



MAJOR PERFORMANCE INDICES OF IDGC OF NORTH-WEST

**for quarter II, 2010
information bulletin**



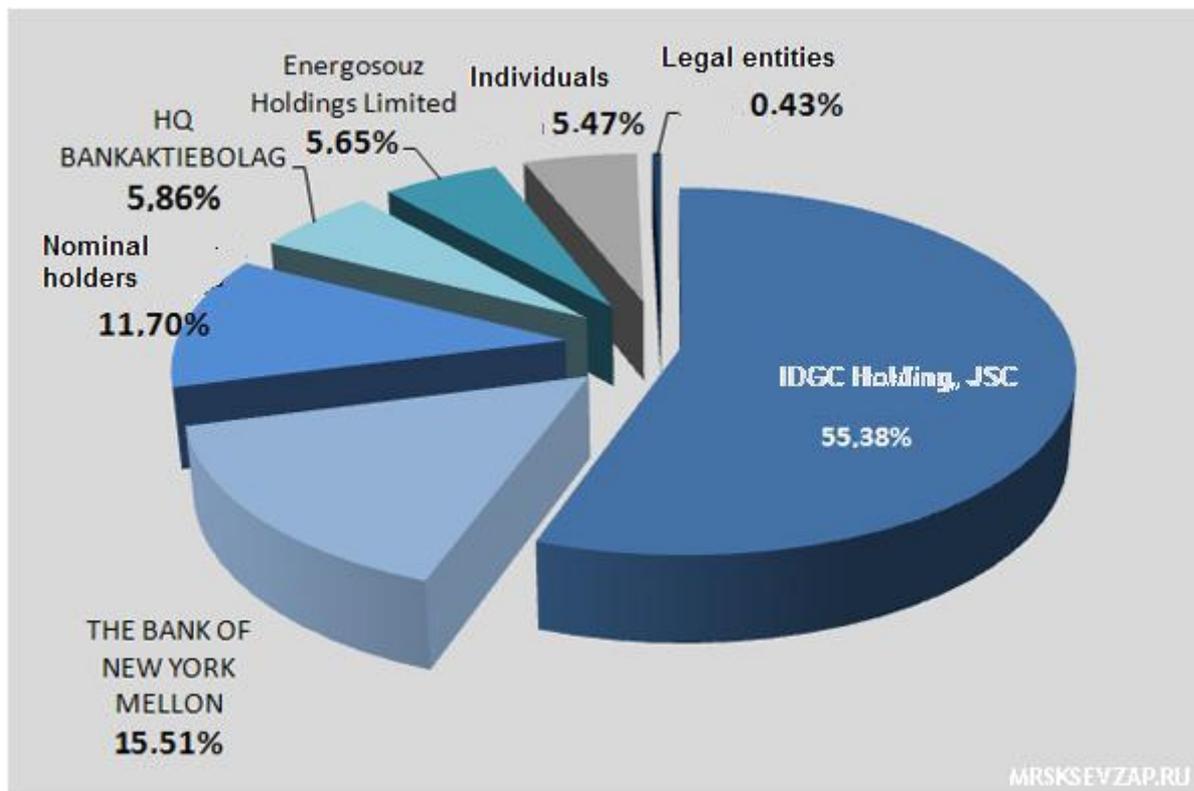
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JOINT-STOCK CAPITAL STRUCTURE

The Company's Joint-Stock Capital as at 30 June 2010 is RUR 9,578,592,313.





IDGC OF NORTH-WEST AT THE STOCK MARKET

Trading floor	Opening of trading	Code
JSC “RTS Stock Exchange” “Non-listed securities”	27.05.2008	Classical market – MRKZ, Stock exchange market – MRKZG
JSC “MICEX Stock Exchange” “B” list	29.05.2008	MRKZ

Market capitalization calculated based on the data of JSC “MICEX” as at 30.06.2010 was RUR 21,072,903,090

- Stock price at RTS
- Stock price at MICEX
- RTS Index Electric Power Industry
- MICEX Index Power Industry





RESOLUTIONS ADOPTED BY THE ANNUAL GENERAL MEETING OF SHAREHOLDERS ON 24 JUNE 2010

- To approve the Company's annual report following the year 2009 performance, annual accounting reports for 2009, including the Company's profit and loss statement.
- To approve the following distribution of the Company's profit (loss) for the 2009 financial year (RUR thousand):

Undistributed profit (loss) of the reporting period:	150,430
to distribute between:	
Reserve Fund	7,522
Production Development	142,908
Dividends	-
Repayment of the loss of past years	-

- Not to pay dividends per the Company's ordinary shares based on the performance of the year 2009.
- To elect the following membership of the Company's Board of Directors:
 1. Seppo Yuha Remes;
 2. Denis Viktorovich Kulikov;
 3. Tatyana Petrovna Dronova;
 4. Alexander Markovich Kukhmay;
 5. Vasily Ivanovich Sinyansky;
 6. Sergey Evgenievich Yurchuk;
 7. Evgely Vladimirovich Lukianov;
 8. Alexey Yurievich Perepelkin;
 9. Alexander Albertovich Popov;
 10. Alexey Valerievich Sannikov;
 11. Valery Mykhamedovich Shogenov.
- To elect the following membership of the Company's Internal Audit Commission:
 1. Irina Alexandrovna Filippova;
 2. Lyudmila Dmitrievna Kormushkina;
 3. Vladimir Nikolaevich Arkhipov;
 4. Izumrud Aligadzhievna Alimuradova;
 5. Maxim Mikhailovich Saukh.
- To approve CJSC "NP Consult" as the Company's Auditor.
- To approve the new version of the Company's Charter.



RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS

RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS ON

06.04.2010

- Program of Non-state Pension Coverage of the Company's Employees and Program of the Company's Insurance Coverage for 2010 were approved.
- Report on the Company's Management Board Work for quarter 4, 2009 was taken into consideration.

RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS ON

07.04.2010

- Company's Business Plan (including the investment program) for 2010 was approved.

RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS ON

06.05.2010

- It was resolved to convene the Company's annual General Meeting of Shareholders in the form of a meeting on 24 June 2010; the issues related to preparation for holding of the Company's annual General Shareholders Meeting were considered.

- Company's 2009 Annual Report was preliminarily approved. It was recommended to the Company's annual General Shareholders Meeting that they should approve the Company's 2009 Annual Report.

- Company's 2009 annual accounting reports were approved. It was recommended to the Company's annual General Shareholders Meeting that they should approve the following distribution of the Company's profit (loss) for the 2009 financial year (RUR thousand):

Undistributed profit (loss) of the reporting period:	150,430
to distribute between:	
Reserve Fund	7,522
Production Development	142,908
Dividends	-
Repayment of the loss of past years	-

- It was recommended to the Company's annual General Shareholders Meeting that they should adopt the following resolution: Not to pay dividends per the Company's ordinary shares based on the performance of the year 2009.
- Company's revised Charter was submitted to the annual General Meeting of Shareholders for approval.
- It was recommended to the Company's annual General Shareholders Meeting that they should approve CJSC "NP Consult" as the Company's auditor.
- Target values of annual and quarter key performance indicators of IDGC of North-West for 2010 were approved.
- Schedule of the Actions Aimed to Decrease Debts for Electric Power Transmission Services of IDGC of North-West was approved.



RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS

RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS ON 18.05.2010

- Report of IDGC of North-West's General Director based on the 2009 performance was taken into consideration: It was devoted to management by IDGC of North-West's subsidiaries, which carry out non-core business.
- Position of the Company's representatives was defined in respect of voting at the meetings of the boards of directors of IDGC of North-West's subsidiaries, in particular, on the following items:
 - approval of the reports on compliance with target key performance indicators and reports on performance of business plans of the subsidiaries and dependent entities ("SDE") for the 4th quarter of 2009 and the year 2009;
 - preliminary approval of distribution of SDE's profit (loss), amount of dividend per SDE's shares and procedure of their payment based on the results of the 2009 financial year, and recommendations to the annual general meetings of shareholders of SDE in respect thereof.
- Membership of the Personnel and Remuneration Committee under the Company's Board of Directors was changed.
- Completion by the Company of the transaction related to disposal of property, the goal of use of which is production, transmission, dispatching, distribution of electric and thermal power was approved: 503 units of movable and immovable assets of diesel power plants located in the Republic of Komi.

RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS ON 23.06.2010

- Report on work of the Company's Management Board for the 1st quarter of 2010 was taken into consideration.
- Annual Comprehensive Program of Purchases of IDGC of North-West for 2010 was approved.
- Resolution was passed to recommend candidates of the auditor for election at the annual General Meetings of Shareholders of IDGC of North-West's subsidiaries.
- The following documents were approved:
 - revised Regulations for the Audit Committee under the Board of Directors of IDGC of North-West;
 - Risk Management Policy of IDGC of North-West;
 - Internal Control Policy of IDGC of North-West.



MAIN FINANCIAL AND ECONOMIC INDICATORS

Indicator	Target of 2010, RUR thousand	H1 2010, RUR thousand	
		target	actual result
Sales earnings	26,467,870	13,394,467	13,462,516
EBITDA	2,347,435	1,300,536	1,929,368
Gross profit	960,235	661,475	1,190,063
Net profit (loss) for the period	-1,050,023	-383,656	186,983

The Company's total earnings target based on the results of H1 was exceeded by RUR 68,048 thousand, including owing to electric power transmission services - by RUR 25,553 thousand. The growth of the earnings obtained from electric power transmission services against the target was fixed in the following branches: "Novgorodenergo", "Karelenergo", "Arkhenegero", and "Pskovenergo". This is explained by actual increase in productive supply and change of its structure as regards the groups of consumers against the values stipulated by the Company's business plan.

The excess over the target as regards the earnings obtained from engineering connection services based on the performance for H1 2010 was RUR 39,174 thousand (the actual result was RUR 159,663 thousand). The target as regards the earnings obtained from engineering connection was exceeded on account of additional volumes of documented earnings in the branches "Karelenergo" and "Novgorodenergo".

The excess of actual incomes obtained from production and sale of energy generated by diesel power plants over the target in the amount of RUR 2,399 thousand (the actual result was RUR 240,412 thousand) was achieved due to exceeding of the target as regards the branch "Komienergo", which was actually registered in the 1st quarter on account of abnormal cold weather conditions of January-February 2010.

The earnings obtained from other products of main operations for H1 2010 were RUR 114,762 thousand against the target of RUR 115,504 thousand. These earnings were obtained in smaller amount due to reduction of payment for services of maintenance and repair of the grids belonging to the UNPG (Unified National Power Grid). This reduction was due to foundation by JSC "UES FGC" of its own divisions for performance of this activity and refusal from services of IDGC of North-West's branches.



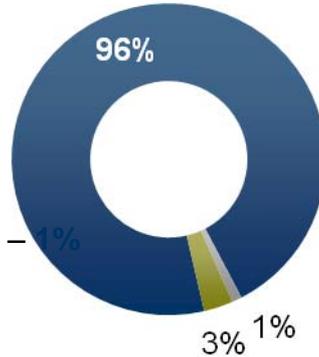
SERVICES EARNINGS STRUCTURE

2010 Target

Electric power transmission earnings – **96%**

Engineering connection earnings – **1%**

Other activity earnings – **3%**

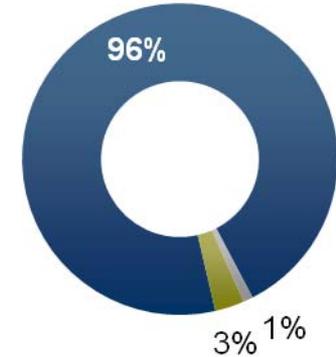


H1 2010 Actual performance

Electric power transmission earnings – **96%**

Engineering connection earnings – **1%**

Other activity earnings – **3%**



Earnings structure: regions

Arkhenergo – **14%**

Vologdaenergo – **19%**

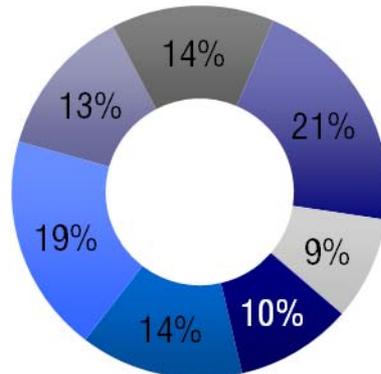
Karelenergo – **13%**

Kolenergo – **14%**

Komienergo – **21%**

Novgorodenergo – **9%**

Pskovenergo – **10%**



Arkhenergo – **14%**

Vologdaenergo – **17%**

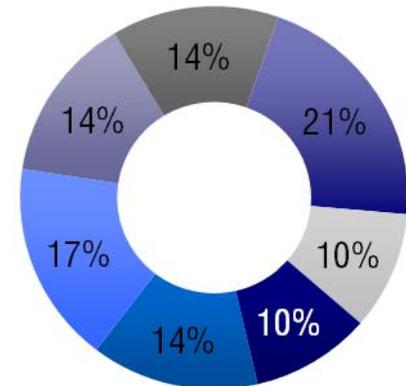
Karelenergo – **14%**

Kolenergo – **14%**

Komienergo – **21%**

Novgorodenergo – **10%**

Pskovenergo – **10%**





COST

Indicator	2010 target, RUR thousand	H1 2010, RUR thousand	
		target	actual result
Cost, total	25,507,63	12,732,992	12,272,452
Material costs	5,869,948	3,015,128	2,811,962
Purchased electric power for losses compensation	4,204,327	2,139,098	2,006,777
Purchased power for industrial and economic needs	329,339	202,946	196,609
Raw material and other materials	1,336,282	673,083	608,575
Industrial works and services	9,216,407	4,544,662	4,453,947
Services of JSC “UES FGC”	7,136,663	3,576,407	3,534,364
Services of TGEs (Territorial Grid Entities)	1,340,883	673,389	648,980
Services of electric power commercial accounting	103,532	51,726	53,077
Other industrial services	635,329	243,140	217,526
Labor remuneration costs	5,431,608	2,627,997	2,493,504
UST (Unified Social Tax)	1,278,499	681,135	635,074
Other costs	3,711,173	1,864,070	1,877,965

The total cost of the services rendered by the Company for H1 2010 equaled RUR 12,272,452 thousand against the target of RUR 12,732,992 thousand (the amount saved up is RUR 460,540 thousand or 3.6%). Expenses for rendering electric power transmission services equaled RUR 11,881,513 thousand or 96.8%.

The largest shares among main cost items are represented by payment for services of JSC “UES FGC” - the services of electric power transmission through the UNPG’s grids (29.7%), labor payment (together with the UST, which equals 25%), purchase of electric power for losses compensation (16.9%), and payment of TGEs’ services (5.5%).

The costs which do not depend on the Company’s performance amount to 52% of the total cost of electric power transmission services.



MAIN INDICATORS OF ELECTRIC POWER TRANSMISSION

Branch	2010 target			Target / actual results of H1 2010		
	Supply to the grid, million kWh	Transmission from the grid, million kWh	Total losses, %	Supply to the grid, million kWh	Transmission from the grid, million kWh	Total losses, %
Arkhenenergo	3,957	3,446	12.9	2,080/2,100	1,811/1,847	13.0/12.0
Vologdaenergo	8,602	8,150	5.3	4,261/4,477	4,024/4,252	5.6/5.0
Karelenergo	7,151	6,768	5.4	3,626/3,836	3,423/3,644	5.6/5.0
Kolenergo	10,983	10,568	3.8	5,592/5,712	5,370/5,523	4.0/3.3
Komienergo	6,058	5,420	10.5	3,095/2,970	2,780/2,669	10.2/10.2
Novgorodenergo	3,534	3,175	10.2	1,771/1,888	1,580/1,682	10.8/10.9
Pskovenergo	1,899	1,630	14.2	970/975	844/848	13.0/13.0
IDGC of North-West	42,184	39,157	7.2	21,395/21,958	19,832/20,465	7.3/6.8



SUMMARIZED PARAMETERS OF THE INVESTMENT ACTIVITY

Spending of capital investments

Indicator	2010 target, RUR thousand	H1 2010, RUR thousand	
		target	actual performance
Investments, total	2,338,573	739,680	755,108
Re-equipment and reconstruction	1,740,371	571,699	600,359
New construction and expansion of running facilities	593,976	164,316	142,381
Purchase of fixed assets	4,226	3,664	12,336

Putting of fixed assets into operation

Putting of fixed assets into operation	2,248,247	470,585	617,675
Re-equipment and reconstruction	1,681,082	391,855	521,302
New construction and expansion of running facilities	561,975	74,101	83,331
Purchase of fixed assets	5,191	4,629	12,970

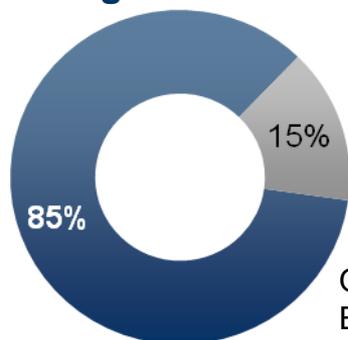
Putting of capacity into operation

	km/MVA	km/MVA	km/MVA
Putting of capacity into operation, total	456.39 / 205.46	104.92 / 51.77	245.77 / 76.83
Re-equipment and reconstruction	339.83 / 171.06	53.42 / 46.52	107.49 / 51.63
New construction and expansion of running facilities	115.00 / 33.59	49.9 / 4.45	71.30 / 7.79
Purchase of fixed assets	1.56 / 0.80	1.56 / 0.8	66.98 / 17.41



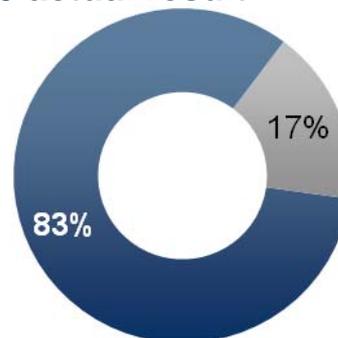
SUMMARIZED PARAMETERS OF THE INVESTMENT ACTIVITY AS REGARDS FINANCING SOURCES

2010 target



Own sources – **85%**
External sources – **15%**

H1 2010 actual result



Own sources – **83%**
External sources – **17%**

All the planned goals and investment tasks designated by IDGC of North-West's Investment Program for the 2nd quarter of 2010 have been met:

✓actual amount of money spent for investments is 755,108 thousand (102%) against the target of capital investments in the amount of RUR 739,680 thousand.

✓target of putting of fixed assets into operation was RUR 470,585 thousand. Fixed assets were actually put into operation for RUR 617,675 thousand, or 131%.

✓target of putting of capacity into operation was 104.92 km and 51.77 MVA; Power transmission lines of 245.77 km in length and 76.83 MVA of transformer capacity were actually put into operation.

The targets of capital investments spending and putting of fixed capital into operation were exceeded owing to performance of works of engineering connection of consumers and performance of works by several contractors ahead of schedule.

The investment program is financed by the Company at the expense of their own funds and raised funds; capital investments are first of all financed by the accrued depreciation, as well as by payment for engineering connection and borrowings. Own sources in the amount of RUR 625,196 thousand were used for capital investments implementation in H1 2010; the external sources equaled RUR 129,912 thousand.



IMPLEMENTED PROJECTS

IDGC of North-West's branch "Vologdaenergo" completed the second stage of reconstruction of "Centralnaya" 110/6 kV Substation.

The object is located in the center of the city of Vologda and delivers electric power to the social sphere, dwelling facilities, industrial enterprises, including feeding of traction substations of trolleybus lines.

The project of reconstruction provided for replacement of old transformers of 16 and 20 MVA capacity by new ones of 40 MVA capacity each, and replacement of overage equipment (the substation was put into operation in 1974) by modern highly technological equipment, which will allow for lowering expenses for exploitation, increase transmission capacity of the grid, improve the grid reliability of the object considerably. The first stage of reconstruction was completed in 2008; putting of capacity into operation was 40 MVA.

Expenses for realization of the second stage of reconstruction were RUR 187.9 million, putting of capacity was 40 MVA.

IDGC of North-West's branch "Komienergo" completed reconstruction of 110 kV Power Line №177 "Mikun-Edva" (the site "Vezhaika-Vozhskaya"), following which wooden supports were replaced by steel many-sided supports PM-110-1, the existing wire AS-120 was assembled at new supports with installation of new armature and polymeric isolating suspension brackets and the lightning guard and grounding device at the site of the line of 24.1 km in length.

Design and exploration works and reconstruction of 10-km site of the 110 kV line were performed in respect of this facility in 2009.

The population living in the territory supplied with electricity transmitted by 110 kV Power Line №177 is 35 thousand people.

Fixed assets were put into operation for RUR 60.374 million.



CLIENT SERVICE CENTERS

- **16.06.2008** Order №71r of IDGC of North-West “On Approval of Documents” approved and put into effect the “Rules of the Procedure for Registration and Consideration of Complaints (Addresses) of Consumers”, which define the uniform and obligatory procedure of receipt, registration of consideration of addresses by individuals and legal entities as regards the issues within the business sphere of IDGC of North-West, and control over their solution and development of corrective actions.
- **16.06.2008** Order №71r of IDGC of North-West “On Approval of the Documents Regulating Actions of Servicing Arrangement” adopted and approved the “Rules of Employees’ Conduct during Internal, Correspondence and Interactive Servicing”, which define requirements to appearance of CSCs’ (Client Service Centers) employees and general principles of business etiquette during internal servicing and uniform rules of business etiquette during telephone conversations and business correspondence;
- **18.07.2008** the Board of Directors approved the “Standard of Clients Servicing of IDGC of North-West”, which establishes general requirements to client servicing, including rules and description of internal and correspondence servicing, and defines peculiarities of work with consumers during realization of different kinds of activity.
- **25.12.2008** “Regulations for Additional Paid Services” were approved and put into effect.

There are 23 CSCs in IDGC of North-West’s branches as at the beginning of July 2010. They employ 71 people; besides 95 specialists responsible for arrangement of work with clients perform the functions of the client service centers in industrial divisions.

The procedure of engineering connection became the leading topic in addresses to the CSCs. Around 43% of more than 74 thousand of addresses received by the Company’s client service centers in H1 2010 were devoted to this subject. The additional paid services rendered by the branches through CSCs include maintenance and repair of electric power installations of consumers, maintenance of the grids of street lighting, transportation services, replacement of accounting devices. The branches rendered 9,306 paid services for the amount of RUR 38.8 million through their CSCs in H1 2010. The list of additional paid services is placed at the CSCs and in the websites of the branches in the section “Clients” for consumers’ convenience.



EFFECTIVE TARIFFS FOR ENGINEERING CONNECTION AS REGARDS THE COMPANY'S BRANCHES

U, kV	Connected capacity	Arkhenenergo	Karelenenergo	Kolenergo	Komienergo		
					Municipal Entity of City District "Syktyvkar"	Municipal Entity of City District "Ukhta"	The rest of the territory of the Republic of Komi
0.4-1 kV	up to 30 kW* inclusive	14,095.79	8,494	individually	15,239.66	6,694.43	6,178.97
	from 30 to 100 kW inclusive	14,046.02	8,604	individually	15,239.66	6,694.43	6,178.97
6 kV and above**	up to 100 kW inclusive	10,706.32	12,023	individually	15,239.66	6,694.43	6,178.97
	from 100 to 750 kW inclusive	10,617.86	12,280	individually	16,536.99	11,155.90	8,360.32
	over 750 kW	individually	individually	individually		individually	

* Amount of payment for engineering connection of power receiving devices, the maximal capacity of which does not exceed 15 kW inclusive, is established based on the cost of the actions for engineering connection in the amount of no more than RUR 550, VAT included.

** Amount of payment for engineering connection of capacity on the level of 35 kV voltage and above is calculated individually for each applicant.



EFFECTIVE TARIFFS FOR ENGINEERING CONNECTION AS REGARDS THE COMPANY'S BRANCHES

		Pskovenergo			
U, kV	Connected capacity	Municipal entities: "City of Pskov", "City of Velikie Luki"		The rest of the territory of the Pskov Area	
		3 rd category of electric power supply reliability	2 nd category of electric power supply reliability	3 rd category of electric power supply reliability	2 nd category of electric power supply reliability
below 35 kV	from 15.1 kW to 750 kW inclusive*	10,845	15,826	4,785	7,414
35 kV and above	over 750 kW	individually	individually	individually	Individually

*Amount of payment for engineering connection of power receiving devices, the maximal capacity of which does not exceed 15 kW inclusive, is established based on the cost of the actions for engineering connection in the amount of no more than RUR 550, VAT included.



EFFECTIVE TARIFFS FOR ENGINEERING CONNECTION AS REGARDS THE COMPANY'S BRANCHES

U, kV	Connected capacity	Vologdaenergo
0.4-1 kV	no greater than 15 kW *	550 (VTA included)
6 kV and above**	from 15 to 100 kW inclusive *	3,004
	from 100 to 650 kW inclusive	3,655
	over 650 kW and connection of generating sets	individually

*Applicants with the maximum capacity of up to 15 kW inclusive (taking into account the capacity, which was earlier connected in this connection point) provided that the distance from the borders of the applicant's site to the electric grid objects of the voltage class, which is necessary for the applicant, does not exceed 300 meters in the cities and city-type settlements and 500 meters in the rural area.

** Amount of payment for engineering connection of capacity on the level of 35 kV voltage and above is calculated individually for each applicant.

U, kV	Connected capacity	Novgorodenergo
0.4-1 kV	from 15 to 30 kW inclusive*	928
	from 30 to 100 kW inclusive	568
0,4-10 kV	up to 100 kW inclusive*	13,244 is the rate of payment, which includes the investment component
6-10 kV	from 30 to 100 kW inclusive	527
	over 100 up to 637.5 kW inclusive	249
	over 750 kW	individually**

* Amount of payment for engineering connection of power receiving devices, the maximal capacity of which does not exceed 15 kW inclusive, is established based on the cost of the actions for engineering connection in the amount of no more than RUR 550, VAT included.

** Amount of payment for engineering connection of capacity on the level of 35 kV voltage and above is calculated individually for each applicant.