAL REPORT OF IDGC OF CENTRE, PJSC FOR 2015

ADDITIONAL INFORMATION ON TARIFFS

Evaluation of IDGC of Centre' share in Required Gross Revenue (RGR) of the regions of the service area

2013

Region/branch	RGR without payment for losses, thous. RUB	RGR of the region, thous. RUB	Share, %	Other, %
Belgorodenergo	11,766,732	11,966,613	98,3%	1,7%
Bryanskenergo	3,924,665	5,089,751	77,1%	22,9%
Voronezhenergo	6,144,942	7,392,144	83,1%	16,9%
Kostromaenergo	2,988,865	3,102,099	96,3%	3,7%
Kurskenergo	4,356,150	5,223,309	83,4%	16,6%
Lipetskenergo	6,036,186	7,388,520	81,7%	18,3%
Orelenergo	2,558,035	2,921,672	87,6%	12,4%
Smolenskenergo	4,512,540	4,801,798	94,0%	6,0%
Tambovenergo	2,667,025	3,470,247	76,9%	23,1%
Tverenergo	5,340,725	6,561,070	81,4%	18,6%
Yarenergo	4,912,723	5,873,768	83,6%	16,4%
Total	55,208,588	63,790,991	86,5 %	13,5 %

2014

Region/branch	RGR without payment for losses, thous. RUB	RGR of the region, thous. RUB	Share, %	Other, %
Belgorodenergo	10,165,341	10,360,173	98,1%	1,9%
Bryanskenergo	3,924,369	5,136,453	76,4%	23,6%
Voronezhenergo	7,089,180	8,322,865	85,2%	14,8%
Kostromaenergo	3,246,928	3,367,227	96,4%	3,6%
Kurskenergo	4,477,658	5,299,462	84,5%	15,5%
Lipetskenergo	6,157,572	7,453,267	82,6%	17,4%
Orelenergo	2,678,990	3,111,051	86,1%	13,9%
Smolenskenergo	4,743,046	5,069,044	93,6%	6,4%
Tambovenergo	2,993,915	3,705,596	80,8%	19,2%
Tverenergo	5,456,451	6,632,747	82,3%	17,7%
Yarenergo	5,187,624	6,239,177	83,1%	16,9%
Total	56,121,075	64,697,061	86,7 %	13,3%

2015

Region/branch	RGR without payment for losses, thous. RUB	RGR of the region, thous. RUB	Share, %	Other, %
Belgorodenergo	11 072,937	11,234,180	98,6%	1,4%
Bryanskenergo	3,803,151	5,297,732	71,8%	28,2%
Voronezhenergo	6,962,107	8,407,754	82,8%	17,2%
Kostromaenergo	3,359,163	3,485,720	96,4%	3,6%
Kurskenergo	4,560,003	5,419,116	84,1%	15,9%
Lipetskenergo	6,060,884	7,516,475	80,6%	19,4%
Orelenergo	2,697,062	3,182,444	84,7%	15,3%
Smolenskenergo	4,907,605	5,242,552	93,6%	6,4%
Tambovenergo	3,282,205	4,017,050	81,7%	18,3%
Tverenergo	5,344,161	6,835,951	78,2%	21,8%
Yarenergo ¹	5,293,650	6,006,300	88,1%	11,9%
Total	57,342,928	66,645,273	86,0 %	14,0 %

¹ Share of IDGC of Centre - Yarenergo division in RGR of the Yaroslavl region (taking into account the consolidation of the subsidiary OJSC «Yargoelectroset» based on IDGC of Centre - Yarenergo division) in 2015.

Average weighted tariffs for electric energy transmission services broken down by the branches

Branch	Average tariffs for electric energy transmission services, kopeck/kWh				
	2011 ¹	2012	2013	2014	2015
Belgorodenergo	115,14	113,94	124,36	111,54	115,68
	15,0%	-1,0%	9,1%	-10,3%	3,7%
Bryanskenergo ³	150,09	157,73	172,77	181,39	126,09
	15,0%	5,1%	9,5%	5,0%	
Voronezhenergo	110,51	114,84	132,67	142,45	146,71
	8,0%	3,9%	15,5%	7,4%	3,0%
Kostromaenergo	146,93	151,96	162,57	174,87	182,54
	12,4%	3,4%	7,0%	7,6%	4,4%
Kurskenergo	108,79	114,99	125,61	127,23	129,75
	10,2%	5,7%	9,2%	1,3%	2,0%
Lipetskenergo	126,85	119,62	130,18	136,75	140,29
	14,4%	-5,7%	8,8%	5,0%	2,6%
Orelenergo	161,60	160,44	176,48	181,34	191,26
	15,0%	-0,7%	10,0%	2,8%	5,5%
Smolenskenergo	139,03	146,49	163,58	181,35	193,10
	12,3%	5,4%	11,7%	10,9%	6,5%
Tambovenergo	124,55	131,44	149,75	164,62	177,94
	15,0%	5,5%	13,9%	9,9%	8,1%
Tverenergo	177,26	186,80	202,77	205,66	215,95
	15,0%	5,4%	8,5%	1,4%	5,0%
Yarenergo	103,33	103,62	113,84	129,49	136,12
	19,8%	0,3%	9,9%	13,8%	5,1%
Total	126,55	128,37	141,52	146,57	148,36
Gain, %	13,8%	1,4%	10,2%	3,6%	1,2%

¹ 2011 is shown with the latest approved rates (in accordance with Government Resolution # 1172 of 27.12.2011 «On approval of the rules of the wholesale market of electric energy and power and to amend certain Acts of the Russian Government on the organization of the wholesale electricity market of electric energy and power»). Average tariff 129,67 kopeck/kWh.

² from September 1, 2014 there is a «mixed joint operation scheme» for settlements of grid companies in the Bryansk region. In this connection, 2015 to 2014 on the increase in the average flat-rate tariff for the transmission of electric energy in Bryansk is not comparable

Changes in RGR of IDGC of Centre in 2011-2015, mln RUB

Branch	2011 (approved after a review of tariffs) ²		2012		2013		2014		2015 (approved after a review of tariffs)		RGR
	Total	Own	Total	Own	Total	Own	Total	Own	Total	Own	
Belgorodenergo	11,624	7,908	12,320	8,330	13,599	8,782	12,201	6,994	13,055	7,813	
gain%	18,9%	12,8%	6,0%	5,3%	10,4%	5,4%	-10,3%	-20,4%	7,0%	11,7%	
Bryanskenergo ¹	5,167	1,923	5,417	1,986	6,055	2,396	6,261	2,362	4,501	2,249	
gain%	25,2%	18,9%	4,8%	3,3%	11,8%	20,6%	3,4%	-1,4%		-4,8%	
Voronezhenergo	7,763	2,963	8,240	3,143	9,599	3,826	10,647	4,477	11 019	4,374	
gain%	11,4%	11,5%	6,1%	6,1%	16,5%	21,7%	10,9%	17,0%	3,5%	-2,3%	
Kostromaenergo	3,604	2,007	3,779	2,111	3,876	2,173	4,140	2,373	4,241	2,466	
gain%	16,1%	9,9%	4,9%	5,2%	2,6%	2,9%	6,8%	9,2%	2,4%	3,9%	
Kurskenergo	5,280	2,140	5,766	2,666	6,359	2,868	6,542	2,823	6,775	2,877	
gain%	10,6%	14,7%	9,2%	24,5%	10,3%	7,6%	2,9%	-1,6%	3,6%	1,9%	
Lipetskenergo	9,244	4,619	8,816	3,982	8,950	4,201	9,061	4,064	9,139	3,972	
gain%	28,5%	21,8%	-4,6%	-13,8%	1,5%	5,5%	1,2%	-3,3%	0,9%	-2,3%	
Orelenergo	3,171	1,803	3,122	1,688	3,613	2,032	3,828	2,132	3,893	2,089	
gain%	19,9%	23,1%	-1,5%	-6,4%	15,7%	20,4%	6,0%	4,9%	1,7%	-2,0%	
Smolenskenergo	5,031	3,313	5,117	3,090	5,780	3,557	6,129	3,699	6,328	3,867	
gain%	22,5%	24,9%	1,7%	-6,7%	12,9%	15,1%	6,0%	4,0%	3,2%	4,5%	
Tambovenergo	3,213	1,276	3,590	1,423	4,185	1,803	4,463	2,083	4,816	2,356	
gain%	18,2%	16,8%	11,7%	11,5%	16,6%	26,8%	6,6%	15,5%	7,9%	13,1%	
Tverenergo	7,502	3,497	8,204	3,645	8,717	3,778	9,021	3,806	9,166	3,828	
gain%	12,7%	-1,8%	9,4%	4,2%	6,2%	3,6%	3,5%	0,7%	1,6%	0,6%	
Yarenergo	6,356	2,899	6,917	3,031	7,627	3,540	8,190	3,844	7,769	3,566	
gain%	22,6%	23,4%	8,8%	4,6%	10,3%	16,8%	7,4%	8,6%	-5,1%	-7,3%	
Total¹	67,956	34,348	71,287	35,096	78,360	38,955	80,482	38,656	80,703	39,456	
	18,7%	14,9%	4,9%	2,2%	9,9%	11,0%	2,7%	-0,8%	0,3%	2,1%	

¹ From September 1, 2014 there is a «mixed joint operation scheme» for settlements of grid companies in Bryansk. In this connection, 2015 to 2014 on the gain of the joint operation RGR in Bryansk is not comparable.

² 2011 is shown with the latest approved rates (in accordance with Government Resolution # 1172 of 27.12.2011 «On approval of the rules of the wholesale market of electric energy and power and to amend certain Acts of the Russian Government on the organization of the wholesale electricity market of electric energy and power»). Annual average joint operation RGR is 69,6 bln RUB.

Analysis of change of average rate per unit of capacity broken down by the branches, RUB/kWh¹

Branch	2012	2013	2014	2015
Belgorodenergo	769,00	112,00	111,57	111,6
Bryanskenergo	2,905,90	917,35	1,119,38	3,255,5
Voronezhenergo	10,262,25	9,473,71	8,665,01	6,866,6
Kostromaenergo	6,344,60	6,351,40	5,200,49	7,410,0
Kurskenergo	2,628,32	3,399,65	5,810,41	6,696,6
Lipetskenergo	5,448,00	6,890,91	6,635,40	6,236,1
Orelenergo	3,211,32	2,769,16	2,814,61	2,883,0
Smolenskenergo	2,295,00	7,338,00	7,519,59	8,189,4
Tambovenergo	894,89	2,247,96	2,224,02	1,788,5
Tverenergo	9,661,61	15,198,82	22,587,82	13,303,9
Yarenergo	10,327,00	5,056,00	7,780,06	7,906,3
Total for subsidiaries and affiliates	3,815,00	4,520,77	5,698,89	5,168,7
increase / decrease, %	4%	18%	26%	-9%

Value of the standardized tariff rate in 2015 broken down by the branches

Type of tariff rate	Belgorodenergo	Bryanskenergo	Voronezhenergo	Kostromaenergo	Kurskenergo	Lipetskenergo	Orelenergo	Smolenskenergo	Tambovenergo	Tverenergo	Yarenergo
Rate for the cost of grid connection activities, in point 16 (except subpoints «b» and «c») - R1	111,57	635,47	333,38	87,23	555,51	281,88	106,80	585,53	430,55	306,40	110,46
including											
- preparation by the grid company of technical conditions for the Applicant (hereinafter - the TC), RUB/kWh	48,22	271,92	145,07	38,48	251,93	98,66	31,51	227,04	258,27	134,60	63,32
- check by the grid company of performance of the TC by the Applicant, RUB/kWh	29,12	153,60	90,73	17,61	176,48	70,47	14,20	248,85	92,85	59,84	28,68
participation in the check (examination) by an official body of the federal state, energy supervision of connected Installations, RUB/kWh	x	1,32	13,47	12,15	18,30	14,09	2,32	x	1,99	x	5,65
- implementation by the grid company of the actual connection of facilities of the Applicant to the power grids and turning the switching device "on", RUB/kWh	34,23	208,63	84,11	19,00	108,80	98,66	58,76	109,64	77,44	111,96	12,81
Rate for the cost of the grid company for construction of overhead power lines - R2, RUB/km	328,799,33	167,190,35	234,464,91	246,528,84	279,863,46	278,507,58	189,726,43	208,296,53	158,523,40	444,149,96	167,672,11
Rate for the cost of the grid company for construction of cable power lines - R3, RUB/km	666,095,03	246,737,21	800,377,69	547,393,85	736,236,66	471,717,19	241,544,82	356,255,03	199,100,00	633,555,91	375,023,76
Rate for the cost of the grid company for construction of substations - R4, RUB/kWh	1,777,29	677,69	655,19	955,43	2,696,11	297,61	651,59	7,727,90	583,85	1,427,98	1,945,40

Average standardized tariff rates are calculated on the basis of the approved sizes of RGR for 2015, the volume of maximum capacity and other physical indicators.

¹ The calculation of average rates per unit of maximum capacity is made on the basis of the approved amount of RGR and the volume of maximum capacity.

APPENDIX 3.6 TO THE ANNUAL REPORT OF IDGC OF CENTRE, PJSC FOR 2015

ADDITIONAL INFORMATION ON INVESTMENT ACTIVITY

Implementation of the investment program targets broken down by the branches

Branch	Implementation of capital investment (mln RUB without VAT)			Financing (mln RUB with VAT)			km			MVA		
	plan	actual	%	plan	actual	%	plan	actual	%	plan	actual	%
Belgorodenergo	3,399	3,485	103%	4,010	4,089	102%	1,205	1,218	101%	231	245	106%
Bryanskenergo	241	248	103%	285	296	104%	84	105	125%	69	84	122%
Voronezhenergo	1,158	1,264	109%	1,298	1,442	111%	278	480	173%	265	323	122%
Kostromaenergo	634	667	105%	748	759	101%	167	227	136%	71	75	106%
Kurskenergo	421	499	118%	493	645	131%	272	305	112%	28	57	204%
Lipetskenergo	1 008	1 056	105%	1,190	1,371	115%	165	275	167%	71	71	99%
Orelenergo	633	376	59%	747	492	66%	203	144	71%	28	10	34%
Smolenskenergo	1 012	1,113	110%	1,194	1,327	111%	357	402	113%	38	39	104%
Tambovenergo	1,306	1,268	97%	1,413	1,404	99%	262	288	110%	58	68	117%
Tverenergo	1,486	1,586	107%	1,753	1,851	106%	466	551	118%	115	137	119%
Yarenergo	1,399	1,410	101%	1,551	1,508	97%	682	790	116%	94	119	127%
Total	12,697	12,973	102%	14,682	15,184	103%	4,140	4,785	116%	1 068	1,228	115%

The deviation of the branch Tambovenergo to implement capital investments at 97% (- 3%) and financing at 99% (-1%) is due to saving following the results of procurement procedures without changing the physical volume of work performed (commissioning in kilometres – 110 %, commissioning in MVA – 117%).

As for the branch Orelenergo the deviation is caused by the following circumstances. Targets for 2015 were approved by the Orel Region Administration in the manner prescribed by the Governmental Resolution of the Russian Federation dated 01.12.2009, 01.12.2009 №977, as part of the investment program of the branch Orelenergo in March 2014. Due to limited funding, in 2015 the Board of Directors of the Company approved the adjusted investment program of the branch Orelenergo for 2015, the figures of which were smaller than the previously approved values. The adjusted investment program of the branch in the established order was sent to the Orel Region Administration to be reviewed, but was not approved in 2015. In the absence of additional funding sources beyond the scope of the adjusted investment program of the branch, the approved investment program of the branch Orelenergo was performed not in full.

The most important projects in the investment program

Name of a priority project of the investment program of a subsidiary	List of main activities	Scope of work performed in physical units	CAPEX mln RUB without VAT	Main engineering and economical performance
Branch «Belgorodenergo» Reconstruction of SS 35 kV «Malinovka» to SS 110/35/10 with elimination of power shortage and replacement of 2 transformers 10 MVA for 16 MVA (Grid connection contract: №40301867 dated 08.04.11)	Area planning, road construction works, foundation construction, transformer installation, fencing construction, oil draining system construction	area planning of 8685 m2, road construction works- 1802 m2, foundation construction for transformer substation - 2 pc., transformer installation - 1 pc., foundation construction - 182 pc., fencing construction - 320 m, oil draining system construction	32,34	Reconstruction of Substation with transfer to 110 kV and installation of two transformers 16 MVA each.
Branch «Belgorodenergo» Reconstruction of SS 110/10 kV South. Replacement of power transformers 2x40 for 2x40 and 2x25 MVA, Switchgear-110, 10, 6kV, relay protection and automation panels; construction of a building for SF6 Switchgear-110kV, Switchgear-6 and 10 kV	EAD implementation phase «detailed design documentation»	The contract to perform design stage was concluded for the phase «detailed design documentation». Stage «Project» was implemented in 2013 – a positive opinion was received.	0	Reconstruction of SS 110/10 kV with replacement of 2 power transformer at 40 MVA and installation of 2 additional transformers at 25 MVA.
Branch «Belgorodenergo» Reconstruction of SS-110kV Korocha with transfer of the substation to a new site. Instead of three transformers TDTN-16000/110/35/10 two transformers type TDTN-40000/110/35/10 to be installed	EAD implementation to reconstruct SS 110 kV with transfer to a new site.	In 2015 the design stage was completed. In 2016 it provides for implementation of the phase «detailed design documentation» and passage of the state review with the project approval	0	Reconstruction of SS 110 kV with transfer to a new site and installation of two transformers of 40 MVA each.
Branch «Voronezhenergo» Construction of 110 kV Cable of SS 220 kV Buturlinovka - SS 110 kV Buturlinovka-2 circuit 1,2	EAD implementation to construct Cable 110 kV	0	0,76	double circuit Cable 110 kV performed with cable PvPu2g 3x(1x630/95) with its length of 0.54 km
Branch «Voronezhenergo» Modernization of SS 110 kV №9 SKHI with replacement of 110 kV switches	EAD implementation to replace 5,110 kV switches	0	1,22	Reconstruction of SS 110/10/6 kV №9 with replacement of 5,110 kV switches designed for 40 kA. (scheme of power distribution of Voronezh CHP-1)
Branch «Lipetskenergo» Construction of SS 110 kV Christmas (with transformers 2x25 MVA; Grid connection contract №40417928 dated 06.09.12 - LLC Motorinvest)	Construction of 2 cubicles of Outdoor Switchgear-110 kV, installation of a substation control building - switchgear and control gear-10 kV with 20 cubicles – 1 pc., installation of 2 auxiliary transformers, installation of 7 relay protection and automation panels, installation of two oil receivers and one oil drain tank, installation of one transformer of 25 MVA	Construction of 2 cubicles of Outdoor Switchgear-110 kV, installation of a substation control building - switchgear and control gear-10 kV with 20 cubicles – 1 pc., installation of 2 auxiliary transformers, installation of 7 relay protection and automation panels, installation of two oil receivers and one oil drain tank, installation of one transformer of 25 MVA	44,61	Construction of the first stage of SS 110 kV «Christmas» installation of one transformer of 25 MVA in 2015.

Reasons for non-compliance or deviation from the planned figures by more than 5% of priority facilities

№	Name of a priority project of the investment program of a subsidiary	Financing plan, mln RUB	Financing actual, mln RUB	of implementation	CAPEX plan, mln RUB without VAT	CAPEX actual, mln RUB without VAT	% of implementation	Description of deviation reasons
1	Branch «Belgorodenergo» Reconstruction of SS 35 kV Malinovka	62,42	52,82	84	33,539	32,338	96	Deviation in terms of financing arose from the difference between the planned and actual cost of purchased power transformers.
2	Branch «Voronezhenergo» Construction of 110 kV Cable of SS 220 kV Buturlinovka - SS 110 kV Buturlinovka-2 circuit 1,2	0,97	0,70	72	0,822	0,762	93	Deviations in terms of implementation-reduction on the basis of tender procedures, in terms of financing- shift of timing of payment obligations
3	Branch «Voronezhenergo» Modernization of SS 110 kV №9 SKHI with replacement of 110 kV switches	1,43	0.0	0.0	1,215	1,215	100.0	Deviations in terms of financing- shifting payments to a subsequent period due to a change in the timing of the payment obligations
4	Branch «Lipetskenergo» Construction of SS 110 kV Christmas (with transformers 2x25 MVA; Grid connection contract №40417928 dated 06.09.12 - LLC Motorinvest)	17,70	53,53	302	28,514	44,607	156	Early completion of work

Targets of the long-term Investment Program of IDGC of Centre for 2016-2020, duly approved in the regions of Russia and the Russian Ministry of Energy, and the draft of the adjusted long-term investment program for 2016-2021¹ (in terms of 2016-2020):

Planned period		2016	2017	2018	2019	2020	
CAPEX, mln RUB without VAT	Appr. plan	13,387	13,941	14,697	15,187	16,057	
	Adj. plan	13,244	13,941	14,699	15,190	16,061	
Financing, mln RUB with VAT	Appr. plan	16,194	16,418	17,375	17,911	18,968	
	Adj. plan	14,294	16,418	17,375	17,911	18,968	
Commissioning of fixed assets, mln RUB without VAT	Appr. plan	13,694	14,199	14,932	15,593	16,043	
	Adj. plan	13,623	14,365	15,107	14,936	16,221	
Commissioned capacity	MVA	Appr. plan	803	739	854	1049,2	572,6
		Adj. plan	833,7	850,6	923,4	763,4	608,3
	km	Appr. plan	4,200	4,394	4,773	4,438	5,819
		Adj. plan	3,550	4,222	4,425	4,308	5,160

¹ 25 February 2016 a meeting of the Board of Directors of IDGC of Centre was held, which approved the adjusted Investment Program of the Company for 2016-2021. The main reasons for adjustment of the Investment Program of IDGC of Centre for 2016-2021 are: actual results of implementation of the Investment Program of the Company in 2015, updating the Company's obligations on grid connection of customers and taking into account the updated forecast of socio-economic development of the Russian Federation.

APPENDIX 3.7 TO THE ANNUAL REPORT OF IDGC OF CENTRE, PJSC FOR 2015

ADDITIONAL INFORMATION ON HR MANAGEMENT

Total number and rates of new employee hires and employee turnover by age group, gender and region (G4-LA1)

Total number of new employee hires during the reporting period 01.01.2015-31.12.2015	Total number of fulltime employees as at 31.12.2015	Distribution of new employee hires by age, persons		Distribution of new employee hires by gender, persons		Distribution of new employee hires by region, persons	
2741	30305	under 25	37.3%	male	82,3%	Moscow	1.2%
Rate of new employee hires, % from the total number of fulltime employees	9%	25-50	53.9%	female	17.7%	Belgorod	12.3%
		from 50 to retirement	6.8%			Bryansk	3.8%
		working retirees	2.0%			Voronezh	11.1%
						Kostroma	4.8%
						Kursk	7.4%
						Lipetsk	5.2%
						Orel	6.5%
						Smolensk	9.0%
						Tambov	5.0%
						Tver	12.6%
						Yaroslavl	21.0%

¹ Employee turnover rate* for the period 01.01.2015-31.12.2015 - Active turnover.

² Number of employees who left the organization - dismissed at their own request without good reason, without taking into account external part-timers

Employee turnover ¹ for the period 01.01.2015-31.12.2015	Average staff employed for the period 01.01.2015-31.12.2015	Distribution of employee turnover by age, %.		Distribution of employee turnover by gender, %.		Distribution of employee turnover by region,%	
2.35%	29 428	under 25	7.2%	male	2.3%	Moscow	5.3%
Number of dismissed ² for the period 01.01.2015-31.12.2015	692	25-50	2.7%	female	2.4%	Belgorod	2.6%
		from 50 to retirement	1.0%			Bryansk	3.2%
		working retirees	0.2%			Voronezh	1.5%
						Kostroma	0.9%
						Kursk	1.5%
						Lipetsk	2.2%
						Orel	1.7%
						Smolensk	0.5%
						Tambov	2.4%
						Tver	5.2%
						Yaroslavl	3.3%

Rate of employees who returned to work after parental leave ended and who were still employed twelve months after their return to work, by gender (G4-LA3)

Rate of employees who returned to work ¹ , % for the period 01.01.2015-31.12.2015	Retention rate of employees who took parental leave ² , %	Average staff employed for the period 01.01.-31.12.2015
78%	40%	29 428

Number of employees that were entitled to parental leave for the period 01.01.2015-31.12.2015		Number of employees that took parental leave for the period 01.01.2015-31.12.2015		Number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work 01.01.2015-31.12.2015	
male	female	male	female	male	female
3 110	1 055	37	984	22	219

¹ Number of employees who returned to work after parental leave ended to the number of those who were to return.

² Number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work to the number of employees who returned to work after parental leave ended for the previous reporting period

Appointments to senior positions from among succession candidates in 2015

Branch	Number of succession candidates appointed for senior positions, persons			
	Management talent pool		Young specialist talent pool	
	for target posts	other	for target posts	other
Belgorodenergo	33	7	2	7
Bryanskenergo	4	2	1	0
Voronezhenergo	16	1	2	0
Kostromaenergo	11	2	1	2
Kurskenergo	8	7	3	4
Lipetskenergo	10	1	2	0
Orelenergo	8	0	14	0
Smolenskenergo	13	1	1	1
Tambovenergo	0	3	0	0
Tverenergo	7	0	24	0
Yarenergo	1	31	0	2
Executive Office	4	0	5	4
Total	115	55	55	20

APPENDIX 4 TO THE ANNUAL REPORT OF IDGC OF CENTRE, PJSC FOR 2015

REPORT¹ ON COMPLIANCE OF INTERREGIONAL DISTRIBUTION GRID COMPANY OF CENTRE, PUBLIC JOINT-STOCK COMPANY WITH PRINCIPLES AND RECOMMENDATIONS OF THE CORPORATE GOVERNANCE CODE² IN 2015

This report on observance of principles and recommendations of the Corporate Governance Code has been reviewed by the Board of directors of IDGC of Centre, PJSC as a part of the Annual Report at the session on 28 April 2016.

The Board of directors confirms that the data cited in this report contains complete and trustworthy information about observance by the company of principles and recommendations of the Corporate Governance Code for 2015.

Nº	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
1.1	The company should provide the equal and fair relation to all shareholders at realisation of their right to participate in management of the company.			
1.1.1	The company creates for shareholders as much as possible favourable conditions for participation in general meeting, conditions for development of a reasonable position concerning the agenda of general meeting, coordination of their actions, and also possibility to express their opinion on cases in point.	1. There is a publicly available internal document of the company confirmed by shareholders' general meeting and regulating procedures of carrying out of general meeting. 2. The company gives an accessible method of communications with the company, such as «hot line», e-mail or a forum on the Internet, allowing shareholders to express their opinion and to send questions concerning the agenda in the course of preparation for general meeting carrying out. The specified actions were undertaken by the company before each general meeting which passed during the reporting period.	in compliance	

¹ The report is prepared according to recommendations of Bank of Russia, Letter from 17.02.2016 № IN-06-52/8.

² The corporate governance code approved 21.03.2014 by the Board of directors of Bank of Russia and recommended to application by joint stock companies, which securities are admitted to organised trades.

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
1.1.2	The order of notification of carrying out of general meeting and granting of materials to general meeting gives the chance to shareholders to be prepared for participation in it properly.	<p>1. The notice to shareholders of general meeting carrying out is placed (published) on a site on the Internet not less than 30 days prior to date of carrying out of general meeting.</p> <p>2. In the notice of meeting carrying out the venue of meeting and the documents necessary for the admission in premises are specified.</p> <p>3. Shareholders were provided with access to the information on who offered questions of the agenda and who nominated for election to the board of directors and the audit commission of the company.</p>	in compliance partially	<p>The considered recommendations are not observed by the Company in regards with:</p> <ul style="list-style-type: none"> - indication in the notice of carrying out of meeting of the documents necessary for the admission in premises; - provision of the information on who offered questions of the agenda and who nominated for election to the board of directors and the audit commission of the company. <p>The procedure of registration and documents necessary for it are provided by item 5.1 of the Regulation about shareholders' general meeting of IDGC of Centre, PJSC. The information on who offers questions of the agenda and who proposed candidates to the board of directors and the audit commission is disclosed by the Company by placing on a site of the Company of reports of the Board of directors.</p> <p>By preparation for Annual Shareholders' General Meeting following the results of 2015 the Company plans to consider the given recommendations.</p>

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
1.1.3	During preparation and carrying out of general meeting shareholders had possibility in an unimpeded way and in due time to receive the information on the meeting and materials to it, to ask questions to executive powers and members of the board of directors of the company, to communicate with each other.	<p>1. In the reporting period, to shareholders possibility to ask questions has been given members of executive powers and members of the board of directors of the company the day before and during carrying out of annual general meeting.</p> <p>2. The position of the board of directors (including dissenting opinions entered in the minutes), on each question of the agenda of the general meetings which were conducted in the reporting period, was included in the materials to the shareholders' general meeting.</p> <p>3. The company gave to the shareholders, having this right, access to the list of persons having the right to participation in general meeting, starting from its date of receipt by the company, in all cases of carrying out of general meetings in the reporting period.</p>	in compliance partially	<p>The considered recommendations are not observed by the Company regarding inclusion of a position of the Board of directors in materials to shareholders' general meeting, on each question of the agenda of general meeting.</p> <p>The position of the Board of directors of the Company concerning the agenda of Annual Shareholders' General Meeting is disclosed as a part of a corresponding corporate notice on a site of the Company and an authorised agency.</p> <p>Besides, the Company placed on the site of IDGC of Centre, PJSC the report of the Board of directors from 20.05.2015 № 11/15, containing the position of the Board of directors concerning the general meeting agenda. http://www.mrsk-1.ru/upload/iblock/5bf/protokol_11_15_18052015.pdf</p> <p>By preparation for Annual Shareholders' General Meeting following the results of 2015 the Company plans to consider the given recommendations.</p>
1.1.4	Realisation of the right of the shareholder to demand general meeting convocation, to nominate candidates for management bodies and to make offers for inclusion in the general meeting agenda without unjustified complexities.	<p>1. In the reporting period shareholders had possibility within not less than 60 days after the termination of a corresponding calendar year to make offers for inclusion in the agenda of annual general meeting.</p> <p>2. In the reporting period the company did not refuse accepting offers into the agenda or nominees in bodies of the company because of typing errors and other insignificant lacks of the offer of the shareholder.</p>	in compliance	

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
1.1.5	Each shareholder had possibility in an unimpeded way to implement voting power by the most convenient and simplest method for him.	1. The internal document (internal policy) of the company contains provisions according to which each participant of general meeting can demand before end of a corresponding meeting a copy of the bulletin filled by him certified by the tabulation commission.	in compliance	
1.1.6	The order of conducting general meeting established by the company provides equal possibility to all persons who are present at the meeting to express their opinion and to ask their questions of concern.	<p>1. At carrying out in the reporting period shareholders' general meetings in the form of meeting (joint presence of shareholders) sufficient time for reports concerning the agenda and time for discussion of these questions was provided.</p> <p>2. Candidates for management and control bodies of the company were available for answers to questions of shareholders at the meeting at which their nominees were put to the vote.</p> <p>3. The board of directors at the decision-making, connected with preparation and carrying out of shareholders' general meetings, considered a question on use of telecommunication means for granting to shareholders of remote access for participation in general meetings in the reporting period.</p>	in compliance partially	<p>The considered recommendations are not observed by the Company regarding consideration by the Board of directors of a question on use of telecommunication means for granting to shareholders of remote access for participation in general meetings.</p> <p>This point in question was not considered by the Board of directors as the Company does not develop technical requirements to the organisation of such access and corresponding documents are not confirmed.</p> <p>The company plans introduction of such practice taking into account requirement of shareholders of the Company, in process of generalisation of experience of use of telecommunication means by other persons.</p>
1.2	Equal and fair possibility to participate in profit of the company by means of receipt of dividends is given shareholders.			

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1.2.1	The company has developed and has implemented the transparent and clear mechanism of determination of the size of dividends and their payment.	<p>1. The company has developed, confirmed by the board of directors the dividend policy and has disclosed it.</p> <p>2. If the company's dividend policy uses indicators of statements of the company for determination of the size of dividends, then corresponding provisions of the dividend policy consider consolidated indicators of financial statements.</p>	in compliance partially	<p>The considered recommendations are not observed by the Company regarding use in the dividend policy of consolidated indicators of financial statements for determination of the size of dividends.</p> <p>The Dividend policy of IDGC of Centre, PJSC is confirmed by the Company's Board of directors (Minutes from 03.09.2010 № 18/10).</p> <p>According to item 5.1 of the Dividend policy dividends are paid from profit of the company after taxation (the Company's net profit), calculated according to acting rules of conducting the business accounting and accounting statements drawing up.</p> <p>The Company in the current year plans to bring the given recommendation to a draft of the Dividend policy of IDGC of Centre, PJSC for further consideration by the Board of directors.</p>
1.2.2	The company does not make the decision on dividend payout if such a decision, formally without breaking the restrictions established by the legislation, is economically unreasonable and can lead to forming of false representations about the company's activity.	1. The company's dividend policy contains accurate indications on financial/economic circumstances at which the company should not pay dividends.	in compliance	
1.2.3	The company does not allow deterioration of the dividend rights of existing shareholders.	1. In the reporting period the company did not undertake actions leading to deterioration of the dividend rights of existing shareholders.	in compliance	

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1.2.4	The company aspires to exclude use by shareholders of different ways of profit earning (income) at the expense of the company, besides dividends and salvage value.	1. To exclude shareholders' different ways of profit earning (income) at the expense of the company, besides dividends and salvage value, internal documents of the company establish mechanisms of control which provide timely revealing and procedure of approval of transactions with persons, affiliated (connected) with substantial shareholders (persons, having the right to dispose of votes on voting shares) when the law formally does not recognise such transactions as related party transactions.	not in compliance	<p>Internal documents of the Company do not formalize procedure of approval of similar transactions.</p> <p>At the same time the Company has essentially expanded the competence of the Board of directors of the Company regarding decision-making on approval of major transactions. In particular, the Board of directors of the Company has decision-making competence to perform by the Company:</p> <ul style="list-style-type: none"> - transactions subject of which are non-current assets of the Company at the rate above 10% of book value on the date of acceptance of the decision on fulfilment of such a transaction; - transactions (including some interconnected transactions), connected with acquisition, alienation or possibility of alienation of the property constituting fixed assets, intangible assets, incomplete construction projects; - transactions for the term of more than 5 years on transfer to temporary ownership and use or to temporary use of real estate, electric grid facilities or on acceptance in temporary ownership and use or in temporary use of real estate items; - one or more interconnected transactions of the Company relating to the acquisition or possible acquisition of options, notes, investment shares of mutual funds and/or bonds worth more than 1 000 000 000 rubles; - one or more interconnected transactions of the Company relating to the transfer or possibility of the transfer of property by the Company in trust management worth more than 1 000 000 000 rubles; - preliminary approval of one or more interconnected transactions of the Company relating to the receipt or possibility of the receipt of bank guarantees by the Company acting as the principal in the amount of more than 1 000 000 000 rubles;

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1.3	The system and practice of corporate governance provide for equality of conditions for all shareholders - stock owners of one category (type), including minority (small) shareholders and nonresident shareholders, and their equal treatment by the company.			
1.3.1	The company has created conditions for the fair treatment of each shareholder by management bodies and supervising persons of the company, including the conditions providing inadmissibility of abusings from major shareholders in relation to minority shareholders.	1. During the reporting period procedures of management of potential conflicts of interests at substantial shareholders are effective, and the board of directors has paid appropriate attention to conflicts between shareholders if any.	in compliance	
1.3.2	The company does not undertake actions which result or can lead to artificial redistribution of the corporate control.	1. Quasitresury shares are absent or did not participate in voting during the reporting period.	in compliance	
1.4	Shareholders are provided with reliable and effective methods of accounting of share rights, and also possibility of free and easy alienation of stocks belonging to them.			
1.4	Shareholders are provided with reliable and effective methods of accounting of share rights, and also possibility of free and easy alienation of stocks belonging to them.	1. Quality and reliability of the activity performed by the registrar of the company on maintaining the register of owners of securities correspond to requirements of the company and its shareholders.	in compliance	
2.1	The board of directors exercises strategic administration of the company, determines main principles and approaches to the organisation in the company of a risk management and internal control system, supervises activity of executive powers of the company, and also implements other key functions.			
2.1.1	The board of directors is responsible for the decision-making, connected with appointment and exemption from posts of executive powers, including in connection with inadequate execution of the obligations by them. The board of directors also controls that the company's executive powers act according to the confirmed strategy of development and the basic lines of activity of the company.	<p>1. The board of directors has the powers fixed in the bylaws to appoint, to exempt from a post and to determine conditions of contracts concerning members of executive powers.</p> <p>2. The board of directors considers a report (reports) of chief executive officer and members of the joint executive body about accomplishment of the company's strategy.</p>	in compliance partially	<p>The considered recommendations are not observed by the Company regarding consideration by the Board of directors of reports of chief executive officer and members of the joint executive body about accomplishment of the company's strategy.</p> <p>The board of directors on a quarterly basis considers reports of general director, on the company's core lines of activity (including on realisation of the Strategy of the Company in the field of information technology, automation and telecommunications).</p> <p>The Company plans implementation of the specified recommendations within 5 years.</p>

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
2.1.2	The board of directors establishes the basic reference points of activity of the company on long-term prospect, estimates and confirms key indicators of activity and the basic business purposes of the company, estimates and approves strategy and business plans on principal lines of activity of the company.	1. During the reporting period at sessions of the board of directors the questions connected with course of execution and actualisation of the strategy, approval of the financial and economic plan (budget) of the company, and also consideration of criteria and indicators (including intermediate) of realisation of the strategy and business plans of the company were considered.	in compliance partially	The considered recommendations are not observed by the Company regarding consideration by the Board of directors of the questions connected with course of execution and actualisation of the Company's strategy. The Company plans implementation of the given recommendations within 5 years.
2.1.3	The board of directors determines principles and approaches to the organisation of a risk management and internal control system in the company.	1. The board of directors has specified principles and approaches to the organisation of a risk management and internal control system in the company. 2. The board of directors has conducted an estimation of a risk management and internal control system of the company during the reporting period.	in compliance	
2.1.4	The board of directors determines a policy of the company on compensation and (or) to expense refunding (reimbursement) to members of the board of directors, executive bodies and other key executives of the company.	1. The company developed and implemented the approved policy (policies) by the board of directors on compensation and expense refunding (reimbursement) of members of the board of directors, executive powers of the company and other key executives of the company. 2. During the reporting period at sessions of the board of directors the questions connected with the specified policy (policies) were considered.	in compliance	
2.1.5	The board of directors plays a key role in the prevention, revealing and settlement of internal conflicts between the company's bodies, shareholders of the company and employees of the company.	1. The board of directors plays a key role in the prevention, revealing and settlement of internal conflicts. 2. The company created a system of identification of transactions connected with the conflict of interests, and a system of measures aimed to solve such conflicts.	in compliance	

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2.1.6	The board of directors plays a key role in provision of transparency of the company, timeliness and completeness of disclosing by the company of information, easy access of shareholders to the company's documents.	1. The board of directors approved the regulation about information policy. 2. The company specified persons responsible for realisation of the information policy.	in compliance	
2.1.7	The board of directors performs the control over corporate governance practice in the company and plays a key role in essential corporate events of the company.	1. During the reporting period the board of directors considered the question on corporate governance practice in the company.	not in compliance	During the reporting period this point in question was not considered by the Board of directors. The Company plans implementation of the given recommendation, thus the Company has an independent estimation of corporate governance, the Russian Institute of Directors (NP «RID») throughout 2015,2 times confirmed the corporate governance rating of IDGC of Centre, PJSC at level 7+ «Developed practice of corporate governance».
2.2	The board of directors is accountable to shareholders of the company.			
2.2.1	The information on work of the board of directors is disclosed and provided to shareholders.	1. The company's annual report for the reporting period includes the information on attendance of sessions of the board of directors and committees by separate directors. 2. The annual report contains the information on the basic results of assessment of work of the board of directors, which was performed in the reporting period.	in compliance partially	The considered recommendations are not observed by the Company regarding inclusion in the Annual Report of the information on the basic results of assessment of work of the board of directors, which was performed in the reporting period as the estimation was not conducted. The Company plans implementation of the given recommendation after carrying out of assessment of work of the Board of directors.
2.2.2	The chairman of the board of directors is accessible to dialogue with shareholders of the company.	1. The company has a transparent procedure, providing possibility to shareholders to send to the chairman of the board of directors questions and their position on them.	in compliance	
2.3	The board of directors is an effective and professional management body of the company, capable to deliver objective independent judgements and to make decisions which are equitable to interests of the company and its shareholders.			

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2.3.1	Only persons, having faultless both business and personal reputation possessing knowledge, skills and experience, necessary for decision-making, within the competence of the board of directors, and required for effective realisation of its functions, are elected members of the board of directors.	<p>1. The procedure of estimation of overall performance of the board of directors accepted in the company includes, inter alia, an estimation of professional qualification of members of the board of directors.</p> <p>2. In the reporting period the board of directors (or its nomination committee) conducted an estimation of nominees for the board of directors from the point of view of their having necessary experience, knowledge, business reputation, absence of the conflict of interests etc.</p>	in compliance partially	<p>The considered recommendations are not observed by the Company regarding inclusion in the procedure of estimation of overall performance of the Board of directors accepted in the company, including, estimations of professional qualification of members of the Board of directors.</p> <p>The Company has not developed a procedure of assessment of work of the Board of directors, at its development the Company plans implementation of the given recommendation.</p>
2.3.2	Members of the board of directors of the company are elected by means of a transparent procedure allowing shareholders to receive the information on nominees, sufficient for representation forming about their personal and professional qualities.	1. In all cases of carrying out of shareholders' general meeting in the reporting period which agenda included questions on election of the board of directors, the company presented to shareholders the biographic data of all nominees to members of the board of directors, results of estimation of such candidates, conducted by the board of directors (or its nomination committee), and also the information on conformity of the nominee to criteria of independence, according to recommendations 102 - 107 of the Code and the written approval of candidates to election to members of the board of directors.	in compliance	
2.3.3	The composition of the board of directors is balanced, including on qualification of its members, their experience, knowledge and business qualities, and enjoys confidence of shareholders.	1. Within the procedure of assessment of work of the board of directors, which was performed in the reporting period, the board of directors analysed own requirements in the field of professional qualification, experience and business skills.	not in compliance	<p>In the reporting period the assessment of work of the Board of directors was not performed, as the procedure of assessment of work of the Board of directors is not developed.</p> <p>The Company plans implementation of the given recommendation at development of a procedure of estimation of the Board of directors.</p>

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
2.3.4	The quantitative composition of the board of directors of the company gives the chance to organise activity of the board of directors by the most effective way, including possibility of forming of committees of the board of directors, and also provides to essential minority shareholders of the company possibility to elect a nominee for whom they vote to the board of directors.	1. Within the procedure of estimation of the board of directors which was performed in the reporting period, the board of directors considered the question on conformity of the quantitative composition of the board of directors to requirements of the company and interests of shareholders.	not in compliance	<p>No procedure of estimation of the Board of directors in the reporting period was performed, as the procedure of assessment of work of the Board of directors is not developed.</p> <p>The Company plans implementation of the given recommendation at development of a procedure of assessment of work of the Board of directors.</p>
2.4	Enough independent directors are in the board of directors.			
2.4.1	An independent director is recognized as a person, who possesses sufficient professionalism, experience and independence for forming of own position, is capable to deliver objective and diligent judgements not depending on influence of executive powers of the company, separate groups of shareholders or other interested parties. Thus it is necessary to consider that in usual conditions a nominee (an elected member of the board of directors) cannot be considered independent, who is connected with the company, its substantial shareholder, a major contract partner or a competitor of the company or is connected with the state.	1. During the reporting period all independent members of the board of directors complied with all criteria of independence specified in recommendations 102 - 107 of the Code, or were recognised independent under the decision of the board of directors.	in compliance	
2.4.2	The estimation of conformity of nominees to members of the board of directors to criteria of independence is conducted, and also the regular analysis of conformity of independent members of the board of directors to criteria of independence is performed. At carrying out of such estimation the content should prevail over the form.	<p>1. In the reporting period the board of directors (or the nomination committee of the board of directors) made an opinion on independence of each nominee for the board of directors and presented to shareholders the corresponding conclusion.</p> <p>2. For the reporting period the board of directors (or the nomination committee of the board of directors) at least once considered independence of acting members of the board of directors who the company indicates in the annual report as independent directors.</p> <p>3. The company developed procedures determining necessary actions of a member of the board of directors in the event that he ceases to be independent, including obligations on timely informing on it of the board of directors.</p>	in compliance partially	<p>The considered recommendations are not observed by the Company regarding consideration by the nomination committee of the board of directors of independence of acting members of the board of directors who the company indicates in the annual report as independent directors, and also, regarding development of the procedures determining necessary actions of a member of the board of directors in the event that he ceases to be independent.</p> <p>The Company plans to develop offers on implementation of the given recommendations during the current year.</p>

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2.4.3	Independent directors constitute not less than one third of the elected composition of the board of directors.	1. Independent directors constitute not less than one third of composition of the board of directors.	not in compliance	At Annual Shareholders' General Meeting of the Company of 25.06.2015 the Board of directors was elected the composition of which has includes independent directors. Two directors correspond to criteria of the independence as recommended by the Corporate Governance Code. In materials to the Annual Shareholders' General Meeting the Company places the information on estimation of nominees by the Nomination and Remuneration Committee which also contains the information on conformity or on discrepancy of the nominee to recommendations of the Corporate Governance Code in terms of independence that allows shareholders of the Company to make more informed choice.
2.4.4	Independent directors play a key role in prevention of internal conflicts in the company and fulfilment by the company of essential corporate actions.	1. Independent directors (who do not have conflict of interests) tentatively estimate essential corporate actions connected with possible conflict of interests, and results of such estimation are given to the board of directors.	not in compliance	The given procedures are not provided in internal documents of the Company. For implementation of the given practice the Company within current year will prepare corresponding offers in internal documents.

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2.5	The chairman of the board of directors promotes the most effective realisation of the functions assigned to the board of directors.			
2.5.1	An independent director was elected as the chairman of the board of directors, or from among the elected independent directors the senior independent director is determined, who coordinates work of independent directors and performs interaction with the chairman of the board of directors.	1. The chairman of the board of directors is an independent director, or among independent directors the senior independent director is determined. 2. A role, rights and obligations of the chairman of the board of directors (and if it is applicable, of the senior independent director) are properly specified in internal documents of the company.	in compliance partially	The considered recommendations are not observed by the Company regarding election of an independent director as the chairman of the board of directors, the Company has no institute of the senior independent director either. By the decision of the Board of directors (Minutes from 14.07.2015 № 14/15) a nonexecutive director was elected as the chairman of the Board of directors of the Company. The Company plans to fix in internal documents the institute of the senior independent director alternatively in case the chairman of the board of directors is the nonexecutive director. For implementation of the given practice the Company within current year will prepare corresponding offers in internal documents.
2.5.2	The chairman of the board of directors provides constructive atmosphere of carrying out of sessions, free discussion of questions included in the agenda of a session, control over execution of decisions accepted by the board of directors.	1. Overall performance of the chairman of the board of directors was estimated within the procedure of estimation of efficiency of the board of directors in the reporting period.	not in compliance	No procedure of estimation of the Board of directors in the reporting period was performed, as a procedure of assessment of work of the Board of directors is not developed. The Company plans implementation of the given recommendation at development of a procedure of assessment of work of the Board of directors.

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2.5.3	The chairman of the board of directors takes necessary measures for timely granting to members of the board of directors of the information necessary for decision-making concerning the agenda.	1. An obligation of the chairman of the board of directors to take measures on provision of timely granting of materials to members of the board of directors concerning the agenda of a session of the board of directors is fixed in internal documents of the company.	in compliance	
2.6	Members of the board of directors act honestly and reasonably in interests of the company and its shareholders on the basis of sufficient knowledge, with due degree of care and discretion.			
2.6.1	Members of the board of directors make decisions taking into account the available information, with no conflict of interests, taking into account the equal attitude to shareholders of the company, within the limits of usual enterprise risk.	1. Internal documents of the company established that a member of the board of directors is obliged to notify the board of directors if he has a conflict of interests concerning any question of the agenda of a session of the board of directors or a committee of the board of directors, prior to the beginning of discussion of a corresponding question of the agenda. 2. Internal documents of the company provide that a member of the board of directors should refrain from voting on any question in which he has a conflict of interests. 3. The company established a procedure which allows the board of directors to receive professional consultations on questions concerning its competence, at the expense of the company.	not in compliance	The specified recommendations are not observed by the Company as there is no their recording in internal documents of the Company. For implementation of the given practice the Company within current year will prepare corresponding offers in internal documents.
2.6.2	The rights and obligations of members of the board of directors are accurately formulated and fixed in internal documents of the company.	1. The company approved and published an internal document accurately determining the rights and obligations of members of the board of directors.	in compliance	

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2.6.3	Members of the board of directors have enough time for accomplishment of their obligations.	1. Individual attendance of sessions of the board and committees, and also time given for preparation for participation in sessions, was considered within the limits of the procedure of estimation of the board of directors in the reporting period. 2. According to internal documents of the company members of the board of directors are obliged to notify the board of directors on the intention to be a part of management bodies of other organisations (except for controlled and dependent organisations of the company), and also about the fact of such appointment.	in compliance partially	The considered recommendations are not observed by the Company regarding recording within the procedure of estimation of the board of directors individual attendance of sessions of the board and committees, and also time given for preparation for participation in sessions as the procedure of assessment of work of the Board of directors is not developed The Company plans implementation of the given recommendation at development of a procedure of assessment of work of the Board of directors.
2.6.4	All members of the board of directors equally have access possibility to documents and information of the company. Within the greatest possible short term the sufficient information on the company and work of the board of directors is given to newly elected members of the board of directors.	1. According to internal documents of the company members of the board of directors have the right to get access to documents and to do inquiries, concerning the company and organisations under its control, and the company's executive powers are obliged to give the corresponding information and documents. 2. The company has a formalized program of fact-finding events for newly elected members of the board of directors.	in compliance partially	The considered recommendations are not observed by the Company in a part of formalized programs of fact-finding events for newly elected members of the board of directors. Actually the Company performs carrying out of fact-finding events for newly elected members of the board of directors. For implementation of the given practice the Company within current year will prepare corresponding offers in internal documents.
2.7	Sessions of the board of directors, preparation for them and participation in them of members of the board of directors provide for efficient activity of the board of directors.			
2.7.1	Sessions of the board of directors are conducted as required, taking into account scope of activity and tasks the company faces during a certain time horizon.	1. The board of directors conducted not less than six sessions for the reporting year.	in compliance	
2.7.2	Internal documents of the company has the order of preparation and carrying out of sessions of the board of directors, providing to members of the board of directors possibility properly to be prepared for its carrying out.	1. The company an approved internal document determining the procedure of preparation and carrying out of sessions of the board of directors which including establish that the notification of session carrying out should be made, as a rule, not less than 5 days prior to date of its carrying out.	in compliance	

Nº	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
2.7.3	The form of carrying out of a session of the board of directors is determined taking into account importance of questions of the agenda. The most important questions are considered at sessions which are conducted in-person.	1. The bylaws or an internal document of the company provide that the most important questions (according to the list specified in recommendation 168 of the Code) should be considered at in-person sessions of the board.	in compliance partially	The Company's bylaws fix the list of questions considered at in-person sessions of the Board of directors in which the recommendation about consideration at in-person sessions of financial activity of the company for a reporting period (quarter, year) is taken into account only. For implementation of the given recommendations the Company plans to study practice of their application within 5 years and to make decision on implementation of the given recommendations.
2.7.4	Decisions on the most important questions of activity of the company are accepted at a session of the board of directors by the qualified majority or majority of votes of all elected members of the board of directors.	1. The company's bylaws provide that decisions on the most important questions stated in recommendation 170 of the Code should be accepted at a session of the board of directors by the qualified majority, not less than three quarters of votes, or majority of votes of all elected members of the board of directors.	not in compliance	The Company's bylaws do not provide decision-making on the questions stated in recommendation 170 of the Code, by the qualified majority of votes of all elected members of the board of directors. For implementation of the given recommendations the Company plans to study practice of their application within 5 years and to make decision on implementation of the given recommendations.
2.8	The board of directors creates committees for preliminary consideration of the most important questions of activity of the company.			
2.8.1	For preliminary consideration of the questions connected with the control over financial and economic activity of the company, the audit committee is created, consisting of independent directors.	1. The board of directors created the audit committee, consisting exclusively of independent directors. 2. Internal documents of the company specify tasks of the audit committee, including, inter alia, the tasks contained in recommendation 172 of the Code. 3. At least one member of the audit committee, being an independent director, possesses experience and knowledge in the field of preparation, analysis, estimation and audit of accounting (financial) statements. 4. Sessions of the audit committee were conducted at least once a quarter during the reporting period.	in compliance partially	The considered recommendations are not observed by the Company regarding forming of the audit committee exclusively from independent directors. The composition of the Audit Committee of the Company consists of 2 independent and 5 nonexecutive directors as the annual shareholders' general meeting of the Company on 25.06.2015 elected the Board of directors, which includes 2 independent directors. The Company plans implementation of the given practice taking into account actual election of the Board of directors at the Annual Shareholders' General Meeting.

Nº	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
2.8.2	For preliminary consideration of the questions connected with forming of effective and transparent practice of compensation, the remuneration committee is created, consisting of independent directors and headed by an independent director who is not the chairman of the board of directors.	1. The board of directors created the remuneration committee which consists only of independent directors. 2. The chairman of the remuneration committee is an independent director who is not the chairman of the board of directors. 3. Internal documents of the company specify tasks of the remuneration committee, including, inter alia, the tasks contained in recommendation 180 of the Code.	not in compliance	The nomination and remuneration committee consists of 2 independent and 5 nonexecutive directors as the annual shareholders' general meeting of the Company on 25.06.2015 elected the Board of directors, which includes 2 independent directors. The chairman of the remuneration committee is a nonexecutive director who is not the chairman of the board of directors. The committee's functions not in full correspond to recommendations of the Corporate Governance Code. The Company plans implementation of the given practice taking into account actual election of the Board of directors at the Annual Shareholders' General Meeting.

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
2.8.3	For preliminary consideration of the questions connected with realisation of personnel planning (continuity planning), professional composition and overall performance of the board of directors, the nomination (staff, personnel) committee is created which majority of members being independent directors.	<p>1. The board of directors created the nomination committee (or its tasks specified in recommendation 186 of the Code, are implemented within the limits of another committee) which majority of members are independent directors.</p> <p>2. Internal documents of the company specify tasks of the nomination committee (or a corresponding committee with combined functionality), including, inter alia, the tasks contained in recommendation 186 of the Code.</p>	not in compliance	<p>Functions of the nomination committee are performed by Nomination and Remuneration Committee.</p> <p>The Nomination and Remuneration Committee consists of 2 independent and 5 dependent (nonexecutive) directors as the annual shareholders' general meeting of the Company on 25.06.2015 elected the Board of directors, which includes 2 independent directors.</p> <p>The committee's functions not in full correspond to recommendations of the Corporate Governance Code.</p> <p>The Company plans implementation of the given practice taking into account actual election of the Board of directors at the Annual Shareholders' General Meeting.</p>
2.8.4	Taking into account scope of activity and a risk level the company's board of directors made sure that the composition of its committees completely answers the purposes of activity of the company. Additional committees either were created, or were recognised unnecessary (committee on strategy, committee on corporate governance, committee on ethics, committee on risk management, committee on budget, committee on health, safety and environment, etc.).	1. In the reporting period the company's board of directors considered the question on conformity of the composition of its committees to tasks of the board of directors and to the purposes of activity of the company. Additional committees either were created, or were recognised unnecessary.	in compliance	<p>In addition to the Audit Committee and Nomination and Remuneration Committee the Company created:</p> <ul style="list-style-type: none"> - Strategy and Development Committee; - Reliability Committee; - Grid Connection Committee.

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
2.8.5	The composition of committees is determined so that it allows to conduct tentatively all-round discussion of cases in point taking into account various opinions.	<p>1. Committees of the board of directors are headed by independent directors.</p> <p>2. Internal documents (policies) of the company have provisions according to which persons, who are not a part of the audit committee, nomination committee and remuneration committee, can visit sessions of committees only under an invitation of the chairman of a corresponding committee.</p>	in compliance partially	<p>The company not in full observes the Code recommendation, namely, not all the Committees of the Board of directors of the Company are headed by independent directors.</p> <p>As of 31.12.2015:</p> <ul style="list-style-type: none"> - Chairman of the Grid Connection Committee was an independent director; - Chairmen of the Audit Committee, Nomination and Remuneration Committee, Strategy and Development Committee were executive directors; - Chairman of the Reliability Committee was a person who is not a member of the Board of directors. <p>The Company plans implementation of the given practice taking into account actual election of the Board of directors at the Annual Shareholders' General Meeting.</p>
2.8.6	Chairmen of committees regularly inform the board of directors and its chairman on work of the committees.	1. During the reporting period chairmen of committees regularly reported about work of the committees to the board of directors.	in compliance partially	<p>The Company not in full observes the Code recommendation, namely, not all the Committees of the Board of directors of the Company reported to the Board of directors.</p> <p>During the reporting period the Audit Committee reported to the Board of directors.</p> <p>The Company plans to implement the given practice concerning all committees during the current year.</p>
2.9	The board of directors provides carrying out of estimation of quality of work of the board of directors, its committees and members of the board of directors.			

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
2.9.1	Carrying out of estimation of quality of work of the board of directors is aimed at determination of degree of overall performance of the board of directors, committees and members of the board of directors, conformity of their work to requirements of development of the company, activation of work of the board of directors and revealing of areas in which their activity can be improved.	1. The self-estimation or the external assessment of work of the board of directors, which was performed in the reporting period, included an assessment of work of committees, separate members of the board of directors and the board of directors as a whole. 2. Results of the self-estimation or the external estimation of the board of directors, which was performed during the reporting period, were considered at an in-person session of the board of directors.	not in compliance	In the reporting period the assessment of work of the Board of directors was not conducted, as the company has not developed an estimation procedure. The Company plans implementation of the given recommendation at development by the Company of a procedure of estimation of the Board of directors.
2.9.2	The assessment of work of the board of directors, committees and members of the board of directors is performed on a regular basis at least once a year. For carrying out of an independent estimation of quality of work of the board of directors no less frequently than once every three years an external organisation (adviser) is involved.	1. For carrying out of an independent estimation of quality of work of the board of directors during three last reporting periods at least once the company involved an external organisation (adviser).	not in compliance	The independent estimation of quality of work of the board of directors with attraction of the external organisation (adviser) was not conducted for lack of financing. The Company plans implementation of the given recommendation within 5 years.
3.1	The corporate secretary of the company performs effective current interaction with shareholders, coordination of actions of the company on protection of the rights and interests of shareholders, support of effective work of the board of directors.			
3.1.1	The corporate secretary possesses knowledge, experience and qualification, sufficient for execution of the obligations assigned to him or her, faultless reputation and enjoys confidence of shareholders.	1. The company approved and disclosed the internal document - the regulation on the corporate secretary. 2. On the company's Internet site and in the annual report the biographic information on the corporate secretary is presented, with the same level of detailed elaboration, as for members of the board of directors and executives of the company.	in compliance	
3.1.2	The corporate secretary possesses sufficient independence from executive powers of the company and has necessary powers and resources for accomplishment of the tasks set.	1. The board of directors approves appointment, discharge from a post and an additional compensation of the corporate secretary.	in compliance	
4.1	Level of compensation paid by the company is sufficient for attraction, motivation and preservation of persons possessing the competence and qualification necessary for the company. Payment of compensation to members of the board of directors, to executive powers and other key executives of the company is performed according to the policy accepted in the company on compensation.			

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
4.1.1	Level of the compensation given by the company to members of the board of directors, to executive powers and other key executives, creates sufficient motivation for their effective work, allowing the company to involve and keep competent and qualified specialists. At the same time the company avoids a bigger compensation level than it is necessary, and also an unfairly big difference between levels of compensation of the specified persons and employees of the company.	1. The company approved the internal document (documents) - the policy (policies) on compensation of members of the board of directors, executive powers and other key executives in which approaches to compensation of the specified persons are accurately specified.	in compliance	
4.1.2	The policy of the company on compensation is developed by the remuneration committee and confirmed by the company's board of directors. The board of directors with support of the remuneration committee provides the control over implementation and realisation of the compensation policy in the company, and if necessary - reviews and amends it.	1. During the reporting period the remuneration committee considered policy (policies) on compensation and its (their) implementation practice and if necessary presented corresponding recommendations to the board of directors.	in compliance	
4.1.3	The policy of the company on compensation contains transparent mechanisms of determination of rate of remuneration of members of the board of directors, executive powers and other key executives of the company, and also regulates all kinds of payments, privileges and benefits given to the specified persons.	1. The policy (policies) of the company on compensation contains (contain) transparent mechanisms of determination of rate of remuneration of members of the board of directors, executive powers and other key executives of the company, and also regulates all kinds of payments, privileges and benefits given to the specified persons.	in compliance	
4.1.4	The company determines a policy of the expense refunding (compensation) concretizing the list of expenses, subject to compensation, and a degree of service for which members of the board of directors, executive powers and other key executives of the company can have. Such policy can be a component of a policy of the company on compensation.	1. In the policy (policies) on compensation or in other internal documents of the company rules of expense refunding of members of the board of directors, executive powers and other key executives of the company are established.	in compliance	
4.2	The system of compensation of members of the board of directors provides rapprochement of financial interests of directors with long-term financial interests of shareholders.			

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
4.2.1	The company pays fixed annual compensation to members of the board of directors. The company does not pay compensation for participation in separate sessions of the board or committees of the board of directors. The company does not apply forms of short-term motivation and additional material stimulation concerning members of the board of directors.	1. The fixed annual compensation was a unique monetary form of compensation of members of the board of directors for work in the board of directors during the reporting period.	not in compliance	Until 26.06.2015 payment of compensation to members of the board of directors was performed for each session according to the Regulation about payment compensation and remuneration to members of the board of directors of IDGC of Centre, JSC (approved at the AGM, Minutes from 03.06.2008 # 1). On 26.06.2015 the Annual Shareholders' General Meeting approved the Regulation about payment compensation and remuneration to members of the board of directors of IDGC of Centre, PJSC, providing for payment to directors of the fixed annual compensation following the results of work.
4.2.2	Long-term stockholding of the company to the greatest degree promotes rapprochement of financial interests of members of the board of directors with long-term interests of shareholders. Thus the company does not specify the right of realisation of stocks with achievement of certain indicators of activity, and members of the board of directors do not participate in option plans.	1. If the internal document (documents) - policy (policies) on compensation of the company to members of the board of directors, accurate rules of stockholding by members of the board of directors, aimed at stimulation of long-term ownership by such stocks should be provided and disclosed.	not in compliance	The Board of directors approved the Regulation about the option plan, at the same time realisation of the Stock Option Plan is not performed in the Company. The Company plans implementation of the given practice in case of the beginning of realisation of the Stock Option Plan.
4.2.3	The company does not provide for any supplemental wage payments or compensations in case of preschedule termination of powers of members of the board of directors in connection with control transition over the company or other circumstances.	1. The company does not provide for any supplemental wage payments or compensations in case of preschedule termination of powers of members of the board of directors in connection with control transition over the company or other circumstances.	in compliance	
4.3	The system of compensation of members of executive powers and other key executives of the company provides dependence of compensation on result of work of the company and their personal contribution to achievement of this result.			

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
4.3.1	Compensation of members of executive powers and other key executives of the company is determined so that to provide a reasonable and justified ratio of the fixed part of compensation and the variable part of compensation depending on results of work of the company and the personal (individual) contribution of an employee in the end result.	1. During the reporting period the annual figures of efficiency approved by the board of directors were used at determination of the size of variable compensation of members of executive powers and other key executives of the company. 2. During last conducted estimation of the system of compensation of members of executive powers and other key executives of the company, the board of directors (the remuneration committee) made sure that the company uses the effective ratio of the fixed part of compensation and the variable part of compensation. 3. The company provide for a procedure ensuring returning to the company of bonus payments, wrongfully received by members of executive powers and other key executives of the company.	in compliance partially	The considered recommendations are not observed by the Company regarding carrying out of estimation of the system of compensation of members of executive powers and other key executives of the company, determination of the procedure providing returning to the company of bonus payments, wrongfully received by members of executive powers and other key executives of the company. The Company has not developed guidelines for estimation of the system of compensation of members of executive powers and other key executives of the Company. The Company plans implementation of the given recommendation within 5 years.
4.3.2	The company implemented the program of long-term motivation of members of executive powers and other key executives of the company with use of stocks of the company (options or other derivative financial instruments a basic asset on which are the company's stocks).	1. The company implemented the program of long-term motivation for members of executive powers and other key executives of the company with use of stocks of the company (financial tools based on stocks of the company). 2. The program of long-term motivation of members of executive powers and other key executives of the company provides that the right of realisation of stocks used in such a program and other financial tools comes not earlier than in three years from the moment of their granting. Thus the right of their realisation specifies achievement of certain indicators of activity of the company.	not in compliance	The Board of directors approved the Regulation about the option plan, at the same time realisation of the Stock Option Plan is not performed in the Company as the Board of directors has not confirmed the plan parameters. The Company plans implementation of the given practice in case of decision-making on the beginning of realisation of the Stock Option Plan by the Board of directors.

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
4.3.3	The compensation amount (golden parachute) paid by the company in case of the preschedule termination of powers to members of executive powers or key executives at the initiative of the company and at absence of their unfair actions, does not exceed the double size of the fixed part of annual compensation.	1. The compensation amount (golden parachute) paid by the company in case of the preschedule termination of powers to members of executive powers or key executives at the initiative of the company and at absence of their unfair actions, in the reporting period did not exceed the double size of the fixed part of annual compensation.	in compliance	
5.1	The company created an effectively functioning risk management and internal control system, aimed at provision of reasonable confidence of achievement of the targets set to the company.			
5.1.1	The company's board of directors specifies principles and approaches to the organisation of a risk management and internal control system in the company.	1. Functions of various management bodies and divisions of the company in the risk management and internal control system are accurately specified in internal documents/a corresponding policy of the company approved by the board of directors.	in compliance	
5.1.2	The company's executive powers provide creation and maintenance of functioning of an effective risk management and internal control system in the company.	1. The company's executive powers provided distribution of functions and powers concerning risk management and internal control between their accountable heads (chiefs) of divisions and departments.	not in compliance	In the Company's structure the internal audit and control department was created performing internal audit functions, and also functions on risk management and internal control. The Company plans to implement the given practice at change of the Company's organizational structure.
5.1.3	The risk management and internal control system in the company provides an objective, fair and clear idea of a current condition and prospects of the company, integrity and transparency of reporting of the company, rationality and acceptability of risks accepted by the company.	1. The company approved the policy on corruption counteraction. 2. The company organised an accessible way of informing the board of directors or the audit committee of the board of directors about facts of infringement of the legislation, internal procedures, the code of ethics of the company.	in compliance	
5.1.4	The company's board of directors undertakes necessary measures to make sure that the risk management and internal control system acting in the company corresponds to principles and approaches to its organisation determined by the board of directors and effectively functions.	1. During the reporting period, the board of directors or the audit committee of the board of directors conducted an estimation of effectiveness of the risk management and internal control system of the company. Data on the basic results of such estimation are included in the contents of the annual report of the company.	in compliance	

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
5.2	For a regular independent estimation of reliability and effectiveness of the risk management and internal control system, and practice of corporate governance the company organises internal audit carrying out.			
5.2.1	For internal audit carrying out the company created a separate structural division or involved an independent external organisation. The functional and administrative accountability of the internal audit division is differentiated. The internal audit division functionally reports to the board of directors.	1. For internal audit carrying out the company created a separate structural division of internal audit functionally accountable to the board of directors or the audit committee, or involved an independent external organisation with the same principle of accountability.	in compliance	
5.2.2	The internal audit division conducts an estimation of effectiveness of the internal control system, an estimation effectiveness of the risk management system, and the corporate governance system as well. The company applies commonly used standards of activity in the field of internal audit.	1. During the reporting period within the limits of internal audit carrying out the estimation of effectiveness of the risk management and internal control system was given. 2. The company uses standard approaches to internal control and risk management.	in compliance	
6.1	The company and its activity are transparent for shareholders, investors and other interested persons.			
6.1.1	The company developed and implemented the information policy providing effective information interaction of the company, shareholders, investors and other interested persons.	1. The company's board of directors approved the information policy of the company developed taking into account recommendations of the Code. 2. The board of directors (or one of its committees) considered the questions connected with observance by the company of its information policy at least once for the reporting period.	in compliance partially	The considered recommendations are not observed by the Company regarding consideration by the Board of directors of the question connected with observance by the company of its information policy. In November, 2013 (Minutes from 18.11.2013 № 26/13) the Board of directors accepted the decision not to submit further the quarterly report on observance of the Regulation on the information policy. The Company plans to implement the given practice at modification of the Regulation on the information policy.

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
6.1.2	The company discloses information on the system and practice of corporate governance, including detailed information about observance of principles and recommendations of the Code.	<p>1. The company discloses information on the corporate governance system in the company and the general principles of corporate governance applied in the company, including on the company's site on the Internet.</p> <p>2. The company discloses information on the composition of executive powers and the board of directors, independence of members of the board of directors and their membership in committees of the board of directors (according to the Code determination).</p> <p>3. In case of availability of a person controlling the company, the company publishes the memorandum of the controller concerning plans of such a person concerning corporate governance in the company.</p>	in compliance partially	<p>The considered recommendations are not observed by the Company regarding the publication of the memorandum of the controller concerning plans of such a person regarding corporate governance in the company.</p> <p>The Company plans to implement the given practice after approval by the person, controlling the Company, of a corresponding memorandum.</p>
6.2	The company in due time discloses complete, actual and trustworthy information about the company for providing possibility of accepting of reasonable decisions by shareholders of the company and investors.			
6.2.1	The company discloses information according to principles of regularity, sequence and efficiency, and also availability, reliability, completeness and comparability of the disclosed data.	<p>1. The company's information policy specifies approaches and criteria of determination of information, capable to make essential impact on estimation of the company and cost of its securities and procedures providing timely disclosing of such information.</p> <p>2. In a case if the company's securities are traded at foreign organised markets, disclosing of the essential information in the Russian Federation and in such markets is performed synchronously and is equivalent within a reporting year.</p> <p>3. If nonresident shareholders own essential quantity of stocks of the company, then within a reporting year information disclosure was performed not only in Russian, but also and on one of the most widespread foreign languages.</p>	in compliance partially	<p>The considered recommendations are not observed by the Company regarding determination in the information policy of approaches and criteria of determination of the information, capable to make essential impact on estimation of the company and cost of its securities and the procedures providing timely disclosing of such information.</p> <p>The Regulation on the information policy is approved by the decision of the Board of directors of the Company (Minutes from 02.09.2013 № 21/13) and does not contain all recommendations of the Code.</p> <p>At the same time the Company plans to add the given recommendation to the Regulation on the information policy at its update.</p>

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
6.2.2	The company avoids a formalistic approach at disclosing of the information and discloses the essential information on the activity even if disclosing of such information is not provided by the legislation.	<p>1. During the reporting period the company disclosed the annual and semi-annual financial statements under IFRS standards. The annual financial statements constituted under IFRS standards were included in the company's annual report for the reporting period, together with the audit opinion.</p> <p>2. The company discloses the complete information about the company's capital structure in conformity with Recommendation 290 of the Code in the annual report and on the company's site on the Internet.</p>	in compliance	
6.2.3	The annual report, being one of the most important tools of information interaction with shareholders and other interested parties, contains the information, allowing to estimate results of activity of the company for a year.	<p>1. The company's annual report contains the information on key aspects of operational activity of the company and its financial results.</p> <p>2. The company's annual report contains the information on ecological and social aspects of the company's activity.</p>	in compliance	
6.3	The company gives information and documents by inquiries of shareholders according to principles of equal and unhindered access.			
6.3.1	Granting by the company of information and documents by inquiries of shareholders is performed according to principles of equal and unhindered access.	<p>1. The information policy of the company determines an easy order of granting to shareholders of access to information, including information on legal entities under the company's control, on demand of shareholders.</p>	in compliance	

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
6.3.2	While granting by the company of information to shareholders some reasonable balance between interests of concrete shareholders and interests of the company interested in preserving of confidentiality of important commercial information which can make essential impact on its competitiveness is provided.	<p>1. During the reporting period, the company did not refuse satisfaction of inquiries of shareholders about information granting, or such refusals were justified.</p> <p>2. In the cases specified by the company's information policy, shareholders are warned about confidential character of information and assume responsibility to preserve its confidentiality.</p>	in compliance partially	<p>The considered recommendations are not observed by the Company regarding determination in the information policy of the company of cases when shareholders are warned about confidential character of information and assume responsibility to preserve its confidentiality.</p> <p>The given recommendations are contained in Order of the Company from 30.01.2014 № 28-TSA «About approval of regulations of the procedure «Providing access of shareholders and other interested persons to information on the Company. Production of copies of documents which shareholders and other interested persons have the right to demand» as amended» and are used by the Company.</p> <p>At the same time the Company plans to add the given recommendation to the Regulation on the information policy at its update.</p>
7.1	Actions, which substantially influence or can affect the company's equity holding structure and financial condition and, accordingly, on position of shareholders (essential corporate actions), are performed on fair conditions providing observance of the rights and interests of shareholders, and also other interested parties.			

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
7.1.1	Essential corporate actions are recognized as the company's reorganisation, acquisition of 30 and more percent of voting shares of the company (take-over), fulfilment by the company of major transactions, increase or reduction of authorised capital of the company, realisation of listing and delisting of the company's stocks, and also other actions which can lead to essential change of shareholders' rights or infringement of their interests. The company's bylaws specify the list (criteria) of transactions or other actions which are essential corporate actions, and such actions pertain to the competence of the board of directors of the company.	<p>1. The company's bylaws specify the list of transactions or other actions which are essential corporate actions and criterion for their determination. Decision-making concerning essential corporate actions pertains to the competence of the board of directors. When realisation of the given corporate actions is directly by the legislation within the shareholders' general meeting competence, the board of directors gives corresponding recommendations to shareholders.</p> <p>2. The company's bylaws specify, at least, such essential corporate actions as: the company's reorganisation, acquisition of 30 and more percent of voting shares of the company (take-over), fulfilment by the company of major transactions, increase or reduction of authorised capital of the company, realisation of listing and delisting of the company's stocks.</p>	in compliance partially	<p>The considered recommendations are not observed by the Company regarding determination in the Articles of Association of the company of the list of transactions or other actions which are essential corporate actions and criteria for their determination.</p> <p>The Articles of Association of the Company do not contain determination of «essential corporate actions», at the same time decision-making concerning transactions, recognised within the Corporate Governance Code, as major, according to the Articles of Association of the Company pertain to the competence of the Board of directors.</p> <p>Besides, the competence of the Board of directors concerning transactions is essentially expanded.</p> <p>At the same time the Company plans to generalise practice and to prepare within a year of the offer on modification of the Articles of Association for more detailed presentation of the given recommendation.</p>
7.1.2	The board of directors plays a key role in decision-making or development of recommendations concerning essential corporate actions, the board of directors relies upon a position of independent directors of the company.	<p>1. The company provides for a procedure according to which independent directors declare their position on essential corporate actions before their approval.</p>	not in compliance	<p>The specified procedures are not fixed in internal documents.</p> <p>For implementation of the given recommendations the Company plans to generalise practice and within 5 years to make decision on implementation of the given recommendations.</p>

Nº	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
7.1.3	At fulfilment of the essential corporate actions mentioning the rights and legitimate interests of shareholders, equal conditions for all shareholders of the company are provided, and at insufficiency of mechanisms provided by the legislation aimed at protection of shareholders' rights, - additional measures protecting the rights and legitimate interests of shareholders of the company. Thus the company is guided not only by observance of formal requirements of the legislation, but also the principles of corporate governance stated in the Code.	<p>1. The bylaws of the company taking into account features of its activity establishes lower than the minimum criteria of reference of transactions of the company provided by the legislation to essential corporate actions.</p> <p>2. During the reporting period, all essential corporate actions underwent an approval procedure before their realisation.</p>	in compliance partially	<p>The considered recommendations are not observed by the Company regarding establishment of lower than the minimum criteria of reference of transactions of the company provided by the legislation to essential corporate actions.</p> <p>The Articles of Association of the Company do not contain criteria of reference of transactions of the Company to essential corporate actions, at the same time decision-making concerning transactions, recognised within the Corporate Governance Code, as major, according to the Articles of Association of the Company pertain to the competence of the Board of directors.</p> <p>Besides, the competence of the Board of directors concerning transactions is essentially expanded.</p> <p>At the same time the Company plans to generalise practice and to prepare within a year of the offer on modification of the Articles of Association for more detailed presentation of the given recommendation.</p>
7.2	The company provides such an order of fulfilment of essential corporate actions which allows shareholders to receive in due time complete information about such actions, provides them with possibility to influence fulfilment of such actions and warrants observance and adequate level of protection of their rights at fulfilment of such actions.			
7.2.1	Information on fulfilment of essential corporate actions is disclosed with explanation of reasons, conditions and consequences of fulfilment of such actions.	1. During the reporting period the company in due time and in details disclosed the information on essential corporate actions of the company, including reasons and terms of fulfilment of such actions.	in compliance	

Nº	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
7.2.2	Rules and procedures, connected with realisation by the company of essential corporate actions, are fixed in internal documents of the company.	<p>1. Internal documents of the company provide a procedure of attraction of an independent appraiser for cost determination of property alienated or acquired under a major transaction or a related party transaction.</p> <p>2. Internal documents of the company provide a procedure of attraction of an independent appraiser for estimation of cost of acquisition and repurchase of the company's shares.</p> <p>3. Internal documents of the company provide for an expanded list of reasons on which members of the board of directors of the company and other persons provided by the legislation are recognised as related parties in the company's transactions.</p>	in compliance partially	<p>The considered recommendations are not observed by the Company regarding recording in internal documents of the company of a procedure of attraction of an independent appraiser for estimation of cost of acquisition and repurchase of the company's shares and expansion of a list of reasons on which members of the board of directors of the company and other persons provided by the legislation are recognised as related parties in the company's transactions.</p> <p>For implementation of the given recommendations the Company plans to generalise practice and within 5 years to make decision on implementation of the given recommendations.</p>

APPENDIX 5 TO THE ANNUAL REPORT OF IDGC OF CENTRE, PJSC FOR 2015

INFORMATION ON LARGE DEALS AND RELATED PARTY TRANSACTIONS CLOSED IN 2015

In 2015 IDGC of Centre, PJSC did not close any large deals. The Articles of Association of the Company do not specify a list of other transactions, which are covered by the procedure of approval of major transactions.

In 2015 IDGC of Centre, PJSC closed the following related party transactions:

Item №	Date of transaction (Contract details) and subject of transaction	Parties to transaction, Beneficiary (-ies) (if any)	Transaction price, RUB	Related party (parties)	Minutes of meeting of the Board of Directors of the Company, which approved the transaction
1.	Amendment to change the rental fee to real estate lease agreement № 07-6/559(2010) KC 4400/10155/10 dated 16.08.2010	IDGC of Centre, JSC – «Lessor» and FGC UES - «Lessee»	1,515,905,49 RUB with VAT	JSC «Russian Grids» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person (FGC UES) is a party to the transaction, and whose affiliates (O.M. Budargin, S.I. Shmatko, V.M. Kravchenko, A.E. Murov, S.N. Mironosetsky, A.A. Demin) hold positions in management bodies of FGC UES	Minutes dated 23.06.2014 № 15/14
2.	Agreements to change entities in contracts (total 242 pcs.) Agreements to change entities to grid connection implementation Contracts for power installations of customers, concluded between JSC «Yargorelectroset», IDGC of Centre, JSC (IDGC of Centre - Yarenergo division) and Applicants	IDGC of Centre, JSC – «New grid company» and JSC «Yargorelectroset» – «Liquidated grid company», an applicant under a contract	81,950 RUB with VAT	JSC «Russian Grids» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction; S.Y. Rumyantsev – Member of the Management Board of the Company, at the same time is a member of the Board of Directors of JSC «Yargorelectroset»	Minutes dated 19.11.2014 №25/14
3.	Agreements to change entities in contracts (total 125 pcs.) Agreements to change entities to Contracts to ensure production and business activities of JSC «Yargorelectroset», concluded between JSC «Yargorelectroset», IDGC of Centre, JSC (IDGC of Centre - Yarenergo division) and Contractors	IDGC of Centre, JSC – «Grid company», JSC «Yargorelectroset» – «Liquidated grid company», a party to a contract	74,408,233 RUB with VAT	JSC «Russian Grids» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction; S.Y. Rumyantsev – Member of the Management Board of the Company, at the same time is a member of the Board of Directors of JSC «Yargorelectroset»	Minutes dated 19.12.2014 №29/14
4.	Agreements to change entities in contracts (total 473 pcs.) Agreements to change entities to grid connection implementation Contracts for power installations of customers, concluded between JSC «Yargorelectroset», IDGC of Centre, JSC (IDGC of Centre - Yarenergo division) and Applicants	IDGC of Centre, JSC – «New grid company», JSC «Yargorelectroset» – «Liquidated grid company», an applicant under a contract	523,017,442,32 RUB with VAT	JSC «Russian Grids» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction; S.Y. Rumyantsev – Member of the Management Board of the Company, at the same time is a member of the Board of Directors of JSC «Yargorelectroset»	Minutes dated 19.11.2014 № 25/14
5.	Agreement on the cession of rights dated 20.03.2015 № 7600/03514/15	IDGC of Centre, JSC – «Assignee», JSC «Yargorelectroset» – «Assignor»	88,404,274 RUB, VAT is not provided	JSC «Russian Grids» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction; S.Y. Rumyantsev – Member of the Management Board of the Company, at the same time is a member of the Board of Directors of JSC «Yargorelectroset»	Minutes dated 27.03.2015 № 06/15
6.	Settlement Agreement dated 20.03.2015 № 7600/03521/15	IDGC of Centre, JSC – «Creditor», JSC «Yargorelectroset» – «Debtor»	322,710,057 RUB with VAT	JSC «Russian Grids» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction; S.Y. Rumyantsev – Member of the Management Board of the Company, at the same time is a member of the Board of Directors of JSC «Yargorelectroset»	Minutes dated 27.03.2015 № 06/15
7.	Agreement to change entities dated 23.03.2015 № 7600/04115/15 to Contract for construction and installation work dated 10.12.2014 № 3820	IDGC of Centre, JSC – «Grid company», JSC «Yargorelectroset» – «Customer», «Yaroslavl Mekhkolonna № 48» LLC – «Contractor»	309,160 RUB with VAT	JSC «Russian Grids» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction; S.Y. Rumyantsev – Member of the Management Board of the Company, at the same time is a member of the Board of Directors of JSC «Yargorelectroset»	Minutes dated 19.12.2014 № 29/14

Item №	Date of transaction (Contract details) and subject of transaction	Parties to transaction, Beneficiary (-ies) (if any)	Transaction price, RUB	Related party (parties)	Minutes of meeting of the Board of Directors of the Company, which approved the transaction
8.	Service agreement to operate 10 kV power supply grids of Olympic facilities in the period of holding the XXII Olympic Winter Games and XI Paralympic Winter Games of 2014 in Sochi dated 08.05.2015 № 7700/00376/14/361,351-15	IDGC of Centre, JSC – «Contractor», FGC UES – «Customer»	4,752,517,84 RUB with VAT	JSC «Russian Grids» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction, and whose affiliates (O.M. Budargin, S.I. Shmatko, V.M. Kravchenko, A.E. Murov, S.N. Mironosetsky, A.A. Demin) hold positions in management bodies of FGC UES	Minutes dated 19.12.2014 № 29/14
9.	Agreement for the removal of restrictions on the use of a land plot dated 10.06.2015 № 7600/06821/15	IDGC of Centre, JSC – «Owner», OJSC «YarEGC» – «Applicant»	482,346,06 RUB with VAT	JSC «Russian Grids» – Shareholder, which holds more than 20% of voting shares of the Company whose affiliated person is a party to the transaction	Minutes dated 29.05.2015 № 12/15
10.	Agreement for provision of services to organize and hold the Interregional competitions for maintenance and repair of relay protection and automation devices by staff of subsidiaries and associates of JSC «Russian Grids» dated 19.06.2015 № 7700/00070/15	IDGC of Centre, JSC – «Customer», Tyumenenergo – «Contractor»	2,384,390 RUB with VAT	JSC «Russian Grids» – Shareholder, which holds more than 20% of voting shares of the Company, at the same time owns 20 and above % of shares of the legal entity that is a party to the transaction	Minutes dated 29.05.2015 № 12/15
11.	Agreement to perform emergency and restoration operations dated 22.06.2015 № 7700/00080/15/1591-000618	IDGC of Centre, JSC – «Contractor», IDGC of Volga – «Customer»	1,147,521,75 RUB with VAT	JSC «Russian Grids» – Shareholder, which holds more than 20% of voting shares of the Company, at the same time owns 20 and above % of shares of the legal entity that is a party to the transaction; D.V. Kulikov – Member of the Board of Directors of the Company, at the same time is a member of the Board of Directors of IDGC of Volga	Minutes dated 29.05.2015 № 12/15
12.	Amendment dated 26.06.2015 № DC6700/02329/15 to terminate Agreement dated 07.10.2013 № 2/6700/11157/13	Russian Agricultural Bank – «Bank», IDGC of Centre, PJSC – «Recipient of funds»	-	ОАО «Россети» – акционер, владеющий более 20% голосующих акций Общества, аффилированные лица которого (Морозов Д.С. и Иванов А.Ю.) являются членами Наблюдательного совета ОАО «Россельхозбанк»	Minutes dated 22.06.2015 № 13/15
13.	Amendment dated 30.06.2015 № DC4600/01307/15 to terminate Agreement dated 02.04.2012 № 032/008/4600/02049/12	IDGC of Centre, JSC – «Recipient of funds», Russian Agricultural Bank – «Bank»	-	JSC «Russian Grids» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated persons (D.S. Morozov and A.Y. Ivanov) are members of the Supervisory Board of Russian Agricultural Bank	Minutes dated 08.05.2015 № 10/15, Minutes dated 22.06.2015 № 13/15
14.	Amendment dated 09.07.2015 № 3/DC7700/00026/15 to agreement dated 12.01.2011 № SDU-1/2010/7700/00001/11 Amendment to change terms and conditions of the agreement	SO UES – «System Operator», IDGC of Centre, PJSC – «IDGC»	-	JSC «Russian Grids» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated persons (B.I. Ayuev and V.M. Kravchenko) hold positions in management bodies of SO UES	Minutes dated 27.02.2015 № 03/15
15.	Amendment dated 09.07.2015 № DC3600/02290/15 to non-residential premises lease agreement dated 03.03.2014 № 3600/02199/14 Amendment to determine the cost of monthly rent	IDGC of Centre, PJSC – «Lessor», SO UES – «Lessee»	5,037,234,72 RUB with VAT	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated persons (B.I. Ayuev, A.F. Dyakov, A.S. Kalinin and A.E. Murov) hold positions in management bodies of SO UES	Minutes dated 20.05.2015 № 11/15
16.	Agreement dated 23.07.2015 № 7600/02181/15 Non-residential premises lease agreement	IDGC of Centre, PJSC – «Lessor», OJSC «YarEGC» – «Lessee»	2,803,170 RUB with VAT	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company whose affiliated person is a party to the transaction	Minutes dated 17.02.2015 № 02/15
17.	Amendment dated 04.08.2015 № DC7700/00065/15 to Agreement to perform scientific and research work dated 20.06.2014 № 7700/00270/14 Amendment to change the turnaround time and payment	IDGC of Centre, PJSC – «Customer», NTC POWER – «Contractor»	-	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction	Minutes dated 30.07.2015 № 15/15
18.	Amendment dated 06.08.2015 № 1/DC7700/00069/15 to Agreement dated 22.08.2014 № 7700/00295/2015 Amendment to change the value	PJSC FGC UES – «Organizer», IDGC of Centre, PJSC – «Participant»	Making 1 electronic signature key – 2,991,41 RUB with VAT; Issue of keyed data with key carrier eToken PRO (Java) 72 Kb – 2,110,68 RUB with VAT	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction and whose affiliated persons (O.M. Budargin, S.I. Shmatko, A.E. Murov and A.A. Demin) hold positions in management bodies of PJSC FGC UES	Minutes dated 17.02.2015 № 02/15

Item №	Date of transaction (Contract details) and subject of transaction	Parties to transaction, Beneficiary (-ies) (if any)	Transaction price, RUB	Related party (parties)	Minutes of meeting of the Board of Directors of the Company, which approved the transaction
19.	Amendment dated 11.08.2015 № 4/DC 4600/02086/15,15 to movable property lease agreement dated 10.03.2009 № 40025096 To change the list of leased movable property, the rent and the term of the agreement	IDGC of Centre, PJSC – «Lessor», SO UES – «Lessee»	6,753,60 RUB with VAT (for the period of 01.07.2015 -30.06.2016)	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated persons (B.I. Ayuev, A.F. Dyakov, A.S. Kalinin and A.E. Murov) hold positions in management bodies of SO UES	Minutes dated 30.07.2015 № 15/15
20.	Agreement dated 19.08.2015 № 3200/05936/15 Provision of use of pairs of metal strands of the cable (direct line)	IDGC of Centre, PJSC –«Customer», PJSC FGC UES – «Contractor»	4,296,667,92 RUB with VAT (for the period of 01.01.2015-31.12.2015)	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction and whose affiliates (O.M. Budargin, S.I. Shmatko, A.E. Murov and A.A. Demin) hold positions in management bodies of PJSC FGC UES	Minutes dated 30.07.2015 № 15/15
21.	Agreement dated 28.08.2015 № 7700/00131/15 Agreement for the performance of repair work to eliminate consequences of failures at facilities of Customer	IDGC of Centre, PJSC – «Contractor», Kubanenergo PJSC – «Customer»	10,369,521,74 RUB with VAT	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, at the same time owns 20 and above % of shares of the legal entity that is a party to the transaction; Y.N. Mangarov and A.N. Kharin – Members of the Board of Directors of the Company, at the same time are members of the Board of Directors of Kubanenergo PJSC	Minutes dated 19.08.2015 № 16/15
22.	Entry into the Moscow Chamber of Commerce and Industry (based on the application) IDGC of Centre, PJSC enters the Moscow Chamber of Commerce and Industry for the purpose of development of business and socio-economic, investment, scientific and technical relations	Moscow Chamber of Commerce and Industry and IDGC of Centre, PJSC – «Parties»	50,000 RUB a year	O.Y. Isaev – General Director and a member of management bodies of the Company, who is also a member of the Management Board of the Moscow Chamber of Commerce and Industry	Minutes dated 16.04.2015 № 08/15
23.	Agreement dated 01.09.2015 № 6800/08162/15 Real estate lease agreement	IDGC of Centre, PJSC – «Lessee», SO UES – «Lessor»	10,760,169,96 RUB with VAT	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated persons (B.I. Ayuev, A.F. Dyakov, A.S. Kalinin and A.E. Murov) hold positions in management bodies of SO UES	Minutes dated 02.09.2015 № 17/15
24.	Agreement dated 02.09.2015 №3200/06191/15 Services for provision for use of elements of structures of poles of power lines	IDGC of Centre, PJSC – «Contractor», PJSC FGC UES –«Customer»	for the period of 01.01.2013-31.12.2013 – 73,145,52 RUB with VAT, for the period of 01.01.2014-31.12.2014 – 73,145,52 RUB with VAT	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction and whose affiliates (O.M. Budargin, S.I. Shmatko, A.E. Murov and A.A. Demin) hold positions in management bodies of PJSC FGC UES	Minutes dated 19.08.2015 № 16/15
25.	Amendment dated 07.09.2015 № 4/DC 4600/02203/15 to real estate lease agreement dated 10.03.2009 № 40025111 To change the rent and the term of the agreement	IDGC of Centre, PJSC – «Lessor», SO UES – «Lessee»	4,031 023,80 RUB with VAT (for the period from 01.07.2015 to 30.06.2016)	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated persons (B.I. Ayuev, A.F. Dyakov, A.S. Kalinin and A.E. Murov) hold positions in management bodies of SO UES	Minutes dated 30.07.2015 № 15/15
26.	Agreement dated 16.09.2015 № 6800/08979/15 Movable property lease agreement	IDGC of Centre, PJSC – «Lessee», SO UES – «Lessor»	4,358,743,96 RUB with VAT	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated persons (B.I. Ayuev, A.F. Dyakov, A.S. Kalinin and A.E. Murov) hold positions in management bodies of SO UES	Minutes dated 18.09.2015 №19/15
27.	Agreement dated 18.09.2015 № 7700/00143/15 Agreement for emergency and restoration operations in the aftermath of failures at facilities of IDGC of South - Volgogradenergo as a result of natural disasters	IDGC of Centre, PJSC – «Contractor», PJSC IDGC of South – «Customer»	5,259,939,12 RUB with VAT	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, at the same time owns 20 and above % of shares of the legal entity that is a party to the transaction; A.M. Branis, R.A. Filkin, A.V. Shevchuk, Y.N. Pankstyanov and A.N. Kharin – Members of the Board of Directors of the Company, at the same time are members of the Board of Directors of PJSC IDGC of South	Minutes dated 30.07.2015 № 15/15
28.	Agreement dated 18.09.2015 № 7700/00149/15 Agreement for emergency and restoration operations in the aftermath of failures at facilities of IDGC of South - Rostovenergo as a result of natural disasters	IDGC of Centre, PJSC – «Contractor», PJSC IDGC of South – «Customer»	5,142,845,92 RUB with VAT	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, at the same time owns 20 and above % of shares of the legal entity that is a party to the transaction; A.M. Branis, R.A. Filkin, A.V. Shevchuk, Y.N. Pankstyanov and A.N. Kharin – Members of the Board of Directors of the Company, at the same time are members of the Board of Directors of PJSC IDGC of South	Minutes dated 30.07.2015 № 15/15

Item №	Date of transaction (Contract details) and subject of transaction	Parties to transaction, Beneficiary (-ies) (if any)	Transaction price, RUB	Related party (parties)	Minutes of meeting of the Board of Directors of the Company, which approved the transaction
29.	Agreement dated 18.09.2015 №7700/00152/15 Agreement to provide services to organize training and improve skills	Federal State Budget Institution of Higher Education «National Research University «MPEI» – «Contractor», IDGC of Centre, PJSC – «Customer»	870,000 RUB (VAT exempt)	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated persons (A.V. Novak, O.M. Budargin, A.F. Dyakov, A.E. Murov and S.I. Shmatko) are members of management bodies of Federal State Budget Institution of Higher Education «National Research University «MPEI»	Minutes dated 18.09.2015 № 19/15
30.	Agreement dated 29.10.2015 №7600/13196/15 Agreement to perform work on the expansion (creation) of a metering system of the electricity retail market with remote data collection № 01/15-ATES	IDGC of Centre, PJSC – «Customer», IT Energy – «Contractor»	3,193,506,58 RUB with VAT	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction	Minutes dated 30.10.2015 № 22/15
31.	Agreement dated 06.11.2015 №7700/00168/15 Agreement to perform repair work in the aftermath of natural disasters at facilities of IDGC of South - Rostovenergo	IDGC of Centre, PJSC – «Contractor», PJSC IDGC of South – «Customer»	1,778,347,84 RUB with VAT	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, at the same time owns 20 and above % of shares of the legal entity that is a party to the transaction; A.M. Branis, R.A. Filkin, A.V. Shevchuk, Y.N. Pankstyanov and A.N. Kharin – Members of the Board of Directors of the Company, at the same time are members of the Board of Directors of PJSC IDGC of South	Minutes dated 18.09.2015 № 19/15
32.	Agreement dated 27.11.2015 №7600/14271/15 Agreement for operational maintenance of electric grid equipment	IDGC of Centre, PJSC – «Contractor», JSC «YarEGC» – «Customer»	The price of the services is based on the cost of the services agreed upon by the parties in the Request for the provision of services for maintenance of electric grid equipment, and may not constitute 2 or more percent of the book value of the Company's assets according to its financial statements as of the last reporting date	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company whose affiliated person is a party to the transaction	Minutes dated 30.10.2015 № 22/15
33.	Agreement dated 09.12.2015 №387250/3600/22215/15 Electric grid facility lease agreement	IDGC of Centre, PJSC – «Lessor», PJSC FGC UES – «Lessee»	127,679,64 RUB with VAT (11,607,24 RUB with VAT monthly)	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction and whose affiliates (O.M. Budargin, S.I. Shmatko, A.E. Murov and A.A. Demin) hold positions in management bodies of PJSC FGC UES	Minutes dated 30.09.2015 № 20/15
34.	Amendment dated 24.12.2015 №1/DC7600/02999/15 to Agreement dated 18.12.2012 №0211-92-K/12(7600/12024/12) Agreement on compensation to Owner of the residual value of the dismantled parts of the Owner Facilities as well as restoration costs of the Facilities in the new configuration, the reduction of the amount of the Agreement	IDGC of Centre, PJSC – «Owner», PJSC FGC UES – «Company»	20,796,060,73 RUB with VAT	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated person is a party to the transaction and whose affiliates (O.M. Budargin, S.I. Shmatko, A.E. Murov and A.A. Demin) hold positions in management bodies of PJSC FGC UES	Minutes dated 01.12.2015 № 24/15
35.	Agreement on the purchase and sale of movable property dated 31.12.2015 № 5700/08819/15	IDGC of Centre, PJSC – «Buyer», SO UES «System Operator» – «Seller»	1,494,249,2 RUB with VAT	PJSC «Rosseti» – Shareholder, which holds more than 20% of voting shares of the Company, whose affiliated persons (B.I. Ayuev, A.F. Dyakov, A.S. Kalinin and A.E. Murov) hold positions in management bodies of SO UES	Minutes dated 29.12.2015 № 27/15

Information on the transactions closed by the Company in 2015, which constitute more than 2% of the asset value of the Company as of the date of the reporting period end prior to the settlement of such transactions, which are recognized to be material in accordance with the Regulations on the Information Policy of IDGC of Centre, JSC¹:

Item №	Date of transaction (Contract details) and subject of transaction	Parties to transaction, Beneficiary (if any)	Transaction price, RUB	Minutes of meeting of the management body of the Company, which approved the transaction
1.	Movable property lease agreement dated 01.04.2015 №7700/00050/15	IDGC of Centre, JSC – «Lessee», LLC «Infrastructure investments-3» – «Lessor»	5,372,620,721 RUB with VAT	Minutes of the Board of Directors dated 01.04.2015 № 07/15

¹ The Regulations on the Information Policy of IDGC of Centre, JSC were approved by the Board of Directors of the Company, Minutes № 21/13 dated 02.09.2013.