

The explanatory note to the issue:

On determining the number, nominal value and category (type) of authorized shares and the rights granted by these shares.

In accordance with the Federal Law of 13.12.2010 № 357-FL "On the Federal Budget for 2011 and the planning period of 2012 and 2013" (hereinafter - the Law on the Federal Budget) in 2011, expected to result in the share capital of JSC IDGC Holding from the federal budget in order to implement the program of renovation of the cable network voltage of 6 - 110 kV in the city of St. Petersburg. Amount of the proposed financing of the program from the federal budget directed to the share capital of JSC IDGC Holding in 2011 is 2 000 000,0 thou RUB.

According to Art. 28 of the Federal Law dated 26.12.1995 № 208-FL "On Joint Stock Companies", additional shares may be placed by Company only in number of shares established by the charter of company. The current edition of the Charter does not contain a provision (paragraph 4.2. Charter) of authorized shares in an amount sufficient to make a decision by the Extraordinary General meeting of shareholders to place additional shares based on total emissions.

The decision of the issue on determining the number, nominal value and category (type) of shares and rights granted by such shares, is assigned to the general meeting of shareholders.

Proposed to define the maximum amount of ordinary shares of JSC Lenenergo not less than amount required to make by JSC IDGC Holding in the payment of the authorized capital of JSC Lenenergo cash in the amount of 2,000,000,000 (two billion), while keeping the proportion of JSC IDGC Holding in the amount of ordinary shares of JSC Lenenergo. Due to current market price, taking into account the above purposes, it is the best definition of the number of authorized shares in the amount of 2,000,000,000 (two billion).

To the General Meeting of Shareholders of JSC Lenenergo is suggested to take a decision on the determination of the number, par value, category (type) of shares of JSC Lenenergo and the rights granted by these shares.

The explanatory note to the issue:

On introducing of amendments and supplements to the Charter of the Company.

According to Art. 27 of FL "On Joint Stock Companies", the Company may place additional shares, but under the condition that in the Charter of the Company shall be determined the number, par value, category (type) of shares, which the company has the right to place in addition to the placed shares (authorized shares).

The current edition of the Charter does not contain a provision (paragraph 4.2. of the Charter) of authorized shares in an amount sufficient to make a decision by the Extraordinary General Meeting of shareholders to place additional shares based on total emissions.

In this regard, it is necessary decision of the extraordinary general meeting of shareholders to determine the number of authorized shares of the Company and approval of amendments and supplements to the Charter of the Company relating to the provisions of authorized shares in sufficient quantity to accommodate.

Introducing amendments and supplements to the Charter of the Company applies to the general meeting of shareholders (Article 48 of FL "On Joint Stock Companies", paragraph 10.2 Art. 10 of the Charter of the Company).

**The explanatory note to the issue:
On increasing the authorized capital of JSC Lenenergo by placement of additional shares.**

For the implementation of additional shares of JSC Lenenergo, it is necessary to make decision by the general meeting of shareholders to increase the authorized capital by issuing additional shares.

In accordance with Art. 28 FL "On Joint Stock Companies", the decision to increase the share capital by issuing additional shares shall determine the number of additional ordinary shares to be placed within the number of authorized shares, the method of placement, price of the additional shares distributed by subscription or the procedure of its determination, including offering price or the procedure for determining the price of additional shares to the persons having the preemptive right to purchase the shares, the form of payment for additional shares issued by subscription, and can also determine other placement.

As a form of payment for additional shares proposed to provide cash payments in Russian rubles in non-cash by transferring to the account of JSC Lenenergo as well as non-monetary assets (property) - transmission facilities involved in the energy supply subscribers in St. Petersburg and Leningrad region.

In accordance with paragraph 6.1.16 of Standards of securities and registration of the Prospectus, approved by order of 25.01.2007 № 07-4/pz-n, in the case of payment for additional shares in kind, the decision on the placement of these securities must include:

a list of property that securities can be paid;

last name, first name appraiser (s), name and location of the self-regulatory organization of appraisers, of which he is, or the name of the legal entity (entities) that signed an employment contract with the appraiser (s) who is engaged to determine the market value of the property, which may be paid for securities when engaging an appraiser to determine the market value of such property is mandatory in accordance with the requirements of federal law.

Involvement of independent appraiser to determine the market value of the property as payment for shares, provided for in paragraph 3 of Article 34 FL "On Joint Stock Companies". In this case, the monetary valuation of the property determined by the Board of Directors (Supervisory Board) of the Company cannot be higher than the valuation made by the appraiser.

In determining the number of additional shares in JSC Lenenergo is encouraged to consider the following conditions:

- The amount of money to be transferred by JSC IDGC Holding to the authorized capital of JSC Lenenergo - no more than 2 billion rubles;

- Method of placement of shares - public offering;

- Percentage of ordinary shares of JSC Lenenergo owned by JSC IDGC Holding must be maintained;

- The price of placement (including those included in the list of persons having the right to purchase additional shares) of one additional share is determined based on the weighted average price of transactions involving ordinary shares of JSC Lenenergo committed in the auction CJSC MICEX Stock Exchange for three-month period prior to the meeting of the Board of Directors of JSC Lenenergo, the agenda of which included the issue of determining the offering price of additional shares in JSC Lenenergo.

The placement price (including those included in the list of persons having the right to purchase additional shares) of one additional share - 14 (fourteen) rubles 56 (fifty six) kopecks;

The price is determined on the basis of the weighted average price of transactions involving ordinary shares of JSC Lenenergo committed in the auction CJSC MICEX Stock Exchange during the period from 08/07/2011 to 07/10/2011 (inclusive).

Number of the additional ordinary shares - 273,023,689 (two hundred seventy-three million twenty-three thousand six hundred eighty-nine) shares with a nominal value of 1 (one) each for a total amount of shares at par value 273,023,689 (two hundred seventy-three million twenty-three thousand six hundred eighty nine).

Placement of the additional ordinary shares of the number of placed ordinary shares in JSC Lenenergo is 29.48%.