

ОГК-4

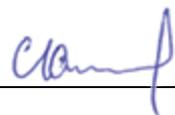
открытое акционерное общество
четвертая
генерирующая
КОМПАНИЯ
оптового рынка
электроэнергии

**ANNUAL
REPORT
2010**

Provisionally approved
by OGK-4 OAO Board of Directors
«05» may 2011
(Minutes of meeting no. 150)

OGK-4 OAO 2010 ANNUAL REPORT

Director General



/Y.S. Sablukov/

Chief Accountant



/A.V. Shalyapina/

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1. KEY PERFORMANCE INDICATORS

			2010/2009
Revenue	53,8	billion rubles	+26,9%
EBITDA ¹	14,1	billion rubles	+69,2%
EBIT ¹	12,9	billion rubles	+80,3%
Net Profit	10,4	billion rubles	+47,1%
Assets value	95,9	billion rubles	+11,5%
<hr/>			
Power generation	55,8	GW h	+3,4%
Power sales ²	59,3	GW h	+3,5%
Installed Capacity Utilization Factor (ICUF)	73,4	%	+2,0 пп.

Information presented in this Report is based on accounting records developed in accordance with the Russian Accounting Standards.

¹ Net of exchange premium

² Including the power purchased in the market

2. ADDRESS OF CHAIRMAN OF BOARD OF DIRECTORS AND DIRECTOR GENERAL TO SHAREHOLDERS

Dear Shareholders!

During the past year Board of Directors and Management Board have been focusing our efforts on enhancement of the Company operations, implementation of investment program, promotion of labor safety and environmental protection.

Last year, overall power generated by all the power stations made 55,8 billion kWh, which is by 3,4% higher than in 2009. Actual power sales were over 59,3 billion kWh, which is by 3,5 per cent more as compared to the level of 2009. At the same time, proceeds from power marketing grew by 27 per cent reaching 53,8 billion rubles.

According to Russian Accounting Standards, in 2010 the Company net income was over 10,4 billion rubles, growing by 47,1 per cent as compared to 2009.

At year 2010 end, OGK-4 OAO shows the highest installed capacity utilization factor among the Russian thermal generating plants — over 73,4 per cent — and the lowest level of specific reference fuel consumption — 321,8 gram per kW/h.

In 2010, one of the major events was commissioning of CCPP-400 at Shaturskaya GRES. The power unit efficiency factor is 56%, which is approximately by one third higher than the average level in Russian thermal and electric power generating industry.

A wide-scale investment program is implemented by OGK-4 in line with the basic directions of the Company development and the world best practices in the area of energy construction. High efficiency of the new combined cycle power plants makes it possible to considerably reduce emissions of harmful substances into the atmosphere. Due to high ecological indices, the project of CCPP-400 at Shaturskaya GRES became the first Russian project to be approved by the United Nations Organization under Kyoto protocol.

The Company performance in 2011 will in many aspects depend on decisions of state regulating authorities in the area of power and capacity market development. However, whatever the external conditions, the management of OGK-4 is intending to pay close attention to enhancement of the Company efficiency, improve reliability of equipment operation and promote industrial safety. Further improvement of financial and performance indicators will remain the top priority objective for the Company management.

In 2011 we will go on implementing our investment program. The Company is planning to commission the aggregate of 1200 MW new combined cycle generating facilities: 800 MW at Surgutskaya GRES-2 and 400 MW — at Yaivinskaya GRES. We will also commence implementation of the fourth project under the investment program (approved under capacity contracts package): construction of the 800 MW steam power unit at Berezovskaya GRES.

In the year 2011, the Company will be facing great tasks. And due to well-coordinated and professional efforts of our team, with your support OGK-4 will retain its position as the most efficient company in the sphere of electric and thermal power generation in Russia.

Dear shareholders, thank you for support in 2010!

Regards,

Chairman of Board of Directors, OGK-4 OAO
Sergey A. Tazin

Director General, OGK-4 OAO
Yuri S. Sablukov

3. GENERAL DATA ABOUT THE COMPANY

Company History at a Glance

Open Joint Stock Company "Fourth Generating Company of the Wholesale Electricity Market" (hereinafter referred to as OGK-4, the Company) is, in terms of sales, the major Russian thermal generating wholesale company. OGK-4 was founded under the auspices of the Russian power generating industry reform on the basis of assets of RAO UES of Russia. The Company structure includes Surgutskaya GRES-2, Shaturskaya GRES, Berezovskaya GRES, Yaivinskaya GRES and Smolenskaya GRES.

OGK-4 is an entity acting in the wholesale power market; it generates and trades electric and thermal power and supplies heat.

In 2007 international E.ON Group (hereinafter referred to as E.ON) acquired 69,34% of the registered capital of OGK-4 OAO, subsequently augmenting its share up to 78,3%. E.ON, one of the world largest energy non-governmental open group of companies, operates in more than 30 countries of the world. The history of partnership between E.ON and Russia counts more than 35 years. E.ON's subsidiary — E.ON Ruhrgas is Gazprom's partner for construction of "Nord Stream" pipeline which will connect Russia and the West European states. The pipeline will be laid along the Baltic seabed.

OGK-4's aggregate installed capacity is 9 073 MW. In 2010, the output of electric power made 55,8 billion kWh, output of thermal power — 2,4 thousand GCal. At year end, the Company's revenue is 53,82 billion rubles.

OGK-4 shares are "B"-listed in the main trading systems of the Russian stock market — Moscow Central Stock Exchange ZAO (OGK4) and RTS Stock Exchange OAO (OGKD). Besides, the Company shares are included into calculation of international index MSCI Russia-power engineering.

Strategic Directions of the Company Development

Main strategic direction of OGK-4 OAO activities is further enhancement of efficiency of the company governance and efficiency of production.

For the Company, occupational safety and activities in environmental protection are matters of paramount importance.

Also, the absolute priority for the Company is timely implementation of investment program for construction of new generating facilities in the scope agreed upon with the RF Government under Capacity Contracts.

FULL NAME	OPEN JOINT STOCK COMPANY "FOURTH GENERATING COMPANY OF THE WHOLESALE ELECTRICITY MARKET"
Date of state registration	March 04, 2005
Primary State Registration Number	1058602056985
Company Legal Address	Tyumen Region, Khanty-Mansi Autonomous Area- Yugra, town of Surgut, 23 Energostroiteley Street, bldg.34
Address of Moscow Representative Office	123317, Moscow, 10 block B Presnenskaya Emb., level 23
Contact telephone	(495) 545-38-38
Fax	(495) 545-38-39
Email address	ogk@ogk-4.ru
Core Business	Generation and sales of electric and thermal power and capacity
Aggregate installed capacity, MW	9 073,4
Charter capital, rubles	25 219 482 458,37
Number of shares, items	63 048 706 145,92
Par value, rubles	0,40
Number and date of state registration of share issue	1-02-65104-D dated 19.04.2007
Majority Shareholder, %% shares	E.ON Russia Holding GmbH (78,3%)
Registrar's Full Name	"Registrar R.O.S.T.", Open Joint Stock Company
Registrar's Address	107996, Moscow, 18 Stromynka Street
Full name of External Auditor	"PricewaterhouseCoopers Audit", Closed Joint Stock Company
Auditor's Address	125047 Russia, Moscow, 10 Butyrsky Val street

Company Assets

The structure of OGK-4 includes five thermal power stations with aggregate installed capacity of 9073 MW/2179,3 GCal/h: Surgutskaya GRES-2 (Khanty-Mansi Autonomous Area, Tyumen Region), Berezovskaya GRES (Krasnoyarsk Region), Shaturskaya GRES (Moscow Region), Smolenskaya GRES (Smolensk Region) and Yaivinskaya GRES (Perm Territory).

OGK-4 power plants are located in the regions of Russia with the highest level of power consumption and

relatively well-developed grid infrastructure. Four of the Company five generating facilities find themselves in the most economically and industrially developed territories of the Russian Federation which have a high potential for the growth of power consumption.

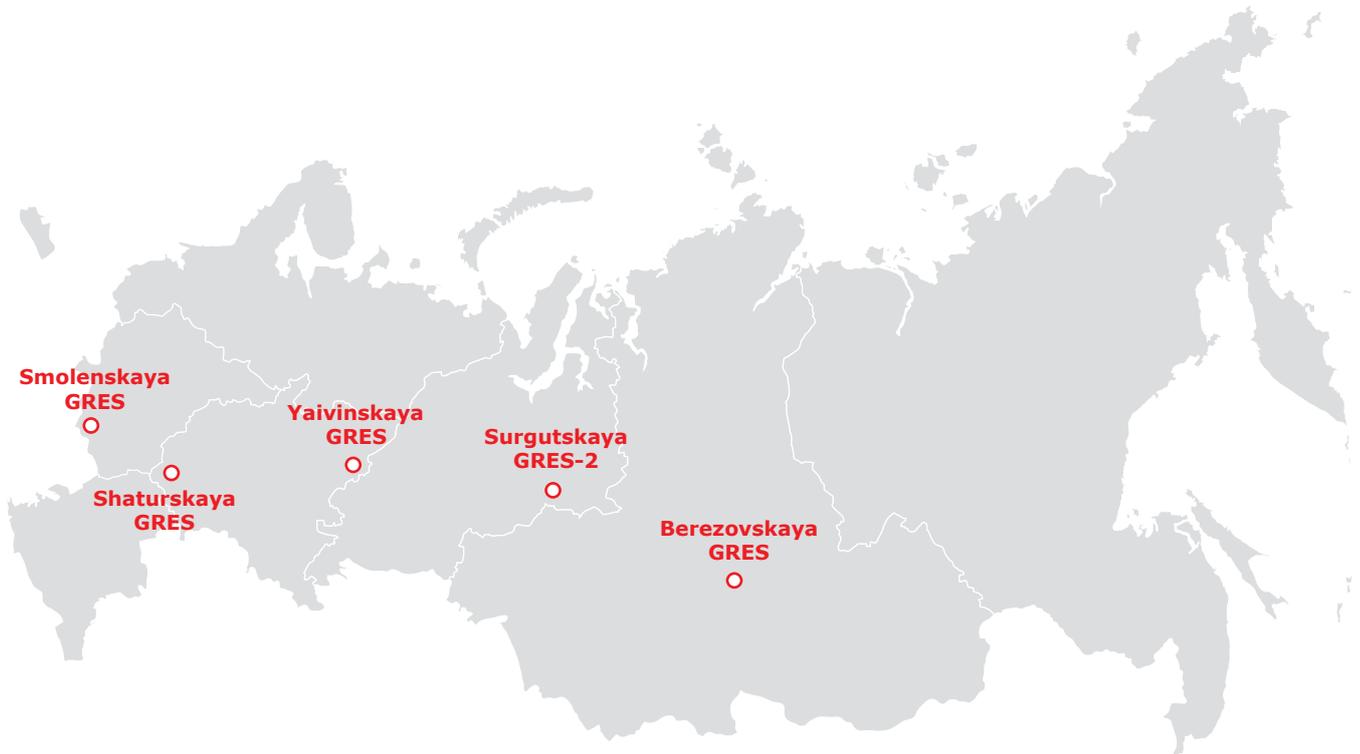
Due to implementation of investment program, OGK-4 generating fleet is reinforced with state-of-the-art, high-efficiency power units which are able to meet serious competition in the market of electric power and capacity.

OGK-4 BASIC OPERATIONAL DATA FOR THE YEAR 20

Power Station	Year of Commissioning (Grid Connection)	Installed Capacity, MW	ICUF * 2010 %	2010 Electric power generation, million kW h
Surgutskaya GRES-2	1985-1988	4 800	87,1	36 6230
Berezovskaya GRES	1987-1989	1 500	70,5	9 288
Shaturskaya GRES	1971-2010	1 493,4	41,2	4 112
Smolenskaya GRES	1978-1985	630	34,9	1 928
Yaivinskaya GRES	1963-1965	600	73,1	3 840
OGK-4		9 073,4	73,4	55 791

* Installed Capacity Utilization Factor

Map of branches



Branches and Representative Offices



SURGUTSKAYA GRES-2, BRANCH OF OGK-4 OAO

(Hereinafter referred to as Surgutskaya GRES-2)

Surgutskaya GRES-2 is located in the town of Surgut (Khanty-Mansi Autonomous Area — Yugra, Tyumen Region) and is the major thermal power station in Russia. Its installed capacity is 4 800 MW. In the year 2010 the station produced 36,6 billion kW h.

In the 1980-ies, at the territory around mid- Ob river area, intensive oil and gas production began, which triggered the construction of the country's largest electric and thermal power plant. Demand for electric power in the region was higher than country-wide. It was necessary to quintuple the amount of generated power. Hence, it was decided to build a power plant in Surgut, the capital of oil production in Russia. This is how Surgutskaya GRES-2 power plant came into being.

Construction of Surgutskaya GRES-2 began in quarter IV, 1979 as per the Resolution of the Soviet of Ministers of the USSR dated November 15, 1979. The resolution bears a symbolic number — 1000. Commissioning of the six power units of Surgutskaya GRES-2, 800 MW each, made it possible for Tyumen grid to compensate for the power shortage in the whole Urals region. The power plant construction progressed at a record pace unmatched in the practice of construction of power generating facilities in Russia — 4 800 MW new capacities were commissioned within three and a half years. The first two power units were commissioned in 1985 and the last (unit six) was commissioned in 1988.

Surgutskaya GRES-2 is one of the Russian most efficient thermal power stations. Its key performance indicators are highly competitive with the best foreign counterparts: specific fuel consumption is less than 306 grams per kW h; auxiliary power consumption is less than 2,5%; installed capacity utilization factor is 87,1%. In 2010, the station set a record in the annual power output — 36,6 billion kW.h. In total, from the commissioning date, Surgutskaya GRES-2 has generated 750 billion kW.h of electric power.

Currently, in the framework of investment program implementation by OGK-4 and international E.ON Group, two combined cycle power units (CCPP-400) with aggregate capacity of 800 MW, are under construction at Surgutskaya GRES-2. The two new power units are expected to be commissioned in quarter II, 2011.

1158 employees work at Surgutskaya GRES-2.

Contact Data:

"Surgutskaya GRES-2" branch of "OGK-4" OAO

Postal Address: 628406, Tyumen Region, Khanty-Mansi Autonomous District, Yugra, town of Surgut 23 Energostroyteley Street, bldg. 34

Director of Branch: Yevgeniy Victorovich Zhilyaev

Telephone: (3462) 38-12-86

Fax: (3462) 28-00-36

E-mail: su_kanc@ogk4.ru

ELECTRIC AND THERMAL POWER GENERATION AT SURGUTSKAYA GRES-2 POWER PLANT

INDICATOR	2007	2008	2009	2010
Power generation, million kW h	34 406	34 408	35 210	36 623
Thermal power output, thousand GCal	948	958	1 026	1 016



BEREZOVSKAYA GRES, BRANCH OF OGK-4 OAO

(Hereinafter referred to as Berezovskaya GRES)

Berezovskaya GRES is located in Krasnoyarsk Region, 360 km west of the city of Krasnoyarsk. The power station is the principal employer and the mainstay of the entire town of Sharypovo. GRES with its 1550 MW installed capacity is a coal-fired station. At 2010 year end, the power plant generated 9 287, 6 million kW h of power. Heat supply from collectors was 774,139 thousand GCal.

In 1975 Ministry of Energy of the USSR issued an order No. 11a "On preparation period for construction of Berezovskaya GRES-1 power plant". The next day phase 1 construction of the power plant began. By 1985, installation of the main building of Berezovskaya GRES was 80% completed. At the same time, concreting work was completed on the stack shaft, 370 m high. Up to this day, this is the highest industrial facility in Russia. On December 01, 1987 the first unit of the power plant was commissioned. In April, 1990 acceptance act on commissioning of Unit 2 was signed.

Berezovskaya GRES is famous for its non-traditional scheme of fuel supply. Lignite is delivered to the station via two 14-km long open conveyor belts directly from Berezovskoye coal deposit in Kansko-Achinsky coal field, Berezovsky-1 quarry. Rated output capacity of the quarry is 55 million ton of coal a year. During 1 hour, GRES receives as much as 4,4 thousand tons of coal.

Today, Berezovskaya GRES s one of the youngest and unique thermal power stations in Russia.

In 2010, after modernization of the second unit of the power station under the OGK-4 investment program, the installed capacity of Unit 2 was augmented by 50 MW. In 2011, a similar modernization will be done on Unit 1, thus enhancing the installed capacity of BGRES up to 1600 MW. Also, the Company investment program provides for construction of the third 800 MW steam power unit at Berezovskaya GRES. The new unit under construction is planned for commissioning in 2014.

Consumption of coal equivalent for electric power supply at BGRES was 337 g/ kW h in 2010. Installed capacity utilization factor, as of year-end, is 70,5%

Number of employees is 990 persons.

Contact Data:

"Berezovskaya GRES" branch of "OGK-4" OAO

Postal Address: 662313, Krasnoyarsk Territory, town of Sharypovo, p/o box No. 6-3/40

Director of Branch: Borisov, Vladimir Nikolayevich

Telephone: (39153) 7-17-72, 7-13-50;

Fax: (39153)71-0-18;

E-Mail: bgres@ogk4.ru

GENERATION OF ELECTRIC AND THERMAL POWER AT BERZOVSKAYA GRES

INDICATOR	2007	2008	2009	2010
Power generation, million kW h	8 529	10 821	9 425	9 288
Thermal power output, thousand GCal	673	725	736	774



SHATURSKAYA GRES, BRANCH OF OGK-4 OAO

(Hereinafter referred to as Shaturskaya GRES)

Shaturskaya GRES is located in the town of Shatura (Moscow region). Shaturskaya GRES uses natural gas as fuel; its installed capacity is 1493 MW. At 2010 year end, the power plant output equals to 4,112 billion kW h.

Shaturskaya power plant is one of the first peat-fueled power stations that were built in the Soviet era. At first, on July 25, 1920 the first experimental temporary 5 thousand kW power plant was commissioned which supplied electric power to the near-by peatery and served as a testing base for solving the problem of rational burning of peat. The temporary station existed till the year 1926, operating under the maximum load in winter season. Design development work under the project of construction of 40 thousand kW Shaturskaya regional electric power plant started in 1920; on December 06, 1925 stage one was commissioned and by the year 1933 its installed capacity reached 180 thousand kW. Thus, the power plant became the most efficient power station in the world with the highest installed capacity - among the peat-fueled power plants. During its entire service life, Shaturskaya GRES has been renovating its equipment gradually enhancing the capacity. In 1986-1989, in order to improve fuel supply and restore the environment in Shatursky region, the power plant switched over to the use of natural gas. Shaturskaya GRES developed the ability to operate using four types of fuel: coal, gas, fuel oil and peat.

Shaturskaya power plant reached its 90-ies anniversary with 1100 MW of installed capacity and thermal power output of 344,5 GCal.

International E.ON group became an OGK-4 shareholder in 2007, and it was as early as in quarter 2, 2008 that it began developing the design of CCPP-400, the most state of the art and advanced power unit in contemporary Russia to be built at Shaturskaya GRES. The power unit was commissioned in November, 2010, in the year of Shaturskaya GRES jubilee, when the station celebrated its 90-ies anniversary. This is the first Russian single-shaft power unit with the most powerful commercial class F gas turbine. The CCPP has the highest efficiency factor of all the thermal power units currently operating in the Russian Federation - 56%.

High efficiency and environmental friendliness of CCPP-400 unit at Shaturskaya GRES made it possible for this project to become the first Russian project approved by the United Nations Organization as Joint Implementation Project under Kyoto protocol.

Fuel consumption at Shaturskaya GRES is 361,31 g/kW h; Installed capacity utilization factor is 41,22%.

Number of employees is 1021 persons.

Contact Data:

"Shaturskaya GRES" branch of "OGK-4" OAO

Postal Address: 140700, Moscow Region, town of Shatura, 5, Chernoozersky driveway

Director of Branch: Matveyev, Sergey Dmitrievich

Telephone: (49645) 7-11-03

Fax: (49645) 2-16-66

E-mail: shgres@ogk4.ru

GENERATION OF ELECTRIC AND THERMAL POWER AT SHATURSKAYA GRES

INDICATOR	2007	2008	2009	2010
Power generation, million kW h	4 911	5 002	3 636	4 112
Thermal power output, thousand GCal	439	410	415	430



SMOLENSKAYA GRES, BRANCH OF OGK-4 OAO

(Hereinafter referred to as Smolenskaya GRES)

Smolenskaya GRES is a thermal-electrical power station located in the settlement of Ozyorny, Smolensk region. Smolenskaya GRES was put into operation in 1978; it uses coal and natural gas as fuel. Installed capacity equals to 630 MW. At 2010 year end, the power plant output made 1.9 billion kW h, with thermal output from collectors of 70 397 GCal.

In 1965 Ministry of Energy and electrification of the Soviet Union made a decision to build Smolenskaya GRES considering the size of milled peat stock at Svitsko-Zharkovskaya field. Construction of the power station commenced in 1970. On January 12, 1978 the state committee accepted unit 1 of the power station for operation and this date became the official operation commencement day of Smolenskaya GRES.

With the power plant commissioning, Dukhovschinsky district located in the north of Smolensk region, got a powerful impetus for social and economic development. A lot of construction projects were completed: rehabilitation of Smolensk railway running through three local districts, construction of a new railway connecting Smolensk region and Tver region and construction of a modern motor road. A settlement for power engineers was built.

Since commissioning date, Smolenskaya GRES has been a testing site for numerous experiments in usage of various types of fuel. The station equipment was designed to burn low-ash sulfur-free fuel — peat, however, because of lagging behind in construction of peat extraction facilities, Smolenskaya GRES used various types of solid fuel with other quality features: high ash content, high sulfur content, high reactivity.

In the beginning of its operation, the power plant had to change types of fuel frequently. First, it received coal from Inta, later on it was replaced with coal from the suburbs of Moscow. Then, power engineers from Smolenskaya GRES started using slate as fuel, which was subsequently replaced with coal from Khakassia. All in all, burning of 14 types of solid fuel was tried at the power plant, including coal from Uzbekistan and European Silesia. Burning of millions of tons of non-design type of fuel required continuous reconstruction and modernization of equipment.

As a result, with completion of construction of gas pipeline running to Smolenskaya GRES, in 1985 the fuel problem was steeled. Since that time, the power plant has been using natural gas and coal as main fuels.

Specific fuel consumption at Smolenskaya GRES is 376,77 g/kW h; Installed capacity utilization factor is 34,93%

Number of employees at Smolenskaya GRES is 553 persons.

Contact Data:

"Smolenskaya GRES" branch of "OGK-4" OAO

Postal Address: 216239, Smolensk region, Dukhovschinsky district, settlement of Ozyorny

Director of Branch: Brashchenkov, Victor Ivanovich

Telephone: (48166) 2-91-59

Fax: (48166) 2-91-89

E-mail: sm_kanc@ogk4.ru, smgres@ogk4.ru

GENERATION OF ELECTRIC AND THERMAL POWER AT SMOLENSKAYA GRES

INDICATOR	2007	2008	2009	2010
Power generation, million kW h	2 099	2 212	1 722	1 928
Thermal power output, thousand GCal	70	67	72	71



YAIVINSKAYA GRES, BRANCH OF OGK-4 OAO

(Hereinafter referred to as Yaivinskaya GRES)

Yaivinskaya GRES is a thermal power station located in the settlement of Yaiva (Perm Territory). The station was commissioned in 1963; the installed capacity of its power units is 600 MW. Since 1987 the power plant has been using natural gas as fuel while coal is only used as backup fuel. In the framework of OGK-4 investment program, a new 400 MW combined cycle power unit is under construction at Yaivinskaya GRES. The new generating facility is planned to be commissioned in quarter 3, 2011.

Yaivinskaya GRES is situated in Bereznikovsko-Solikamsky economic district, where in the 1950-ies there was a long-felt need for the construction of new power plant. Construction of the power plant commenced in March, 1956 and on June 30, 1963 the first power unit was accepted for operation. This day is considered the birthday of Yaivinskaya GRES. In 1964 unit 2 and 3 were commissioned. In the year 1965, when the fourth unit was commissioned, Yaivinskaya GRES reached the design power capacity of 600 MW, and its installed thermal capacity equaled to 69 GCal/hr. At that time, it was the largest electric power plant in Perm power grid.

Yaivinskaya power station plays an important role in providing stable power supply to major industrial facilities of the region as well as to social sector in the cities and settlements of the upper Kama river area.

Over the last five years, installed capacity utilization factor was 77,5%, in 2010 it was 73,1%. At 2010 year end, electric power output was 3840 million kWh. Construction of the new 400 MW combined cycle power unit is in progress at Yaivinskaya GRES; commissioning thereof is scheduled for quarter 3, 2011.

Number of employees is 474 persons. Since 2000, not a single accident has been registered at Yaivinskaya station.

Contact Data:

Yaivinskaya GRES branch of "OGK-4» OAO

Postal Address: 618340, Perm Territory, town of Aleksandrovsk, Yaiva settlement, 5 Timiryazeva Street

Director of Branch: Sokolov, Alexey Alexandrovich

Telephone: (34274) 2-43-59

Fax: (34274) 3-14-64

E-Mail: yagres@ogk4.ru

GENERATION OF ELECTRIC AND THERMAL POWER AT YAIVINSKAYA GRES

INDICATOR	2007	2008	2009	2010
Power generation, million kW h	4 296	4 234	3 955	3 840
Thermal power output, thousand GCal	102	101	104	104



HEAT SUPPLY NETWORK OF BEREZOVSKAYA GRES, BRANCH OF OGK-4 OAO

(Hereinafter referred to as Heat Supply Network of Berezovskaya GRES)

The branch is located in Sharypovo (Krasnoyarsk Territory); its areas of activity include transmission and distribution of thermal power, hot water supply, pumping and treatment of waste water; and sales. The branch supplies heat to more than 44 000 consumers in the town of Sharypovo, settlement of Dubinino and village of Kholmogorskoye.

Branch Heat supply network of Berezovskaya GRES was founded on July 01, 2006. After formation the branch, the heat network maintenance shop of Berezovskaya power plant that provided maintenance of the main facilities of the heat supply network joined the branch. Specialists of central heat supply service formed the operation service and repairs group within the framework of the branch. The main task of the new divisions is repairs and maintenance of the heat supply network and two mix pump stations in the settlement of Dubinino and village of Kholmogorskoye, sewage system of the town of Sharypovo with three sewage pump stations and treatment facilities receiving waste water from Sharypovo, Dubinino and BGRES industrial site.

Sales department of branch Heat Supply Network of Berezovskaya GRES concludes direct contracts with the

local community for supplies of heat, treatment and pumping of wastes. The aggregate length of main pipelines and district heating network serviced by the branch is above 280 km; pipeline volume is 30 thousand cubic meters; the length of serviced sewage and drain lines is 60 km. Specifics of heat supply to consumers is remoteness of the main consumers from the source of thermal power (Berezovskaya GRES). For the town of Sharypovo the distance is 8,2 km; for the settlement of Dubinino — 7 km and for the village of Kholmogorskoye — 12 km.

Number of employees is 146 persons.

Contact Data:

Heat Supply Network of Berezovskaya GRES, branch of OGK-4 OAO

Postal Address: 662313, Krasnoyarsk Territory, town of Sharypovo, p/o box No.6-3/58

Director of Branch: Inozemtsev, Evgeniy Alexandrovich

Telephone: (39153) 7-10-13, 7-12-05

Fax: (39153) 7-11-60

E-mail: teploseti@ogk4.ru

OGK-4 REPRESENTATIVE OFFICE IN MOSCOW

Representative office in Moscow is a standalone subdivision of OGK-4; it operates on the basis of regulations approved by the Company Director General. The Moscow office was founded by virtue of the resolution of OGK-4 Board of Directors in 2005.

Director — Yuri Yurievich Kalabin — is OGK-4 Deputy Director General for resources and general issues, member of Management Board.

In 2010 Moscow office changed its location, and the relevant changes of OGK-4 Articles of association were accordingly introduced.

NAME	OGK-4 MOSCOW REPRESENTATIVE OFFICE
Location	123317, Moscow, 10 block B Presnenskaya Embankment, level 23
Postal Address	123317, Moscow, 10 block B Presnenskaya Embankment, level 23

Calendar of Events, 2010

January	<ul style="list-style-type: none"> • Startup and adjustment work commenced at the new power unit, Shaturskaya GRES.
February	<ul style="list-style-type: none"> • Surgutskaya GRES-2 celebrates 25-th anniversary. At 2009 year end, the power plant generated 35 billion kW h, which is the maximum in the entire history of GRES-2.
March	<ul style="list-style-type: none"> • Mike Winkel appointed Deputy General Director for Energy Management. • Group of specialists from Shaturskaya GRES receives training in the UK at one of E.ON's power plants.
April	<ul style="list-style-type: none"> • Alexey Sokolov appointed Director of Yaivinskaya GRES power plant.
June	<ul style="list-style-type: none"> • Steam turbine for the new CCPP- 400 unit under construction at Yaivinskaya GRES arrives at the construction site.
August	<ul style="list-style-type: none"> • RF Ministry for economic development grants the project of CCPP-400 at Shaturskaya GRES the status of Joint Implementation Project implemented under Kyoto protocol.
September	<ul style="list-style-type: none"> • First synchronization of CCPP-400 at Shaturskaya GRES with Moscow region power grid takes place.
October	<ul style="list-style-type: none"> • At Shaturskaya GRES, the new CCPP-400 unit comprehensive test is successfully run. During 72 hrs, the unit operates at 400 MW rated capacity. • Construction project of CCPP-400 at Shaturskaya GRES becomes the first Russian project to be approved by the UN as Joint Implementation Project implemented under Kyoto protocol. • In the framework of construction of two CCPP-400 power units at Surgutskaya GRES-2, a backup auxiliary transformer is put into operation; this aux transformer supplies power to unit 7 &8 under construction for startup and adjustment activities. • Minister of Energy of the Russian Federation Sergey Shmatko awards the staff of Surgutskaya GRES-2 with Certificate of Merit "for great contribution to the development of power engineering and on the occasion of the 25-th anniversary of the entity foundation".
November	<ul style="list-style-type: none"> • OGK-4 signs the Agency agreement with Center of Financial Settlement ZAO which is necessary for entering into contracts for capacity supply. • In the framework of investment program, heat recovery steam generators purged at power units under construction at Surgutskaya GRES-2; at Yaivinskaya GRES, voltage is supplied to metal-clad switch-gear of CCPP-400 under construction. • International E.ON group and its subsidiary OGK-4 hold the official commissioning ceremony of the new 400 MW power unit at Shaturskaya GRES. The gala ceremony was visited by Igor Sechin, Deputy Chairman of RF Government ; Bernhardt Reutersberg, member of Board, E.ON AG and Sergey Tazin, Director General, E.ON Russia . • OGK-4's installed capacity reaches 9023 MW.
December	<ul style="list-style-type: none"> • During the negative temperature season, the new maximum of the aggregate available capacity at OGK-4 owned power stations peaked up to 8714 MW. OGK-4's installed capacity utilization factor reached 96,8%. • System operator approved re-marking of power unit No. 2 at Berezovskaya GRES and attested the power plant's capacity as 1550 MW. OGK-4's installed capacity grew up to 9073 MW.

4. CORPORATE GOVERNANCE

Compliance with Legal and Ethical Standards

OGK-4 pays much attention to the quality of corporate governance, efficiency and transparency of governance authorities and adherence to legal norms and highest ethical standards in Company business. OGK-4 Board of Directors adopted the Code of Ethics which contains provisions regulating the business practices, partner relations, interaction with governmental institutions, rules of handling of classified information, settlement of conflict of interests. A person in charge of approval and compliance with OGK-4 Code of Ethics was appointed, and any employee can address this person with regard to a breach of provisions of Code of Ethics. The Code was developed and approved on the basis of the advanced standards documented in E.ON Group Code of Ethics.

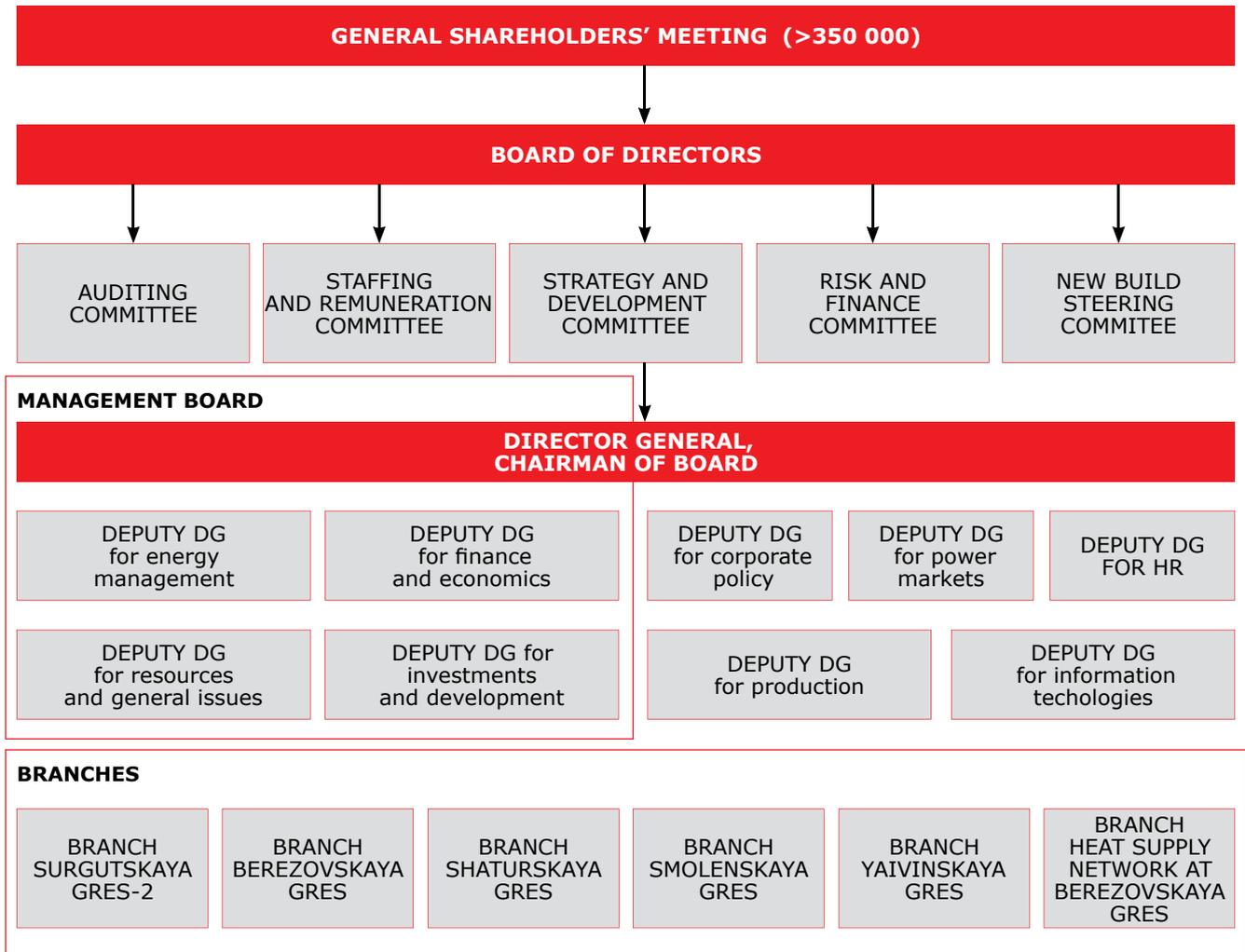
In the beginning of 2010, several alterations were made to E.ON Group Code of Ethics with the purpose of enhancement of the efficiency of its application, enhancement of the level of comprehension and clarity for each employee in all the companies within E.ON group and formalizing new principles of responsible behaviors, in particular, in the area of antitrust regulations. OGK-4 Code of Ethics was brought to conformity with the updated requirements

of the Group. The new revision of OGK-4 Code of Ethics more completely reflects the basic rules and requirements to responsible and ethical behavior of the Company employees and management to be implemented in OGK-4's everyday practice.

Also, Regulations on Insider information has been adopted in the Company; the regulation contains rules for insider information handling and limitations for trading in the Company securities at exchange — to preclude insider manipulation of OGK-4 shares price.

In 2010 the Board of Directors approved the new revision of the Regulations. The main changes are related to introduction of insider categories in terms of their level of access to insider information; introduction of additional limitations for insiders on trading in securities and introduction of procedure of control to be exercised by a person specially appointed for that purpose by the Board of Directors in the area of insider regulations. The updates also include the requirements of the new Federal legislation in the area of insider information and ban on manipulation of trade in securities in the organized market.

Corporate Structure



There are no considerable changes in the corporate structure of OGK-4. In January 2010 OGK-4 structure was expanded by introduction of a position of Deputy Director General for Energy Management. Since March 03, 2010 this office has been held by Mike Winkel. Introduction of this position is reasoned not only by the necessity of most efficient organization of the process of fuel supplies interfaced with power sales activities, but also by the growing importance of long-term analysis

and optimization of the Company's activities in whole-sale market in rapidly changing environment , with due regard to advanced practices of E.ON. Group. Mike Winkel has been in charge of this job since March 03, 2010.

In addition, in January 2011 Frank Siebert was succeeded by Ulf Backmeyer in the position of Deputy Director General for Finance and Economics.

Company Governance. 2010 Work Results.

Organization of effective corporate management aimed at gaining maximum efficiency and performance in Company business, enhancement of transparency and justification of adopted managerial decisions, risk reduction and protection of rights and interests of the Company shareholders is one of the major missions for OGK-4. Building of efficient corporate governance system is based on application of advanced Russian and foreign experience. Up-to-date standards of corporate governance widely practiced at E.ON group companies which OGK-4 is actively implementing in its corporate practice are of special importance to us.

Most important directions of OGK-4 corporate governance system improvement are as follows:

- Reasonable distribution of competencies and responsibilities between corporate governance bodies;
- Enhancement of collegial approach to the Company business management;
- Effective combination between decision making centralization and delegation of authority to various managerial levels;
- Enhancement of operational efficiency and productivity of managerial decisions;
- Exercising and protection of rights and interests of the Company shareholders;
- Implementation of high standards of corporate ethics and compliance with legal requirements in operation of the Company governing bodies.

In the framework of corporate governance system improvement, in 2010 OGK-4 introduced several changes into its Articles of Association, Regulation for procedure of preparation and holding the General shareholders meeting, Regulation on Board of Directors, Regulation on Management Board and Regulation on Revision Commission. The aim of these changes is enhancement of efficiency and transparency of governance, improvement of corporate rules and procedures.

Important changes are related to reduction of the quantitative representation of Board of Directors, the number of members going down to 9 persons and an update of system of calculation of the size of remuneration to be paid to members of Board of Directors. These updates will make the work of this important governance body more efficient; will result in reduction of expenses for remuneration payment to the members of Board of Directors and will stimulate them for a pro-active and fruitful participation in management of OGK-4.

As of today, the fundamental documents in OGK-4 corporate governance are:

- Articles of Association;
- Corporate governance code;
- Regulation for procedure of preparation and holding the General shareholders meeting;
- Regulation on Board of Directors;
- Regulation on Management Board;
- Regulation on Revision Commission;
- Authority delegation policies;
- Regulation on distribution of competencies between the Company top managers;
- Regulation on compliance procedure;
- Regulation on disclosure of information;
- Regulation on insiders information;
- Regulation on internal audit system;
- Regulation on corporate risk management system;
- Regulations on Committees under the Company Board of Directors.

OGK-4 combines its clear and efficient rules of corporate management with continuous exchange of information with outside audience.

Regularly, OGK-4 prepares and publishes reports in compliance with both Russian accounting standards (RAS) and International financial reporting standards (IFRS). In the Company, there are subdivisions responsible for organization of information exchange with external environment. Disclosure of significant information about the Company business is done via the corporate web-site www.ogk-4.ru, and via news feeds of the authorized information agencies.

OGK-4 Governance system is made up of the following levels:

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

General Shareholders' Meeting

Supreme governance body of OGK-4 is the General shareholders' meeting. The meeting reviews the key issues of the Company operation Компании as defined in Federal Law "On Joint Stock Companies" and are within its scope of competence as per Article 10 of Articles of Association. The meeting configures and renders the shareholders' will. Procedure of convening, preparation and holding the general shareholders' meetings is regulated by Regulation on procedure for preparation and holding of OGK-4³ General shareholders meeting.

Board of Directors

Board of Directors exercises strategic management of the Company activities, supervision of activities of its executive branches of management and ensures observance of shareholders' rights and interests. Its competence includes determination of the Company development strategy, organization of control over the Company business, maintenance of internal audit system efficiency, development and implementation of major internal rules for the main areas of the Company activities, ensuring exercising of the shareholders' rights and review of reports on the Company performance and fulfillment of the tasks as set by OGK-4 executive bodies. Activities of Board of Directors are regulated by Regulation on the Board of Directors of OGK-4⁴.

During the period from January 01, 2010 through June 18, 2010 the Board of Directors elected at the annual General shareholders meeting on June 17, 2009 worked with the following composition:

Bikov, Artyom Elbrusovich
Winkel, Mike
Siebert, Frank
Ketkin, Lev Alexandrovich
Sablukov, Yuri Stepanovich
Tazin, Sergey Afanasievich
Rümmmler, Guenter Eckhardt
Feldmann, Karl-Heinz
Feldmann, Lutz Peter
Hartmann, Reiner
Yurgens, Igor Yurievich

Full data about the above members of Board of Directors is given in 2009 Company Annual report.⁵

Board of Directors that functioned during the second half of 2010 was elected by the Annual General shareholders meeting on June 18, 2010. The BoD composition included:

Siebert, Frank, Deputy Chairman of Board of Directors. Born in 1964.

Till January 2011 Frank Siebert was Deputy Director General for Finance and economics, OGK-4. Besides, since 2007 he has been Deputy Director General at E.ON Russia Power, OOO. Since 2008 Mr. Siebert has been member of OGK-4 Board of Directors. Till 2006 Mr. Siebert was Deputy Chairman of Management Board at Latvijas Gaze, AO. Till 2007 he was Chief General Manager for Finance at E.ON Ruhrgas UK North Sea Ltd, and from 2000 through 2006 he held the position of Vice-President (Deputy Chairman of Management Board) at Latvijas Gaze, AO (Latvia).

Frank Siebert does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and Deputy Chairman of Board of Directors. The Company has no information regarding any claims brought against Mr. Siebert.

Ketkin, Lev Alexandrovich, member of Board of Directors, Advisor to Director, SO UES OAO.

Born in 1968.

Since 2004, Mr. Ketkin has held managerial positions at SO UES — deputy executive director, deputy director general, legal; deputy director general for economics and finance. Currently, Mr Ketkin holds the position of Advisor to Director General, SO UES OAO.

Mr. Ketkin is member of Board of Directors of several power engineering companies in Russia — TGK-5 OAO (from 2008), TGK-9 OAO and TGK-14 OAO (from 2009) L.A. Ketkin does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and member of Board of Directors. The Company has no information regarding any claims brought against Mr. Ketkin.

Rümmmler, Gunter Eckhardt, member of Board of Directors, Senior Vice President Upstream/Generation, E.ON AG.

Born in 1960.

Since 2007 Mr. Rümmmler has held the position of Senior

³ Text of the Company Articles of Association and Regulation on procedure of preparation and holding the General Shareholders Meeting can be found at the Company web-site: www.ogk-4.ru in section "About the Company — Company Documents".

Minutes of General Shareholders' Meetings are published at the Company web-site: www.ogk-4.ru in section "For Shareholders and Investors — Bodies of Governance".

⁴ Text of Regulation on OGK-4 Board of Directors can be found at the Company web-site: www.ogk-4.ru in section "About the Company — Company Documents".

⁵ Text of OGK-4 2009 Annual Report can be found at the Company web-site: www.ogk-4.ru in section "For Shareholders and Investors — Disclosure of Information — Annual Reports".

Vice President at E.ON AG. During the period from 2005 through 2006 Mr. Rümmler was Senior Vice President at E.ON Energy Trading AG. Besides Board of Directors of OGK-4, Mr. Rümmler is member of Boards of Directors of German companies E.ON Kraftwerke GmbH, E.ON Kernkraft GmbH, E.ON Energy Trading SE.

Mr. Rümmler does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and member of Board of Directors. The Company has no information regarding any claims brought against Mr. Rümmler.

Sablukov, Yuri Stepanovich, member of Board of Directors, Director General of OGK-4, Chairman of Management Board.

Born in 1957.

Till 2008 Mr. Sablukov held the position of Director General of OGK-3 OAO, from 2005 to 2007 he worked as Volgaenergo Project Manager at Eurosibenergo OOO. Earlier, he was Vice President at "East Kazakhstan regional power engineering company" AO (town of Ust-Kamenogorsk), which he joined in 2004 when Mr. Sablukov held the position of Director "Ust-Kamenogorsk Heat Supply Network" OAO.

Mr. Sablukov does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and member of Board of Directors. The Company has no information regarding any claims brought against Mr. Sablukov.

Tazin, Sergey Afanasievich, Chairman of Board of Directors, Director General of E.ON Russia Power OOO, Director General of E.ON Russia OOO.

Born in 1961.

Before his appointment as Director General of E.ON Russia Power in 2008, Mr. Tazin was Executive Director of OGK-3 OAO. Earlier, in 2005-2007, Mr. Tazin held the position of Director General of EuroSibEnergo OOO; in 2004-2005 he was Managing Director at "AES Kievoblenergo".

Mr. Tazin does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and Chairman of Board of Directors. The Company has no information regarding any claims brought against Mr. Tazin.

Feldmann, Karl-Heinz, member of Board of Directors, Senior Vice President, Head of Legal & Compliance E.ON AG
Born in 1959.

Mr. Feldmann has held the position of Senior Vice President since 2004. Since 2008 he has been member of Board at E.ON Italia, and till June 2010 he was member of Supervisory Board of E.ON IS and till 2007 he was member of Supervisory Board of E.ON Risk Consulting GmbH

Mr. Feldmann does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and member of Board of Directors. The Company has no information regarding any claims brought against Mr. Feldmann.

Feldmann, Lutz Peter, member of Board of Directors, member of Board, E.ON AG

Born in 1957.

Till June 2010 during 5 years he was member of Board E.ON AG. In 2002-2005 he was member of Management Board and was head of retail business at Deutsche BP AG and general manager for global retail transformation and Vice President for Marketing at BP p.l.c. Group. Currently he is also member of Supervisory counsel at Thyssen'sche Handels-Gesellschaft.

Mr. Feldmann, Lutz Peter, does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and member of Board of Directors. The Company has no information regarding any claims brought against Mr. Feldmann, Lutz Peter.

Hartmann, Reiner, member of Board of Directors, Head of E.ON Ruhrgas representative office in Moscow.

Born in 1945.

Mr. Hartmann has been Head of E.ON Ruhrgas representative office in Moscow since 1992. Besides, since December 2009 he has held the position of Director of Natural Gas Department at E.ON. Russia OOO and earlier he was Director General of E.ON. Russia OOO. Mr. Hartmann also holds the position of Chairman of Board of European Business Association in the Russian Federation.

Mr. Hartmann does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and member of Board of Directors. The Company has no information regarding any claims brought against Mr. Hartmann.

Fip, Uwe Heinz, member of Board of Directors, First Vice President at E.ON Ruhrgas AG.

Born in 1960.

Besides his office at E.ON Ruhrgas AG Mr. Fip is Managing Director at Metha Methanhandel GmbH, member of Board of Directors of E.ON Foldgas, E.ON Romania, E.ON Russia OOO, Eesti Gaas, Latvijas Gase and other companies.

Mr. Fip does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and member of Board of Directors. The Company has no information regarding any claims brought against Mr. Fip.

Schmitt, Hermann Walter, member of Board of Directors, Managing Partner, Moscow Office of White and Case LLC

Born in 1961.

Mr. Hermann Schmitt has been Managing Partner since 2004. He is not holding any other positions, including managerial posts.

Mr. Schmitt does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and member of Board of Directors. The Company has no information regarding any claims brought against Mr. Schmitt.

Yurgens, Igor Yurievich, member of Board of Directors, Chairman of Board at Institute of Contemporary Development

Born in 1952.

Currently Mr. Yurgens is holding the position of Vice President of the Russian Union of Industrialists and Entrepreneurs and is member of Presidium of Council for Foreign and Defense Policy.

During several years Igor Yurgens was First Vice President of Renaissance Capital IC ZAO and was Chairman of Board of Directors of Renaissance Capital commercial bank (2005). Besides, in 2001-2008 he held the position of Chairman of Committee for finance markets and credit organizations under the Chamber of Commerce and Industry of the Russian Federation.

Mr. Yurgens does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and member of Board of Directors. The Company has no information regarding any claims brought against Mr. Yurgens.

REVIEW OF BOD MEETINGS HELD IN 2010

In total, there were 20 BoD meetings held in 2010, of which 5 were held in the form of personal attendance (in praesentia).

During the year under report, Board of Directors regularly reviewed issues related to:

1. Enhancement of efficiency of operations and management of the Company financial assets;
2. Implementation of the Company investment program. Thus, updated essential parameters for several investment projects were approved; BoD approved the funding plan for priority investment projects implemented under capacity contracts for the year 2011;
3. Approval of several new documents significant for organization of OGK-4 activities, viz.:
 - Compliance procedure regulation;
 - Anti-crisis management regulation ;
 - Commodity risk management regulation;
 - Regulation on risk management in new construction projects ;
 - Regulation on social investments policy ;
 - Agent work Regulation;
4. Introduction of changes into the previously approved documents such as:
 - Authority delegation policies;
 - Regulation on corporate risk management system;
 - Regulation on insider information;
 - Corporate Governance Code;
 - Regulation on credit risk management;
 - Regulation on internal audit system;
 - Code of Ethics;
 - Procurement Regulation.
5. Change of monitoring system of bankroll expenditure for funding of priority investment projects;

Also, Board of Directors regularly reviewed hiring and staffing matters and approved transactions in cases when BoD approval was required in accordance with legislation or provisions in the Article of Association.

DATA ABOUT REMUNERATION AND COMPENSATIONS PAID TO THE MEMBERS OF BOARD OF DIRECTORS.

The size of remuneration and compensations paid to members of Board of Directors as well as payment procedure is regulated by Regulation on OGK-4⁶ Board of Directors approved at annual General shareholders meeting on 18.06.2010. In accordance with this regulation, members of Board of Directors are entitled to:

- Compensation for participation in a joint meeting (personal attendance);
- Payment of a fixed quarterly remuneration;
- Receipt of an annual variable compensation depending on the level of Company performance.

The aggregate amount of remuneration paid to members of Board of Directors in 2010 made 38 million 536,9 thousand rubles, including: for participation in the meetings of Board of Directors in 2009 — 5 million 152,4 thousand rubles, for participation in meetings in praesentia (personal attendance) — 529,0 thousand rubles, fixed quarterly remuneration — 10 million 689,3 thousand rubles, annual variable compensation (for 2009) — 22 585,4 thousand rubles.

Committees under the Board of Directors

During 2010 there were no changes in the system of Committees under OGK-4 Board of Directors.

The existing system of Committees under OGK-4 Board of Directors is optimal, justified and makes it possible to take well-grounded and efficient decisions in most important areas of the Company business.

Auditing Committee functions pursuant to Articles of Association of OGK-4 and "Regulation on Auditing Committee under OGK-4 Board of Directors". The scope of responsibility of the Auditing Committee includes assessment of nomination of Auditor, assessment of auditor's reports, assessment of internal audit procedure efficiency and development of recommendations for their improvement.

Staffing and Remuneration Committee functions pursuant to Articles of Association of OGK-4 and "Regulation on Staffing and Remuneration Committee under OGK-4 Board of Directors". The Committee's responsibilities include discussion of matters and development of recommendations related to staffing and remuneration within the scope of competence Board of Directors and development of recommendations related to staffing issues for the Company executive bodies.

New Build Steering Committee functions pursuant to Articles of Association of OGK-4 and "Regulation on New Build Steering Committee under OGK-4 Board of Directors". The Steering Committee's responsibilities include the issues of effective management of OGK-4 Investment program implementation with due regard to rational bankroll expenditure, observance of environmental and industrial safety regulations and labor protection requirements, observance of HSE requirements in the areas where the Company projects are implemented through development of draft solutions for project implementation.

Risk and Finance Committee functions pursuant to Articles of Association of OGK-4 and "Regulation on Risk and Finance Committee under OGK-4 Board of Directors". The Committee's responsibilities include discussion of matters and development of recommendations to Board of Directors and the Company executive bodies in the area of risk management and financial management.

⁶ Text of Regulation on OGK-4 Board of Directors can be found at the Company web-site: www.ogk-4.ru in section "About the Company — Company Documents".

Strategy and Development Committee functions pursuant to Articles of Association of OGK-4 and "Regulation on Strategy and Development Committee under OGK-4 Board of Directors". Strategy and Development Committee develops draft solutions and recommendations related to strategic and operative management for Board of Directors and the Company executive bodies.

The Committee reviews issues related to determination of priority directions, strategic goals and basic principles of strategic development and optimization of OGK-4 business, exercises control over the progress of the Company approved programs and projects, and the way the Company reaches the established goals.

MEMBERSHIP OF BOD MEMBERS IN COMMITTEES UNDER OGK-4 BOARD OF DIRECTORS							
NAME	POSITION	Years of service in BoD	Auditing Committee	Risk and Finance Committee	Staffing and remuneration Committee	Strategy and development Committee	New Build Steering Committee
Siebert, Frank	Deputy Chairman of Board of Directors	3		+		+	+
Ketkin, Lev Alexandrovich	Member of Board of Directors	3	+				
Sablukov, Yuri Stepanovich	Member of Board of Directors	2				+	+
Tazin, Sergey Afanasievich	Chairman	2			+	+	+
Rümmler, Gunter Eckhardt	Member of Board of Directors	2					+
Feldmann, Karl-Heinz	Member of Board of Directors	2					
Feldmann, Lutz Peter	Member of Board of Directors	3					
Fip, Uwe	Member of Board of Directors	1					
Hartmann, Reiner	Member of Board of Directors	3	+				
Schmitt, Hermann	Member of Board of Directors	1					
Yurgens, Igor Yurievich	Member of Board of Directors	4					

COMMITTEE	DATE OF COMMITTEE FOUNDATION	NUMBER OF MEMBERS	COMPOSITION
Auditing Committee under OGK-4 Board of Directors	30.11.2006	2 persons	Ketkin, Lev Alexandrovich — member of Board of Directors, Advisor to Director of SO UES, OAO; Hartmann, Reiner — member of Board of Directors, OGK-4, Director of Natural Gas department, E.ON Russia, OOO.
Staffing and Remuneration Committee under OGK-4 Board of Directors	14.04.2008	2 persons	Tazin, Sergey Afanasievich — Chairman of Board of Directors, OGK-4; Director General, E.ON Russia Power, OOO; Winkel, Mike — Deputy Director General for Energy Management, OGK-4; Deputy Director General, E.ON Russia, OOO.
New Build Steering Committee under OGK-4 Board of Directors	16.03.2009	9 persons	Eisenberg, Sebastian — Deputy Director General for Investments and Development, OGK-4 (Chairman of Committee); Tazin, Sergey Afanasievich — Chairman of Board of Directors, OGK-4; Director General, E.ON Russia Power, OOO (Deputy Chairman of Committee); Siebert, Frank — member of Board of Directors, OGK-4; Popov, Igor Victorovich — Deputy Director General for Production, OGK-4; Rümmeler, Gunter Eckhardt — member of Board of Directors, OGK-4, Senior Vice President Upstream/Generation, E.ON AG.; Seibel, Gerhard — member of Management Board, E.ON Kraftwerke, Engineering and Projects department; Sablukov, Yuri Stepanovich — member of Board of Directors OGK-4, Director General, OGK-4; Ilyenko, Alexander Vladimirovich — Director for Management of Development, SO UES OAO; Detlev, Claes — Project Manager, E.ON New Build&Technology GmbH.
Risk and Finance Committee under OGK-4 Board of Directors	30.06.2009	4 persons	Siebert, Frank — member of Board of Directors, OGK-4 (Chairman of Committee) Winkel, Mike – Deputy Director General for Energy Management, OGK-4; Deputy Director General, E.ON Russia, OOO (Deputy Chairmen of Committee); Zhukovsky, Andrey Nikolayevich — Deputy Director General for Power Markets, OGK-4; Gatin, Alexey Romanovich — Head of Treasury, OGK-4.
Strategy and Development Committee under OGK-4 Board of Directors	30.06.2009	5 persons	Tazin, Sergey Afanasievich — Chairman of Board of Directors, OGK-4; Director General, E.ON Russia Power, OOO (Chairman of Committee); Siebert, Frank — member of Board of Directors, OGK-4; Winkel, Mike — Deputy Director General for Energy Management, OGK-4, Deputy Director General, E.ON Russia, OOO; Sablukov, Yuri Stepanovich — member of Board of Directors OGK-4, Director General, OGK-4; Eisenberg, Sebastian — Deputy Director General for Investments and Development, OGK-4.

Management Board

Management Board is a collegial executive body providing control of the major issues of day-to-day management of the Company business within the framework of authorities provided by the Articles of Association and regulation on OGK-4⁷ Management Board. Management Board reports to Board of Directors and General Shareholders meeting.

OGK-4 policy in the area of corporate governance enhancement is consistently focusing at boosting up the Management Board significance in exercising management of current activities, positioning it as the body elaborating the consistent position of the Company top management in the key areas of operations. Enhancement of Management Board activities is also conditioned by a more extensive application of the principle of collective nature of management in adoption of managerial decisions in order to minimize the risk of managerial ineffectiveness.

The key responsibilities of the Management Board include:

- Development (and submission to Board of Directors) of long term plans for the basic areas of the Company business;
- Approval of essential long term investments of the Company;
- Approval of major transactions of the Company;
- Identification of the Company position with regard to management of crucial issues of subsidiaries' activities;
- Establishment of social guarantees and preferences to the Company employees.

Members of Management Board are elected by the Board of Directors, no less than three in number. During the year 2010, there occurred one change in the composition of Management Board: starting from July 08, 2010 authorities of Andrey Nikolayevich Zhukovsky — Deputy Director General for Power Markets - in his capacity as member of the Company Management Board were prematurely terminated. On July 08, 2010 a new member of the Company Management Board was elected — Mike Winkel, Deputy Director General for Energy Management.

During 2010 there were 5 persons elected Members of Management Board:

Sablukov, Yuri Stepanovich — Director General, member of Board of Directors, OGK-4, Chairman of Management Board.

Date of election to the Company Management Board: October 01, 2008.

Till 2008 Mr. Sablukov held the position of Director General of OGK-3 OAO, from 2005 to 2007 he worked as Volgaenergo Project Manager at Eurosibenergo OOO. Earlier, he was Vice President at "East Kazakhstan regional power engineering company" AO (town of Ust-Kamenogorsk), which he joined in 2004 when Mr. Sablukov held the position of Director "Ust-Kamenogorsk Heat Supply Network" OAO.

Mr. Sablukov does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and Chairman of Management Board. The Company has no information regarding any claims brought against Mr. Sablukov.

Eisenberg, Sebastian — Deputy Director General, E.ON. Russia, OOO.

Date of election to the Company Management Board: June 30, 2009.

Mr. Eisenberg has been working in Russia since 2007; in 2002 -2005 he held governing positions at E.ON Group structures (E.ON@future at E.ON Energy AG), in 2008 Mr. Eisenberg was member of Board of Directors at OGK-4. From 2009 to April 2011 Mr. Eisenberg held the position of Deputy Director General for investment and development, OGK-4.

Sebastian Eisenberg does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and member of Management Board. The Company has no information regarding any claims brought against Mr. Eisenberg.

Winkel, Mike — Deputy Director General for Energy Management.

Date of election to the Company Management Board: July 08, 2010.

In 2009-2010 Mr. Winkel was member of Board of Directors, OGK-4. During several years he worked as Senior Vice President for Market Management and Trade and Optimization, E.ON AG. Currently, Mr. Winkel also holds the position of Deputy Director General at E.ON Russia Power, OOO.

Mr. Winkel does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and member of Management Board. The Company has no information regarding any claims brought against Mr. Winkel.

⁷ Text of Regulation on OGK-4 Management Board can be found at the Company web-site: www.ogk-4.ru in section "About the Company — Company Documents".

Kalabin, Yuri Yurievich — OGK-4 Deputy Director General for resources and general issues, Deputy Chairman of Management Board.

Date of election to the Company Management Board: September 15, 2008.

Before his appointment to the position of OGK-4 Deputy Director General for resources and general issues Mr. Kalabin was Procurement Director at OGK-3 OAO. In 2004-2005 he was Director for Finance at "Krasny Oktyabr" Volgograd Metallurgical Works ZAO; Director of Central Finance Department of Midland Capital Management OAO and member of Board of Directors of the entities mentioned.

Mr. Kalabin does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and member of Management Board. The Company has no information regarding any claims brought against Mr. Kalabin.

Siebert, Frank, Deputy Chairman of Board of Directors, Deputy Director General for Finance and Economics, OGK-4.

Date of election to the Company Management Board: June 30, 2009.

Since 2007 Mr. Siebert has been Deputy Director General at E.ON Russia Power, OOO. Since 2008 Mr. Siebert has been member of OGK-4 Board of Directors. Till 2006 Mr. Siebert was Deputy Chairman of Management Board at Latvijas Gaze, AO. Till 2007 he was Chief General Manager for Finance at E.ON Ruhrgas UK North Sea Ltd, and from 2000 through 2006 he held the position of Vice-President (Deputy Chairman of Management Board) at Latvijas Gaze, AO (Latvia).

Frank Siebert does not have any shares in the Company charter capital; during 2010, there were no security transactions between OGK-4 and Deputy Chairman of Board of Directors. The Company has no information regarding any claims brought against Mr. Siebert.

REVIEW OF THE BOARD MEETINGS

In 2010 50 meetings of Management Board were held. At the meetings, Management Board discussed issues related to all the areas of the Company business. Area of special attention was the issue of enhancement of the Company business efficiency, development and implementation of business plan, maintenance and procurement program, efficiency of operation at power markets, system of staff training, approval of transactions as necessary and approval of procurement procedures. Management Board regularly heard the results of work in all the areas of OGK-4 activities.

DATA ABOUT REMUNERATION AND COMPENSATIONS PAID TO THE MEMBERS OF MANAGEMENT BOARD

Regulation on OGK-4 Management Board does not provide for any special remuneration or compensation for performance of functions of member of Management Board. Remunerations and compensations payable to the Company employees-members of Management Board are paid on the basis of their employment contracts which they conclude as the Company staff members; terms and conditions of those contracts are approved by the Board of Directors.

In 2010, no other remuneration or compensation was paid to members of Management Board.

Director General

Director General is a single-member executive body of the Company. His /her responsibilities include all the issues of the Company current business management except for those pertaining to line of responsibility of General Shareholders Meeting, Board of Directors and OGK-4 Management Board.

Domain of competence of Director General includes the right to represent the Company interests without the power of attorney, close deals, including deals approvable by collegial bodies of the Company management, administer the Company estate and bankroll, open settlement and other accounts with banks and other credit institutions, approve the staffing list, issue orders, approve manuals, local regulations and other internal documents. Director General reports to OGK-4 Board of Directors.

Director General is elected by Board of Directors by the majority vote of members present at the meeting. Since October 01, 2008 in accordance with resolution of Board of Directors Yuri Stepanovich Sablukov is Director General of OGK-4.

DATA ABOUT REMUNERATION AND COMPENSATIONS PAID TO DIRECTOR GENERAL

Remunerations and compensations payable to Director General, including the terms of the bonus system, are set forth in employment contract concluded with Director General; terms and conditions of the contract are approvable by OGK-4 Board of Directors.

No other remuneration or compensation in addition to those stipulated by terms and conditions of employment contract was paid to Director General.

Audit — Bodies and System

REVISION COMMISSION

In accordance with p. 9.2. of OGK-4 Articles of Association, Revision Commission is the body exercising control over the Company business activities.

Revision Commission is elected by General Shareholders Meeting for the term of office till the next annual General Shareholders Meeting.

Revision Commission exercises continuous control over finance and operating activities of the Company and its economically autonomous subdivisions, officials, bodies of management and structural subdivisions. Scope of authority and procedure of operation of Auditing Committee is defined in the Regulation on OGK-4⁸ Revision Commission.

Numerical strength of the Revision Commission as per OGK-4 Articles of Association is 4 persons.

On June 18, 2010 General Shareholders Meeting elected the Revision Commission in its existing composition:

Michael Winfried Christian Wilhelm — Senior Vice President for Finance Accounting, E.ON AG;

Andreas Kolpatzik — Vice President for Audit and Projects, E.ON AG;

Mario Dietmar Mazidowski — Vice President, Department for accounting and controlling, E.ON. Russia Power OOO (till July, 2009), Head of Department for controlling and accounting, OGK-4 (since July, 2009)⁹,

Patrikeyev, Stanislav Alexandrovich — Head of Internal audit department, E.ON. Russia Power OOO;

In accordance with Regulation on Revision Commission of OGK-4 there is no provision for remuneration payable to members of Revision Commission.

In 2010 no remuneration was paid to members of Revision Commission.

RISK MANAGEMENT AND INTERNAL AUDIT

DEPARTMENT

Department for risk management and internal audit is a specialized subdivision exercising control over financial and economic activities of the Company. Organization of internal audit is based on Regulation on OGK-4 corporate system of internal audit approved by Board of Directors; functions, procedures and methods of control applied by Department for risk management and internal audit are defined in Regulation on OGK-4 internal audit procedures also approved by Board of Directors. Among the crucial functions of Department for risk management and internal audit there were timely implementation of high-quality internal audit and checks aimed at effective usage of the Company resources and assessment of risk management, audit and corporate governance system efficiency.

Internal audit system has been introduced in the Company. The system is based on advanced standards applied by E.ON. Group. Internal audit is the process pursued by the Company Board of Directors, top management and employees. The purpose is to ensure that the targets in the area of business efficiency are achieved, that the financial statements are reliable and in line with the applicable requirements of legislation and regulations and that assets soundness is ensured.

The Company has channels of communication to communicate cases of violation or non-conformity found in the process of preparation of financial statements or in the work of internal audit system. Any employee has the right to address these issues to Department for risk management and internal audit and to Board of Directors' Auditing Committee.

EXTERNAL AUDITOR

On June 18, 2010 the annual General Shareholders Meeting approved the external auditor for OGK-4 — PricewaterhouseCoopers Audit ZAO. The amount of remuneration payable to external auditor is defined by the Company Board of Directors.

The amount of remuneration paid to external auditor for the services of OGK-4 financial statements audit as per Russian Accounting Standards for the year 2010 is defined in the amount of 6 million 334,6 thousand rubles.

⁸ Text of Regulation on OGK-4 Revision Commission can be found at the Company web-site: www.ogk-4.ru in section "About the Company — Company Documents".

⁹ From March 1, 2010 Mario Mazidowsky is Director for Economics, OGK-4.

Interested Party Transactions. Major Transactions

As per the RF legislation, before closing of an interested-party transaction it is subject to approval by a Company Board of Directors, by major vote of independent directors who are not interested in closing a deal. If all the members of Board of Directors are found interested or are not independent or if the subject of a deal or a series of interdependent deals is property the cost of which according to the accounting records is upwards of 2 per cent of OGK-4 book value of assets, or if via a deal 2 or more percent of OGK-4 shares or securities convertible into shares are placed, then settlement of such transaction is subject to approval by resolution of General Shareholders Meeting, by the majority vote of all the uninterested shareholders.

Transactions the subject of which is acquisition/disposal (or possibility of disposal) of property the cost of which is over 25% of the book value of the Company's assets (with the exception of transactions in the normal course of business) are recognized major transactions in accordance with the legislation currently in force and are subject to unanimous approval by all the members of Board of Directors; and if the cost of property is over 50% of the book value of the Company's assets, then the transaction is subject to approval by General Shareholders Meeting, by the $\frac{3}{4}$ majority vote of holders of voting shares in the Company.

The Company monitors interested party transactions and major transactions by way of weekly review of the concluded contracts, by maintenance of register of such transactions and maintenance of database on the basis of data provided by members of Board of Directors and Management Board of OGK-4 about companies in which they hold managerial positions or hold stakes. The list of interested party transactions approved by OGK-4 Board of Directors in 2010 is presented in Attachment 2 to this Annual report.

Transactions which according to Federal Law "On Joint Stock Companies" are recognized major transactions, and other transactions falling under the procedure of major transaction approval, were not effected by OGK-4 during the year 2010.

Subsidiaries and Affiliates¹⁰

NAME	TEPLOSBYT, OOO	SHATURSKAYA MANAGING COMPANY, OAO
Location:	140700, RF, Moscow region, town of Shatura, 5 Chernoozyorsky driveway	140700, RF, Moscow region, town of Shatura, 4 Konny driveway
Core business:	Participation, jointly with GRES locality administration in managing organizations for management of apartment houses.	Providing of housing and public utility services, maintenance of housing stock
Share of participation in charter capital, %	100	51% (indirectly, via Teplosbyt, OOO)
Date of state registration:	28.11.2007.	31.03.2008.

Participation in Non-commercial Organizations¹¹

NAME OF NCO	GROUNDS OF PARTICIPATION	PURPOSE OF PARTICIPATION
Non commercial Partnership "Union of Power Engineers"	Resolution of Board of Directors dated July 30, 2009	Interaction with entities acting in power engineering industry (members of NP) with the purpose of introduction of advanced technologies, engineering solutions, standards and methods of work of the best peer companies in the industry showing the highest efficiency in certain areas of activities into the Company operation practices.
Non commercial Partnership "Market Council"	Resolution of Board of Directors dated January 29, 2007	A prerequisite for obtaining the status of the wholesale market player; the status of entity acting in the wholesale power market.
Non commercial Partnership "Building Union of the Capital" Self-regulating organizations	Resolution of Board of Directors dated December 16, 2009	Necessity to receive the access certificate issued by a Self-regulating organization, with the purpose of carrying out organization of construction, remodeling and overhaul of capital structures.

¹⁰ Information presented with regard to companies in whose registered capital OGK-4's share is over 5%.

¹¹ Since April, 2011 OGK-4 has been member of Non-commercial partnership "Council of Energy Producers".

5. SHARES AND STOCK MARKET

Structure of Capital Stock

Over the last 3 years there were no significant changes in the structure of Company's capital stock.

The total number of persons entered into OGK-4 shareholders register as of December 31, 2010 is 305 700, including¹²:

STRUCTURE, IN TERMS OF TYPES OF CLIENT ACCOUNTS	Q-TY, 2009	Q-TY, 2010	2009, SHARE, %	2010, SHARE, %
Beneficiary	307 653	305 124	2,44	2,31
Legal entities, including:	642	646	0,18	0,20
Commercial organizations	602	604	0,18	0,19
Financial and credit organizations	25	26	менее 0,01	менее 0,01
Non-commercial organizations	90	90	менее 0,01	менее 0,01
Federal Authorities	1	1	0,29	0,29
Authorities of RF constituents	3	3	0,01	0,01
Local Authorities	2	2	0,01	менее 0,001
Physical Persons	307 003	304 472	1,96	1,81
Non-Beneficiaries	583	576	97,56	97,70
Nominees	36	33	97,55	97,69
including shares held by E.ON Russia Holding GmbH	—	—	78,31	78,31
Trust managers	3	3	менее 0,01	менее 0,01
Stock in shared ownership	544	540	0,01	0,01
Total	308 236	305 700	100	100

During 2010 the Company did not issue or place additional shares (zero emissions).

¹² Based on data provided by Registrar.

Shares at Stock Exchange

OUTSTANDING SHARES

Quantity, pcs.	63 048 706 146 full and 4492504287/ 49130625974 fractional
Par value, rubles	0,40
State number of issue	1-02-65104-D
Date of state registration of issue	April 19, 2007
Charter capital, rubles	25 219 482 458,37

Since end of 2006 OGK-4 shares are B-list traded at Moscow Interbank Currency Exchange (MICEX) and Russian Trading System Exchange.

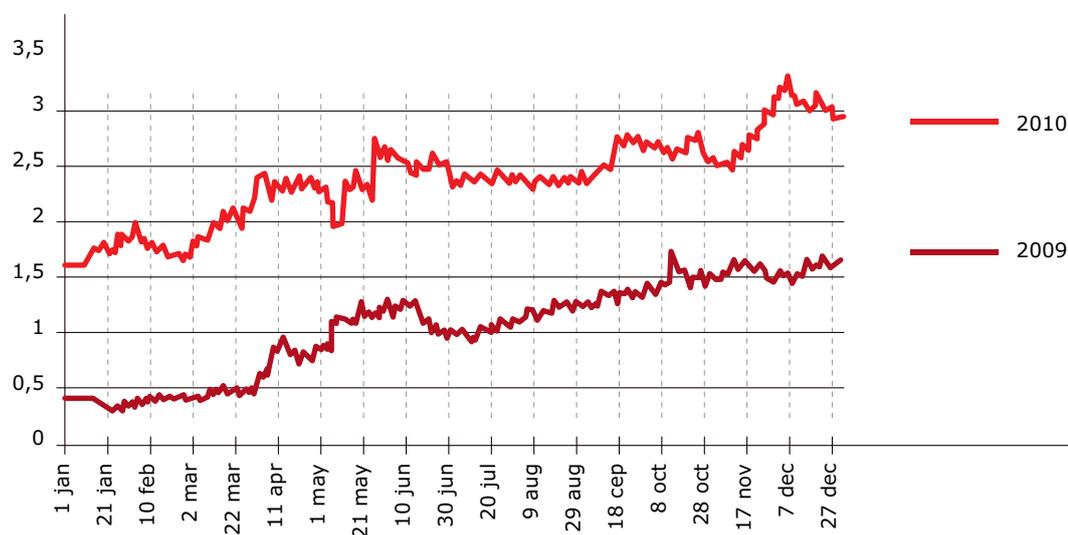
CODES OF OGK-4 SHARES IN TRADE SYSTEMS

Stock exchange	Ordinary shares	Trading commencement date
Moscow Interbank Currency Exchange, (MICEX) ZAO	OGK4	August 2, 2006
Exchange market, RTS OAO	OGKDG	July 14, 2006
Classical market, RTS OAO	OGKD	August 15, 2006

During 2010 OGK-4 shares continued growing; the Company market CAP continued growing in proportion to stock market activity.

As compared to 2009, OGK-4 shares capitalization growth during 2010 made 81,7%. The highest dynamics of stock value growth occurred in quarter 1 of 2010, and later during the next 9 months the share quotation growth was within 10%.

MICEX, Stock Value Dynamics in 2009-2010, rubles



data source: MICEX

MARKET CAPITALIZATION IN 2009-2010

Date	Market value	Number of outstanding shares	Market capitalization, rubles
31.12.2009	1,618	63 048 706 145	102 012 806 543
31.03.2010	2,214	63 048 706 145	139 589 835 405
30.06.2010	2,441	63 048 706 145	153 901 891 700
30.09.2010	2,688	63 048 706 145	169 474 922 118
31.12.2010	2,94	63 048 706 145	185 363 196 066

data source: MICEX

An important achievement of the year 2010 — BARRA international agency included OGK-4 shares into international index MSCI Russia — power engineering. Besides OGK-4 only RusHydro OAO, FGC UES and INTER RAO UES are included in this index.

SIGNIFICANCE	EFFECT
High rating of liquidity and attraction of shares	Growth of shares liquidity, improvement of reliability level
High rating of stability and prospects of emitters development	Growth of market value of stock
High rating of corporate governance quality	Growth of interest towards emitters shares from the world major investment funds

Dividends

On the eve of annual General Shareholders Meeting OGK-4 Board of Directors makes analysis of the Company development during the completed year and develops recommendations about payment of dividends. The final decision is made by the Company shareholders at the General Shareholders Meeting.

At the annual General Shareholders Meeting on June 18, 2010 a resolution was made not to pay dividends at year 2009 end. It was decided to allocate the profit to reserve fund as provided by Articles of Association of OGK-4 and keep it at the Company disposal for the purposes of investment program.

Registrar Data

Since 2009, OGK-4's registrar is Registrar ROST, OAO, one of the major and rapidly developing registrar companies.

During 2010 several essential changes took place at Registrar ROST, OAO.

In this period, the registrar company accepted the registers of such entities as INTER RAO UES, OAO, RusHydro OAO, OGK-1 OAO, TGK-11 OAO, TGK-11 Holding OAO, Perm Power Sales Company OAO and other power engineering companies.

In 2010 finished the process of merger between Registrar ROST, OAO and Specialized registrar AVISTA, OAO, which is the biggest registrar company in Moscow region and it is planned to complete the merger between Registrar ROST, OAO and Register A-Plus, OAO.

During 2010, several new branches were opened, and their number increased to 35.

NAME OF REGISTRAR	REGISTRAR R O S T, OAO
Address	Moscow, 18 bldg.13 Stromynka Street
Telephone	(495) 771-7335, 771-7336
Fax	(495) 771-7334
Internet site	www.rrost.com
Email address	rost@rrost.ru
Number of registrar company branches at the territory of Russia	35

6. OPERATIONS OVERVIEW

Key Performance Indicators, year 2010

GENERATION OF ELECTRIC POWER

In 2010 branches of OGK-4 generated 55 thousand 791 million kW h, which is by 1 thousand 843 million kW h (3,4%) more than in 2009.

POWER STATION	UOM	2008	2009	2010
Surgutskaya GRES-2	million kW h	34 408	35 210	36 623
Berezovskaya GRES		10 821	9 425	9 288
Shaturskaya GRES		5 002	3 636	4 112
Smolenskaya GRES		2 212	1 722	1 928
Yaivinskaya GRES		4 234	3 955	3 840
OGK-4		56 676	53 948	55 791

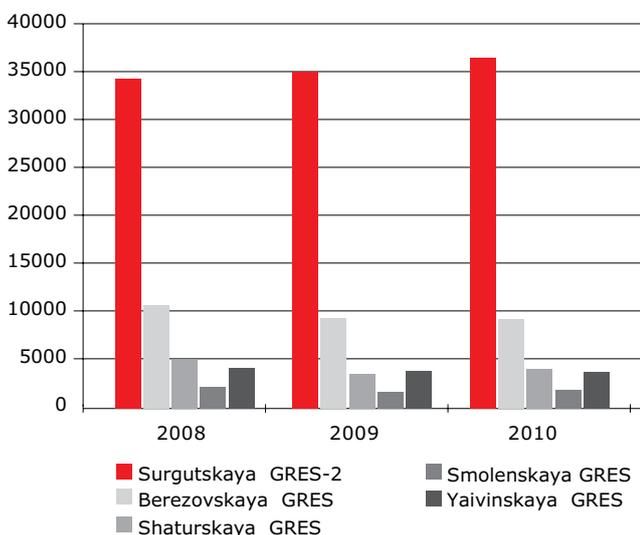
The structure of power generation in 2010 by OGK-4 power stations did not change. As well as in 2009 more than 65% of the total power was generated at Surgutskaya GRES-2.

GENERATION OF THERMAL POWER

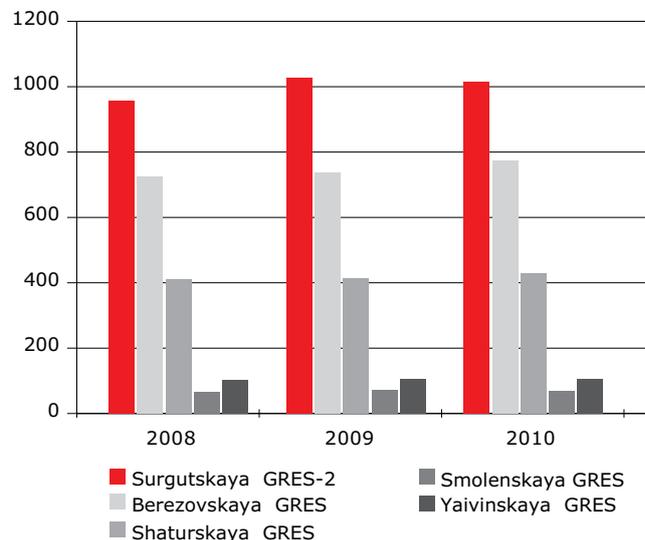
During 2010 thermal power supply from collectors amounted to 2 394 thousand GCal, which is by 40 thousand GCal (1,7%) more than in 2009.

POWER STATION	UOM	2008	2009	2010
Surgutskaya GRES-2	thousand GCal	958	1 026	1 016
Berezovskaya GRES		725	736	774
Shaturskaya GRES		410	415	430
Smolenskaya GRES		67	72	70
Yaivinskaya GRES		101	104	104
OGK-4		2 260	2 354	2 394

The structure of power generation in 2008-2010, million kW h



The structure of thermal power supply in 2008-2010, thousand GCal



Installed capacity utilization factor (ICUF)

At year 2010 end, OGK-4 power stations in general demonstrated the high level of capacity utilization – over 70%. As before, the best indicators are at Surgutskaya GRES-2, with its 2010 indicators by 3,4% higher than in 2009.

POWER STATION	UOM	2008	2009	2010
Surgutskaya GRES-2		81,6	83,7	87,1
Berezovskaya GRES		82,1	71,7	70,5
Shaturskaya GRES		51,8	37,7	41,2
Smolenskaya GRES	%	40,0	31,2	34,9
Yaivinskaya GRES		80,3	75,2	73,1
OGK-4		74,8	71,4	73,4

Fuel mix information

For power generation, OGK-4 power stations use gas, coal, fuel oil and peat as fuel. The main share in the fuel mix belongs to gas: in 2010 – 82,34% of the total fuel consumption.

The major consumer of gas is a mono-fuel Surgutskaya GRES-2. The power station mainly uses associated petroleum gas supplied from the nearby oil fields.

Berezovskaya GRES also uses only one type of fuel. The power station uses lignite which is mainly supplied via the above-ground conveyor belt from Berezovsky-1 coal quarry, 14 km off the station. In 2010, coal

consumption at Berezovskaya GRES was 5 546,8 thousand ton.

Shaturskaya, Smolenskaya & Yaivinskaya GRES can use various types of fuel. For these stations, gas has been the main type of fuel over the recent years. In 2010 the share of gas in fuel mix for Shaturskaya GRES was more than 98%, for Smolenskaya GRES – more than 95%, for Yaivinskaya GRES – more than 99%.

In total, at year 2010 end, OGK-4 consumed about 12,6 billion m3 of gas, 5,6 million ton of coal, about 13 thousand ton of oil fuel.

POWER STATION	FUEL	QUANTITY, THOUSAND CUBIC METERS; TON	QUANTITY, CONVENTIONAL FUEL, TON	SHARE, %
Surgutskaya GRES-2	Gas	9 553 876,00	11 075 366,00	100,00
Berezovskaya GRES	Coal	5 546 786,90	3 059 890,00	99,73
	Oil fuel	6 085,78	8 405,32	0,27
Shaturskaya GRES	Gas	1 281 801,00	1 474 472,00	98,62
	Coal	19 827,00	12 677,00	0,85
	Peat	0,00	0,00	0,00
	Oil fuel	6 029,00	7 948,00	0,53
Smolenskaya GRES	Gas	576 506,00	659 318,00	95,94
	Coal	40 246,00	26 326,00	3,83
	Oil fuel	1 164,00	1 585,00	0,23
Yaivinskaya GRES	Gas	1 173 002,58	1 344 342,00	99,65
	Coal	7 080,00	4 760,00	0,35
	Oil fuel	0,00	0,00	0,00
OGK-4	Gas	12 585 185,58	14 553 498,00	82,34
	Coal	5 613 939,90	3 103 653,00	17,56
	Peat	0,00	0,00	0,00
	Oil fuel	13 278,78	17 938,32	0,10

FUEL SUPPLIERS

As well as last year, the key fuel supplier for OGK-4 branches is Surgutneftegaz, OAO, which covers about 46% of the Company fuel demand. Surgutneftegaz, OAO is the main gas supplier to Surgutskaya GRES-2. Among the major gas suppliers, there are regional companies of Gazprom OAO; their aggregate share of fuel supplies to OGK-4 is about 15%; also, there is independent gas producer NOVATEK OAO, whose share of fuel supplies to OGK-4 in 2010 made 22%. Key coal supplier to the Company is SUEK OAO which delivers lignite to Berezovskaya GRES — its share in OGK-4 fuel supplies is over 8%.

OGK-4 strategy in the area of fuel procurement is strengthening the long-term relations with the major fuel suppliers and fixing the effective terms and conditions of fuel supplies. Implementation of investment program charges the Company with the task of ensuring the timely fuel delivery to the new power generating facilities. It is expected that all the power units, by commissioning day, will be in full supplied with fuel. E.ON's partnership with the leaders of the Russian gas industry could be an important factor of success in this area.

Maintenance and Repairs

Every year the Company plans, gets approved and implements the program of repairs of the main production facilities. Repair work ensures reliable operation of power generating equipment and extends its service life.

Repairs program is formed proceeding from the preliminary survey of production facilities stock with due regard to requirements of the regulations and is based on the long-term experience of operating the equipment.

During 2010 power units with the aggregate capacity of 8630 MW underwent repairs; of which, overhaul was done on 1960 MW, medium repairs on 1300 MW and current maintenance on 5370 MW equipment.

Total amount of expenditure for repairs at OGK-4 power stations in 2010 made 2 121 million rubles. All the scheduled repair work was done in full scope.

28% of repair work was done using the Company's own resources and 72% on contractual basis. Tender procedure was implemented for hiring the most cost efficient contractors.

In 2010 OGK-4 started implementing the 6-year old repair cycle for all the power units and the system of planning of repairs based on assessment of financial risks that could arise from equipment emergency shutdown. Such system of repair arrangements makes it possible to adapt repairs to conditions of the Company activities in the competitive power market and reduce repair timeline and cost.

REPAIR PROGRAM STRUCTURE	SHARE, %
Power unit repairs	65
Repairs of station-service equipment	20
Repairs of building and structures	13
Repairs of heat sully lines	2
OGK-4	100

7. POWER MARKETS

Data about Power and Capacity Market Structure and Pace of its Development

In 2010 process of liberalization of power and capacity wholesale market continued growing. In accordance with the RF Government regulation dated 31.08.2006 No. 529 "On enhancement of functioning procedure of the wholesale power and capacity market" the new model of wholesale power market that has been in use since 01.09.2006, includes stage-by-stage market liberalization through decreasing the volume of electric power (capacity) which is traded in the wholesale market at regulated price.

As per the legislation, for each power generating company, there are set power volumes which must be contracted for under the Regulated contracts; at the same time, such power volumes under Regulated contracts shall reduce every six month by the amount of 20-30% depending on each individual 6-month period.

According to the approved scenario, wholesale market liberalization completed by the end of 2010. Beginning from 2011 electric power and capacity supplied to public and consumer categories equated to public is supplied under regulated price.

OGK-4 supplies all the generated power and capacity to the wholesale market.

With further liberalization of the power market there have become available several options of OGK-4 involvement in various sectors of power market (day-ahead market, capacity market, balancing market — considering the current expenses for power generation), that is why OGK-4 continuously improves behavior strategy in competitive sectors of power market in an effort to maximize profit.

Review of Competitive Environment

OGK-4's generating facilities are situated in five Russian regions — Tyumen region, Krasnoyarsk territory, Moscow region, Perm territory and Smolensk region. But for the last region, all the others are most extensively developed areas in Russia.

In the local market, competitor of Surgutskaya GRES-2 is Surgutskaya GRES-1 owned by OGK-2, and Nizhnevartovskaya GRES owned by OGK-1, and also gas power stations of Fortum OAO (previously known as TGK-10 OAO).

Berezovskaya GRES sales electric power and capacity in Siberia within the limits of price zone 2. Its competitors are: Krasnoyarskaya GRES-2 within the structure of OGK-6 OAO, Kuzbassenergo (TGK-12), TGK-13 (Yeniseiskaya TGK), and hydroelectric power plants of the region — including the Russian largest HEPP, Sayano-Shushenskaya.

Main competitors of Shaturskaya GRES are Kashirskaya GRES, which is also located in Moscow region and belongs to OGK-1, and major power stations of the Central region — Ryazanskaya GRES (OGK-6) & Cherepetskaya GRES (OGK-3), as well as Mosenergo power stations (TGK-3).

Competitors of Smolenskaya GRES are first of all regional generating facilities located in Smolensk region.

Main competitors of Yaivinskaya GRES are Permskaya GRES and Iriklinskaya GRES under OGK-1, and Serovskaya GRES (OGK-2) and regional generating facilities of TGK-9.

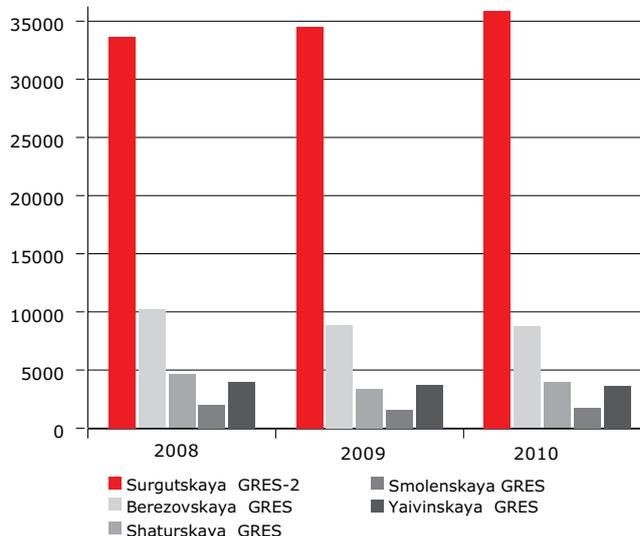
OGK-4 intends to realize its considerable potential in all the segments of wholesale market. The Company will improve operating efficiency and enhance its competitive advantages in the regions of activities. This ambition will be facilitated by implementation of OGK-4 investment program which provides for construction and commissioning of new generating facilities, and first off, in the regions with low capacity reserve.

Electric Power Sales

The major part of power sales comes from the Company own power generation at OGK-4 power stations. In 2010 net volume of electric power generation by OGK-4 power stations made 53,9 billion kW h. Supplies under regulated contracts comprised 37% of sales. The balance power was traded at competitive segments of the market: at day-ahead market (DAM) and balancing market (BM). Most of the margin from electric power sales (84%) was gained exactly due to activities in competitive segments of the wholesale market.

In 2010 the Company was able to extensively make use of all the potentials in market sector and sale considerable volume of power and capacity at liberalized market price.

Net electric power generation by the power stations, million kW h



NET ELECTRIC POWER GENERATION BY THE COMPANY POWER STATIONS¹³

Power station	UOM	2008	2009	2010
Surgutskaya GRES-2	million kW h	33 668	34 488	35 911
Berezovskaya GRES		10 195	8 872	8 733
Shaturskaya GRES		4 619	3 355	3 930
Smolenskaya GRES		2 032	1 576	1 774
Yaivinskaya GRES		3 980	3 717	3 604
OGK-4		54 494	52 008	53 952

POWER SALES, SECTOR-WISE

Electric power sales	UOM	2009	2010
Regulated contracts (RC)	billion kW h	32,2	19,8
Day-ahead market (DAM)		20,9	34,5
Balancing market (BM).		0,9	1,1
NRC (non-regulated contracts)		3,3	3,9
Total		57,333	59,286

Volume of electric power sales by OGK-4 power stations in 2010 inclusive of the market-purchased power, made 59,3 billion kW h, which is by 3,4% more than in 2009 (57,3 billion kW h).

Sales under Regulated contracts (RC) made 19,8 billion kW h; sales at day-ahead market (DAM) — 34,5 billion kW h, at balancing market (BM) — a little more than 1 billion kW h, and at liberalized price — 3,8 billion kW h.

In 2011 OGK-4 is planning to increase the power sales in competitive sector of wholesale market

against the background of its total liberalization and commissioning of the new generating facilities at Shaturskaya GRES, Surgutskaya GRES-2, Yaivinskaya GRES and retrofitted facilities at Berezovskaya GRES.

The Company will seek to further optimize electric power sales in all the market sectors in order to augment the net profit. Moreover, OGK-4 is intended to use the maximum of opportunities of competitive capacity market and long-term capacity market which ensure adequate return on investment.

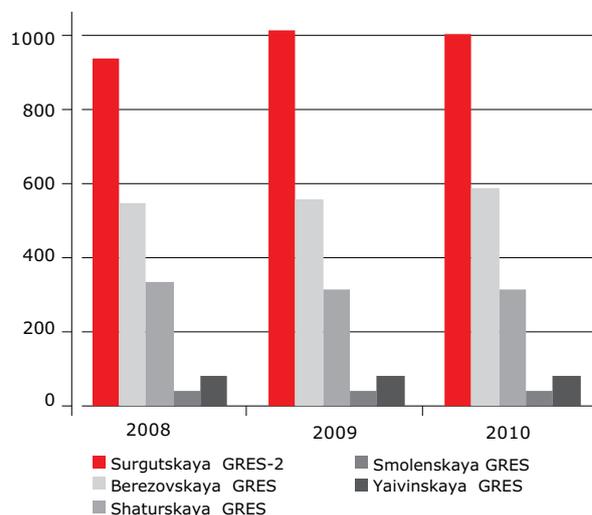
¹³ Data given net of load loss

Thermal Power Sales

OGK-4's core business is generation and sales of electric power, while generation and sales of thermal power is not the key activity of the company. At year 2010 end, revenue from thermal power sales comprised only about 2% of the Company total receipts. Nevertheless, OGK-4 pays much attention to reliability and continuity of heat supply because it is essential for local consumers' life support in the nearby communities.

Basic consumers of thermal power are households and community of settlement Ozyorny, Smolensk region, town of Shatura, town of Surgut (about 30% of consumers), settlement of Yaiva and town of Sharypovo (including settlement of Dubinino and village of Kholmogorskoye). Also, Surgutskaya GRES-2, Yaivinskaya & Shaturskaya GRES supply thermal power to industrial facilities in the regions of their business.

Net thermal power generation by the company power stations, thousand GCal



NET THERMAL POWER GENERATION BY THE COMPANY POWER STATIONS

Power Station	UOM	2008	2009	2010
Surgutskaya GRES-2		938	1 013	1003
Berezovskaya GRES		546	556	587
Shaturskaya GRES	thousand GCal	336	314	311
Smolenskaya GRES		37	39	39
Yaivinskaya GRES		79	79	79
OGK-4		1 936	2 001	2 019

In 2010 the volume of thermal power supplied to consumers was by 0,8 % higher than that in 2009.

At all the branches of OGK-4 (with the exception of Surgutskaya GRES-2) thermal power supplies in 2010 was done directly to consumers under direct contracts. Surgutskaya GRES-2 supplied thermal power to "Uralskaya heat supply network company", OAO, and Shaturskaya GRES effected supplies both under direct contracts and via "Shaturskaya managing company" OAO.

To ensure high quality thermal power supplies, the Company regularly implements repairs and retrofitting of heat supply systems.

Thermal power tariffs are regulated by the state and are set by Regional energy committees — a.k.a. RECs. Thermal power price is a socially significant factor in the regions of power plants location that is why in the process of regulation affordability of this product is taken into account as well as consumers' solvency. The Company has been concentrating efforts at attaining break-even sales of thermal power through cooperation with RECs in terms of fixing economically feasible tariffs and enhancement of production efficiency.

Relations with Basic Contractors

Main contractors of the Company are entities acting at wholesale market of power and capacity who signed the trade system joining treaty — guaranteeing suppliers, independent sales companies reselling the market-purchased power to end-users, and major industrial enterprises buying power under direct contracts.

As per Federal Law “On electric power industry” and Wholesale market regulations, electric power sellers and buyers enter into contracts for which essential conditions are set forth in legal acts.

Standard contract forms are approvable by Supervisory council of Non-commercial partnership “Market Council”.

Clients of retail power market are non-industrial consumers, small businesses and household consumers.

Consumers of OGK-4 - produced thermal power are public, local industry and enterprises and entities funded by budgets of all levels. Essential conditions of consumer contracts are published on OGK-4 web-site.

8. FINANCIAL PERFORMANCE REVIEW

General Data

Core business of OGK-4 is generation and sales of power at wholesale market. Regulations for wholesale power market let generating companies sale not only their own power but also power procured at non-regulated market sectors in order to comply with commitments to power consumers. Thus the Company's revenue mainly comes from sales of generated and procured electric power at Russian wholesale market of power and capacity.

At year 2010 end, OGK-4's revenue equals to 53 billion 819 million rubles and grew by 27% as compared to 42 billion 424 million rubles in 2009. OGK-4's earnings before interest and tax (EBIT) not adjusted for currency exchange difference has grown by 80% — from 7 billion 159 million rubles in 2009 to 12 billion 911 million rubles at year end 2010. Key factors of EBIT growth are increase of proceeds from power sales combined with effective cost control.

Several Factors Affecting the Company Performance

Company performance is subject to several factors including regulation of power generating industry in Russia: tariff regulation, in particular, dynamics of fuel price, power prices in non-regulated sectors of power wholesale market, cost of third party services, seasonal prevalence, and tendencies of macroeconomic development of Russia, and taxation.

REGULATION OF ELECTRIC ENERGY SECTOR IN RUSSIA. TARIFFS

As per RF Government regulation dated 24.10.03 No. 643, in the first half-year 2010 the Company as power generator and entity acting at wholesale market was obliged to sell at regulated price (tariff) not less than 35% of the volume of generated power which had been defined for the generator in the approved forecast balance for the year 2007 with due regard to specifics of power supply to public (the basis for definition of share of sales at tariffs was the approved 2007 balance). Starting from July 1, 2010 this share was not less than 15%.

Regulated tariffs fixed for the Company's power plants vary a lot depending on several conditions, including, but not limited to, the following; power plant efficiency, power plant location, type of fuel used, investment plan. Historically, Smolenskaya GRES & Shaturskaya GRES had higher tariffs as compared to the Company power plants located in Urals Federal District, Privolzhsky Federal District and Siberian Federal District, where the gas and coal prices are lower than in Central Russia. Details of dynamics of power tariff change for the Company power stations is given in the table:

ELECTRIC POWER TARIFFS, RUB/MW H			
Power station	2008	2009	2010
Surgutskaya GRES-2	361,22	438,33	525,6
Berezovskaya GRES	249,06	278,43	307,25
Shaturskaya GRES	841,60	959,46	1 119,63
Smolenskaya GRES	769,45	903,25	986,04
Yaivinskaya GRES	552,54	648,29	754,49

In total, during 2010 the Company sold 19 billion 808 million kW h of power at regulated price. Revenues from sales in regulated market segment made 15 billion 282 million rubles. It shall be noted that the size of this revenue also includes capacity payments; the actual size of this payment in 2010 made 3 billion 737 million rubles.

Considering that in 2010 the sales under regulated contracts made 40% of sales at RF FST-defined tariffs as prescribed for OGK-4 in the approved forecast balance for the year 2007, tariff regulation significantly influenced OGK-4 performance in 2010.

Capacity tariffs prescribed by RF FST for OGK-4 power plants for the period from 2009 to 2010 are presented in the table below:

CAPACITY TARIFFS, RUB./MW PER MONTH			
Power station	2008	2009	2010
Surgutskaya GRES-2	72 944,94	79 696,97	74 891,44
Berezovskaya GRES	105 837,30	115 291,08	112 694,01
Shaturskaya GRES	108 814,20	118 504,06	110 850,91
Smolenskaya GRES	79 579,37	86 831,69	84 718,48
Yaivinskaya GRES	117 463,51	127 764,22	128 179,32

FUEL EXPENSES

Company consumes considerable amount of various types of fuel for generation of electric and thermal power. OGK-4 procures considerable volume of gas and coal and somewhat less oil fuel. At year 2010 end, share of fuel expenses reduced by 0,8 per cent as compared to the level of 2009 and made 64,5% of the total operational expenses of the Company. In general, 2010 fuel expenses increased by 3 427 million rubles (+ 15,0%) with respect to 2009 and made 26 billion 194 million rubles. Growth of fuel expenses in Company overall expenditure is reasoned by general advance in key energy carrier prices that took place in Russia during 2010.

Basic component of OGK-4's fuel portfolio is gas. Its share in physical volume of fuel consumed by the Company in 2010 made 82,3%. Gas procurement expenses made 89,0% of the overall fuel expenditure of the Company in 2010.

Coal is also a significant component in fuel mix. In 2010, share of coal in physical volume of fuel consumed by the Company totaled 17,6%. Expenses for coal consumed for electric and thermal power generation made 10,7% of the overall fuel expenditure of the Company. Coal (lignite) is mainly used at Berezovskaya GRES, which is the Company's second largest power plant in terms of installed capacity. Main supplier of coal / lignite for OGK-4 power plants (mostly for Berezovskaya GRES) is the major Russian coal producer – SUEK OAO, which owns Berezovsky-1 quarry.

Other types of fuel, like oil fuel, at year end 2010, cover about 0,3% of the overall fuel expenditure of the Company.

EXPENSES FOR THIRD PARTY SERVICES

The Company bears expenses related to third party services in the wholesale power market. Thus, System administrator provides dispatch services within the power grid, Trade system administrator controls wholesale power market trade system and Center of Financial Settlement does calculations of demands and obligations of entities acting as buyers and sellers at wholesale power and capacity market and effects settlement of their deals. The Company concludes standard service contracts with all the parties mentioned; terms and conditions of such contracts are standardized and non-negotiable. Besides, the Company pays for some third party services in accordance with regulated price (tariff) as set by FST.

Company's expenses related to third party services rendered at wholesale power market made 723 million rubles (1,8% of the Company overall operational expenditure in 2010).

SEASONAL PREVALENCE

Season-related factors have influence upon the Company performance. Power generation by the Company's power plants depends on power demand and competitive power of their offer.

Electric and thermal power demand fluctuates depending on season, time of the day and weather conditions. It depends upon ambient air temperature, daylight hours' duration, light intensity, kind of day – weekday/ business day, weekend, day off (holiday), intermediate day between a business day and a day off (holiday).

Level of demand of offer provided by a specific power station depends both on power demand and on factors defining operating mode in power zone where these power stations are located. These factors include: structure of generated power, in terms of power plant type (thermal, condensation, nuclear or hydraulic power plant), conditions of system reliability (grid and system limitations). In addition, the above factors are linked to seasonal phenomena — flooding (resulting in increase of HEPP total energy generation) and generating and grid equipment maintenance cum repair campaigns, which are intensively carried out between fall and winter period.

Influence of HEPP power output increase is most relevant for Berezovskaya GRES. Factor of grid equipment

repairs influences competitive power of Shaturskaya and Smolenskaya GRES.

TENDENCIES OF MACROECONOMIC DEVELOPMENT IN RUSSIA

Company operates on the territory of Russia. Accordingly, tendencies of macroeconomic development of Russia, including overall economy growth and buoyant markets at which the Company pursues activities, considerably influence the Company performance.

Table below shows several key macroeconomic indicators relevant for the Russian economy for the period from 2005 through 2010:

INDICATOR	2005	2006	2007	2008	2009	2010
Growth of Gross domestic product, %	6,40	6,70	8,10	5,60	-7,80	4,00
Consumer price index, %	10,90	9,00	11,90	13,30	8,80	8,80
Level of unemployment, %	7,20	6,90	6,10	6,30	8,40	7,50

Source: Rosstat

On February 2, 2011 Ministry for Economic development of Russia published report "On results of social and economic development of Russian Federation in 2010" which contains the following conclusions based on analysis of social and economic development:

1) In 2010, restorative growth that started in the second half of 2009 went on. Although in quarter III 2010 due to drought and drop of agriculture production there shaped a pause in business revival, integral growth of gross domestic product during the year made 4.0. per cent, according to first estimate by Rosstat.

2) Growth recovery in 2010 was promoted by improvement of situation in the world economy, recovering external demand and advance in Russian export commodities price, restoration of stock indices and consolidation of balance of payments. Along with external demand, restoration of domestic demand in investments and domestic customer demand stimulated by anti-crisis activities as well as stock replacement made a favorable contribution thereto.

3) Commercial production grew by 8,2% in 2010; growth of manufacturing activities made 11,8%. Highest growth rate occurred in manufacture of transportation vehicles and equipment, electronics and optics, other non-metal mineral products, metallurgical and hardware production, chemical production, manufacture of rubber and plastic goods.

4) Positive changes in economy allowed for maintaining the positive dynamics of real income of the population and improve situation in employment market. In 2010 the number of unemployed reduced by 0,7 million people and averaged 5,6 million people for the year or 7,5% of economically active population, which is by 0,9 per cent lower than in 2009.

5) In 2010 consumer market inflation made 8,8 %. Since August, inflation started accelerating because of drought and poor crops which entailed advance in price of agricultural products, both in the world and in domestic market.

TAXATION AND DEDUCTIONS TO GOVERNMENTAL NON-BUDGETARY FUNDS

Company is a taxpayer of several taxes which considerably influence the Company performance indicators. Table below sums up the data on types and size of taxes paid to budgets of various levels during 2009 & 2010.

As per Federal Law dated 24.07.2009 No. 213-FZ, Chapter 24 of RF Tax Code is deleted from 01.01.2010. Starting from January 1, 2010 instead of Uniform social tax, employers must pay insurance premium to governmental non-budgetary funds. In 2010 payments related to Uniform social tax was made only under obligations dated 2009.

TAXES PAYABLE TO FEDERAL BUDGET, MILLION RUBLES	TOTAL TAX PAID IN 2009	TOTAL TAX PAID IN 2010
VAT	526,9	-465,2
Income tax	3 359, 5	1 840,2
Mineral extraction tax	0,03	0,03
Water tax	149, 4	143,2
Property tax	341, 9	342,8
Individual income tax	398, 4	408,0
Transportation tax	1,8	2,0
Uniform social tax	414, 3	7,7
Land tax	7,5	13,8
Total	5 199, 7	2 292,6
INSURANCE PREMIUM PAYMENTS TO GOVERNMENTAL NON-BUDGETARY FUNDS	—	Total payments to funds in 2010, million rubles 386,6

Company belongs to the category of “major taxpayers” in the Russian Federation; observance of tax legislation is controlled by Trans-regional supervisory body of Federal tax service for major taxpayers No. 4.

Performance

Table below shows the Company operating performance in 2009-2010:

INDEX	2009	2010 млн руб.	2010/2009 +/- %
Revenue	million rubles	2010	26,9%
Cost of production	million rubles	2010/2009 +/-%	16,5%
EBITDA (not adjusted for exchange rate difference)	8 338,5	14 112	69,2%
Rate of return with regard to EBITDA (not adjusted for exchange rate difference) ¹⁴	19,7%	26,2%	—
EBIT (not adjusted for exchange rate difference) ¹⁵	7 159,4	12 911	80,3%
Rate of return with regard to (not adjusted for exchange rate difference)	16,9%	24,0%	—
Net balance of exchange rate difference	1 419,5	-702,2	-149,5%
Net income	7 102,7	10 449,5	47,1%

We consider it correct to clear EBITDA & EBIT indicators from factors of non-permanent nature. Such factors include exchange rate difference, since we generate and sale electric power and capacity at the territory of the Russian Federation and for settlements and

payments we use Russian ruble. In our opinion, such approach makes it possible to precisely estimate the results of operational activities of companies in electric power generation industry of Russia.

¹⁴ EBITDA = line 050 (Profit and loss account, RAS (F2)) + line 090 (F2) - line 240 (F2) - line 100 (F2) + line 241 (F2) + Issuing costs, IPO (F2) + depreciation

¹⁵ EBIT = line 050 (Profit and loss account, RAS (F2)) + line 090 (F2) - line 240 (F2) - line 100 (F2) + line 241 (F2) + Issuing costs, IPO (F2)

REVENUE

In 2010 the Company's earnings came from sales of electric power, thermal power and sales of other products and services of industrial and non-industrial nature. At year 2010 end, OGK-4's revenue grew by 27% as compared to 2009 and made 53 billion 819 million rubles.

ELECTRIC POWER AND CAPACITY

At year 2010 end, proceeds from sales of electric power and capacity grew by 27,3% and reached 52 billion 531 million rubles from the level of 41 billion 260 million rubles at year 2009 end. In the structure of OGK-4 total revenue, the share of proceeds from sales of electric power and capacity in the regulated sector of market reduced in 2010 by 24,9% and made 15 billion 282 million rubles (28%). At the same time, the share of proceeds from sales in competitive sector increased by 25,2% reaching 69%, and its size amounted to 37 billion 244 million rubles. Growth of proceeds from sales of electric power and capacity is first of all due to overall growth of weighted average price of electric power and capacity sold by the Company branches during 2010. Proceeds from sales of electric power in retail market in 2010 were very insignificant — about 0,01% of OGK-4 total revenue.

THERMAL POWER

At year 2010 end, proceeds from sales of thermal power went up by 13,9% reaching 1 074 million rubles from the level of 943 million rubles in 2009. Growth of proceeds from sales of thermal power is first of all reasoned by growth of average heat tariffs. All in all, at year 2010 end the share of proceeds from sales of thermal power in OGK-4 total revenue remained on the level of last year (about 2%).

OTHER REVENUES

At year 2010 end, other revenues of the Company (proceeds from sales of production and non-production nature) went down by 3,7% dropping to 213 million rubles from the level of 221 million rubles in 2009. Share of other revenues in 2010 made 0,4% of OGK-4 total revenue - 4.

INDICATOR	2009 million rubles	2010 million rubles	2010/2009 +/- %
Power sales in regulated sector	16 176,4	11 544,9	-28,6%
Power sales in competitive sector	14 886	29 522,8	98,3%
Power sales in retail market	3,6	4,4	20,8%
Sales of capacity	10 193,7	11 459,0	12,4%
Sales of generated thermal power	802,1	851,4	6,1%
Thermal power transportation	141,0	223,0	58,2%
Other production sales	200,5	198,3	-1,1%
Other non-production sales	20,9	15,0	-28,2%
Total earnings	42 424,4	53 818,8	26,9%

Expenses

Table below shows the Company expenses at year 2010 end (million rubles):

INDICATOR	2009 million rubles	2010 million rubles	2010/2009 +/- %
Fuel for generation of power and heat	22 767,6	26 194,1	15,0%
Power and capacity for re-sale	3 321,6	5 121,8	54,2%

INDICATOR	2009 million rubles	2010 million rubles	2010/2009 +/- %
Payment for market operator's services	736,5	723,3	-1,8%
Variable costs	26 825,7	32 039,2	19,4%
Labor costs	2 811,2	2 903,7	3,3%
Maintenance cum repairs (net of labor compensation, uniform social tax, etc.)	1 375,6	1 660,6	20,7%
Production Services	230,3	238,6	3,6%
Deductibles related to salary fund	436,9	417,0	-4,6%
Other taxes linked with prime cost	546,2	631,7	15,7%
Auxiliary materials (net of water tax)	180,7	209,9	16,2%
Insurance	151,0	136,9	-9,3%
Other expenses	1 137,8	1 202,4	5,7%
Semi-fixed costs	6 869,7	7 400,8	7,7%
Depreciation	1 179,1	1 201,3	1,9%
Total expenses	34 874,5	40 641,3	16,5%

Rate of growth of OGK-4 operational costs in 2010 was lower than revenue growth dynamics. In the reporting period the Company's expenses grew by 16,5% totaling 40 billion 641 million rubles. General increase of operational expenses is explained first of all by increase of fuel expenses, increase of expenses for power procurement at wholesale market, and growth of expenses for maintenance and repairs. In other words, growth of the Com-

pany's operational costs is related mostly to the growth of semi-variable expenses the price of which is externally formed; these expenses are aimed at ensuring continuous and reliable operation of equipment. Measures taken by the Company management to control the cost of production made it possible to maintain the growth of semi-fixed costs on the level not higher than average annual inflation in Russia at year 2010 end.

FUEL EXPENSES

Share of fuel expenses in the operational expenses of the Company went down by 0,8% — to 64,5%. In absolute figures, fuel expenses in 2010 made 26 billion 194 million rubles. Growth of this indicator is explained by general advance in key energy carrier prices in Russia during 2010 in combination with growth of power generation.

PROCURED POWER AND CAPACITY

Being a player in wholesale market, the Company purchases electric power at day-ahead market (DAM) as security for obligation under regulated contracts, as security for obligation under liberalized bilateral contracts for power and capacity sales; and at balancing market (BM) as security for obligation under scheduled hourly volumes (sales schedule).

Electric power procurement at wholesale market is a result of trading strategy and an involuntary measure — in case when volume under a regulated contract exceeds the maximum online capacity. This takes place when equipment is under repairs or in the state of cold reserve by order of System operator. Also, power procurement as security for obligation under liberalized bilateral contracts is a mandatory condition at Russian wholesale market.

At year 2010 end, the Company expenses for power and capacity procurement went up by 54,2% reaching 5 billion 122 million rubles from the level of 3 billion 322 million rubles in 2009. Growth of the Company expenses for power and capacity procurement is explained by the following facts: the share of liberalization went up; there is inflation (price growth as compared to 2009) and delays in putting the new generation facilities at Shaturskaya GRES into operation. In total, the Company expenses for power and capacity procurement made 12,6% of the total expenses in the year 2010.

PAYMENTS FOR MARKET OPERATOR SERVICES

Expenses for market operator services include the Company's payments under contracts with System operator, Trade system administrator, Center of Financial Settlement (see sub-section "Expenses for third-party services" in section "Financial Performance Review"). At year 2010 end, OGK-4 expenses for market operator services reduced by 1,8% as compared to 2009, totaling 723 million rubles (736 million rubles in 2009). Share of expenses for market operator services made 1,8% in 2010 total expenses.

LABOR COSTS

Labor costs include wages and other payments to the Company employees. At year 2010 end, labor costs grew by 3,3% and made 2 billion 904 million rubles (2 billion 811 million rubles in 2009). Growth of the Company labor costs including wages and other payments to the Company employees is first of all driven by providing social guarantees to employees according to standards. Labor costs including wages and other payments to the Company employees in 2010 made 7,1% of the total expenses.

EXPENSES FOR REPAIRS

The Company carries out repairs and maintenance of the existing facilities. As a rule, during the time of production cutback from April to September there are higher expenses for maintenance and repairs.

In 2010 OGK-4 was able to afford increasing expenses for repairs by 20,7% up to 1 billion 661 million rubles (net of labor compensation paid to maintenance staff and other expenses). Total weight of this item of expenses in the Company cost structure went up to 4,1%. Growth of repairs expenses is explained by implementation of additional equipment repair work aimed at enhancement of safety, reliability and fail-safety of the available generating facilities.

PRODUCTION SERVICES

Expenses for production services include: transportation, testing and calibration of devices, other expenses. At year 2010 end, the Company expenses for production services grew by 3,6% reaching 239 million rubles as compared to 230 million rubles in 2009. Share of production service expenses made 0,6% of the total expenses of the Company in 2010

DEDUCTIBLES RELATED TO SALARY FUND

Deductibles paid on the basis of salary fund include social and pension deductibles paid to Russian governmental funds. The Company paid such deductibles as per the legally fixed rates.

Total amount of deductibles paid on the basis of salary fund in 2010 made 417 million rubles, dropping down by 4.6 % as compared to 2009.

OTHER TAXES LINKED WITH PRIME COST

Other taxes include: water tax, property tax, transportation tax, ecology payments. At year 2010 end, this item of expenses increased by 15,7% reaching 632 million rubles from the level of 546 million rubles in 2009. The Company expenses for other taxes related to prime cost were 1,6% of the total expenses in 2010.

AUXILIARY MATERIALS (NET OF WATER TAX)

At year 2010 end, the Company's expenses for auxiliary materials increased by 16,2% reaching 210 million rubles as compared to 181 million rubles in 2009. OGK-4 expenses for auxiliary materials made 0,5% of the total expenses in 2010.

INSURANCE

OGK-4's property insurance program covers various risks and first of all, risk of loss or damage to the Company's property including insurance of all power stations' generators and turbines against fire, lightning, explosion, acts of God, terrorism, short cuts, equipment failure. Besides, OGK-4 practices third-party insurance for operation of sources of special danger and provides employees with casualty insurance and voluntary medical insurance.

At year 2010 end, the Company's insurance expenses went down by 9.3% - to 137 million rubles from 151 million rubles in 2009. OGK-4's insurance expenses made 0,3% of the total expenses in 2010.

DEPRECIATION

Depreciation of the Company fixed assets is calculated using the straight-line method for the useful life of an asset.

At year 2010 end, the Company's depreciation allowance increased by 1,9% reaching 1 billion 201 million rubles from the 2009 level of 1 billion 179 million rubles. The share of depreciation in the structure of 2010 operational expenses decreased to 3,0%, against 3,4% in 2009. Rise in depreciation is explained by commissioning in 2010 of the new capital assets and depreciation accrued accordingly.

Focus on production cost management was one of the priorities in the Company management activities in 2010.

EBITDA

At year 2010 end, OGK-4's EBITDA made 14 billion 112 million rubles, rising by 69% as compared to 2009 (8 billion 338 million rubles). Key factor of EBITDA growth was gain in power sales proceeds combined with production cost control.

EBITDA profitability at year 2010 end made 26,2% (19,7% in 2009), which is one of the best performance indicators among energy industry companies in 2010.

EBIT

OGK-4's EBIT in 2010 grew by 80% reaching 12 billion 911 million rubles from the level of 7 159 million rubles in 2009. Key factor of EBIT growth in 2010 is similar to that for EBITDA.

EBIT profitability at year 2010 end made 24,0% (16,9% in 2009).

Net Income

In 2010, the Company's net income made 10 billion 449 million rubles. In 2009 OGK-4's net income was 7 billion 103 million rubles. Considerable growth of net income in the period under report is associated with the influence of the following factors: growth of proceeds from power sales combined with cost management.

OGK-4's net income profitability in 2010 amounts to 19,4%.

Assets. Significant Changes in Assets Profile

In 2010 OGK-4's assets increased by 11,5% and made 95 billion 941 million rubles. This growth is associated with the following changes:

The Company capital (non-circulating) assets as of 2010 end, increased by 59,8% reaching 68 billion 079 million rubles from the level of 42 billion 609 million rubles as of January 1, 2010. Changes in balance item "Construction in progress" (increase by 48,0% - from 25 847 million rubles to 38 257 million rubles) is caused mainly by implementation of major investment projects at branches Surgutskaya GRES-2 and Yaivinskaya GRES. Rise in value of capital assets as of the end 2010 is connected with commissioning of CCPP-400 at Shaturskaya GRES branch.

In current assets profile, significant changes in 2010 relate to OGK-4 receivables, which reduced from 23 billion 636 million rubles as of the beginning of 2010 to 11 billion 281 million rubles as of December 31, 2010. Such dramatic reduction in accounts receivable is due to the fact that contractors completed the work for which advance payments had been made. This work is associated with new power unit construction projects at branches Surgutskaya GRES-2, Shaturskaya GRES and Yaivinskaya GRES.

Abatement of short-term investments from 17 billion 141 million rubles as of the beginning of 2010 down to 14 billion 174 million rubles as of December 31, 2010 is connected with funding of new build investment projects.

Liabilities. Significant Changes in Liabilities Profile

Change of liabilities profile is mainly connected with changes in two sections "Shareholders Funds" and "Short-term liabilities".

As of December 31, 2010 shareholders' funds (capital and reserves) increased to 91 billion 052 million rubles due to gaining net income of 10 billion 449 million rubles during the period under report.

Change of Short-term liabilities is mainly associated with item "Accounts payable" which reduced from 4 billion 870 million rubles as of the beginning of 2010 to 4 billion 386 million rubles as of December 31, 2010. This decrease is mainly due to decumulation of current debt to gas suppliers in the end of 2010.

Liquidity and Equity Capital

Main source of the Company liquidity in 2010 was monetary assets from current business cumulatively with proceeds from placement of 2007 additional share issue. The Company considers that capital expenses will constitute essential appropriation of financial resources within the next few years.

This is chiefly relevant for generation of electric and thermal power and construction of new generating facilities and upgrading the existing generating facilities in the context of the approved investment program. The Company is planning to cover considerable portion of these financial needs by means of own sources of funding. In addition, in future OGK-4 is planning to extensively use debt financing tools.

9. INVESTMENT PROGRAM

Basic purpose of OGK-4's investment activities is implementation of investment projects proceeding from economic feasibility. These projects are directed at ensuring competitive growth of the Company and improvement of equipment operational reliability.

OGK-4's investment activities fall into three basic areas:

1. Implementation of the Company's priority investment projects;
2. Technical upgrades and retrofitting of the operating facilities;
3. Acquisition of fixed assets.

It is oriented towards implementing the following tasks:

- Construction of new efficient generating facilities;
- Modernization of equipment with enhancement of capacity and efficiency;
- Replacement of overaged equipment;
- Enhancement of reliability and efficiency of operating facilities;
- Implementation of HSE policy;
- Realization of ecological projects;
- IT systems Upgrades.

Priority Investment Projects

OGK-4's investment program includes construction of new generating facilities at Surgutskaya GRES-2, Shaturskaya and Yaivinskaya GRES and Berezovskaya

GRES. The aggregate capacity to be commissioned is about 2 400 MW, investment program is about 97 billion rubles worth.

POWER STATION	PROJECT	SCHEDULED YEAR OF COMMISSIONING ¹⁶
Shaturskaya GRES (Moscow region)	Construction of replacement generating facilities on the basis of CCPP-400	Commissioned in November 2010
Surgutskaya GRES-2 (Khanty-Mansi Autonomous Area)	Construction of replacement generating facilities on the basis of two CCPPs-400	2011
Yaivinskaya GRES (Perm Territory)	Construction of replacement generating facilities on the basis of CCPP-400	2011
Berezovskaya GRES (Krasnoyarsk Territory)	Construction of power unit 3 on the basis of CCPP-800	2013

Investment projects implemented by OGK-4 are directed towards renovation of generating facilities and meeting the growing demand for electric power in the regions of the Company's activities. In 2006, two investment projects – new power unit construction at Surgutskaya GRES-2 and Shaturskaya GRES – were entered into the list of Top-priority sites for commissioning of generating facilities in the Unified Energy System of Russia. All

the investment projects have been approved by OGK-4 Board of Directors.

At three power stations of the Company — Shaturskaya, Yaivinskaya GRES and Surgutskaya GRES-2 the Company implements generic projects for construction of single-shaft condensation combined cycle power plants (CCPP-400).

¹⁶ CODs are given as per resolutions of OGK-4 Board of Directors.

Main achievement of the year 2010 is commissioning of the new CCPP-400 at Shaturskaya GRES which took place in November 2010.

As of today, combined cycle power plant is the most energy effective and environmentally friendly method of electrical and thermal power generation. One of the advantages of combined cycle power plants is their high efficiency. It is expected that the new plants' efficiency factor will be about 56%, while efficiency factor of traditional steam power units is not more than 40 per cent. For CCPP-400, specific reference fuel consumption is about 220 g per one kW-h which considerably reduces the end price of the generated energy.

One more advantage of these units is the fact that technologies they are based on are the most environment — friendly of all the globally applied technologies in thermal power engineering.

For instance, the level of nitric oxide emission at a CCPP-400 power station is 2-3 times lower than the similar indicator at other power stations that use solid or liquid fuel.

Besides, CCPP-400 commissioned at Shaturskaya GRES has a by far lower level of CO₂ emissions by contrast to less efficient power plants, and this advantage will result in reduction of CO₂ emissions by over a million ton by the end of 2012.

High efficiency and environmental friendliness of CCPP-400 at Shaturskaya GRES made this very project the first Russian project to be approved by UNO as a project for joint implementation (Joint Implementation Project), under article 6 of Kyoto protocol to United Nations Framework Convention on Climate Change.

Construction projects of two CCPP-400 at Surgutskaya GRES-2 and CCPP-400 at Yaivinskaya GRES are also positioned as Kyoto protocol projects; they have good chances of being approved as Joint Implementation Projects as well.

Under investment program, construction of an 800 MW steam cycle coal power unit is planned at Berezovskaya GRES. This power plant is located at a territory with inexhaustible reserves of lignite at Kansko-Achinsky coal field and is one of the top-efficient coal power stations in Russia. Besides, in late 2011 it is planned to complete extension of power unit 1 installed capacity by 50 MW (Berezovskaya GRES).

Implementation of the Company investment program is done through engagement of EPC-contractors, who bear the maximum responsibility for the ultimate result, including reaching the power unit guarantee parameters and meeting the deadlines for work completion. This approach lets the Company reduce risks at the stage of project implementation.

Besides putting into operation the CCPP-400 at Shaturskaya GRES, other events can be mentioned as major accomplishments of the year 2010:

- Beginning of Startup and adjustment at construction site of the two CCPP-400 at Surgutskaya GRES-2;
- Completion of main process equipment installation at construction site of CCPP-400 at Yaivinskaya GRES and commencement of Startup and adjustment;
- Preparation and invitation to tender for the EPC-contract (on the turn-key basis) for construction of power unit 3 at Berezovskaya GRES;
- Commissioning of additional 50 MW at power unit 2, Berezovskaya GRES.

CCPP-400 Project, Shaturuskaya GRES

On November 26, 2010 commissioning ceremony took place at CCPP-400 at Shaturuskaya GRES. We commenced commercial operation of the first unit to be built under OGK-4 investment program.

The gala ceremony was visited by Igor Sechin, Deputy Chairman of RF Government, Bernhardt Reutersberg, member of Board, E.ON AG, A.N. Shishkin, Deputy Minister of Energy and Sergey Tazin, Director General, E.ON Russia.

"CCPP-400 project at Shaturuskaya GRES vividly demonstrates what E.ON means by speaking about the new strategy — "cleaner & better energy". At Shatura, we have commissioned the most efficient and state of the art power unit in Russia. Reaching efficiency factor of 56%, E.ON is setting the new standards in Russia for efficiency and environmental friendliness of power generation. CCPP-400 at Shaturuskaya GRES is the first construction project to be completed under our investment program in Russia. Through investments, we want to make contribution to modernization of the

Russian power engineering and make power supplies to our clients more reliable and efficient", — stated Bernhardt Reutersberg, member of Board, E.ON AG.

"E.ON Group is the major foreign investor in power engineering in Russia; commissioning of CCPP-400 at Shaturuskaya GRES is the first one under the investment program approved by RF Government. Our close cooperation with RF Government which is carrying out the plan for reorganization of energy industry, contributed to successful commissioning of the new power unit ", — stated Sergey Tazin, Director General, E.ON Russia.

This event was preceded by 4,5 years of well-coordinated intense work of Headquarters staff, personnel of Shaturuskaya GRES branch, General Contractor (Consortium of the US General Electric International and the Turkish GAMA) and numerous contractors; during those years, we had to handle challenging engineering and administrative tasks.

CCPP-400, MAIN BUILDING



January, 2010



November 2010, commissioning ceremony

2*CCPP-400 Project, Surgutskaya GRES-2

General contractor (EPC-contractor) for construction of 2*CCPP-400 at Surgutskaya GRES-2 is Consortium of the US General Electric International and the Turkish GAMA.

In 2010, under the EPC-contract, the following basic work was completed:

- Installation of central line equipment , unit 7&8;
- Installation and hydraulic testing of heat recovery steam generators, unit 7&8;
- Chemical cleaning of heat recovery steam generators, unit 7&8;
- Permit obtained for use of complex process equipment, unit 7&8;
- Pre-commissioning started on equipment in unit 7&8.

Work beyond the Y3C scope:

- 220 kV Voltage supplied to standby house transformer -3 for pre-commissioning of integrated metal-clad switchgear -6 KV and BOP switchgear -0,4 kV, in unit 7&8;
- Gas supplied to gas treatment station (GTS-4) for pre-commissioning;
- Pre-commissioning started at unit pump station (UPS-3), GTS-4, water chemical treatment plant (CTP), open switchgear -500 kV.

It is planned to complete all the work in 2011 and put the two CCPP-400 units into operation.

MAIN BUILDING, 2*CCPP-400



January, 2010



January, 2011

CCPP-400 Project, Yaivinskaya GRES

Work under project of CCPP-400 at Yaivinskaya GRES is done by Consortium of the Turkish Enka Insaat ve Sanayi A.S. and Enka Power Systems B.V.

During 2010, the following work was done under the EPC-contract:

- Delivery of the main power unit process equipment;
- Completion of installation of the main equipment along the central line. In October, final alignment of gas & steam turbine and the generator completed. Commencement of pre-commissioning of gas & steam turbine and the generator;
- Completion of stack erection; completion of installation of basic HRSG modules;
- Heat supplied to CCPP-400 infrastructure.

Sites beyond the EPC-scope are done by Corporation Energomashexport, OOO under the general contractor agreement.

Non-EPC scope:

- Completed installation of steel frame of cooling tower;
- Roofing and installation of doors and windows is complete in the building of auxiliary boiler house, relay control board, & boost pump house step-up transformer;
- Completed is the buried portion of solid-cast reinforced concrete foundation for circulating pump station;
- Electrical equipment installed at a portion of open switchgear -220 kV under extension;
- 6 kV voltage supplied to equipment at sites within the EPC-scope for implementation of pre-commissioning work.

It is planned to complete all the work in 2011 and put the CCPP-400 into operation.

GENERAL VIEW OF CONSTRUCTION SITE



January, 2010



January, 2011

STU-800 Project, Berezovskaya GRES (3rd power unit)

In July, 2010 a tender was announced for the right to conclude an EPC-contract for construction of power unit 3 at Berezovskaya GRES on the turn-key basis. By the end of the year offers were received from bidders and negotiations were held.

For the 2011, it is planned to sign the EPC-contract, get the general contractor mobilized, develop the project documentation and commence the work at construction site.

Funding and Disbursement of Capital Expenses in the process of Implementation of the Company Investment Projects

Funding of investment projects mainly came from the proceeds from placement of additionally issued shares and from the Company's own assets.

Below is the data on funding and disbursement of capex for priority investment projects as of the end of 2010 as compared to similar end-2009 data.

PROJECT	FUNDING		DISBURSEMENT	
	AS OF 31.12.2009	AS OF 31.12.2010	AS OF 31.12.2009	AS OF 31.12.2010
CCPP-400, Shaturskaya GRES	65%	87%	55%	86%
2* CCPP-400, Surgutskaya GRES-2	57%	74%	30%	64%
CCPP-400, Yaivinskaya GRES	27%	66%	11%	65%
CCPP-800, Berezovskaya GRES	8%	8%	6%	8%
TOTAL:	39%	59%	25%	56%

Technical Re-equipping and Remodeling of the Operating Facilities

Program of technical reequipping and remodeling planned for 2010 (Hereinafter referred to as TRR) for OGK-4 operating facilities is done with the following extent of completion:

POWER PLANT	TRR PROGRAM COMPLETENESS, %
Surgutskaya GRES-2	65,7
Berezovskaya GRES	107,3
Shaturskaya GRES	101,7
Smolenskaya GRES	95,1
Yaivinskaya GRES	91,9
Heat supply Network at Berezovskaya GRES	97,4
TOTAL for OGK-4	87,4

During 2010 the following work was completed:

Surgutskaya GRES-2	<ul style="list-style-type: none"> • Modernization of power units process protection, unit No. 1,2,4,6 • Modernization of rotor TBB-800-2Y3 with replacement of slot liner and turn insulation; • Modernization of feed pump flow parts in power units
Smolenskaya GRES	<ul style="list-style-type: none"> • Remodeling of ash handling system (completion date in 2011); • Technical re-equipping of gas facilities at power unit No. 3 K-3A, 3B; • Remodeling of station-service gas metering station.
Bereзовskaya GRES	<ul style="list-style-type: none"> • Removal of capacity limitation at power unit No. 2.
Yaivinskaya GRES	<ul style="list-style-type: none"> • Modernization of standby stator of turbo-generator TBB-165-2 with replacement for TG-2; • Bringing of GRES gas supply system in compliance with Industrial gas safety regulations (boiler No.1).
Shaturskaya GRES	<ul style="list-style-type: none"> • Remodeling of industrial and storm water sewer system at the main production site; • Remodeling of steam bypass pipeline, overhead superheater header, outlet header of convection superheater in power unit No. 3.
Heat supply network of Bereзовskaya GRES	<ul style="list-style-type: none"> • Remodeling of heat supply network in the town of Sharypovo, settlement of Dubinino and thermal insulation of heat supply lines.
At all the branches of OGK-4	<ul style="list-style-type: none"> • Improvement of fire safety of cable runs of open switchgear 220 kV with application of fire proof coat OGRAX; • Replacement of high-voltage electric motors and modernization of electric equipment at the Company branches; • Remodeling of buildings and structures at the Company branches; • Remodeling, upgrades and implementation of equipment automation systems at the Company branches.

CAPEX

The Company capital expenses under investment program implementation in 2010 made 26 billion 602 million rubles, including the following areas:

- Technical re-equipping and remodeling (including projects for construction of replacement generating facilities at Surgutskaya GRES-2, Shaturskaya and Yaivinskaya GRES) – 97.7%,
- New build (construction of unit 3 at Bereзовskaya GRES) – 2,2%,
- Acquisition of capital assets – 0,1%

It is planned that in 2011, the Company capital expenses in the framework of investment program will make 29 billion 069 million rubles, which is by 9% higher than the actual level of the year 2010, mostly, due to completion of the two priority projects and commissioning of the new generating facilities at Surgutskaya GRES-2 and Yaivinskaya GRES and commencement of project implementation at Bereзовskaya GRES.

10. PROCUREMENT ACTIVITIES

Basic Provisions of the Company Policy in Procurement Activities

Basic provisions of the Company Policy in Procurement Activities are reflected in Regulation for OGK-4 Procurement which was approved by resolution of the Board of Directors on January 28, 2010.

This regulation describes standard business processes to support OGK-4's production demands and contains links to the other internal documents of the Company. The Regulation contains obligatory rules applicable to acquisition of goods, work and services, software licenses including definition of limits of responsibility and description of procurement process.

Procurement process and procedures described in this regulation are designed to ensure appropriate and efficient expenditure of OGK-4 monetary assets. The purpose of procurement procedure is selection of vendors, contractors and service providers on competitive basis. Thus, optimum economic environment for procurement is ensured: compliance with the customer's requirements, timeframe, quality and optimum price.

Regulation for OGK-4 Procurement proscribes the following basic principles and approaches to procurement activities:

- Creation of competitive environment: best procurement results are only possible with market competition.
- Implementation of procurement in compliance with the annual complex procurement program (ACPP), which is the main procurement plan of the Company.
- Usage of tender procedures as the main means of procurement of work/service and logistics.
- Making decision on vendor selection according to "four eyes" principle (decision is always taken by procurement officer in chief in coordination with procurement initiator).

Responsibility for realization of procurement process in the Company rests with Department for organization of procurement. Its basic functions are planning, organization and implementation of procurement procedures; monitoring of procurement activities at the Company branches. In addition, Department for organization of procurement carries out activities aimed at strengthening the market position by way of consolidation of needs and ensures unification of procurement processes and defines unified model of behavior in competitive environment.

In doing so, Department for organization of procurement closely interacts with subdivisions initiating procurement, participates in uniting commercial and technical interests of E.ON Group.

In pursuing procurement activities, Department for organization of procurement of OGK-4 takes into account all the newest standards and best practices of E.ON Group.

Basic Results of Procurement Activities of the Company in 2010

2010 PROCUREMENT UNDER ACPP BROKEN DOWN BY INITIATOR OF PROCUREMENT			
	Number of procurement procedures, it.	Total value, thousand rubles	Share, %
Surgutskaya GRES-2	626	1 222 158,77	22,0%
Bereзовskaya GRES	1 098	680 337,48	12,2%
Shaturskaya GRES	744	384 489,28	6,9%
Smolenskaya GRES	578	265 682,25	4,8%
Yaivinskaya GRES	523	349 658,96	6,3%
Heat Supply Network of Bereзовskaya GRES	120	27 928,29	0,5%
Moscow Office	509	2 629 697,47	47,3%
Total for OGK-4	4 198	5 559 952,52	100,0%

In support of the Company production activities in 2010, procurement officers of OGK-4 carried out 4 198 procurement procedures to the total value of 5 559 952,52 thousand rubles (net of VAT).

In the overall number of procurement procedures, 199 items to the total value of 1 221 976,35 thousand rubles

were carried out in the framework of OGK-4 investment projects.

In 2010, 700 procedures were single source procurements to the amount of 1 834 277,47 thousand rubles (33% of the overall number of procurements). All the other cases were done through "request for proposal".

2010 PROCUREMENT UNDER ACPP BROKEN DOWN BY CATEGORIES	SHARE, %
Repairs, maintenance, installation and reconstruction of equipment	20,81
Electrical work	10,47
Administrative and maintenance services	7,79
Construction, repairs, maintenance and remodeling of buildings and structures	7,19
General construction work	6,92
Engineering and design, survey work	6,33
Outside IT services	5,86
Boiler , heat exchange equipment	5,30
Construction, repairs and upgrades of security systems	4,30
Services in the area of PCS and I&C	2,98
Transportation services	2,40
Electrical equipment	1,94
Other categories (25)	17,72
Total for OGK-4	100,0

2010 PROCUREMENT UNDER ACPP BROKEN BY TOTAL VALUE	SHARE, %
less than 5000 Euro	2,36
5000 - 100 000 Euro	24,14
100 000 - 1 000 000 Euro	49,33
Over 1 000 000 Euro	24,17

Difference between the price of initially submitted most favorable comparable proposal and the cost indicated in

procurement contract (contribution to the Company value) totaled in terms of money 332 534, 37 thousand rubles.

11. INFORMATION TECHNOLOGIES

OGK-4's priority in the area of IT is maintenance of continuous operation and development of IT-systems important for the business with the aim of boosting up the Company's competitive ability and providing support of the process of commissioning of new generating facilities.

In 2010 IT service started projects for construction of comprehensive system of financial planning on IBM Cognos TM1 platform, integrated with procurement planning and control system into Unified Automated Financial and Economic Management System (UAFEMS). Implementation of these projects will make it possible to complete creation of comprehensive research and information environment in the Company in order to enhance the decision making process and ensure its maximum transparency.

The Company carried out upgrades of process monitoring system (PMS), which collects and processes online information from various automated process control systems (PCS). To support trade operations at power wholesale market we started the project for construction of energy trading system — the system to forecast price and manage portfolio.

Also, in 2010 a lot of attention was paid to enhancement of infrastructure reliability and safety. As a result, we gave start to such projects as construction of a unified users support system, intrusion detection system, data protection system and detection of sensitive information leaks; we also commenced the work on construction of a unified system for identification data control and resource access.

In the framework of support of software efficient application and its correspondence with business processes, the Company implements the Software Asset Management (SAM) technology. This technology will let:

- Minimize and control legal and financial risks of software application;
- Ensure submittal of consolidated up-to-date information with regard to the available software and requisite licenses.

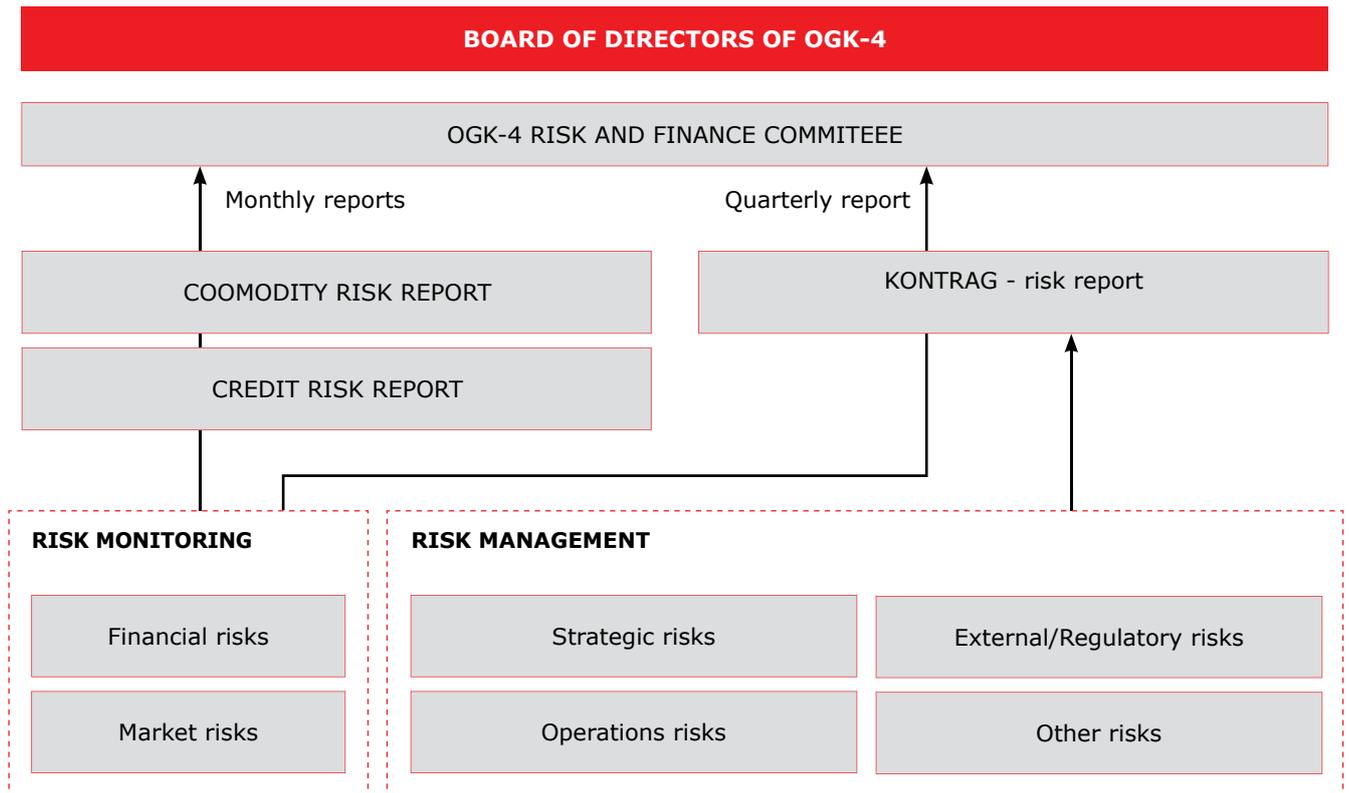
In the framework of investment activities, the following work was implemented in 2010:

- Upgrades of information infrastructure within the requirements as established by E.ON Group standards in IT area;
- Installation of external telecommunications system for the new CCPP-400 with inclusion into the unified station service, dispatch and paging system of Shaturskaya GRES branch;
- Fail safety enhancement on server level of Automated information and fiscal metering system;
- Upgrades of backup data system;
- Upgrades of process data exchange system as per the requirements of system operator;
- Replacement of obsolete and disabled computer and office equipment.

12. RISKS AND RISK MANAGEMENT SYSTEM

Risk management system is an integral part of production processes and decision making in the Company. At OGK-4 this system includes several components which are parts of the Company management

system and are integrated into the Company's production processes. The Corporate governance system can be presented as follows:



Key components of risk management system are as follows: the Company strategy, internal regulating documents of the Company, accounting system, controlling and planning systems; internal control and auditing system; accounts made up as per the Control act and requirements of corporate transparency (company control and transparency law, KonTraG), as well as availability and functioning of Committee for risks and finance under the Board of Directors of OGK-4.

Risk management system was formed to identify risks and timely take the counter-measures. To keep the planning, control and reporting system effective, the Company regularly updates them. Besides, internal audit subdivision (an external company) regularly assesses risk management system efficiency.

RISK INSURANCE MANAGEMENT

E.ON Risk Consulting GmbH is an affiliate of E.ON providing services in OGK-4 risk insurance management in the key areas of insurance: property insurance and liability insurance. E.ON Risk Consulting GmbH is engaged in development and optimization of decisions in operational risks management using insurance and similar tools. Besides, this company provides for the necessary quality of insurance coverage in international reinsurance markets.

RISK AND FINANCE COMMITTEE UNDER THE BOARD OF DIRECTORS

BoD Risk and Finance Committee was formed in accordance with E.ON. Group corporate standards. The Committee unites the Company management and representatives of key subdivisions in charge of management of financial activities, credit and commodity risks, and ensures implementation of credit and commodity risk management strategy which is approvable by the Board of Directors.

COMMODITY RISKS

Risks related to change of commodity prices can arise in the process of commercial operations of the Company. Basic elements of risk control in this sphere, aside from availability and implementation of the above regulatory documents and reporting systems, are quantitative assessments, risk limitation and very clear delimitation of functions between subdivisions.

REGULATORY RISKS

Russian wholesale power market constantly undergoes changes as a result of which the wholesale market structure changes as well as relations between the market players.

According to the Company estimates, an important risk in the power industry that can considerably affect OGK-4 performance is the risk of change of parameters of power and capacity market liberalization. In conditions of current tariff regulation the regulating authorities can establish low tariffs for the Company effective capacitance. As the required investments are not taken into account in the tariff in full scope, this prevents production facilities from modernization and extension. At the same time, the share of regulated sector remains

considerable (up to 35%). Alongside with it, at capacity market there currently exists a situation when instead of capacity market price there have been introduced the price caps and it is planned to cancel capacity price indexation with regard to 2010 price.

OPERATIONAL RISKS

The Company pays much attention to ensuring fuel security for its power stations. OGK-4 tries to upgrade fuel efficiency and improve fuel consumption indicators at all the power stations due to equipment upgrades. Besides, the Company investment program provides for commissioning of new combined cycle facilities with application of new technologies and efficiency factor of not less than 55 per cent which is in line with the world standards in thermal power engineering.

INVESTMENT RISKS

In the process of implementation of investment programs the Company might face a risk of grid limitations in supplying the capacity to the unified power system; these risks might be connected with unavailability of sufficient grid infrastructure with Federal Grid Company. That is why to provide for the possibility of supplying the Company's new capacity to the Russian grid system, the Company has been investing into development of the necessary grid infrastructure.

EXTERNAL RISKS

An important category is the risks associated with season nature of power demand and considerable daily fluctuations of demand. Results of OGK-4 operation in unregulated segments of market and location of the Company's power stations in the regions of expected growth of power demand let us consider that the Company will carry on working effectively in conditions of continuous market liberalization.

The existing risk of change in power demand will go up if the RF economy recovers at a slower pace after the world finance crisis with decline in manufacturing output and decrease of power consumption. This type of risk is high for Shaturskaya, Smolenskaya, Yaivinskaya and Berezovskaya GRES. Surgutskaya GRES-2 operating in base load mode is less exposed to this risk.

LEGAL RISKS

Considering unstable nature of the Russian tax legislation, as well as different concepts of tax law interpretation by tax authorities and arbitration courts, there are risks of claims against the Company from the tax authorities. Upon the results of tax audit by tax authorities, additional taxes, penalties or fines can be charged.

The Company continuously monitors the changes in requirements of the current legislation and manages legal risks associated with its activities. Among the legal risks, special attention shall be paid to those connected with OGK-4's joint and several liability under the debts of energy companies from which the power plants segregated which are now constituents of OGK-4.

FINANCIAL RISKS

The Company is minimizing financial currency risks by concluding forward contracts and opening deposit accounts in foreign currency. The Company manages credit risks by way of assessing contractors for trustworthiness, establishing and controlling limits for operations with financial institutions.

Due to existing risk management system, the Company follows up on identification of emerging risks, their adequate assessment and placing under control. However, there is still a possibility of emerging of a risk which is currently unknown or insignificant. In future, such risks can exert negative influence upon OGK-4 performance.

In its practice, OGK-4 is forced to supply power to several RF regions which pay for power consumption either with delays or not in full thus increasing OGK-4 accounts receivable.

13. CORPORATE AND SOCIAL RESPONSIBILITY

In doing business, the Company proceeds from a concept that generation of electric and thermal power is crucially important for sustainability of the regions where it operates and for functioning of the economy, nationwide. That is why key principles of corporate responsibility are guarantee of continuous supplies of electric and thermal power, strict observance of law and contributing to the development of employees and social and economic development of the regions of Company presence. The Company practices responsible attitude to employees, consumers, suppliers, environment and society.

Employees: Structure and Social Policy

OGK-4 is striving to use and develop its employees' potential to full extent; the Company respects their work and wish to feel socially protected. The Company treats its employees as a very valuable resource without which not a single strategic target can be attained and even with all the other constituents available efficient operation is impossible.

HR system covers the whole range of hiring and staffing, for all categories of personnel: from the level of workers, clerks, specialists to the top management. OGK-4 activities in this area are regulated by a package of internal documents which ensure transparency and fairness of staffing decisions and grading. In HR practice, data about personal accomplishments, experience and aspirations of each employee is taken into account by all means.

TARGET VALUES, ORG CHARTS for CCPPs

In 2010, staff headcount target values were identified for the Company branches with due regard to optimization of staff headcount in 2009 and increase of staff target values for Surgutskaya GRES-2 starting with 15.12.2010 in connection with the opening of centralized repair shop.

Within staff headcount target values for branches Surgutskaya and Shaturskaya GRES-2, org charts of steam and gas turbine shops were developed and manning tables of steam and gas turbine shops were made up – for Shaturskaya GRES – from 15.06.10 and for Surgutskaya GRES-2 – from 01.08.10.

In the new shops, well-trained qualified personnel are working; teaming was done from experienced specialists.

STAFF HEADCOUNT

As of December 31, 2010 OGK-4 payroll¹⁷ counts 4 thousand 588 persons, including:

- Number of employees involved in the Company core business: production and non-industrial personnel – 4 thousand 497 persons;
- Number of employees involved in investment projects implementation – 91 persons.

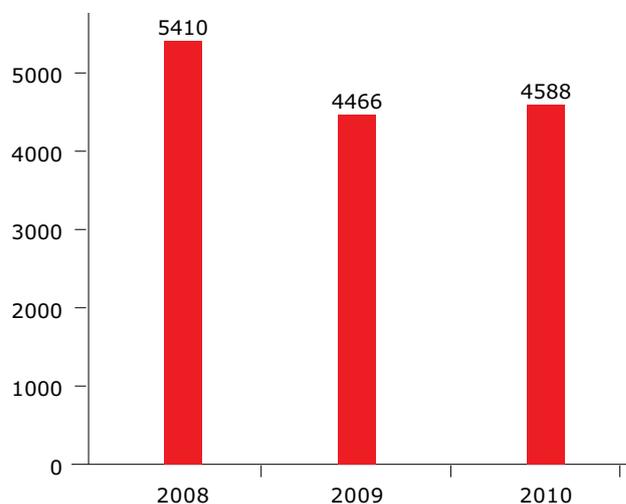
¹⁷ Company Payroll means the overall number of employees, i.e. the total number of employees who have labor contracts with the Company.

Dynamics of OGK-4 staff headcount as of the end of period 2008-2010

Dynamics of change in OGK-4 headcount with due regard to personnel engaged in realization of investment projects for the period from 2008 through 2010 is shown in the graph:

Growth of the Company headcount occurred due to hiring to the newly organized centralized repair shop at branch Surgutskaya GRES-2.

One of the most urgent HR tasks is formation of age-balanced staff composition. This concept will promote transfer of unique knowledge, technologies and sharing traditions. Below is OGK-4 staff age profile.



STAFF AGE PROFILE

Category	Persons	%
Under 25 y.o.	252	5,5
26 - 40 y.o.	1 639	35,7
40 - 55 y.o.	2 337	50,9
Over 55 y.o.	360	7,9
TOTAL	4 588	100,0

TRAINING AND PERSONNEL DEVELOPMENT

The majority of OGK-4 employees (over 80%) have secondary and higher professional education

QUALITATIVE PROFILE OF STAFF (LEVEL OF PROFESSIONAL TRAINING)

Category	Persons	%
Secondary and /or general education	842	18,4
Primary and /or secondary vocational education	1 856	40,5
Higher professional education	1 868	40,7
Postgraduate vocational training	22	0,5
TOTAL	4 588	100,0

In 2010 the Company continued the process of personnel training for implementation of investment projects. The majority of OGK-4 personnel are highly qualified specialists with extensive record of service in energy industry.

For implementation of the Company's investment projects we require professionals with adequate training for operating highly automated equipment. The process of professional training of such specialists is time consuming and expensive that is why the staff of power units under construction is formed on a stage by stage basis, with engaging the best qualified GRES specialists.

In 2010, in accordance with the previously developed documents, personnel of Shaturskaya GRES who will operate CCP-400 received training in industrial safety. Upon training completion, Rostekhnadzor certificates were given to the trainees. Programs approved by Rostekhnadzor are used for advanced professional training both for workers and managers/specialists. In March 2010 operations personnel of Shaturskaya GRES branch received training in the UK and visited Connah's Quay power plant.

In 2010 special HSE was in our special focus. In March 2010 training course under Leaders in Safety program was given at Surgutskaya GRES-2 and Shaturskaya GRES branch. In total, 30 persons received training, including line managers from the Company branches, managers and specialists from Headquarters as well as chief HSE managers.

In 2010, 1972 persons received training; of them, 1503 received compulsory training; 160 persons took a course of English and 309 persons received advanced professional training in many areas of activities.

Besides, the Company practices training under E.ON. Group programs. In 2010 26 persons took an intensive business management course at Corporate training center of E.ON Academy in Moscow on the basis of MSU Graduate School of Business Administration.

STAFF INCENTIVES

In 2010 the Company developed and concluded Collective labor agreements for 2010-2011 and signed Regulations for labor remuneration at Berezovskaya GRES, Smolenskaya GRES, Shaturskaya GRES, Yaivinskaya GRES, Heat supply network of BGRES. At Surgutskaya GRES-2, 2007-2010 Collective labor agreement was amended and extended till 31.12.2011.

Regulatory documents (Collective labor agreements and Regulations for labor remuneration) were developed on the basis of Labor Code of the Russian Federation and energy industry tariff agreement for 2009-2011 as well as proceeding from unified regulatory principles for social and labor relations with due regard to Company branch regional specifics. Collective labor agreement is a legal act which establishes rights and responsibilities of the Parties to social partnership. The signed collective labor contracts are based on principle of equality, respect and consideration of rights and legitimate interests of employers and employees in social partnership.

Remuneration payable to the Company employees consists of two portions: fixed and variable. The fixed value is established depending on employee's qualification and position he/she holds; spot bonuses payable depend on specific results of work.

For several employees, E.ON incentive system is applicable, and annually for these employees individual benchmark efficiency indicators are established; these key performance indicators are entered in Efficiency management forms. For the rest of staff, remuneration system under Collective labor contracts applies.

In 2010 the Company carried out comparative analysis of the average labor remuneration paid to employees. The survey results proved that the size of average salary paid to employees of OGK-4 branches is mostly on the same level as the salary paid at power generation / distribution enterprises and gas and water supply entities in the regions of OGK-4 branches location.

For individual job positions and for certain OGK-4 employees labor remuneration was adjusted for specifics of regional market of employment and personal significance for the Company. Besides, starting from 2009, based on the results of headcount optimization in 2009, employees of the Company branches receive additional payment for execution of additional work.

As a result of the above measures, in 2009-2010 rate of labor compensation growth averaged for 1 person exceeded the rate of growth of minimum monthly tariff as established by energy industry tariff agreement, while the Company salary fund has been growing at a lower rate

NON-GOVERNMENTAL PENSION PROVISION

OGK-4 treats non-governmental pension provision as a tool to boost up the income for pensioned-off employees and establish long-term labor relations. The system of non-governmental pension provision was started in the Company in December 2005. It includes two basic pension plans: a corporate plan and a parity plan (from 2007). Under the corporate plan for the Company branches, as of 31.12.2010, 1115 persons receive non-governmental pension payments from non-governmental pension fund of the energy industry.

The parity plan of the Company lets the employees accumulate pension payments to augment their future pension value. As of the end of 2010, the number of persons participating in non-governmental pension system under the parity plan makes 1 thousand 519 persons which is 33% of the total OGK-4 employee headcount. In 2011 the Company will go on attracting employees to participation in parity pension program.

CORPORATE SUPPORT AND ASSISTANCE TO OGK-4 EMPLOYEES IN HOUSING IMPROVEMENT

With the purpose of implementation of corporate support and providing assistance to OGK-4 staff in improvement of their housing, in 2010 the Company approved the list of employees in need of housing improvement and identified the amount of funding for this purpose for the year 2010.

In the first place, this program is for:

- Young professionals with work experience who have proved themselves in professional activities and were included into talent pool;
- Experienced specialists selected for operation at CCPP for their high professionalism;
- Employees with long service record in power engineering industry who successfully passed performance attestation and confirmed their qualification.

In 2010 corporate support in improvement of housing was rendered to 41 employees at the Company branches. With all the program participants, the Company concluded interest-free special-purpose loan agreements for purchase (construction) of housing and contracts for payment of bank interest under real estate loans; loans received.

Occupational Health and Industrial Safety

During 2010 at OGK-4 branches there were 6 industrial injuries of own personnel, with lost time (6 LTIs) (Shaturskaya GRES - 1 injury, Surgutskaya GRES-2 – 2 injuries, Smolenskaya GRES - 1 injury, Berezovskaya GRES – 2 injuries).

1 LTI relates to a contractor employee ("ATP" ZAO, Surgutskaya GRES-2) and 9 LTIs at new build sites (Surgutskaya GRES-2 – 3 LTIs, including 2 fatalities, at Shaturskaya GRES – 3 LTIs, at Yaivinskaya GRES – 2 LTIs, at Berezovskaya GRES – 1 LTI).

In 2010 there was one injury that caused invalidity (at branch Berezovskaya GRES) and 1 injury of a contractor employee (new build, branch Shaturskaya GRES) which required medical assistance in the scope over the first aid.

In 2010, the total number of recordable incidents was 18, of which 7 are own personnel cases and 11 are contractor-related incidents (of which 10 are new build cases).

In 2010, OGK-4 showed the following indicators:

Total recordable incident frequency (TRIF), annual - 0,91, of which:

- TRIF, own personnel = 0,93;
- TRIF, contractor personnel (repairs) =0,41;
- TRIF, contractor personnel (new build) =1,01;

Work on prevention of injuries of own personnel, personnel of contractor entities and other persons at the Company sites was carried out in accordance with Program of activities for industrial injury prevention at the Company branches, for OGK-4 contractors, including those working at new generation construction projects which was approved by Director General; and in accordance with OGK-4 occupational safety and Safety Improvement Plan for 2010.

2010 was proclaimed the year of "Safety Work at Height" for OGK-4 own personnel. In 2010, there were no own personnel injuries in category "fall from height". All the occupational safety activities planned for the year 2010, were implemented.

During 2010 occupational safety expenses grew by 46 million rubles (by 47%) totaling 143,6 million rubles against 97,6 million rubles in 2009. The funding was disposed in the following manner:

- For implementation of sanitation at production facilities to prevent illness occurrence at work — 63 million rubles;
- For implementation of measures for general improvement of work conditions – 24,8 million rubles;
- For implementation of accident prevention — 29,1 million rubles;
- To supply employees with individual protection equipment — 26,7 million rubles.

OGK-4 operates 46 production facilities registered with the state register of hazardous production facilities in accordance with Federal Law "On industrial safety of hazardous production facilities".

All hazardous industrial sites are insured in accordance with "(Standard) rules for general liability insurance for organizations operating hazardous industrial facilities against causing injury to life, health or damage to property of a third party or environment as a result of an emergency or accident at a hazardous industrial facility".

Monitoring of operation of hazardous industrial facilities at the Company branches is organized as per "Regulation for industrial control over compliance with industrial safety requirements at OGK-4 hazardous industrial facilities" approved by OGK-4 Director General on 0.09.2010 and coordinated with acting Head of North-Urals department of Rostekhnadzor, Federal Service for process, environmental and atomic supervision on 23.09.2010, which is exercised in 4 stages according to the annual plan of production control.

Environment Protection

Protection of environment and indicators of environment impact made by OGK-4 branches reflect the Company aspiration to take up the position of the leading Russian power and heat supplier with responsible attitude to environmental protection and quality of life of the population in the regions of the Company business activities.

We are striving to minimize the impact of our activities onto the environment. OGK-4's ecological policy is the basis for a long-term commercial success in the competitive environment. In 2010, in the area of environment protection, OGK-4 focused its efforts on implementing the Company environment policy which was approved in 2009.

Thus, under one of directions of our environment policy, in 2010 the Company actively participated in implementation of Joint Implementation Projects under article 6 of Kyoto protocol. In 2010 the Company completed construction of the new power unit on the basis of high-efficiency 400 MW steam and gas plant at Shaturskaya GRES. CCPP Power unit of Shaturskaya GRES is the first Russian project to receive UNO approval under the auspices of Kyoto protocol. High efficiency factor of the new power unit makes it possible to reduce greenhouse gas emissions by more than 1 million ton of CO₂ by the end of 2012 r.

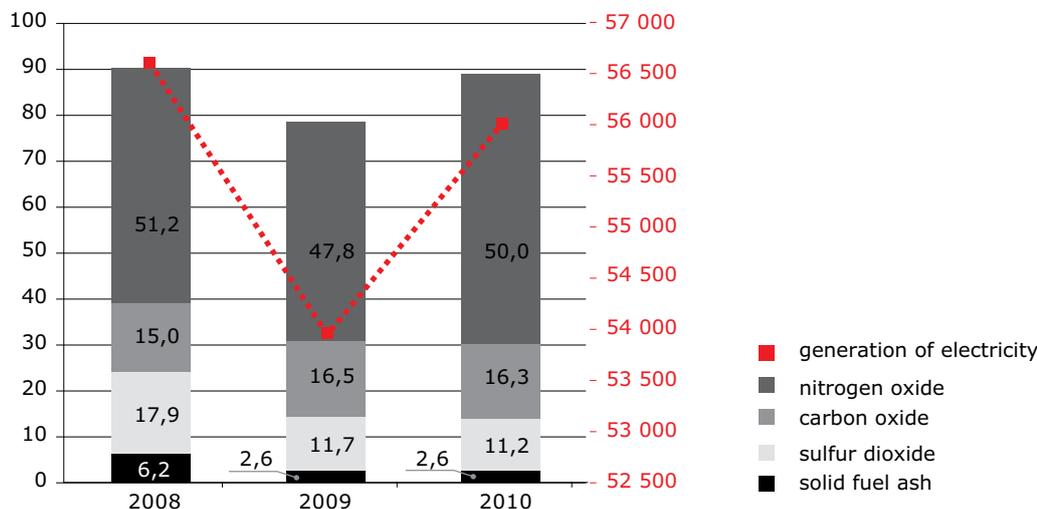
Due to application of the state of the art technologies in construction of power units at Surgutskaya GRES-2, Yaivinskaya and Shaturskaya GRES, E.ON & OGK-4 will be able to reduce CO₂ emissions by approximately 4,3 million ton by 2012. After Shaturskaya GRES project it is planned to register two more projects as Joint Implementation Projects under Kyoto protocol: 2 CCPP-400 at Surgutskaya GRES & CCPP-400 at Yaivinskaya GRES.

In 2010, with the purpose of more extensive usage of ash and slag wastes OGK-4 started design work for reclamation of ash dump site No. 1 at Berezovskaya GRES with the use of ash and slag wastes from ash dump site No. 2 and 3. This project is carried out in the framework of stage 1 of the Company program for switching Berezovskaya plant over to dry ash handling system. Implementation of this project will ensure long-term dumping of ash wastes with application of the most ecologically acceptable technologically reliable and economically feasible technologies which will result in considerable enhancement of the environmental efficiency of the power station. Moreover, implementation of this project will provide for the possibility of supplying 100% of dry ash to consumers.

In 2010 OGK-4 carried out several measures to reduce the negative environmental effects of the Company's operations. For instance, at Smolenskaya GRES we are nearing completion of ash dump area reconstruction; at Shaturskaya GRES under way is reconstruction of industrial and storm water sewage system at a section of the main production area (work to be completed in 2011), at Surgutskaya ГРЭС-2, in the framework of implementation of investment project for construction of two CCPP-400, storm water treatment plant was commissioned, bank pitching was done at water storage basin.

At all the branches, water protection belt at water basins were cleaned; hydro-technical and fish protection facilities were maintained in good order.

Level of emissions during 2008-2010



Extent of environmental impact of the Company's activities depends on many factors — technology of electric and thermal power generation, condition of equipment and structure of the used fuel, on application of the products of scientific and technical developments in the industry, and others.

For OGK-4 as a whole, in 2010, with growth of electric power and heat generation by 3,6% gross emission of polluting agents into atmosphere increased insignificantly, from 80,2 thousand ton in 2009 to 81,8 thousand ton, that is, by 1,6 thousand ton or 1,8%. Specific emissions of pollutants from power generation reduced from 1,49 g/kW h in 2009 to 1,46 g/kW h in 2010, that is by 0,03 g/kW h or 2,0%. Reduction of the

amount of specific emissions is mainly associated with the increase of power generation by the Company power stations using natural gas and associated petroleum gas and decline of coal-fueled power generation as well as commissioning, in the end of 2010, of the CCPP-400 unit at Shaturskaya GRES.

Nearly 99 percent of water for the Company needs is taken from surface water bodies (rivers, lakes). Share of water from artesian wells and water supplied by local public utilities, makes 0,5% of the total volume of all the water used by power stations. Growth of water volume used for production purposes in 2010 is connected with growth of power generation. Volume of circulating water remained practically the same.

LEVEL OF EMISSIONS DURING 2008-2010				
Indicators	UOM	2008	2009	2010
Gross emissions into atmosphere, total	thousand ton	92,3	80,3	81,8
ash from solid fuel	thousand ton	6,2	2,6	2,6
gaseous and liquid	thousand ton	86,1	77,7	79,2
of them				
sulphur dioxide	thousand ton	17,9	11,7	11,2
carbon oxide	thousand ton	15,0	16,5	16,3
nitrogen oxide	thousand ton	51,2	47,8	50,0
CO ₂	thousand ton	34 777,8	32 176,3	32 834,2
CO ₂	g/kW h	613,6	596,4	587,0
Ash and slag wastes	thousand ton	318,9	236,2	241,7
Circulating water volume	million m ³	7 006,7	6676,2	6 740,8
Electric power generation	million kW h	56 676,2	53 947,6	55 936,5

Charity

OGK-4, in the process of power and heat generation, produces a certain amount of production wastes of hazard class 1-5 (first and foremost, ash from coal combustion, hazard class 4-5). Ash and slag wastes from coal firing make more than 90% of the overall amount of wastes and are dumped at the Company's own ash and slag dump sites. Total area of land allocated for ash dumping, is about 460 hectare. Ash and slag wastes are transported to dumping sites via hydraulic ash handling system which prevents negative impact of ash wastes on the environment during transportation.

Amount of wastes is directly related to the power plant fuel mix. In 2010 amount of production wastes was 254,0 thousand ton, of which 241,7 thousand ton was ash and slag. As there is no demand for ash and slag materials in the regions where the Company operates, thus the degree of their recovery is extremely low. Over the previous years of operation of power stations using solid fuels, about 13,19 million ton of ash and slag wastes accumulated at the Company's ash dumping sites.

Waste disposal fee is the most significant payment related to environmental impact. In 2010 the Company branches paid about 35 million rubles (70% of all the environmental payments) for production waste disposal.

The current environmental performance indices of power stations and projects implemented by the Company in this area characterize the ecological situation at OGK-4 branches as favorable. Amount of emissions and discharges of pollutants and the amount of wastes dumped by the Company power plants has always been lower than the established limits. Compliance with these standards lets the Company keep the environmental pollution charges on the minimum level.

As part of E.ON Group, OGK-4 has introduced several social and charity initiatives.

Management Board of OGK-4 specified the following directions in charity activities:

- Programs of support to citizens in difficult life situations;
- Rendering assistance to institutions for children;
- Funding of medical institutions;
- Promotion of sports in regions of the Company presence.

In 2010 expenses for aid projects totaled about 41.96 million rubles.

With regard to aid to children's institutions, in 2010 the Company procured specialized typhlo-technical equipment for blind children educated at school No. 1 in Shatura; a new computerized classroom with Internet access was equipped for training of visually impaired children.

In 2010 OGK-4 took part in "Donate a Book" program organized by foundation "Illustrated books for blind young children"; under the program, 92 visually impaired children from Moscow, Shatura and Smolensk received subscription to color illustrated textured relief books "Atlas of perception of illustrations".

The Company 2010 aid program included support of children's institutions of Smolensk region — Ozernenskaya secondary school No. 1, kindergarten "Kolokolchik" (bellflower) and kindergarten "Skazka" (fairy tale). The pecuniary aid was spent by these institutions for cosmetic repairs in the classrooms, acquisition of children's furniture and replacement of emergency entrance doors. The Company has been providing aid to school of sport and technical modeling in the settlement of Ozyorny. The school has been working since 1975. More than 60 children attend school on permanent basis. The school offers membership in various hobby clubs: car-modeling, plane modeling and boat modeling. Members of these hobby clubs take part in international and regional contests and take prizes. Monetary aid provided by Smolenskaya GRES is used to buy spare parts for models and to fund contest trips.

Employees and the Company are implementing several major projects providing aid to orphan children and disabled children. In Moscow region, OGK-4 supported construction of a football site for Tugolesky orphanage. Inmates of orphanages and infant shelter facilities in the regions of the Company presence receive Christmas gifts from OGK-4. Every year, Smolenskaya GRES conducts "The Brightest Christmas Tree" festival in

social rehabilitation institution "Lastochka" (swallow). In the town of Sharypovo, employees of Berezovskaya GRES collected clothes for children and office supplies for kids from low-income families under the town initiative "Help them go to school". In addition, with the use of funds raised by power engineers computers were procured for computer classroom in children's leisure club "Raduga" (rainbow). In the club, volunteers work with children from problem families of the town of Sharypovo.

In 2010 new furniture was procured for school No. 8 in the town of Sharypovo, which is attended mostly by children of the power station employees. In 2011 it is planned to open an "energy class" at this school where children will study an extensive course of physics and electrical engineering. In order to implement this task, in 2010 the school received funding for renewal of educational and laboratory equipment in physics study room and equipment for video presentations.

In 2010 the second engineering and technology class graduated from school No. 19 in the town of Surgut. This class curriculum focuses on in-depth study of physics and maths. Four top-achievers of this class are provided with tuition assistance for the course at the Urals state technical university and upon graduation, the Company will provide them with employment at the power station. Also, at inter-school training facility No. 1 in the town of Surgut, future specialists master such subjects as electric engineering, controls and instrumentation and automation. Besides, volunteers-employees of Surgutskaya GRES-2 conduct an elective course for students covering such subjects as power conservation, industrial safety and industrial ecology.

One of the Company's priorities is also promotion of sports and popularizing of healthy living among the employees. In order to foster unified culture and propagate healthy lifestyles OGK-4 holds summer and winter sport events every year, a.k.a. spartakiads. Not only the Company employees but also their families are encouraged to participate. In 2010, with OGK-4 support, a fitness center was equipped at school No. 4 in Shatura; now not only schoolchildren but also the power station employees can use this fitness facility.

In 2010 OGK-4 became the title sponsor of basketball club "University-Yugra" (in Surgut, Khanty-Mansi Autonomous Territory –Yugra). Khanty-Mansi Autonomous Territory –Yugra is one of a few regions of the country that has a basketball team playing in super league; a team with a thirty years long history and extensive traditions. BC "University-Yugra" is twice the bronze medalist of the Championship of Russia among men teams in Super league and three-time champion of Russia among student teams.

The Company organizes Surgutskaya GRES-2 championships in running. In 2010, there was the 15-th race called "The Ring of Surgut" at which about 100 athletes from all over Urals Federal District got together to compete in running a distance 15.9 km long.

The Company also allocates funding for providing aid to hospitals. Thus, in 2010 OGK-4 transferred 23,5 million rubles to Shatur'skaya central regional hospital for repairs, acquisition of two artificial respiration units and modern X-ray graphic and ultrasonic equipment. In 2010 funds were also allocated for acquisition of computer equipment for reception office of Krasnoyarsk regional cancer center to give a possibility to residents of the town of Sharypovo and Sharypovsky region to make appointments with oncologists via internet.

Our Company does not forget about WW II veterans and veterans of labor who worked at the power station. OGK-4 regularly provides funding for organization of parties and offers individual welfare assistance. Thus, on the occasion of the 65-th anniversary of Victory all the veterans who were pensioned off from the power station received lump-sum donations.

Implementing various charitable projects OGK-4 demonstrates that it is a socially responsible company.

14. CONTACT DATA

General Information

Full commercial name: Open Joint Stock Company "Fourth Generating Company of the Wholesale Electricity Market"

Short commercial name: OGK-4, OAO

Location: 23 bldg. 34 Energostroiteley street, Surgut, Khanty-Mansi Autonomous Territory, Tyumen Region, RF

Postal Address: 123317, Moscow, 10 block B Presnenskaya Emb., Moscow

Telephone: (495) 545 38 38

Fax: (495) 545 38 39

www.ogk-4.ru

E-mail: ogk@ogk-4.ru

Persons in charge of Work with Shareholders

Shcheglova, Galina Sergeyevna

Telephone: (495) 545 38 46

Kazakova, Tatiana Vladimirovna

Telephone: (495) 545 38 38, ext. 4870

Fax: (495) 545 38 39

E-mail: IR@ogk-4.ru

Press Service

Druzyaka, Evgeniy Valerievich

Martynova, Anna Nikolayevna

Telephone: (495) 545 38 38, ext. 4924

Fax: (495) 545 38 39

E-mail: PR@ogk-4.ru

Registrar Data

Full commercial name of the new Registrar: Open Joint Stock Company "Registrar R.O.S.T."

Short commercial name: "Registrar R.O.S.T.", OAO

License for carrying out activities associated with maintenance of register No. 10-000-1-00264, issued by FCSM (FFMS) of Russia on 03.12.2002.

Legal address: 18 bldg.13 Stromynka Street, Moscow, Russia

Postal Address: 18 bldg.13 Stromynka Street, Moscow, Russia

Telephone: (495) 771-7335, (495) 771 73 36

Fax: (495) 771 73 34

www.rrost.com

E-mail: rost@rrost.ru

Auditor Data

Full commercial name: Closed Joint Stock Company "PricewaterhouseCoopers Audit"

Member of non-commercial partnership "Audit Chamber of Russia" which is an auditors' self-regulating organization; registration number 870 in the register of members of Audit Chamber of Russia".

Main registry number of entry in the register of auditors and audit organizations — 10201003683

Location: 125047, 10 Butyrsky Val Street, "White Square" Business center, Moscow, Russia

Postal Address: 125047, 10 Butyrsky Val Street, Moscow, Russia

Telephone: (495) 967 60 00

Fax: (495) 967 60 01

www.pwc.com

ATTACHMENT 1

OGK-4 ACCOUNT STATEMENTS, 2010. REVISION COMMISSION REPORT.

OGK-4 Account Statements, 2010

Below is the text of audit report by "PricewaterhouseCoopers Audit" ZAO with regard to OGK-4 2010 accounting records. These accounting records are not included in this annual report in full scope. The audit report is applicable only to OGK-4 2010 accounting

records in full scope. The full text of OGK-4 2010 accounting records can be found at the Company website www.ogk-4.ru in section "Shareholders and Investors – Economics and Finance".



Auditor's Report

To the Shareholders of Open Joint-Stock Company «Fourth Generation Company of the Wholesale Electricity Market»:

Client

Open Joint-Stock Company « Fourth Generation Company of the Wholesale Electricity Market ».

Certificate of inclusion in the Unified State Register of Legal Entities regarding the legal entity registered No. 1058602056985 issued by the Inspection of Federal Service of Taxation in Surgut Khanty-Mansiyskiy autonomous national area – Yugra dated March 04, 2005.

Energostroiteley str., 23, build.34, Tumen region, Khanty-Mansiyskiy autonomous national area – Yugra, Russian Federation, 628406.

Auditor

ZAO PricewaterhouseCoopers Audit (ZAO PwC Audit) located at: 125047, Russian Federation, Moscow, Butyrsky Val, 10.

State registration certificate No. 008.890, issued by Moscow Registration Bureau on 28 February 1992.

Certificate of inclusion in the Unified State Register of Legal Entities regarding the legal entity registered before 1 July 2002 No. 1027700148431 issued by Interregional Inspectorate of the Russian Ministry of Taxes and Levies No. 39 for the Moscow City on 22 August 2002.

Member of non-profit partnership "Audit Chamber of Russia" (NP ACR) being a self-regulating organisation of auditors – registration number 870 in the register of NP ACR members.

Major registration record number (ORNZ) in the register of auditors and audit organisations – 10201003683.

ZAO PricewaterhouseCoopers Audit
White Square Office Center 10 Butyrsky Val Moscow, Russia, 125047
T: +7 (495) 967-6000, F: +7 (495) 967-6001, www.pwc.ru

TRANSLATOR'S EXPLANATORY NOTE: This version of our report is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation. This English translation does not contain the English translation of the explanatory notes, which are part of the official Russian version of the accompanying financial statements.



Auditor's Report

Auditor's Report

To the Shareholders of Open Joint-Stock Company «Fourth Generation Company of the Wholesale Electricity Market »:

We have audited the attached financial statements of Open Joint-Stock Company «Fourth Generation Company of the Wholesale Electricity Market » (hereinafter – JSC OGK-4) which comprise the balance sheet as of 31 December 2010, and the profit and loss statement, statement of changes in equity and statement of cash flows for the year ended 31 December 2010 and other supplements to the balance sheet and profit and loss statement and explanatory notes (hereinafter all the reports together are referred to as the “financial statements”).

JSC OGK-4's responsibility for the financial statements

JSC OGK-4's management is responsible for the preparation and fair presentation of these financial statements in accordance with the reporting rules established in the Russian Federation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of JSC OGK-4, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient to provide a basis for our audit opinion on the financial statements.

*ZAO PricewaterhouseCoopers Audit
White Square Office Center 10 Butyrsky Val Moscow, Russia, 125047
T: +7 (495) 967-6000, F: +7 (495) 967-6001, www.pwc.ru*

TRANSLATOR'S EXPLANATORY NOTE: This version of our report is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation. This English translation does not contain the English translation of the explanatory notes, which are part of the official Russian version of the accompanying financial statements



Auditor's Report

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of JSC OGC-4 as of 31 December 2010 and the results of its operations and its cash flows for the year then ended in accordance with the reporting rules established in the Russian Federation.

Director of ZAO PricewaterhouseCoopers Audit
18 March 2011

A.L. Uzornikova

TRANSLATOR'S EXPLANATORY NOTE: This version of our report is a translation from the original, which was prepared in Russian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views, or opinions, the original language version of our report takes precedence over this translation. This English translation does not contain the English translation of the explanatory notes, which are part of the official Russian version of the accompanying financial statements

BALANCE SHEET

as at 31 December 2010		Form N1 on OKUD	0710001
Company <i>Fourth Power Generating Company on the Wholesale Energy Market OJSC</i>		Date (year, month, day)	2010/12/31
Taxpayer identification number	OKPO		76828204
Field of activity <i>Electrical energy generation by thermal electric power stations</i>	INN		8602067092
Legal form/property form	OKVED		40.10.11
<i>Open Joint-Stock Company / Private property</i>	OKOPF/OKFS		47/16
Unit of measurement: thousands of RR	OKEI		384

Address *628405, Khasny-Manshiik autonomous district-Yegra AD, Sargut, ul. Energostrouitelcy, d. 23, corps 34*

Date of approval	
Date of dispatch (acceptance)	

Assets	Line code	At beginning of reporting year	At end of reporting period
1	2	3	4
I. NON-CURRENT ASSETS			
Intangible assets	110	-	-
Fixed assets	120	16 245 178	29 189 109
Construction in progress	130	25 847 084	38 257 480
Long-term financial investments	140	73 914	237 272
Deferred tax asset	145	51 255	46 397
Other non-current assets	150	391 149	348 352
Total Section I	190	42 608 580	68 078 610
II. CURRENT ASSETS			
Inventories	210	1 989 857	2 139 035
including:			
Raw, materials and other inventories	211	1 822 608	1 959 846
Expenses related to future periods	216	167 249	179 189
Value Added Tax on goods purchased	220	197 077	5 777
12 months of the reporting date)	230	2 388 496	50 185
including buyers and customers	231	90 950	6 868
12 months of the reporting date)	240	21 247 236	11 230 922
including buyers and customers	241	1 986 297	2 069 797
Short-term investments	250	17 140 837	14 173 738
Cash	260	481 706	262 488
Other current assets	270	-	-
Total Section II	290	43 445 209	27 862 145
TOTAL SECTIONS I and II	300	86 053 789	95 940 755

Equity and liabilities	Line code	At beginning of reporting year	At end of reporting year
1	2	3	4
III. EQUITY AND RESERVES			
Charter capital	410	25 219 482	25 219 482
Own shares buy-back	411	-	-
Additional capital	420	41 471 438	41 451 280
Legal reserve	430	478 313	833 446
including:			
Reserves formed in accordance with legislation	431	478 313	833 446
Reserves formed in accordance with foundation documents	432	-	-
Retained earnings (loss)	470	13 433 375	23 547 850
Total Section III	490	80 602 608	91 052 058
IV. NON-CURRENT LIABILITIES			
Deferred tax liabilities	515	501 391	476 270
Other non-current liabilities	520	728	595
Total Section IV	590	502 119	476 865
V. CURRENT LIABILITIES			
Borrowings and bank loans	610	-	-
Accounts payable	620	4 870 125	4 386 144
including:			
Payable to suppliers and contractors	621	3 592 837	3 250 139
Payable to staff	622	98 853	115 792
Payable to state non-budget funds	623	13 221	10 043
Taxes payable	624	149 445	307 711
Other creditors	625	1 015 769	702 459
Payable to participants (shareholders)	630	8 306	7 970
Income of future periods	640	174	-
Reserves for future expenses and payments	650	20 457	17 718
Total Section V	690	4 949 062	4 411 832
TOTAL SECTIONS III, IV, V	700	86 053 789	95 940 755

REFERENCE ON ITEMS ACCOUNTED ON OFF-BALANCE SHEET ACCOUNTS

Narrative	Line code	At beginning of reporting year	At end of reporting year
1	2	3	4
Rented fixed assets	910	18 458	1 614 232
thereof by leasing	911	-	-
Working and fixed assets received for storing	920	18 774	123 221
Bad debts of insolvent debtors written off to losses	940	272 250	223 389
Securities of liabilities and payments received	950	5 473 414	5 649 373
Securities of liabilities and payments issued	960	5 344	-
Housing stock depreciation	970	2 197	2 379
Intangible assets obtained for usage	990	635 481	618 832

Chief Executive Officer _____ Y.S. Sablukov
(signature) (last name)

Chief Accountant _____ A.V. Shalyapina
(signature) (last name)

March 18, 2011

PROFIT AND LOSS STATEMENT

for 2010

Company *Fourth Power Generating Company on the Wholesale Energy Market OJSC*

Taxpayer identification number _____

Field of activity *Electrical energy generation by thermal electric power stations*

Legal form/property form
Open Joint-Stock Company / Private property

Unit of measurement: thousands of RR

Form N2 on OKUD	0710002
Date (year, month, day)	2010/12/31
OKPO	76828204
INN	8602067092
OKVED	40.10.11
OKOPF/OKFS	47/16
OKEI	384

Narrative	Line code	For reporting period	For the same period of the previous year
1	2	3	4
Income from and expenses on ordinary activities			
Sales of goods, products, work, services (less VAT, excise duty and other similar compulsory payments)	010	53 818 697	42 424 488
Cost of goods, products, work, services sold	020	(40 641 337)	(34 874 488)
Total revenue (loss)	029	13 177 360	7 550 000
Gross profit (loss) from sales	050	13 177 360	7 550 000
Other income and expenses			
Interest receivable	060	449 583	927 988
Interest payable	070	(4 189)	(21 063)
Participation in other companies	080	-	-
Other income	090	9 009 832	6 338 916
Other expenses	100	(9 978 884)	(5 310 046)
.....	120	-	-
.....	130	-	-
Income (loss) from operations	140	12 653 702	9 485 795
Deferred tax assets	141	2 907	52
Deferred tax liabilities	142	34 343	(157 031)
Current income tax	150	(2 490 875)	(2 097 449)
Other similar payments	151	249 373	(128 703)
Net profit (loss) for the reporting year	190	10 449 450	7 102 664
REFERENCE			
Permanent tax liabilities (assets)	200	86 074	391 104
Basic earnings (loss) per share	201	0,1657	0,1127

BREAKDOWN OF SPECIFIC INCOMES AND EXPENSES

Narrative	Line code	For reporting period		For the similar period	
		income	expense	income	expense
1	2	3	4	5	6
Fines and penalties recognized by court or those on which there are judgments of a court (or arbitrage court) on their recovery	210	164 108	92 902	246 666	20 734
Profit (loss) of previous years	220	41 724	25 069	14 088	92 036
Exchange rate differences	240	549 159	1 251 370	5 225 384	3 805 904
Revaluation reserve	250	X	850 997	X	323 092
Write-off of debtor and creditor indebtedness on which the period of limitation has expired	260	147	2 837	792	3 705
.....		-	-	-	-

Chief Executive Officer _____ Y.S. Sablukov

Chief Accountant _____ A.V. Shalyapina

March 18, 2011

STATEMENT OF CHANGES IN EQUITY

for 2010

Company Forth Power Generating Company on the Wholesale Energy Market OJSC
 Taxpayer identification number _____
 Field of activity Electrical energy generation by thermal electric power stations
 Legal form/property form _____
Open Joint-Stock Company / Private property
 Unit of measurement: thousands of RR

Form N3 on OKUD
 Date (year, month, day)

Codes
0710003
2010/12/31
OKPO 7682804
INN 8602067092
OKVED 40.10.11
OKOPF/OKFS 47/16
OKEI 384

I. Changes in equity

Narrative	Line code	Charter capital	Additional capital	Reserve capital	Accumulated profit/loss	Total
1	2	3	4	5	6	7
Balance as of 31 December of the year antecedent to the previous year	010	25 219 482	41 471 438	176 036	6 539 212	73 406 168
Change of accountancy requirements	011	-	-	-	70 091	70 091
Balance as of 1 January of the previous year	030	25 219 482	41 471 438	176 036	6 609 303	73 476 259
Net profit (loss)	032	x	x	x	7 102 664	7 102 664
Dividends	063	x	x	x	-	-
Allocations to reserves	040	x	x	302 277	(302 277)	-
Balance as of 31 December of the previous year	070	25 219 482	41 471 438	478 313	13 409 690	80 578 923
2010						
<i>current year</i>						
Change of accountancy requirements	071	-	-	-	23 685	23 685
Balance as of 1 January of the current year	100	25 219 482	41 471 438	478 313	13 433 375	80 602 608
Net profit	102	x	x	x	10 449 450	10 449 450
Dividends	103	x	x	x	-	-
Contributions to legal reserves	110	x	x	355 133	(355 133)	-
Decrease of capital due to other	134	-	(20 158)	-	20 158	-
Balance as of 31 December of the current year	140	25 219 482	41 451 280	833 446	23 547 850	91 052 058

II. Reserves

Narrative	Line code	Balance b/f	Additions	Disposals	Balance
1	2	3	4	5	6
Legal reserves formed in accordance with legislation					
Reserve fund					
<i>reserve</i>					
previous year	161	176 036	302 277	-	478 313
current year	162	478 313	355 133	-	833 446
Provisions					
Doubtful debt provision					
previous year	171	266 527	224 936	(83 571)	407 892
current year	172	407 892	517 770	(124 866)	800 796
Inventory impairment provision					
previous year	173	64 858	27 699	(17 551)	75 006
current year	174	75 006	-	(42 523)	32 483
Contingency provision					
previous year	175	-	70 457	-	70 457
current year	176	70 457	-	(52 739)	17 718

REFERENCES

Narrative	Line code	At beginning of reporting year	At the end of reporting period
1	2	3	4
1) Net assets	200	80 602 782	91 052 058

Chief Executive Officer _____ Y.S. Sablukov

Chief Accountant _____ A.V. Shalyapina

March 18, 2011

STATEMENT OF CASH FLOWS

for 2010

Company *Fourth Power Generating Company on the Wholesale Energy Market OJSC*
 Taxpayer identification number
 Field of activity *Electrical energy generation by thermal electric power stations*
 Legal form/property form
Open Joint-Stock Company / Private property
 Unit of measurement: thousands of RR

	Codes
Form N4 on OKUD	0710004
Date (year, month, day)	2010/12/31
OKPO	76828204
INN	8602067092
OKVED	40.10.11
OKOPF/OKFS	47/16
OKEI	384

Narrative	Line code	For the current year	For the same period of the previous year
1	2	3	4
Cash at the beginning of the reporting year	110	481 633	106 626
Cash movement - operating activity			
Total cash received from customers and clients	020	62 899 203	48 839 918
Other income	110	2 431 725	3 417 971
Total cash used for:	120	(51 482 079)	(-45 982 801)
payments for purchased goods, work, services, materials and other current assets	150	(42 954 246)	(36 853 006)
wages and salaries payments	160	(2 604 618)	(2 460 961)
dividend paid, interest paid	170	(340)	-
settlements of taxes and duties	180	(4 057 759)	(5 886 972)
other payments	183	(1 865 116)	(781 862)
Net cash from operating activity	190	13 848 849	6 275 088
Cash movement - investing activity			
Sales of fixed assets and other non-current assets	210	117 303	3 907
Sales of securities and other financial investments	220	235 239 491	474 524 748
Dividend received	230	93	-
Interest received	240	441 210	1 093 114
Redemption of loans provided to other entities	250	6	1 493 000
Other proceeds	260	1 222 021	6 743
Acquisition of fixed assets, income-bearing investments in tangible and intangible assets	290	(17 597 904)	(22 329 143)
Acquisition of securities and other financial investments	300	(230 751 449)	(459 214 042)
Loans granted to other entities	310	(1 750 000)	(1 478 408)
	320	989 073	-
Net cash from investing activity	340	(14 068 302)	(5 900 081)
Cash movement - financing activity			
Proceeds from issue of shares and other equity instruments	350	-	-
Loans and credits received	360	78 196	-
Repayment of loans and credits (without interest)	390	(78 196)	-
Repayment of financial lease obligations	400	-	-
Net cash from financing activity	430	-	-
Net increase (decrease) in cash and cash equivalents	440	(219 453)	375 007
Cash at the end of the reporting year	450	262 180	481 633
Ruble exchange rate difference	460	(5 049)	39 075

Chief Executive Officer _____ Y.S. Sablukov

Chief Accountant _____ A.V. Shalyapina

March 18, 2011

SUPPLEMENT TO THE BALANCE SHEET

for 2010

Form N 5 on OKUD
Date (year, month, day)

Company *Fourth Power Generating Company on the Wholesale Energy Market OJSC*

Taxpayer identification number

Field of activity *Electrical energy generation by thermal electric power stations*

Legal form/property form

Open Joint-Stock Company / Private property

Unit of measurement: thousands of RR

Codes
0710005
2010/12/31
OKPO 76828204
INN 8602067092
OKVED 40 10 11
OKOPF/OKPS 47/16
OKEI 384

FIXED ASSETS

Narrative	Line code	At beginning of reporting year	Additions	Disposals	At end of reporting period
1	2	3	4	5	6
Buildings	070	6 389 497	5 772 694	(18 367)	12 143 824
Constructions and transfer mechanisms	075	6 176 163	1 102 603	(7 847)	7 270 919
Machinery and equipment	080	7 106 085	7 270 566	(14 575)	14 362 076
Means of transportation	085	228 478	22 960	(17 648)	233 790
Production and work appliances	090	53 191	8 838	(5 864)	56 165
Other types of fixed assets	110	7 276	485	(1 118)	6 643
Plots of land and natural resources	115	50 218	17 690	(18)	67 890
Total	130	20 010 908	14 195 836	(65 437)	34 141 307

Narrative	Line code	At beginning of reporting year	At end of reporting period
1	2	3	4
Depreciation of fixed assets - total	140	3 765 730	4 952 198
including:			
buildings and constructions	141	1 270 945	1 594 846
machinery, equipment, means of transportation	142	2 457 787	3 316 608
other	143	36 998	40 744
Fixed assets leased out - total	150	176 953	132 942
including:			
buildings	151	158 977	118 691
constructions	152	14 202	7 081
other	153	3 774	7 170
Fixed assets transferred to conservation	155	3 335	8 140
Fixed assets leased in - total	160	18 458	1 614 232
including:			
buildings and constructions	161	3 857	-
machinery, equipment, means of transportation	162	14 601	14 601
other	163	-	1 599 631
Fixed assets received and being in the process of state registration	165	-	-
Changes in fixed assets value as a result of fitting-out, rigging up, reconstruction, partial liquidation	180	1 143 268	273 681

FINANCIAL INVESTMENTS

Narrative	Line code	Long-term		Short-term	
		at beginning of reporting year	at end of reporting period	at beginning of reporting year	at end of reporting period
1	2	3	4	5	6
Investments in share capital					
of other entities - total	510	68 869	91 392	-	-
including subsidiaries	511	17 500	17 500	-	-
Securities of other entities	520	-	145 880	148 235	381 683
including debt securities (debentures, promissory notes)	521	-	145 880	148 235	381 683
Loans granted	530	5 045	-	-	1 750 000
Deposits	530	-	-	16 992 602	12 042 055
Total	540	73 914	237 272	17 140 837	14 173 738
Financial investments at current market value from total					
Investments in share capital					
of other entities - total	550	51 333	73 856	-	-
including subsidiaries	551	-	-	-	-
State and municipal securities	555	-	-	-	-
Securities of other entities	560	-	-	-	-
including debt securities (debentures, promissory notes)	561	-	-	-	-
Other	565	-	-	-	-
Total	570	51 333	73 856	-	-
REFERENCE	Line code		For the same period of the previous year	For reporting period	For the same period of the
	2	3	4	5	6
Change in value due to measurement adjustments of financial investments at current market value	580	24 196	22 523	-	-
Difference between acquisition cost and par value of debt securities is charged to financial results of the current period	590	-	-	-	-

ACCOUNT RECEIVABLE AND ACCOUNTS PAYABLE

Narrative	Line code	At beginning of reporting year	At end of reporting year
1	2	3	4
Accounts receivable:			
Short-Term	610	21 655 128	12 031 718
including:			
receivables from customers and clients	611	2 394 189	2 870 593
advances given	612	15 135 983	5 130 210
other	613	4 124 956	4 030 915
Long-Term	620	2 388 496	50 185
including:			
receivables from customers and clients	621	90 950	6 868
advances given	622	2 293 523	3 913
other	623	4 023	39 404
Total	630	24 043 624	12 081 903
Accounts payable			
Short-Term	640	4 870 125	4 386 144
including:			
payables to suppliers and contractors	641	3 592 837	3 250 139
advances received	642	48 907	94 267
tax and duties payments	643	149 445	307 711
credits	644	-	-
other	646	1 078 936	734 027
Long-Term	650	728	595
including:			
loans	652	-	-
payables to suppliers and contractors	653	728	595
other	654	-	-
Total	660	4 870 853	4 386 739

**EXPENSES INCURRED IN ORDINARY
(BY COST NATURE)**

Narrative	Line code	For reporting year	For previous year
1	2	3	4
Materials	710	33 281 040	27 774 490
Wages and salaries expenses	720	2 903 718	2 811 195
Obligatory social payments	730	417 048	436 871
Fixed assets depreciation	740	1 201 270	1 179 104
Other expenses	750	2 838 261	2 672 828
Total by expense type	760	40 641 337	34 874 488
Changes in the balance (increase [+], decrease [-]):			
Expenses of future periods	766	(30 857)	(203 859)
Reserves of future expenses	767	(52 739)	-

COLLATERAL

Narrative	Line code	At beginning of reporting year	At end of reporting year
1	2	3	4
Received	810	5 473 414	5 649 373
Issued	830	5 344	-

Chief Executive Officer _____ Y.S. Sablukov

Chief Accountant _____ A.V. Shalyapina

March 18, 2011

REVISION COMMISSION REPORT

The text of Revision Commission report can be found at the Company website www.ogk-4.ru in section "Shareholders and Investors – Management and Control Bodies – Control Bodies".

OGR-4 Revision Commission Report on 2010 performance

Opinion

Based on the procedures carried out by the Revision Commission and considering Company's auditor opinion (the opinion of ZAO PricewaterhouseCoopers Audit dated March 18, 2011) the Revision Commission of the Company has the sufficient ground to confirm the accuracy of the data in Company's annual report and annual financial statements of Company.

Moscow, April 14, 2011

Revision Commission Chairman

Michael Winfried Christian Wilhelm



Member of Revision Commission:

Andreas Kolpatzik



Mario Dietmar Mazidowski



Stanislav Patrikeev



Dr. Thomas Fecker engaged to work in the Revision Commission pursuant to item 3.1 (2) of Regulations for OGK-4 Revision Commission (minute 1 dated September 21, 2010) of OGK-4 Revision Commission meeting.



ATTACHMENT 2

DECLARATION OF COMPLIANCE WITH CORPORATE CODE OF CONDUCT.

№	Provision of Corporate Code of Conduct	Observed/ Partially observed/ Not observed/ Not applicable	Comment
General Shareholders Meeting			
1.	Notice of the General Shareholders Meeting shall be given not less than 30 days prior to the Meeting date regardless of the issues on the Agenda, unless a longer term for notification is provided by the applicable law.	Observed	P. 11.3 in the Company Articles of Association.
2.	Shareholders shall be able to familiarize themselves with the list of persons authorized to participate in the General Shareholders Meeting, beginning from the date of the General Shareholders Meeting notice to the date of closing the General Shareholders Meeting in praesentia, and to the last date for submitting voting ballots in the event of the General Shareholders Meeting of with absentee voting	Observed	List of persons authorized to participate in the General Shareholders Meeting is presented to the Company shareholder whose name is entered into the above List and who owns not less than 1 % of votes (p.4 Article 51 of Federal Law "On Joint Stock Companies").
3.	Shareholders shall have an opportunity to familiarize themselves with information (materials) to be submitted in preparation for General Shareholders Meeting by electronic telecommunications, including Internet	Observed	As per p.4.7. of Regulation for procedure of preparation and holding the General Shareholders Meeting (GSM) the Company shareholders are entitled to familiarizing themselves with information (materials) pertaining to the Meeting. GSM Materials are published at www.ogk-4 in section "Shareholders and Investors- Information for Shareholders- GSM Materials".
4.	Shareholder shall have an opportunity to propose items for General Shareholders Meeting agenda, or call for General Shareholders Meeting without submitting an extract from the Shareholder Register, if his/her share rights are recorded in accordance with the Shareholder Register's maintenance procedure; in the event his/her share rights are recorded in the custody account, a statement of the custody account shall be sufficient for the above rights to be exercised.	Observed	The Articles of Association and internal documents of the Company do not contain a requirement of obligatory attendance of the GSM by Director General, members of Management Board, members of Board of Directors, members of Revision Commission and the Company Auditor. However, Chairman of Board of Directors, several members of Board of Directors, Director General, members of Management Board and Chairman of Revision Commission usually attend General Shareholders Meetings.
5.	The Articles of Association or internal documents of the Company shall specify the requirement that the Director General, members of Management Board, members of the Board of Directors, members of the Revision Commission and the External Auditor attend the General Shareholders Meeting of on a mandatory basis	Partially Observed	The Articles of Association and internal documents of the Company do not contain a requirement of obligatory attendance of the GSM by Director General, members of Management Board, members of Board of Directors, members of Revision Commission and the Company Auditor.
6.	The candidates shall be required to attend the General Shareholders Meeting when the agenda includes items on electing members of the Board of Directors, Director General, members of the Management Board, members of the Revision Commission, and approval of the External Auditor	Partially Observed	The Articles of Association and internal documents of the Company do not contain a requirement of their obligatory attendance of General Shareholders Meetings, however in the majority of cases some of candidates do attend the said GSMs.
7.	Internal documents of the Company shall contain registration procedure for participants of the General Shareholders Meeting	Observed	P. 6.1 of Article 6 in Regulation for procedure of preparation and holding the General Shareholders Meeting defines the registration procedure for persons authorized for participation in General Shareholders Meeting.

№	Provision of Corporate Code of Conduct	Observed/ Partially observed/ Not observed/ Not applicable	Comment
Board of Directors			
8.	The Articles of Association shall specify the powers of the Board of Directors to approve the annual financial and business plan of the Company	Observed	Subparagraph 28 p. 12.1 Article 12 of the Company Articles of Association.
9.	The Company Board of Directors shall approve risk management procedures	Observed	The Company Board of Directors approved Regulation for Corporate risk management at OGK-4.
10.	The Articles of Association shall provide for the Board of Directors' right to suspend the powers of Director General appointed by General Shareholders Meeting	Not Applicable	As per subparagraph 15, p. 12.1 Article 12 of the Company Articles of Association election of Director General as well as early termination of his/her powers is within the scope of responsibility of the Company Board of Directors.
11.	The Articles of Association shall provide for the Board of Directors' right to set requirements for the qualification and amount of remuneration payable to Director General, members of the Management Board and heads of the major divisions of the Company	Partially Observed	As per subparagraph 15, 16 p. 12.1 Article 12 of the Company Articles of Association Board of Directors elects Director General, defines the number of members of Management Board and elects members of Management Board, approves the amount of remuneration and bonuses payable, defines the rights and responsibilities of Director General and members of Management Board based on employment contracts concluded with them. Requirements to qualification and the amount of remuneration payable to heads of the main structural subdivisions are defined by the Company Director General.
12.	The Company Articles of Association shall provide for the Board of Directors' right to approve the terms of contract with Director General and members of Management Board	Observed	As per subparagraph 15, 16 p. 12.1 Article 12 of the Company Articles of Association Board of Directors defines the terms and conditions of employment contract concluded with Director General and members of Management Board.
13.	The Company Articles of Association or internal documents of the Company shall require that in the process of approval of employment contract with Director General (managing organization, manager) and members of the Management Board, the votes of the members of Board of Directors, who are Director General and members of the Management Board are not counted	Not observed	The Articles of Association and internal documents of the Company do not contain such requirement.
14.	Board of Directors shall include at least three independent directors who act in compliance with the Corporate Code of Conduct	Observed	There are independent directors on the Board; they satisfy the requirements of the Corporate Code of Conduct
15.	Company Board of Directors shall be free from persons who were found guilty of economic crime.	Observed	Persons as indicated are not members of the Company Board of Directors.
16.	The Company Board of Directors shall be free from persons who may be partner, Director General (manager), or member of management board or an employee of a corporate entity competing with the Company	Not observed	On Board of Directors there is a person who is the member of management board of a legal entity competing with the Company :
17.	The Company Articles of Association shall require that the Board of Directors be elected by cumulative voting	Observed	P. 10.8 Article 10 of the Company Articles of Association

№	Provision of Corporate Code of Conduct	Observed/ Partially observed/ Not observed/ Not applicable	Comment
18.	Internal documents of the Company shall contain a duty for members of Board of Directors to refrain from any action that leads or may potentially lead to any conflict of their interests with the Company's interests; and in the event of such a conflict, their duty shall be to disclose the information of such conflict to the Board of Directors	Observed	P. 3.3 Article 3 of Regulation on the Company Board of Directors. P. 4.1.6 Article 4 of the Company Corporate Governance Code.
19.	Internal documents of the Company shall contain a duty for members of Board of Directors to notify the Board of Directors in writing of their intention to effect a deal involving the securities of Company of which or of which affiliates (subsidiaries) they are members of Board of Directors; also, shall they disclose information on any transactions effected by them involving such securities	Observed	Regulation on insider information, rev. approved on 02.06.2010, prescribes members of Board of Directors to notify in writing the person in charge of insider rules observance about any planned transaction involving insider securities of the Company to be effected by them (directly or via other persons instructed by them) no later than 3 business days before the planned date of closing a transaction. Also, they are required to inform about any transactions effected during a reporting quarter (directly or via other persons instructed by them) where such transactions involve insider securities of the Company.
20.	Internal documents of the Company shall require that the meeting of the Board of Directors be held at least once every six weeks	Not observed	P. 15.2 Article 15 of the Company Articles of Association and p. 7.1. of Regulation on the Company Board of Directors prescribes holding meetings of Board of Directors as necessary but not less frequent than once every quarter. Actually, meetings of Board of Directors are held more frequently than once every six weeks.
21.	Meetings of the Company Board of Directors shall be held during the reporting year with regularity of at least once every six weeks	Observed	During 2010, 20 meetings of Board of Directors were held with regularity of more than once every six weeks.
22.	Internal documents of the Company shall contain the procedure of Board of Directors' meetings	Observed	Articles 7,8 of regulation on the Company Board of Directors
23.	Internal documents of the Company shall contain the requirement for the Board of Directors to approve the Company transactions to the amount equal to and in excess of, 10% of the book value of the Company's assets (with the exception of transactions effected in the normal course of business)	Partially Observed	Internal Company documents do not contain a requirement for the BoD to approve the Company transactions to the amount equal to and in excess of, 10% of the book value of the Company's assets. However in accordance with pp. 33, p.12.1 of the Articles of Association there are fiscal limits/thresholds for transactions approval by the BoD and the amount approvable is significantly lower than 10 % of the book value of the Company's assets.
24.	Internal documents of the Company shall entitle members of Board of Directors to receive from the Company executive bodies and heads of its major divisions any information requisite for performance of their functions; liability for failure to provide such information shall also be documented	Partially Observed	Article 3 of Regulation on Board of Directors authorizes members of BoD to receive information requisite for implementation of their responsibilities. At the same time, the Company internal documents do not define any liability for non-presentation of such information. Actually, information is presented to members of BoD.

№	Provision of Corporate Code of Conduct	Observed/ Partially observed/ Not observed/ Not applicable	Comment
25.	Board of Directors shall establish Committee for Strategic Planning or assign the functions of such committee to another committee (other than the Auditing Committee and Staffing and Remuneration Committee)	Observed	BoD Committee for Strategy and development was founded as per resolution of Board of Directors dated 16.07.2009 (Minutes of Meeting No. 116)
26.	The Board of Directors shall establish the Auditing Committee that shall recommend the External Auditor to the Board of Directors and cooperate with External Auditor and the Revision Commission of the Company	Observed	Auditing Committee under BoD which recommends External Auditor to the Board of Directors and cooperates with External Auditor and the Revision Commission of the Company was founded as per resolution of Board of Directors dated 31.03.2008. (MoM No. 86).
27.	The Auditing Committee shall consist of independent and non-executive directors only	Partially Observed	The Auditing Committee includes one independent and non-executive director – L.A. Ketkin – and one member who does not comply with the requirements of independent director (p.2.2.2. of Code of Corporate Conduct) – Reiner Hartmann.
28.	The Auditing Committee shall be managed by an independent director	Observed	Chairman of the Auditing Committee is independent director- L.A. Ketkin.
29.	Internal documents of the Company shall specify access rights for all the members of the Auditing Committee to any documents and information of the Company	Observed	P. 1 Article 6 of Regulation on Auditing Committee under BoD.
30.	The Board of Directors shall form the Staffing and Remuneration Committee responsible for definition of criteria for selection of candidates to members of the Board of Directors and for the development of the Company's remuneration policy	Partially Observed	By resolution of the Company Board of Directors dated 14.04.2008, Staffing and Remuneration Committee was founded (MoM No. 87). The functions of this committee include development of recommendations about the amount of remuneration (bonus) payable to members of Revision commission, Director General, members of Management Board. However, it is not the responsibility of Staffing and Remuneration Committee to define criteria for selection of candidates to members of the Board of Directors.
31.	An independent director shall manage the Staffing and Remuneration Committee	Not observed	The Chairman of Committee is Chairman of Board of Directors - S.A. Tazin who does not satisfy the requirements of independent director criteria.
32.	Staffing and Remuneration Committee and of the Company shall not include any Company officers	Not observed	From 01.03.2010 member of Staffing and Remuneration Committee M. Winkel is appointed a Company Officer- deputy Director General.
33.	Board of Directors shall form the Risk Management Committee or assign its functions to another committee (except for the Auditing Committee and the Staffing and Remuneration Committee)	Observed	Committee for Risks and Finance under BoD was founded on 30.06.2009, by resolution of the Company BoD (Minutes No. 115).
34.	Board of Directors shall form the Corporate Conflicts Resolution Committee or assign its functions to another committee (except for the Auditing Committee and the Staffing and Remuneration Committee)	Not observed	Currently, Corporate Conflicts Resolution Committee is not available.
35.	The Corporate Conflicts Resolution Committee shall not include officers of the Company	Not Applicable	Currently, Corporate Conflicts Resolution Committee is not available.

№	Provision of Corporate Code of Conduct	Observed/ Partially observed/ Not observed/ Not applicable	Comment
36.	An independent director shall manage the Corporate Conflicts Resolution Committee	Not Applicable	Currently, Corporate Conflicts Resolution Committee is not available.
37.	Internal documents of the Company approved by the Board of Directors shall establish the procedure of formation and operation of Committees under the Board of Directors	Observed	Board of Directors approved: Regulation on BoD Auditing Committee, Regulation on Staffing and Remuneration Committee, Regulation on Committee for Risks and Finance under BoD, Regulation on New Build Steering Committee, Regulation on Committee for Strategy and Development.
38.	The Company Articles of Association shall specify the procedure how to determine a quorum at the meetings of Board of Directors to provide for mandatory participation of independent directors in the meetings of the Board of Directors	Not observed	The Company Articles of Association does not contain a requirement of independent directors' obligatory participation in the procedure of determining the quorum.
Executive Bodies			
39.	A collective executive body of the Company (Management Board) shall be established	Observed	P. 17.1 Article 17, Articles of Association.
40.	The Company Articles of Association or internal documents of the Company shall establish the requirement for the Company Management Board to approve transactions involving real estate and loans received by the Company, if such transactions are not major transactions and are not effected in the course of normal business of the Company	Observed	Subparagraph 5 p. 18.2 Article 18, Articles of Association.
41.	Internal documents of the Company shall specify the approval procedure for operations that are beyond the scope of financial and economic plan of the Company	Partially Observed	In accordance with the policy on delegation of authority, there is a procedure of the Board of Directors approval of any investment in excess of 5% of the total amount allocated in the Company budget for the respective year.
42.	The Company Executive bodies shall be free of persons who may be a partner, Director General (manager), a member of management board or an employee of a corporate entity competing with the Company	Observed	The persons indicated are not members of the Company executive bodies.
43.	The Company Executive bodies shall be free of persons who may be found guilty of economic crimes, crimes against the government, public bodies or bodies of local self-government, or persons who were under administrative penalty for offence in business activities, finance, taxes and duties, or security market. If the functions of the sole executive body are performed by a managing organization or a manager, then Director General and members of management board of the managing organization shall comply with the requirements set forth for Director General and members of management Board of the Company	Observed	The persons indicated are not members of the Company executive bodies.

№	Provision of Corporate Code of Conduct	Observed/ Partially observed/ Not observed/ Not applicable	Comment
44.	The Company Articles of Association or internal documents of the Company shall contain the veto for a managing organization (manager) to perform similar functions in a competing company, and to have any property relations with the Company other than rendering services of a managing organization (manager)	Not observed	This veto is not prescribed by Articles of Association or the Company internal documents.
45.	Internal documents of the Company shall prescribe the duty for the executive bodies to refrain from any actions that will result or may potentially lead to a conflict between their interests and the interests of the Company; should any such conflict arise, they shall accordingly notify the Board of Directors	Observed	Para.4 item 4.1.6 & para. 2 item 4.2.7 Article 4, Company Corporate Governance Code.
46.	The Company Articles of Association or internal documents of the Company shall contain the criteria for selection of managing organization (manager)	Not observed	There are no criteria for selection of managing organization (manager) prescribed by Articles of Association and the Company internal documents.
47.	The Company executive bodies shall submit monthly reports on their activities to the Board of Directors	Partially Observed	Subparagraph 29, item 12.1 Article 12 of Articles of Association prescribes submission of such reports on quarterly basis.
48.	Employment contracts between the Company and Director General (managing organization, manager) and members of the Management Board shall specify responsibility for violation of provisions related to the use of confidential and inside information	Partially Observed	There is no such requirement in labor contracts. P. 7.1 Article 7 of regulation on insider information defines the liability for breach of provisions for inside information use.
The Company Secretary			
49.	The Company shall have a special officer (Secretary of the Company), with the responsibility of ensuring that corporate bodies and officers of the Company comply with procedure requirements safeguarding the rights and interests of the Company's shareholders	Observed	P. 2.1 Article 2 of Regulation on Secretary and secretarial office of the Company BoD, Article 4 of Regulation on the Company BoD, Article 5 of Regulation on the Company Management Board.
50.	The Company Articles of Association or internal documents of the Company shall contain the procedure for appointment (election) of the Secretary and the description of his/her responsibilities	Observed	Article 4 of Regulation on the Company Board of Directors, Article 3 of Regulation on Secretary and secretarial office of the Company BoD, Article 5 of Regulation on the Company Management Board
51.	The requirements for the nomination of the Secretary of the Company shall be set forth in the Company Articles of Association	Partially Observed	These requirements are not defined in the Company Articles of Association. This provision is defined in p. 3.3 Article 3 of Regulation on Secretary and secretarial office of the Company BoD.
Существенные корпоративные действия			
52.	The Company Articles of Association or internal documents of the Company shall contain a requirement for a major transaction approval prior to effect thereof	Observed	Subparagraph 30 item 12.1 Article 12 of the Company Articles of Association.
53.	An independent assessor shall be engaged to determine the current market value of property, which is subject of a major transaction	Not observed	The Articles of Association and internal documents of the Company do not contain such provisions.

№	Observed/ Partially observed/ Not observed/ Not applicable	Comment
54.	Не соблюдается	The Company Articles of Association shall contain a veto to take any actions in the process of acquisition of large stock of shares of the Company (takeover) with the purpose to protect the interests of the executive bodies (members of such bodies) and members of the Company Board of Directors, and veto to take actions which may result in putting shareholders to disadvantage as compared to their current position (specifically, the veto for Board of Directors to make a decision on issuing additional shares, securities convertible to shares or securities entitling to purchase the Company's shares, even if the right for such decision-making is authorized by the Company Articles of Association, till the estimated date of termination of acquisition of shares) These requirements are not defined in the Articles of Association. These limitations are defined in Federal Law dated 26.12.2995 No. 208-FZ "On Joint Stock Companies".
55.	Not observed	The Company Articles of Association shall contain a requirement to employ the services of independent appraiser to determine the current market value of the Company's shares and how their market value may be affected by a take-over These requirements are not defined in the Company Articles of Association. Since July 2006 the Company shares have been traded at leading stock exchanges of the RF: Moscow Interbank Currency Exchange and Russian Trading System Exchange, where their current market value is defined.
56.	Observed	The Company Articles of Association shall not relieve the purchaser of the responsibility to offer the shareholders to sell their ordinary shares of the Company (issue-grade securities convertible into ordinary shares) at take-over The Articles of Association do not contain such waiver of responsibility.
57.	Not observed	The Company Articles of Association or internal documents of the Company shall contain the requirement to employ an independent appraiser to determine the conversion ratio of shares at reorganization The Company Articles of Association or internal documents do not make provision for mandatory engaging an independent assessor.
Disclosure of Information		
58.	Observed	The Board of Directors shall approve the internal document that determines the Company's approach and rules towards disclosing information (Regulation on Information Policy) Regulation on Disclosure of Information was approved by resolution of Board of Directors on 29.10.2009 (MoM No. 121). Earlier, Regulation on the Company Information Policy was in force.
59.	Not observed	Internal documents of the Company shall contain the requirement for disclosure of information about the purpose of placement of shares, about persons intending to purchase the placed shares, including big stock of shares, as well as information whether the Company top managers are going to purchase the placed Company shares Internal documents of the Company do not contain such requirements.
60.	Partially Observed	Internal documents of the Company shall contain the list of information, documents and materials to be provided to shareholders for resolving the issues submitted for consideration to the General Shareholders Meeting As per p. 4.7 Article 4 of Regulation on procedure for preparation and holding GSM "Procedure for familiarization with information (materials) related to the GSM agenda and list of such information (materials) are defined by resolution of the BoD. GSM materials can be found at www.ogk-4.ru.
61.	Observed	The Company shall have its own Website on the Internet and shall on a regular basis disclose information about the Company on its Website Web-site address: www.ogk-4.ru

№	Provision of Corporate Code of Conduct	Observed/ Partially observed/ Not observed/ Not applicable	Comment
62.	Internal documents of the Company shall contain requirement to disclose information about the Company's transactions with the persons belonging to the high ranking officers of the Company as per The Company Articles of Association; information about the Company's transactions with organizations, in which the Company's high ranking officers own 20 percent or more of the authorized capital or with organizations on which such persons may exert considerable influence in another way	Not observed	Internal documents of the Company do not contain such requirements.
63.	Internal documents of the Company shall contain the requirement for disclosure of information about all the transactions that may affect the market value of the Company's shares	Not observed	Internal documents of the Company do not contain such requirements.
64.	The Board of Directors shall approve an internal document regulating the use of essential information about the Company activities, shares and other Company securities and transactions therewith; such information is not in the public domain and its disclosure may exert essential influence on the market value of shares and other securities of the Company	Observed	Regulation on Insider Information was approved by the Company BoD on 18.12.2008 (MoM No. 104). Since 02.06.2010 the new revision of this Regulation is in force, approved by the Company BoD on 02.06.2010 (MoM No. 132).
Control over Business Activities			
65.	Board of Directors shall approve the procedures of internal control over business activities of the Company	Observed	The Company Board of Directors approved Regulation on procedures of internal control in the Company on 15.10.2009 (MoM No. 120).
66.	The Company shall form a special subdivision to ensure observance of internal control procedures (audit and internal control department)	Observed	Risk and Internal Control Department was founded by resolution of the Company Board of Directors dated 27.10.2008 (MoM No. 101); this department was tasked with risk assessment and internal control of the Company business activities.
67.	Internal documents of the Company shall contain the requirement about definition by the Board of Directors of the structure and composition of the audit and internal control department of the Company	Not observed	Internal documents of the Company do not contain such requirements.
68.	The audit and internal control department shall be free from persons who were found guilty of economic crimes, crimes against the government, public bodies or bodies of local self-government, or persons who were under administrative penalty for offence in business activities, finance, taxes and duties, or security market.	Observed	The Company does not have any information about any facts of penalties administered on persons from revision and audit service or the facts of them being found guilty of economic crimes, crimes against the government, public bodies or bodies of local self-government, or about any persons who were under administrative penalty for offence in business activities, finance, taxes and duties, or security market.
69.	The audit and internal control department shall be free from persons who are members of the Company executive bodies, or persons who are partners, Director General (manager), members of the governing bodies or employees of a legal entity competing with the Company	Observed	There are no such persons in audit and internal control department.

№	Provision of Corporate Code of Conduct	Observed/ Partially observed/ Not observed/ Not applicable	Comment
70.	Internal documents of the Company shall specify the date of presentation to audit and internal control department of documents and materials for evaluation of financial and business activities; liability of the Company officials and employees for failure to submit same within the specified timeframe shall also be specified	Not observed	Internal documents do not prescribe any timeline for presentation of documents or liability for failure to present.
71.	Internal documents of the Company shall require that audit and internal control department shall provide the Auditing Committee with information on violations found; when Auditing Committee is unavailable such information shall be submitted to the Company Board of Directors	Observed	This provision is set forth in p.5.5 of Regulation on internal audit in the Company.
72.	The Company Articles of Association shall set forth the requirement for preliminary evaluation by the audit and internal control department of the expediency of carrying out operations not provided by the financial and business plan of the Company (non-standard operations)	Not observed	The Company Articles of Association do not provide for such requirement.
73.	Internal documents of the Company shall prescribe a procedure for approval of a non-standard transaction by the Board of Directors	Partially Observed	The Company internal documents do not prescribe any procedure for a non-standard transaction approval by the Board of Directors; however submittal of individual non-standard transactions for consideration of the Board of Directors is possible as per a few individual authorities of the BoD as documented in the Company Articles or internal documents.
74.	Board of Directors shall approve the internal document that specifies the procedure of conducting audits of financial and business activities of the Company by the Revision Commission	Observed	Regulation on Revision Commission of the Company approved by the Company General Shareholders Meeting. (section 5 "Procedure of audit").
75.	The Auditing Committee shall evaluate the audit report prior to submission to the General Shareholders Meeting	Observed	P. 1 Article 4 of regulation on Auditing Committee under the BoD.
Dividends			
76.	Board of Directors shall approve the internal document to abide by in the process of developing recommendations about the size of dividends (Dividend Policy Regulation)	Not observed	Internal document to abide by in the process of developing recommendations about the size of dividends is not available.
77.	Dividend Policy Regulation shall prescribe the procedure for determining the minimum net profit of the Company to be appropriated for payment of dividends, and circumstances under which dividends are not paid or paid only partially on preferred shares, for which the amount of dividends is determined in the Company Articles of Association	Not Applicable	Recommendations on conditions of dividends payment on privileged shares are not applicable to the Company as in the Company there is no such category of shares.
78.	Information on the Company's dividend policy and all amendments thereto shall be published in a periodical as determined in the Company Articles of Association for publication of notifications about General Shareholders Meetings; the same information shall be also made available on the Company's Internet website	Not observed	Currently, Regulation on dividend policy is not available.

ATTACHMENT 3

DATA ABOUT INTERESTED PARTY TRANSACTIONS EFFECTED BY THE COMPANY IN 2010.

Transaction	Interested Party	Governance body authorizing the decision
Commercial property sublease agreement between OGK-4 OAO and E.ON. Russia OOO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 128 dated 31.03.2010.
Commercial property sublease agreement between OGK-4 OAO and E.ON. Russia Power OOO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 128 dated 31.03.2010.
Internal audit service agreement between OGK-4 OAO and E.ON. Russia OOO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 128 dated 31.03.2010.
Agreement of Commission for providing security between E.ON AG and OGK-4 OAO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 129 dated 04.04.2010
Transportation services agreement between OGK-4 OAO and E.ON. Russia OOO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 130 dated 29.04.2010.
Additional agreement No. 1 to Contract No. OGK4/09/67 dated March 16, 2009 for interpretation and translation services between OGK-4 OAO and E.ON. Russia Power OOO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 130 dated 29.04.2010.
Additional agreement to Security deposit Contract No. OGK4/09/365 dated 20.11.2009 between E.ON AG & OGK-4 OAO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 133 dated 17.06.2010.
Additional agreement to Security deposit Contract No. OGK4/08/446 dated 10.09.2008 between E.ON AG & OGK-4 OAO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 133 dated 17.06.2010.
Contract for acquisition of computer equipment and Local Area Network between E.ON. Russia Power OOO and OGK-4 OAO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 133 dated 17.06.2010.
Additional agreement No. 2 to Transportation services agreement No. OGK4/09/65 dated March10, 2009, between OGK-4 OAO and E.ON. Russia Power OOO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 135 dated 08.07.2010.
Contract for Development of working documentation for the needs of Yaivinskaya GRES branch of OGK-4 OAO between OGK-4 OAO and TKG-9 OAO	L.A. Ketkin	Board of Directors, OGK-4, Minutes of Meeting No. 136 dated 29.07.2010.
Services agreement between OGK-4 OAO and E.ON New Build&Technology GmbH	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 137 dated 26.08. 2010
Consulting services contract between OGK-4 OAO and E.ON. Russia Power OOO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 139 dated 30.09.2010.
Consulting services contract between OGK-4 OAO and E.ON. Russia OOO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 139 dated 30.09.2010.
Agency Agreement between OGK-4 OAO and Center of Financial Settlement ZAO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 140 dated 20.10.2010.

Transaction	Interested Party	Governance body authorizing the decision
Capacity Agreements between OGK-4 OAO and TGK-5 OAO, TGK-9 OAO, TGK-14 OAO	L.A. Ketkin	Board of Directors, OGK-4, Minutes of Meeting No. 140 dated 20.10.2010.
Additional agreement No. 1 to Transportation services agreement No. IA-10-0265 dated May 11, 2010 between OGK-4 OAO and E.ON. Russia OOO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 140 dated 20.10.2010
Loan Agreement between OGK-4 OAO and E.ON AG	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 142 dated 25.11.2010.
Service Contract between OGK-4 OAO and TGK-9 OAO	L.A. Ketkin	Board of Directors, OGK-4, Minutes of Meeting No. 143 dated 02.12.2010.
Contract for quality control of power machinery fuel oil between OGK-4 OAO and TGK-9 OAO	L.A. Ketkin	Board of Directors, OGK-4, Minutes of Meeting No. 143 dated 02.12.2010.
Service Contract between OGK-4 OAO and TGK-9 OAO	L.A. Ketkin	Board of Directors, OGK-4, Minutes of Meeting No. 143 dated 02.12.2010.
Contract for Technical support and providing access to corporate information systems of E.ON Group E.ON. IS and OGK-4 OAO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 143 dated 02.12.2010.
Commercial property sublease agreement between OGK-4 OAO and E.ON. Russia Power OOO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 143 dated 02.12.2010.
Commercial property sublease agreement between OGK-4 OAO and E.ON. IS OOO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 143 dated 02.12.2010.
Commercial property sublease agreement between OGK-4 OAO and Representative office of E.ON. RuhrGas AG	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 143 dated 02.12.2010.
Commercial property sublease agreement between OAO OGK-4 OAO and E.ON. Russia OOO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 143 dated 02.12.2010.
Framework Agreement on credit accommodation and credit lines between E.ON AG and OGK-4 OAO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 144 dated 23.12.2010.
Sublease agreement between OGK-4 OAO and E.ON. RuhrGasGeologorazvedka I Dobycha Russia OOO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 144 dated 23.12.2010.
Additional Agreement to Framework Paid Service Contract No. IA-10-602 dated September 02, 2010, between E.ON New Build & Technology GmbH & OGK-4 OAO	E.ON Russia Holding GmbH	Board of Directors, OGK-4, Minutes of Meeting No. 144 dated 23.12.2010.