

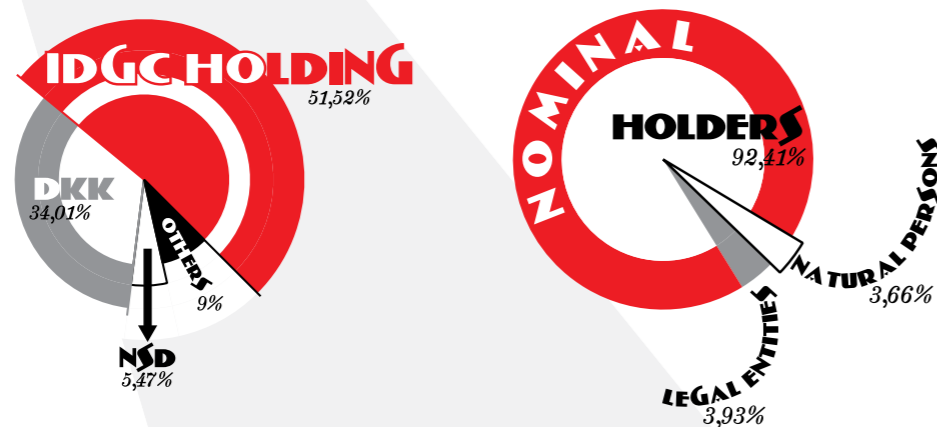
## 7.1. SHAREHOLDER EQUITY

The Charter capital of IDGC of Urals, OAO has not changed during 2010. As of 31.12.2010 it totaled RUR 8 743 048 571.1. The Charter capital is represented by 87 430 485 711 common shares with the nominal value of RUR 0.1 per each.

Shares	Quantity	Nominal value (RUR)
Outstanding common shares	87 430 485 711	0,1
Declared common shares	2 475 713 367	0,1

The overall number of accounts belonging to the shareholders and nominal holders registered in the Company's register, as of 01.01.2010, totaled 17 904 accounts, as of 01.01.2011 – 17 392 accounts.

The structure of the shareholder equity as of 31.12.2010 is as follows:



The largest holder of the Company's shares is IDGC Holding, OAO (nominal holder – Depositary and Corporate Technologies, OOO). It owns the controlling stock of the voting shares (51.52% of the charter capital). Large stocks are owned by the following nominal shareholders: Depositary Clearing Company, ZAO (34.01%), National Settlement Depository, NKO ZAO (5.47%).

Holder*	Number of common shares	% of overall shares
Depositary and Corporate Technologies, OOO (Nominal holder)	45 041 557 954	51,52%
Depositary Clearing Company, ZAO (Nominal holder)	29 739 058 453	34,01%
National Settlement Depository, NKO ZAO (Nominal holder)	4 781 440 735	5,47%

\* Registrar data

### CROSSHOLDING

According to the data from the Company's register Privatenergostrakh, ZAO (IDGC of Urals owns 19 974 common shares or 99.87% of its charter capital) is the owner of 84 743 IDGCU's common shares (or 0.0000969% of our charter capital).

## 7.2. THE COMPANY AND THE STOCK MARKET

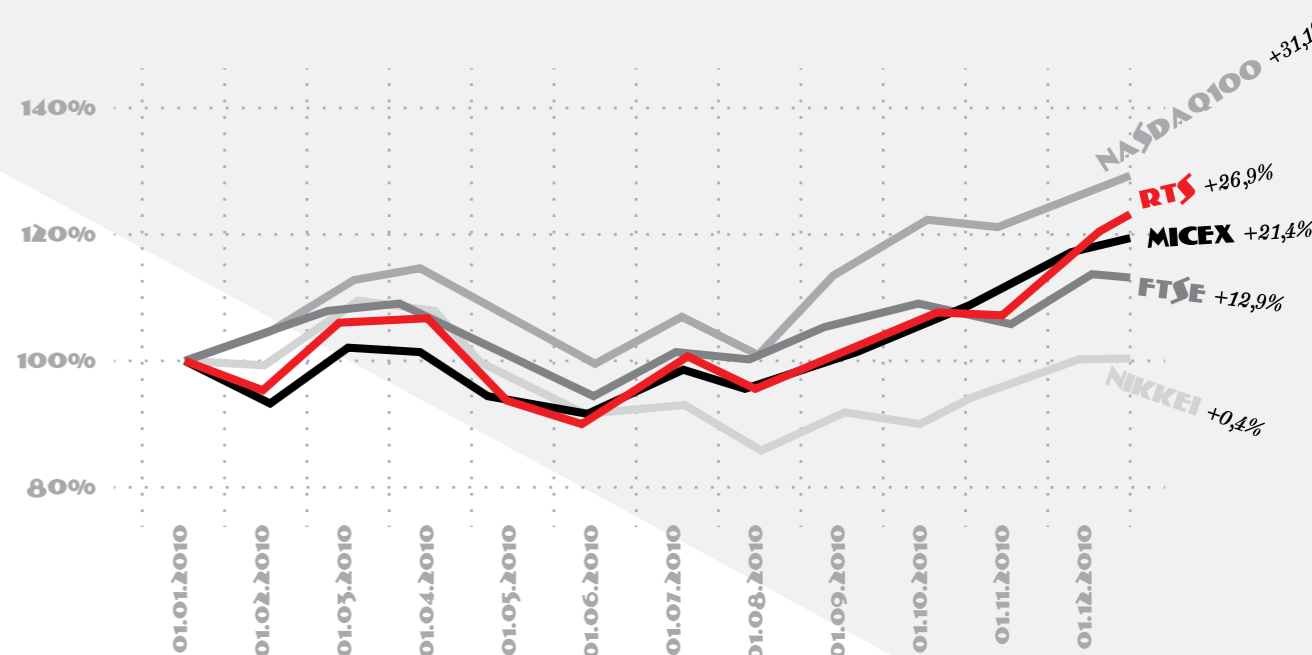
At present our common shares are traded on MICEX (Quotation List B) and in RTS (Stock admitted for trading without listing).

Exchange	Russian Trading System (RTS), OAO	Moscow Interbank Currency Exchange (MICEX), ZAO
Ticker	MRKU (classic market) MRKUG (exchanging market)	MRKU
Trading volume*	RUR 27 960 894.91	RUR 1 105 827 792.91
Capitalization as of 31.12.2010	RUR 29 376 643 198.9	RUR 29 402 872 344.6
Share price as of 31.12.2010	RUR 0.336	RUR 0.3362

\* RTS and MICEX data.

In 2010 the trends on the Russian stock market were determined by both domestic factors and investor expectations regarding post-crisis recovery of the global economy. 1Q 2010 was positive for the market: the rally of 2009 rolled on into the spring of 2010. During the second quarter a range of European countries (Greece, Portugal, Ireland and Spain) transpired to be in financial hardship. The moods of international investors changed for the worse, they began to sell risky assets which also included Russian stocks. In 3Q 2010 the capital markets rallied because the US Federal Reserve System announced new monetary injections weakening US dollar. Investors began to sell dollars and buy shares and primary commodities. Another firm driver for growth was strong quarterly financial statements disclosed by American enterprises. Fairly high oil prices were additional positive factor for oil-dependent Russian stock market.

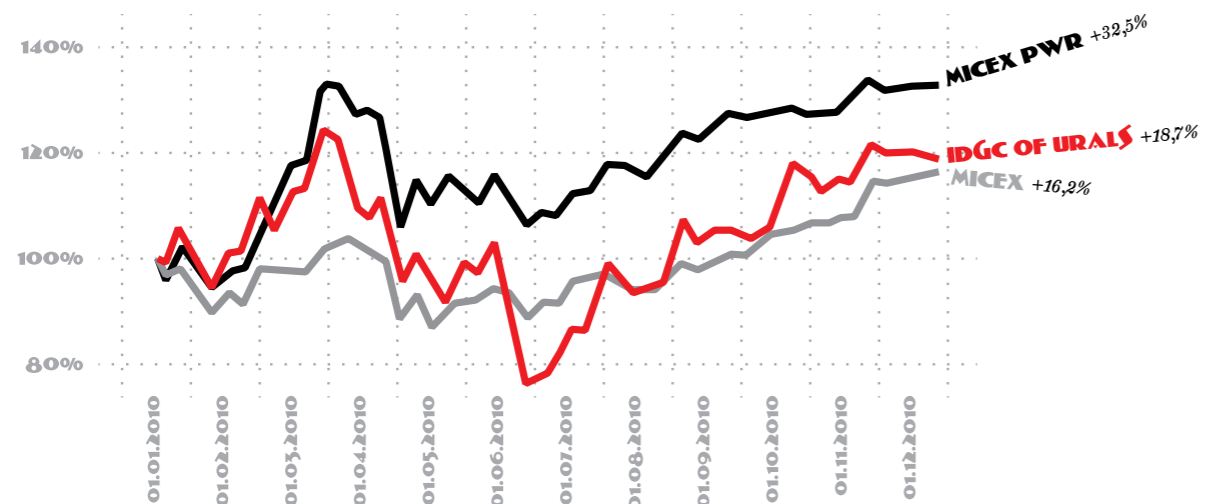
Foreign and Russian stock indices (FTSE, NASDAQ, NIKKEI, MICEX and RTS) in dynamics during January-December, 2010 (exchange data).



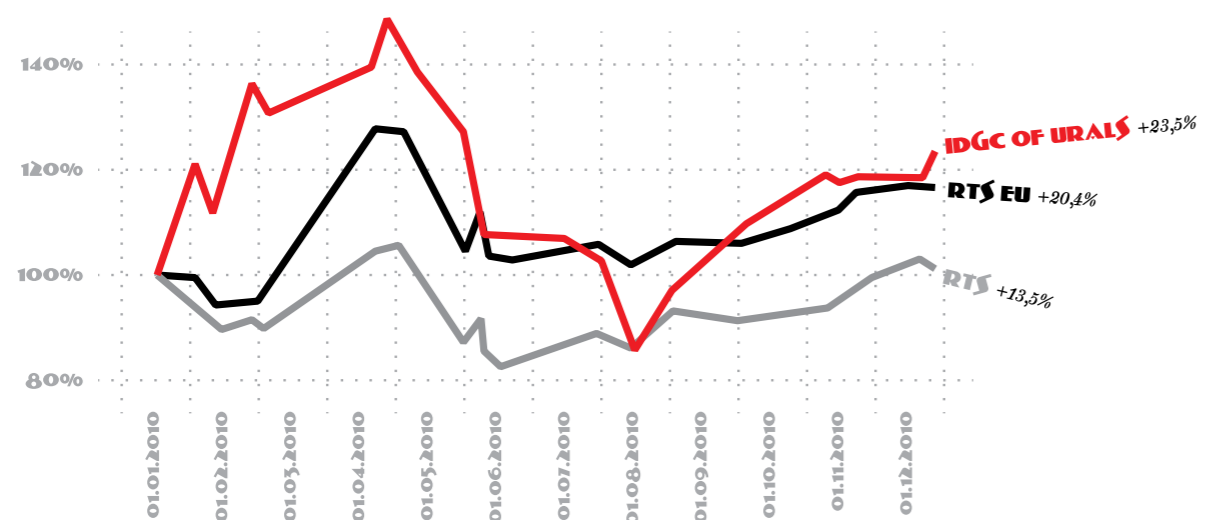
During the reported period IDGCU's quotes moved in opposite directions and generally echoed key trends of the Russian stock indices. During 1Q 2010 our shares grew in tandem with the market. However, in 2Q 2010 the quotes began to subside due to overall meltdown and the news negative for energy sector - government plans to suppress tariffs, information on failures in transition to RAB tariffs, etc. During 3Q and 4Q 2010 the energy sector quotes improved. Continuation of transition to RAB tariffs as well as market expectations regarding FST resolutions on RAB parameters also played a pivotal role.

According to the data provided by the exchanges, as of December 31, 2010, the trading volume in Russian Trading System, since the start of the year, totaled RUR 28.0 mln. In quantitative terms the trading volume totaled 90.7 mln. shares. On Moscow Interbank Currency Exchange the volume totaled RUR 1 105.8 mln., in quantitative terms - 3 701.0 mln. shares. Our MICEX capitalization, as of 31.12.2010, totaled RUR 29.4 bln.

Our shares and MICEX/ MICEX-Power in dynamics during 2010.



Our shares and RTS/ RTSeu in dynamics during 2010.



**DIVIDEND POLICY**

The dividend policy of IDGC of Urals, OAO is based on the balance of interest between the Company and shareholders at the determination of the dividend amount as well as respect and strict adherence to the observation of shareholder rights stipulated by the Russian legislation, the Charter and our internal documents. It is aimed at increasing our investment attractiveness and market capitalization. According to the approved policy principles dividends are distributed from the net profit (without revaluation of financial investments) following its distribution to obligatory reserves, investment program as well as clearing off of the operating losses shown in previous years. Besides, there are the following new approved conditions which are obligatory for fulfillment while deciding on the dividend payout:

- Presence of the net profit without revaluation of financial investments;
- Debt/EBITDA ratio as of the year end should not exceed 3;
- Achievement of the set reliability and service quality indicators.

To view the Regulations on the Company's dividend policy (BoD Protocol #73 dd. 03.09.2010), please, visit our corporate web-site at: <http://www.mrsk-ural.ru/en/374> (Section Internal Documents). On June 25, 2010 the AGSM decided not to pay 2009 dividends. According to the resolution net profit, equaling RUR 1 053 267 thous., was distributed as follows: profit for further enterprise development – RUR 1 000 714 thous., reserve fund – RUR 52 553 thous. As of 2010 dividends will presumably total RUR 245 550 thous. The amount of dividend per share is RUR 0.0028.



Our operation and maintenance personnel, the end of 1960-s